BeiGene

BeiGene, Ltd.

(incorporated in the Cayman Islands with limited liability
and trading as "百濟神州" or "百濟神州有限公司")

Stock Code : 6160

Global Offering

JOINT SPONSORS, JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

Morgan Stanley

Goldman Sachs

JOINT GLOBAL COORDINATORS, JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS

CREDIT SUISSE

CLSA A CITIC Securities Company

JOINT BOOKRUNNERS AND JOINT LEAD MANAGERS
(IN ALPHABETICAL ORDER)

CICC 中金香港证券

Deutsche Bank

UBS

JOINT LEAD MANAGER

China Renaissance

IMPORTANT

If you are in any doubt about any of the contents of this prospectus, you should obtain independent professional advice.

BeiGene

BeiGene, Ltd.

(incorporated in the Cayman Islands with limited liability
and trading as "百濟神州" or "百濟神州有限公司")

GLOBAL OFFERING

Number of Offer Shares under the Global Offering	**:**	**65,600,000 Shares (subject to the Over-allotment Option)**
Number of Hong Kong Offer Shares	**:**	**5,904,000 Shares (subject to reallocation)**
Number of International Placing Shares	**:**	**59,696,000 Shares (subject to reallocation and the Over-allotment Option)**
Maximum Offer Price (subject to a Downward Offer Price Adjustment)	**:**	**HK$111.60 per Offer Share plus brokerage of 1%, SFC transaction levy of 0.0027% and the Stock Exchange trading fee of 0.005% (payable in full on application in Hong Kong dollars subject to refund)** ***(If the Offer Price is set at 10% below the bottom end of the indicative Offer Price after making a Downward Offer Price Adjustment, the Offer Price will be HK$85.00 per Hong Kong Offer Share)***
Nominal value	**:**	**US$0.0001 per Share**
Stock code	**:**	**6160**

Joint Sponsors, Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

Morgan Stanley

Goldman Sachs

Joint Global Coordinators, Joint Bookrunners and Joint Lead Managers

CREDIT SUISSE

CLSA A CITIC Securities Company

Joint Bookrunners and Joint Lead Managers
(in alphabetical order)

CICC 中金香港证券

Deutsche Bank

UBS

Joint Lead Manager

China Renaissance

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

A copy of this prospectus, having attached thereto the documents specified in the section headed "Documents Delivered to the Registrar of Companies" in Appendix V, has been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility for the contents of this prospectus or any other document referred to above.

The Offer Price is expected to be determined by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and the Company on the Price Determination Date. The Price Determination Date is expected to be on or around August 2, 2018 and, in any event, not later than August 7, 2018. The Offer Price will be not more than HK$111.60 and is currently expected to be not less than HK$94.40, unless otherwise announced. If, for any reason, the Offer Price is not agreed by August 7, 2018 between the Joint Global Coordinators (on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Joint Global Coordinators (on behalf of the Underwriters) may, with the Company's consent, reduce the number of Offer Shares being offered under the Global Offering and/or the indicative Offer Price range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, an announcement will be published in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) and on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.beigene.com not later than the morning of the day which is the last day for lodging applications under the Hong Kong Public Offering.

Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this prospectus, including the risk factors set out in the section headed "Risk Factors" in this prospectus. The obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement to subscribe for, and to procure subscribers for, the Hong Kong Offer Shares, are subject to termination by the Joint Global Coordinators (on behalf of the Underwriters) if certain events shall occur prior to 8:00 a.m. on the Listing Date. Such grounds are set out in the section headed "Underwriting" in this prospectus. It is important that you refer to that section for further details.

The ADSs of the Company, each of which represents 13 ordinary shares, are listed for trading on the Nasdaq under the symbol "BGNE." The last reported sale price of the ADSs on the Nasdaq on July 25, 2018 was US$176.11 per ADS. Concurrently with the Global Offering, the Company plans to file a prospectus supplement with the SEC to register the sale of up to 75,440,000 Shares under the U.S. Securities Act.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

July 30, 2018

EXPECTED TIMETABLE[1]

Hong Kong Public Offering commences and **WHITE** and **YELLOW** Application Forms available from	9:00 a.m. on Monday, July 30, 2018
Latest time for completing electronic applications under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** [2]	11:30 a.m. on Thursday, August 2, 2018
Application lists open[3]	11:45 a.m. on Thursday, August 2, 2018
Latest time for (a) lodging **WHITE** and **YELLOW** Application Forms, (b) completing payment for **White Form eIPO** applications by effecting internet banking transfer(s) or PPS payment transfer(s) and (c) giving **electronic application instructions** to HKSCC	12:00 noon on Thursday, August 2, 2018
Application lists close[3]	12:00 noon on Thursday, August 2, 2018
Expected Price Determination Date	Thursday, August 2, 2018
Where applicable, announcement of the Offer Price being set below the bottom end of the indicative Offer Price range after making a Downward Offer Price Adjustment (see the section headed "Structure of the Global Offering — Determining the Offer Price" on the website of the Company and the Stock Exchange at **www.beigene.com** and **www.hkexnews.hk** on or before	Tuesday, August 7, 2018
(1) Announcement of the Offer Price, the level of indications of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocations of the Hong Kong Offer Shares to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on or before	Tuesday, August 7, 2018
(2) Results of allocations in the Hong Kong Public Offering to be available through a variety of channels as described in "*How to Apply for Hong Kong Offer Shares — Publication of Results*" from	Tuesday, August 7, 2018
(3) Announcement containing (1) and (2) above to be published on the websites of the Company and the Stock Exchange at **www.beigene.com** and **www.hkexnews.hk** from	Tuesday, August 7, 2018

Results of allocations in the Public Offer will be available at www.iporesults.com.hk (alternatively: English https://www.eipo.com.hk/en/Allotment; Chinese https://www.eipo.com.hk/zh-hk/Allotment) with a "search by ID" function from	Tuesday, August 7, 2018
Despatch of Share certificates and White Form e-Refund payment instructions/refund cheques on or before[4]	Tuesday, August 7, 2018
Dealings in the Shares on the Stock Exchange expected to commence on	Wednesday, August 8, 2018

Notes:

(1) All dates and times refer to Hong Kong dates and times.

(2) You will not be permitted to submit your application under the **White Form eIPO** service through the designated website at **www.eipo.com.hk** after 11:30 a.m. on the last day for submitting applications. If you have already submitted your application and obtained a payment reference number from the designated website prior to 11:30 a.m., you will be permitted to continue the application process (by completing payment of the application monies) until 12:00 noon on the last day for submitting applications, when the application lists close.

(3) If there is a "black" rainstorm warning signal or a tropical cyclone warning signal number 8 or above in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, August 2, 2018, the application lists will not open and close on that day. See "*How to Apply for Hong Kong Offer Shares*".

(4) The Share certificates will only become valid at 8:00 a.m. on the Listing Date, which is expected to be Wednesday, August 8, 2018, provided that the Global Offering has become unconditional in all respects at or before that time. Investors who trade Shares on the basis of publicly available allocation details or prior to the receipt of the Share certificates or prior to the Share certificates becoming valid do so entirely at their own risk.

For details of the structure of the Global Offering, including its conditions, and the procedures for applications for Hong Kong Offer Shares, see "*Structure of the Global Offering*" and "*How to Apply for Hong Kong Offer Shares*", respectively.

If the Global Offering does not become unconditional or is terminated in accordance with its terms, the Global Offering will not proceed. In such a case, the Company will make an announcement as soon as practicable thereafter.

CONTENTS

IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

This prospectus is issued by the Company solely in connection with the Hong Kong Public Offering and the Hong Kong Offer Shares and does not constitute an offer to sell or a solicitation of an offer to buy any security other than the Hong Kong Offer Shares offered by this prospectus pursuant to the Hong Kong Public Offering. This prospectus may not be used for the purpose of making, and does not constitute, an offer or invitation in any other jurisdiction or in any other circumstances. No action has been taken to permit a public offering of the Hong Kong Offer Shares in any jurisdiction other than Hong Kong and no action has been taken to permit the distribution of this prospectus in any jurisdiction other than Hong Kong. The distribution of this prospectus for purposes of a public offering and the offering and sale of the Hong Kong Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom. This prospectus shall not be used to make offers to sell any ordinary shares or ADSs to U.S. persons (as defined in Regulation S under the U.S. Securities Act).

You should rely only on the information contained in this prospectus and the Application Forms to make your investment decision. The Hong Kong Public Offering is made solely on the basis of the information contained and the representations made in this prospectus. We have not authorised anyone to provide you with information that is different from what is contained in this prospectus. Any information or representation not contained nor made in this prospectus and the Application Forms must not be relied on by you as having been authorised by the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, any of the Underwriters, any of their respective directors, officers, employees, agents or representatives of any of them or any other parties involved in the Global Offering.

CONTENTS

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. As this is a summary, it does not contain all the information that may be important to you. You should read the entire document before you decide to invest in the Offer Shares. ***In particular, we are a biotechnology company seeking to list on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.*** *There are unique challenges, risks and uncertainties associated with investing in companies such as ours. In addition, we have incurred significant operating losses since our inception, and we expect to remain loss making in the near term. We had negative net cash flow from operating activities for certain periods during the Track Record Period. We did not declare or pay any dividends during the Track Record Period and do not intend to pay any dividends in the near future. Your investment decision should be made in light of these considerations.*

There are risks associated with any investment. Some of the particular risks in investing in the Offer Shares are set out in the section headed "Risk Factors" in this prospectus. You should read that section carefully before you decide to invest in the Offer Shares.

OVERVIEW

We are a commercial-stage biotechnology company focused on developing and commercializing innovative molecularly-targeted and immuno-oncology drugs for the treatment of cancer. Our internally-developed lead drug candidates are currently in late-stage clinical trials, and we are marketing three in-licensed drugs in China from which we have been generating product revenue since September 2017. Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies.

We started as a research and development company in Beijing in 2010 focusing on developing best-in-class oncology therapeutics. Over the last eight years, we have developed into a fully-integrated global biotechnology company with a broad portfolio consisting of six internally-developed, clinical-stage drug candidates, including three late-stage clinical drug candidates. We have also in-licensed five drugs and drug candidates, including three marketed drugs in China and two clinical-stage drug candidates for which we have obtained development and commercialization rights in China and other selected countries in the Asia-Pacific region.

Our Core Product Candidates include the following:

- Zanubrutinib (BGB-3111) — a potentially best-in-class investigational small molecule inhibitor of Bruton's tyrosine kinase, or BTK, that is currently being evaluated in a broad pivotal clinical program in China and in other markets, including the United States and the European Union, which we refer to as globally, for which we expect to file for approval in China in 2018 initially for the treatment of mantle cell lymphoma, or MCL, and submit in the first half of 2019 a New Drug Application, or NDA, to the U.S. Food and Drug Administration, or FDA, to pursue an accelerated approval for the treatment of Waldenstrom's macroglobulinemia, or WM;

- Tislelizumab (BGB-A317) — an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1 that is currently being evaluated in a broad pivotal clinical program globally and in China, for which we expect to file for approval in China in 2018 initially for the treatment of classical Hodgkin's lymphoma, or cHL; and

- Pamiparib (BGB-290) — an investigational small molecule inhibitor of the PARP1 and PARP2 enzymes that is being evaluated in two pivotal clinical trials in China and a global Phase 3 trial.

We are preparing to launch the two lead product candidates from our internal pipeline, zanubrutinib and tislelizumab, which we believe will address major unmet medical needs and have significant commercial potential. For zanubrutinib (BGB-3111), we had a pre-NDA meeting with the China Drug Administration, or CDA (formerly known as the China Food and Drug Administration, or CFDA), earlier this year and based on the feedback we received from the meeting, we currently believe we are on track to file the NDA for the treatment of relapsed/refractory MCL in 2018. In July 2018, zanubrutinib was granted Fast Track Designation by the FDA for the treatment of patients with WM. Based on our discussions with the FDA, internal review of available data from our global Phase 1 trial of zanubrutinib in patients with WM, and supported by the Fast Track Designation, we are preparing to submit in the first half of 2019 an NDA to pursue an accelerated approval of zanubrutinib for patients with WM based on results from the global Phase 1 study. For tislelizumab (BGB-A317), we had a pre-NDA meeting with the CDA, and based on the feedback we received from the meeting, we believe we are on track to file the NDA in China for the treatment of cHL in 2018.

In addition to our three late-stage clinical drug candidates, our pipeline also includes three internally-developed drug candidates in Phase 1 clinical development: lifirafenib (BGB-283), an investigational RAF dimer inhibitor, BGB-A333, an investigational humanized monoclonal antibody against the immune checkpoint receptor ligand PD-L1, and BGB-A425, an investigational humanized monoclonal antibody against T-cell immunoglobulin and mucin-domain containing-3, or TIM-3.

We entered into a strategic collaboration with Celgene Corporation, or Celgene, in August 2017, in which we obtained an exclusive license to market in China Celgene's approved cancer therapies ABRAXANE®, REVLIMID® and VIDAZA®, as well as rights in China to develop and commercialize avadomide (CC-122), an investigational next-generation cereblon modulator currently in clinical development by Celgene outside of China for lymphomas and hepatocellular carcinoma, or HCC. As part of the collaboration, we also granted Celgene an exclusive right to develop and commercialize tislelizumab for solid tumors in the United States, Europe, Japan and the rest of world other than Asia, for which we received US$263 million in upfront license fees and a US$150 million equity investment. We may also receive up to US$980 million in potential development, regulatory and sales milestone payments and tiered royalties based on percentages of annual net sales, depending on specified terms, in the low double digit to mid-twenties, with customary reductions in specified circumstances.

Our portfolio also includes sitravatinib, an in-licensed, investigational, spectrum-selective kinase inhibitor in clinical development by Mirati Therapeutics, Inc., or Mirati, for the treatment of non-small cell lung cancer, or NSCLC, and other tumors, for which we are planning to initiate clinical development in China.

We have strong internal capabilities spanning research, clinical development, manufacturing and commercialization. We have advanced six internally-developed candidates into clinical trials, including three into pivotal trials. With more than 500 clinical development personnel in China, the United States, Australia and Switzerland as of July 20, 2018, we have built internal clinical development capabilities globally which we believe provide a competitive advantage over other biotechnology companies in China. We have an 11,000-square meter facility in Suzhou for the manufacture of small molecule drugs at commercial scale and biologics drugs at pilot scale. We are also currently building a 24,000-liter commercial-scale biologics manufacturing factory in Guangzhou. We also have a growing commercial team in China, which provides us with the initial commercial platform for the planned launches of our internally-developed drug candidates as well as current and potentially future in-licensed drug candidates.

We have formed collaborations with other biotechnology companies aiming to capture opportunities in China and the broader Asia-Pacific region by leveraging our global clinical development capabilities and China commercial capabilities, as evidenced by our collaborations with Celgene and Mirati.

We believe we are well-positioned to capture the significant market opportunities in China, including those created by recent regulatory reforms and new reimbursement policies in China. China is the second largest pharmaceutical market in the world based on revenue, and the oncology sector grew at a 13.7% compound annual growth rate, or CAGR, from 2013 to 2017, according to a report prepared by Frost & Sullivan for the Global Offering, or the Frost and Sullivan Report. We believe that there is a large and growing opportunity for novel cancer therapeutics in China based on significant unmet medical need, a large target patient population, expanding reimbursement coverage, and increasing treatment affordability and willingness to pay. In addition, the CDA has undertaken significant regulatory reforms that are designed to accelerate the development of new innovative drugs and allow China to be an integral part of global drug development. In addition, innovative oncology drugs have been included in the most recent national drug reimbursement list, or NDRL, reducing out-of-pocket expenses for patients. We believe that access to the large number of patients in China during clinical development as well as commercialization creates new opportunities for us. Leveraging our strong China presence and commitment to global standards of innovation and quality, we believe we have a unique ability to take advantage of these opportunities.

OUR STRENGTHS

We believe the following strengths have contributed to our success and differentiate us from our competitors:

- Fully-integrated biotechnology company with broad capabilities in China and globally;
- Two late-stage clinical drug candidates with significant commercial potential;
- Robust pipeline of internally-developed and in-licensed product candidates; and
- Experienced management team with diverse backgrounds and skill sets.

OUR STRATEGY

Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies. In the near term, we are focused on pursuing the following significant opportunities:

- Globally develop and commercialize zanubrutinib, a potentially best-in-class BTK inhibitor;
- Develop and commercialize our investigational checkpoint inhibitor, tislelizumab, in a rapidly and favorably evolving China market;
- Build a leadership position by further expanding our capabilities;
- Take advantage of significant regulatory reforms in China to accelerate global drug development; and
- Expand our product portfolio and pipeline through collaborations with other pharmaceutical companies to complement our internal research.

OUR BUSINESS

Our Pipeline and Commercial Products

The following table summarizes the status of our pipeline and commercial products:

Program (*Target*)	Commercial Rights	Dose Esc	Dose Exp		Pivotal		Lead Indications
		Phase 1a	Phase 1b	Phase 2*	Phase 2**	Phase 3	
zanubrutinib *(BGB-3111, BTK)*	Worldwide						• WM, 1L CLL/SLL • R/R MCL, R/R CLL/SLL, WM (pivotal Ph2)
zanubrutinib + GAZYVA® *(BTK + CD20)*	Worldwide						• R/R FL (pivotal Ph2)
tislelizumab *(BGB-A317, PD-1)*	Worldwide for heme malignancy, Asia ex-Japan for solid tumors[1]						• 2L NSCLC, 1L HCC, 2L ESCC • 1L NSCLC • R/R cHL, 2L+ UC (pivotal Ph2) • 2L/3L HCC (pivotal Ph2) • R/R NK/T-cell lymphomas
tislelizumab + pamiparib *(PD-1 + PARP)*	Worldwide						• Solid tumors
tislelizumab + zanubrutinib *(PD-1 + BTK)*	Worldwide						• B-cell malignancies
pamiparib *(BGB-290, PARP)*	Worldwide[2]						• 1L plat-sensitive GC maintenance • 2L plat-sensitive OC maintenance • 3L gBRCA+ OC (pivotal Ph2) • Solid tumors
pamiparib + TMZ *(PARP + Chemo)*	Worldwide[2]						• Solid tumors
pamiparib + RT/TMZ *(PARP + RT/Chemo)*	Worldwide[2]						• Glioblastoma
lifirafenib *(BGB-283, RAF Dimer)*	Worldwide[2]						• B-Raf- or K-RAS/N-RAS-mutated solid tumors • B-Raf- or K-RAS/N-RAS-mutated solid tumors
BGB-A333 +/- tislelizumab *(PD-L1 +/- PD-1)*	Worldwide						• Solid tumors
BGB-A425 *(TIM-3)*	Worldwide	Planned					• Solid tumors
REVLIMID® *(IMiD)****	China	Marketed					• R/R MM (marketed), NDMM (marketed), R/R NHL (Phase 3)
ABRAXANE® *(Albumin-bound paclitaxel)*	China	Marketed					• Breast cancer
VIDAZA® *(hypomethylating agent)*	China	Marketed					• MDS, AML with 20-30% bone marrow blasts, CMMoL
CC-122 *(CELMoD)*	China	Planned					• NHL
sitravatinib *(multi-kinase inhibitor)*	Asia ex-Japan, AU, NZ[3]	Planned					• NSCLC

*Some indications will not require a non-pivotal Phase 2 clinical trial prior to beginning pivotal Phase 2 or 3 clinical trials. **Confirmatory clinical trials post approval are required for accelerated approvals. ***Revlimid approved as a combination therapy with dexamethasone.[1] Celgene has the right to develop and commercialize tislelizumab in solid tumors in the United States, European Union, Japan and the rest-of-world outside of Asia.[2] Limited collaboration with Merck KGaA.[3] Partnership with Mirati Therapeutics, Inc.

China | Global (ex-China) | Global (China included)

Abbreviations: Dose Esc = dose escalation; Dose Exp = dose expansion; WM = Waldenstrom's macroglobulinemia; 1L = first line; CLL = chronic lymphocytic leukemia; SLL = small lymphocytic lymphoma; R/R = relapsed / refractory; MCL = mantle cell lymphoma; FL = follicular lymphoma; 2L = second line; NSCLC = non-small cell lung cancer; HCC = hepatocellular carcinoma; ESCC = esophageal squamous cell carcinoma; HL = Hodgkin's lymphoma; UC = urothelial carcinoma; 3L = third line treatment; OC = ovarian cancer; gBRCA = germline BRCA; TMZ = temozolomide; RT = radiotherapy; IMiD = immunomodulatory drugs; MM = multiple myeloma; ND = newly diagnosed; NHL = non-Hodgkin's lymphoma; MDS = myelodysplastic syndrome; AML = acute myeloid leukemia; CMMoL = chronic myelomonocytic leukemia; DLBCL = diffuse large B-cell lymphoma; AU = Australia; NZ: New Zealand

---

* Some indications will not require a non-pivotal Phase 2 clinical trial prior to beginning pivotal Phase 2 or 3 clinical trials. ** Confirmatory clinical trials post-approval are required for accelerated approvals. *** REVLIMID® approved as a combination therapy with dexamethasone. [1] Celgene has the right to develop and commercialize tislelizumab in solid tumors in the United States, Europe, Japan and the rest-of-world outside of Asia. [2] Limited collaboration with Merck KGaA.[3] Partnership with Mirati Therapeutics, Inc.

Our Clinical-Stage Drug Candidates

Zanubrutinib (BGB-3111), a Bruton's Tyrosine Kinase Inhibitor

Zanubrutinib is an investigational small molecule inhibitor of Bruton's tyrosine Kinase, or BTK, that is currently being evaluated in a broad pivotal clinical program globally and in China as a monotherapy and in combination with other therapies to treat various lymphomas. Zanubrutinib has demonstrated higher selectivity against BTK than IMBRUVICA® (ibrutinib), an approved BTK inhibitor, based on our biochemical assays, higher exposure than ibrutinib based on their respective Phase 1 experience in separate studies, and sustained 24-hour BTK occupancy in both the peripheral blood and lymph node compartments.

Tislelizumab (BGB-A317), a PD-1 Antibody

Tislelizumab is an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1 that is currently being evaluated in pivotal clinical trials globally and in China and for which we plan to commence additional pivotal trials as a monotherapy and in combination with standard of care to treat various solid and hematological cancers. Tislelizumab is designed to bind to and block downstream activity of PD-1, a cell surface receptor that plays an important role in downregulating the immune system by preventing the activation of T-cells. Tislelizumab has high affinity and specificity for PD-1. It is differentiated from the currently approved PD-1 antibodies by an engineered Fc region, which we believe may minimize potentially negative interactions with other immune cells based on preclinical data. We have a global strategic collaboration with Celgene for tislelizumab for solid tumors outside of Asia (other than Japan) as further described in "Business—Collaboration Agreements—Celgene."

Pamiparib (BGB-290), a PARP Inhibitor

Pamiparib is an investigational small molecule inhibitor of poly ADP ribose polymerase PARP1 and PARP2 that is being evaluated as a potential monotherapy and in combinations for the treatment of various solid tumors. We believe pamiparib has the potential to be differentiated from other PARP inhibitors because of its potential brain penetration, greater selectivity, strong DNA-trapping activity, and good oral bioavailability. Pamiparib has demonstrated pharmacological properties such as brain penetration and PARP-DNA complex trapping in preclinical models.

Competitive Landscape of Our Core Product Candidates

- *Zanubrutinib*. As of July 18, 2018, there were currently two marketed BTK inhibitors in the global oncology drug market, J&J's IMBRUVICA® (ibrutinib) and AstraZeneca's CALQUENCE® (acalabrutinib). IMBRUVICA® was launched in China in November 2017 and it was the only BTK inhibitor marketed in China as of July 18, 2018.

- *Tislelizumab*. A number of PD-1/PD-L1 inhibitors have been approved by the FDA, including two marketed PD-1 antibodies, Merck's KEYTRUDA® (pembrolizumab) and Bristol-Myers Squibb's OPDIVO® (nivolumab), as well as three marketed PD-L1 antibodies, Roche's TECENTRIQ® (atezolizumab), AstraZeneca's IMFINZI® (durvalumab) and Pfizer and Merck Serono's BAVENCIO® (avelumab). In China, there is only one approved PD-1 antibody agent, Bristol-Myers Squibb's OPDIVO® (nivolumab), and there are no approved PD-L1 antibodies yet. On June 15, 2018, the CDA approved Bristol-Myers Squibb's OPDIVO® (nivolumab) for the treatment of locally advanced or metastatic NSCLC after platinum-based chemotherapy in adult patients without EGFR or ALK genomic tumor aberration. On June 15, 2018, the CDA approved Bristol-Myers Squibb's OPDIVO® (nivolumab) for the treatment of locally-advanced or metastatic NSCLC after platinum-based chemotherapy in adult patients without EGFR or ALK genomic tumor aberration. On July 26, 2018, the CDA also approved KEYTRUDA® (pembrolizumab) for the treatment of advanced melanoma following failure of one prior line of therapy. As of June 15, 2018, there were three NDAs of PD-1 inhibitors submitted in China pending the CDA's approval.

- *Pamiparib*. A number of PARP inhibitors have been approved by the FDA. These include AstraZeneca's LYNPARZA® (olaparib), Clovis Oncology's RUBRACA® (rucaparib) and Tesaro's ZEJULA® (niraparib). Several PARP inhibitors are in late-stage clinical development. In China, there is no approved PARP inhibitor. AstraZeneca has submitted an NDA for olaparib in China. In addition, Zai Lab obtained the development and commercial rights for niraparib in China, and there are some other PARP inhibitors being developed by domestic Chinese companies.

Our Commercial Products

In connection with the collaboration with Celgene Corporation, or Celgene (as described below), we obtained an exclusive license to market Celgene's approved cancer therapies ABRAXANE®,

REVLIMID® and VIDAZA® in China, excluding Hong Kong, Macau and Taiwan, which has allowed us to generate product revenue in China since September 2017. Our commercial products are subject to government pricing regulations. See the section titled "Business—Sales and Marketing" for details.

Research and Development

We are a leader in the research and development of innovative molecularly targeted and immuno-oncology drugs for the treatment of cancer. We have made significant investments identifying, developing and commercializing drug candidates with significant market potential. Our current research and development activities mainly relate to the clinical advancement of our six internally-developed drug candidates: (1) zanubrutinib, an investigational small molecule inhibitor of BTK; (2) tislelizumab, an investigational humanized monoclonal antibody against PD-1; (3) pamiparib, an investigational small molecule inhibitor of PARP1 and PARP2; (4) lifirafenib, a novel small molecule inhibitor of both the monomer and dimer forms of RAF; (5) BGB-A333, an investigational humanized monoclonal antibody against PD-L1; and (6) BGB-A425, an investigational humanized monoclonal antibody against TIM-3. We had over 500 clinical development staff and approximately 200 research staff as of July 20, 2018.

Customers

During the Track Record Period, we derived revenues only from our product distributor in China in connection with our product sales, from Celgene in connection with our strategic collaboration for tislelizumab entered into in 2017 and from Merck KGaA, Darmstadt Germany in connection with our collaboration for pamiparib and lifirafenib. See "Business—Collaboration Agreements" for further details of our collaborations with Celgene and Merck KGaA, Darmstadt Germany.

Production

We have an approximately 11,000 square meter manufacturing facility in Suzhou, China, where we produce small molecule and biologics drug candidates for clinical supply and which we plan to use for commercial supply of our small molecule drug candidates, if approved. In January 2018, the facility received a manufacturing license from Jiangsu Food and Drug Administration, which is required for the commercial manufacture of zanubrutinib in China following NDA approval. In addition, we have formed a joint venture with Guangzhou GET Technology Development Co., Ltd., an affiliate of Guangzhou Development District, to build a 24,000-liter commercial-scale biologics manufacturing facility in Guangzhou, China. Over US$300 million in funding has been committed for construction of the 100,000 square meter manufacturing site. We expect the first phase of the facility to be completed in 2019. We also have an approximately 140 square meter manufacturing facility at our research and development facilities in Beijing, China, which produces preclinical and clinical trial materials for some of our small molecule drug candidates.

Sales and Marketing

We have no internally-developed products approved for commercial sale. In connection with our strategic collaboration with Celgene, we were granted an exclusive license in China, excluding Hong Kong, Macau and Taiwan, to commercialize Celgene's approved cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®. We rely on an independent third-party distributor for the distribution and our internal sales team for the sales and marketing of these products. In anticipation of our business expansion and as our internally-developed drugs become available for sale, if approved, we plan to further expand our sales and marketing force in the next few years. See "Business — Sales and Marketing" for the effects of the PRC regulations on the prices of our commercial products.

Competitive Landscape

The tables below summarize the China competitive landscape of our core pipeline agents and ABRAXANE®, REVLIMID® and VIDAZA®, according to the Frost & Sullivan Report.

BTK Competitive Landscape in China (Late-Stage)							
Mechanism: Bruton's tyrosine kinase plays a role in signaling through the B-cell surface receptors which results in activation of pathways necessary for B-cell trafficking, chemotaxis, and adhesion. Nonclinical studies show that BTK inhibition could inhibit malignant B-cell proliferation and survival.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
ibrutinib	IMBRUVICA®	Pharmacyclics, J&J, AbbVie	Approved (2017.11)	R/R CLL/SLL and R/R MCL	Zhejiang CII	2027	NA
zanubrutinib (BGB-3111)	**NA**	**BeiGene**	**Pivotal PhII**	**R/R MCL, R/R CLL/SLL, WM**	**NA**	**2034**	**NA**
acalabrutinib	CALQUENCE®	Acerta, AstraZeneca	CTA submitted (2018.6)	Early phase	NA	2032	NA

Abbreviations: CII = Critical Illness Insurance; CTA = Clinical trial application; NA = not applicable

PD-1/PD-L1 Competitive Landscape in China (Late-Stage)							
Binding of the PD-1 ligands, PD-L1 and PD-L2, to the PD-1 receptor found on T-cells, inhibits T-cell proliferation and cytokine production. Upregulation of PD-1 ligands occurs in some tumors and signaling through this pathway can contribute to inhibition of active T-cell immune surveillance of tumors. Thus, PD-1 or PD-L1 inhibitor antibodies could inhibit this pathway and reactivate the T-cell immune surveillance of tumors.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indication	Reimbursement	U.S. Patent Exclusivity	Generic Versions
nivolumab	OPDIVO®	BMS	Approved in June 2018	2L NSCLC	NA	2027	NA
pembrolizumab	KEYTRUDA®	MSD	Approved in July 2018	melanoma	NA	2028	NA
trepinzumab (JS001)	NA	Junshi	NDA review	melanoma	NA	NA	NA
sintilimab (IBI308)	NA	Innovent	NDA review	cHL	NA	NA	NA
camrelizumab (SHR-1210)	NA	Hengrui	NDA review	cHL	NA	NA	NA
tislelizumab (BGB-A317)	**NA**	**BeiGene**	**NDA submission in 2018 for the treatment of cHL; currently also in other PhIII and pivotal PhII trials**	**cHL**	**NA**	**2033**	**NA**

Abbreviations: cHL = classical Hodgkin's lymphoma

PARP Competitive Landscape in China (Late-Stage)							
PARP inhibitors are involved in DNA transcription and repair. PARP can detect and initiate the immediate cellular response to chemical or radiation-induced single-strand DNA breaks by signaling the enzymatic machinery involved in the repair process. Cancer cells with mutations in breast cancer susceptibility gene, or BRCA1/2 genes, are highly sensitive to PARP inhibition. This phenomenon is called "synthetic lethality" and is the foundation of the therapeutic utility of PARP inhibition in cancer therapy.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
olaparib	LYNPARZA®	AstraZeneca	NDA review	Ovarian cancer, Breast cancer	NA	2022	NA
ZL-2306	ZEJULA® (in the US)	Tesaro, Zai Lab	PhIII	Ovarian cancer, Small cell lung cancer	NA	2030	NA
Pamiparib (BGB-290)	**NA**	**BeiGene**	**PhIII**	**Ovarian cancer**	**NA**	**2031**	**NA**

ABRAXANE® Competitive Landscape in China (Late-Stage)							
For albumin-bound paclitaxel, paclitaxel is bonded to albumin as a delivery vehicle, which has demonstrated higher response rates and improved tolerability when compared with solvent-based formulations in patients with advanced metastatic breat cancer and NSCLC. Paclitaxel is a kind of cytoskeletal interference drugs and stabilizes the microtubule polymer and protects it from disassembly.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
albumin-bound paclitaxel	**ABRAXANE®**	**Celgene, BeiGene**	**Approved (2008)**	**Breast cancer**	**PRDL Category B: Jiangsu, Hubei, Fujian, Ningxia, Hunan; CII: Zhejiang, Shandong**	**2022**	**See below**
albumin-bound paclitaxel	NA	CSPC	Approved (2018.2)	Breast cancer	PRDL Category B: Jiangsu, Hubei, Ningxia, Hunan; CII: Shandong	NA	NA
albumin-bound paclitaxel	NA	Zhejiang Hisun	ANDA review	Breast cancer	NA	NA	NA
albumin-bound paclitaxel	NA	Qilu	ANDA review	Breast cancer	NA	NA	NA
albumin-bound paclitaxel	NA	Yangtze River	ANDA review	Breast cancer	NA	NA	NA
albumin-bound paclitaxel	NA	Jiangsu Kanghe	ANDA review	Breast cancer	NA	NA	NA
albumin-bound paclitaxel	NA	Hengrui	ANDA review	Breast cancer	NA	NA	NA

Abbreviations: PRDL = provincial reimbursement drug list; ANDA = abbreviated new drug application

REVLIMID® Competitive Landscape in China (Late-Stage)							
Lenalidomide is an analogue of thalidomide with immunomodulatory, antiangiogenic, and antineoplastic properties. Cellular activities of lenalidomide are mediated through its target cereblon, a component of a cullin ring E3 ubiquitin ligase enzyme complex. In vitro, in the presence of drug, substrate proteins (including Aiolos, Ikaros, and CK1α) are targeted for ubiquitination and subsequent degradation leading to direct cytotoxic and immunomodulatory effects. Lenalidomide inhibits proliferation and induces apoptosis of certain hematopoietic tumor cells including MM, mantle cell lymphoma, and del (5q) myelodysplastic syndromes in vitro. Lenalidomide causes a delay in tumor growth in some in vivo nonclinical hematopoietic tumor models including MM. Immunomodulatory properties of lenalidomide include increased number and activation of T cells and natural killer (NK) cells leading to direct and enhanced antibody-dependent cell-mediated cytotoxicity (ADCC) via increased secretion of interleukin-2 and interferon-gamma, increased numbers of NKT cells, and inhibition of pro-inflammatory cytokines (e.g., TNF-α and IL-6) by monocytes. In MM cells, the combination of lenalidomide and dexamethasone synergizes the inhibition of cell proliferation and the induction of apoptosis.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
lenalidomide	**REVLIMID®**	**Celgene, BeiGene**	**Approved (2013.1, 2018.2)**	**R/R MM, NDMM**	**NRDL List B (2017)**	**2022**	**See below**
lenalidomide	LISHENG	SL Pharm	Approved (2017.11)	MM	NRDL List B (2017)	NA	NA
lenalidomide	NA	Yangtze River	ANDA review	MM	NA	NA	NA
lenalidomide	NA	Qilu	ANDA review	MM	NA	NA	NA

Abbreviations: MM = multiple myeloma; NDMM = newly diagnosed multiple myeloma; NRDL = National Reimbursement Drug List

VIDAZA® Competitive Landscape in China (Late-Stage)							
VIDAZA® is a pyrimidine nucleoside analog of cytidine. VIDAZA® is believed to exert its antineoplastic effects by causing hypomethylation of DNA and direct cytotoxicity on abnormal hematopoietic cells in the bone marrow. The concentration of azacitidine required for maximum inhibition of DNA methylation in vitro does not cause major suppression of DNA synthesis. Hypomethylation may restore normal function to genes that are critical for differentiation and proliferation. The cytotoxic effects of azacitidine cause the death of rapidly dividing cells, including cancer cells that are no longer responsive to normal growth control mechanisms. Non-proliferating cells are relatively insensitive to azacitidine.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
azacitidine	**VIDAZA®**	**Celgene, BeiGene**	**Approved (2017.4)**	**MDS, AML with 20-30% bone marrow blasts, CMMoL**	**NA**	**2011**	**See below**
azacitidine	NA	Seacross Pharma	ANDA review	MDS, AML, CMMoL	NA	NA	NA
azacitidine	NA	Chiatai Tianqing	ANDA review	MDS, AML, CMMoL	NA	NA	NA

OUR SUBSTANTIAL SHAREHOLDERS

On February 8, 2016, our Company completed an initial public offering and was listed on the Nasdaq Global Select Market. As of the Latest Practicable Date, our largest shareholder comprises entities affiliated with Baker Bros. Advisors LP with an aggregate shareholding of 22.27% in our Company. Please refer to the section headed "Substantial Shareholders" for more information on our substantial shareholders.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our combined financial information for the Track Record Period prepared in accordance with US GAAP, extracted from the Accountants' Report set out in Appendix I. The summary financial data set forth below should be read together with our Consolidated Financial Statements and the related notes, as well as the section headed "Financial Information."

Summary Consolidated Statements of Operations

	For the year ended December 31,		For the three months ended March 31,	
	2016	2017	2017	2018
	(US dollars in thousands)			
Revenue	**$1,070**	**$254,694**	**—**	**$32,544**
Product revenue	—	24,428	—	23,250
Collaboration revenue:				
License revenue	—	211,391	—	—
Research and development reimbursement revenue	—	16,307	—	7,555
Research and development service revenue	1,070	2,568	—	1,739
Total collaboration revenue	1,070	230,266	—	9,294
Cost of sales-product	—	(4,974)	—	(4,550)
Gross profit	1,070	249,720	—	27,994
Loss from operations	(117,060)	(82,150)	(51,542)	(110,809)
Loss before income tax expense	(119,163)	(65,137)	(50,443)	(108,528)
Income tax benefit (expenses)	(54)	(30,730)	(180)	3,412
- Net loss	(119,217)	(95,867)	(50,623)	(105,116)
- Net loss attributable to Company	(119,217)	(96,034)	(50,623)	(104,596)

Selected Consolidated Balance Sheet

	As of December 31,		As of March 31,
	2016	2017	2018
	(US dollars in thousands)		
Current assets	$374,399	$929,804	$1,585,702
Current liabilities	35,058	149,988	141,896
Net current assets	339,341	779,816	1,443,806
Total equity	352,907	681,940	1,358,722

As of March 31, 2018, we had cash, cash equivalents, restricted cash and short-term investments in the aggregate amount of US$1.48 billion. We have used, and plan to continue to use, our cash, cash equivalents, restricted cash and proceeds from short-term investments primarily for our ongoing and planned clinical trials, the preparation for registration filings and commercialization of our product candidates, as well as the continued expansion of our product portfolio.

Reconciliation between US GAAP and IFRSs

It should be noted that the consolidated financial statements are prepared in accordance with US GAAP, which differ in certain respects from IFRSs. Share based compensation, preferred shares and tax benefit/deficiency on share based compensation are the three material reconciling items.

The effect of material differences between the financial information of the Group prepared under US GAAP and IFRSs are as follows:

	Amounts under US GAAP	IFRSs adjustments			Amounts under IFRSs
		(US dollars in thousands)			
		Share based compensation	Preferred shares	Tax benefit/ deficiency on share based compensation	
Total equity as at:					
December 31, 2016	$ 352,907	$ 1,271	$ —	$ —	$ 354,178
December 31, 2017	681,940	5,184	—	8,617	695,741
March 31, 2018	1,358,722	5,184	—	8,617	1,372,523
Net loss attributable to BeiGene Ltd:					
For the year ended December 31, 2016	(119,217)	(6,410)	(114,142)	—	(239,769)
For the year ended December 31, 2017	(96,034)	(32,036)	—	(2,066)	(130,136)
For the three months ended March 31, 2017	(50,623)	(3,880)	—	—	(54,503)
For the three months ended March 31, 2018	(104,596)	(10,912)	—	(3,538)	(119,046)

Share-based Compensation

Under US GAAP, we have elected to recognize compensation expense using the straight line method for all employee equity awards granted with graded vesting based on service conditions; provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant date value of the options that are vested at that date.

Under IFRSs, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting. Hence additional share based compensation expense and deferred tax asset arising therefrom are required to be recognised under IFRS.

Preferred Shares

The convertible preferred shares issued by the Company had been converted into the ordinary shares of the Company upon the listing of the ordinary shares of the Company on Nasdaq in February 2016.

Under US GAAP, the convertible preferred shares issued by the Company were classified as mezzanine equity as such preferred shares were redeemable upon the occurrence of a conditional event. The conversion options and contingent redemption options of such preferred shares did not qualify for bifurcation accounting. No beneficial conversion features were recognized for such preferred shares as the fair values per ordinary share at the respective commitment dates were less than the most favorable conversion prices. We concluded that the preferred shares were not redeemable currently, and it was not probable that the preferred shares would become redeemable because the likelihood of the liquidation transaction was remote. Therefore, no adjustment would be made to the initial carrying amount of the preferred shares until it was probable that they would become redeemable.

Under IFRSs, certain redemption triggering events of the preferred shares were outside the control of the ordinary shareholders of the Company. In addition, the holders of the preferred shares were entitled to convert the preferred shares into a variable number of the Company's ordinary shares upon the occurrence of certain anti-dilution events. Accordingly, the preferred shares were regarded as hybrid instruments consisting of a host debt instrument and a conversion option as a derivative. We designated the entire preferred shares as financial liabilities at fair value through profit or loss such that the preferred shares were initially recognized at fair value with all subsequent changes in fair value prior to its conversion recognized in the income statement, because we considered that the fair value of preferred shares attributed to change in credit risks were not significant.

Tax Benefit/Deficiency on Share-based Compensation

Under US GAAP, deferred taxes are calculated based on the cumulative share-based compensation expense recognized in the income statement, and ASC 2016-09 requires all excess tax benefits and tax deficiencies to be recorded as income tax expense or benefit in the income statement, rather than in shareholders' equity.

Under IFRSs, deferred taxes are calculated based on the estimated tax deduction determined at each reporting date. If the tax deduction exceeds cumulative compensation cost for an individual award, deferred tax based on the excess is credited to shareholders' equity. If the tax deduction is less than or equal to cumulative compensation cost for an individual award, deferred taxes are recorded in income statement.

See Note 39 to the Accountants' Report in Appendix I to this prospectus for further details.

RECENT DEVELOPMENTS

In January 2018, we raised US$757.6 million in net proceeds in a follow-on public offering of 7,920,800 of our ADSs at a price to the public of US$101.00 per ADS. Each ADS represents 13 ordinary shares, par value US$0.0001 per share.

In January 2018, we entered into a commercial supply agreement for tislelizumab, our investigational anti-PD-1 antibody, with Boehringer Ingelheim Biopharmaceuticals (China) Ltd., as further described in "Business — CMO" of this prospectus.

In January 2018, we entered into an exclusive license agreement with Mirati for the development, manufacturing and commercialization of Mirati's sitravatinib in Asia (excluding Japan), Australia and New Zealand, as further described in "Business — Our Pipeline and Commercial Products — Sitravatinib (MGCD-0516), a Multi-Kinase Inhibitor" of this prospectus.

During the three months ended March 31, 2018, we announced the commercial availability of VIDAZA® in China and the approval of REVLIMID® for newly diagnosed multiple myeloma in China.

During the three months ended March 31, 2018, we announced the initiation of global Phase 3 trials for tislelizumab in patients with hepatocellular carcinoma and with esophageal squamous cell carcinoma, respectively.

In April and May 2018, we announced the initiation of a global Phase 2 trial of tislelizumab in patients with previously treated advanced HCC, a global Phase 2 trial of tislelizumab in patients with relapsed or refractory mature T- and NK-cell lymphomas, and a China Phase 3 trial of pamiparib in Chinese patient with ovarian cancer.

In June 2018, we issued a press release providing a development update on zanubrutinib and announcing clinical trial results on zanubrutinib from two poster presentations at the 23rd Congress of the European Hematology Association (EHA) in Stockholm, Sweden. See "Business—Our Clinical-Stage Drug Candidates" for more details on the development update on zanubrutinib.

In July 2018, we announced our plan to pursue accelerated approval in the U.S. of zanubrutinib in WM, the Fast Track Designation by the FDA for the treatment of WM, and the completion of enrollment in a global Phase 3 clinical trial in WM. We also issued a press release providing preliminary topline results of the pivotal trial in China for tislelizumab in cHL.

Our Directors confirm that there has been no material adverse change in our financial, operational or trading positions or prospects since March 31, 2018, being the date of our Combined Financial Statements as set out in the Accountants' Report included in Appendix I, and up to the date of this prospectus.

We expect to incur significant expenses and operating losses in 2018 and may continue to experience losses in the future, as we further our pre-clinical research and development efforts, continue the clinical development of, and seek regulatory approval for, our drug candidates, incur other expenses associated with the preparation of launch and, subject to regulatory approval, commercialization of our pipeline products, and add personnel necessary to operate as a fully-integrated biopharmaceutical company with an advanced clinical candidate pipeline of products. Subsequent to the Listing we also expect to incur incremental costs associated with operating as a public company in both the United States and Hong Kong. We expect that our financial performance will fluctuate quarterly and yearly due to the status of the development of our drug candidates, our efforts to obtain regulatory approval and commercialize our drug candidates.

We expect to incur capital expenditures of approximately US$170 million in 2018 and 2019, to be paid out of existing cash and short-term investments, in connection with the construction of our biologics manufacturing facility in Guangzhou, China.

We expect our cash and cash equivalents, restricted cash and short-term investments balance as of June 30, 2018 to decrease by approximately 5.0% to 5.8% from March 31, 2018, after giving effect to approximately US$42 million of proceeds from the draw down of a bank loan by BeiGene Guangzhou Factory for the continued construction of our biologics manufacturing facility. We expect our product revenue for the three months ended June 30, 2018 to increase by approximately 33% to 38% from the three months ended March 31, 2018.

The estimated results described above are preliminary because our financial closing procedures for the three and six months ended June 30, 2018 are not yet complete and, as a result, final results upon completion of our closing procedures may vary from our preliminary estimates. Our auditors have not yet completed their review of our results for the three and six months ended June 30, 2018. The estimates were prepared by our management, based upon a number of assumptions, in connection with preparation of our financial statements and completion of the interim period review. Additional items that would require material adjustments to the preliminary financial information may be identified. Estimates of results are inherently uncertain and subject to change, and we undertake no obligation to update this information. See "Financial Information—Critical Accounting Policies," "Risk Factors" and "Forward-Looking Statements."

GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. The Global Offering comprises:

(i) the Hong Kong Public Offering of 5,904,000 Offer Shares (subject to adjustment) in Hong Kong as described in the section headed "Structure of the Global Offering — The Hong Kong Public Offering" in this prospectus; and

(ii) the International Placing of an aggregate of initially 59,696,000 Shares (subject to adjustment and the Over-allotment Option) pursuant to the shelf registration statement on Form S-3ASR that was filed with the SEC and became effective on May 26, 2017, and the preliminary prospectus supplement filed with the SEC on July 27, 2018 and the final prospectus supplement to be filed with the SEC on or about August 3, 2018 pursuant thereto, including the documents incorporated by reference therein.

The Offer Shares will represent approximately 8.55% of the issued share capital of our Company immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans. If the Over-allotment Option is exercised in full, and no Shares are issued pursuant to our Equity Plans, the Offer Shares will represent approximately 9.71% of the issued share capital of our Company immediately following the completion of the Global Offering and the full exercise of the Over-allotment Option.

On February 8, 2016, our Company completed an initial public offerings of ADSs, each of which represents 13 ordinary shares in the United States and became listed on the Nasdaq. Our ADSs are presently trading on the Nasdaq. Our Board is of the view that the net proceeds of approximately HK$6,476.5 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK$103.00 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus, and assuming the Over-allotment Option is not exercised, the Listing and the Global Offering will provide us with the necessary funding for us to further develop and commercialize our lead drug candidates as disclosed in "Business — Our Strategy" in this prospectus.

OFFERING STATISTICS

All statistics of market capitalisation in the following table are based on the assumptions that (i) the Global Offering has been completed and 65,600,000 new Shares are issued pursuant to the Global Offering; and (ii) 767,163,184 Shares are issued and outstanding following the completion of the Global Offering.

	Based on an Offer Price of HK$85.00 per Share, after a Downward Offer Price Adjustment of 10%	**Based on an Offer Price of HK$94.40**	**Based on an Offer Price of HK$111.60**
Market capitalisation of our Shares[(1)]	HK$65,208,870,640	HK$72,420,204,570	HK$85,615,411,334
Unaudited pro forma adjusted net tangible asset per Share[(2)]	HK$20.71 (US$2.64)	HK$21.49 (US$2.74)	HK$22.91 (US$2.92)

Notes:

(1) The calculation of market capitalisation is based on 767,163,184 shares expected to be in issue immediately upon completion of the Global Offering.

(2) The unaudited pro forma adjusted net tangible asset per Share as at March 31, 2018 is calculated after making the adjustments referred to in Appendix II and on the basis that the Global Offering had been completed at March 31, 2018.

For the calculation of the unaudited pro forma adjusted net tangible asset value per Share attributed to our Shareholders, see the section headed "Unaudited Pro Forma Financial Information" in Appendix II.

DIVIDENDS

We have never declared or paid any dividends on our ordinary shares or any other securities. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be made at the discretion of our Board and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Board may deem relevant. If we pay dividends in the future, in order for us to distribute dividends to our shareholders, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. See the section headed "Risk Factors — Risks Related to Our Doing Business in the PRC." In the future, we may rely to some extent on dividends and other distributions on equity from our principal operating subsidiaries to fund offshore cash and financing requirements.

Any declaration and payment as well as the amount of dividends will be subject to our constitutional documents and the Cayman Companies Law. Our Shareholders in a general meeting may approve any declaration of dividends, which must not exceed the amount recommended by our Board. As advised by our Cayman counsel, under the Companies Law a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. In light of our accumulated losses as disclosed in this prospectus, it is unlikely that we will be eligible to pay a dividend out of our profits in the foreseeable future. We may, however, pay a dividend out of our share premium account unless the paying of such a dividend would result in our Company being unable to pay our debts as they fall due in the ordinary course of business. Our future declarations of dividends may or may not reflect our historical declarations of dividends and will be at the absolute discretion of the Board. There is no assurance that dividends of any amount will be declared to be distributed in any year.

LISTING EXPENSES

The total listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK$280.3 million, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$103.00 per Offer Share (being the mid-point of our Offer Price range of HK$94.40 to HK$111.60 per Offer Share). These listing expenses mainly comprise professional fees paid and payable to the professional parties, and commissions payable to the Underwriters, for their services rendered in relation to the Listing and the Global Offering. As of

March 31, 2018, there were no listing expenses incurred by us in relation to the Listing. We estimate that listing expenses of approximately HK$280.3 million will be incurred by the company, of which HK$5.5 million will be charged to the income statement and HK$274.8 million will be capitalized as contra-equity.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$6,476.5 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$103.00 per Offer Share, being the mid-point of the indicative Offer Price range of HK$94.40 to HK$111.60 per Offer Share in this prospectus. We intend to use the net proceeds we will receive from this offering for the following purposes:

- 75% of net proceeds, or HK$4,857.4 million allocated to our core programs as follows:
    - 32.5% of net proceeds, or HK$2,104.9 million for zanubrutinib, out of which
        - 17.9% of net proceeds, or HK$1,159.3 million, for ongoing and planned clinical trials of zanubrutinib, as further described in the "Business" section of this prospectus,
        - 4.9% of net proceeds, or HK$317.3 million, for preparation for registration filings of zanubrutinib in China, estimated to be in 2018, and in the United States, estimated to be in 2019, and
        - 9.7% of net proceeds, or HK$628.2 million, for preparation for launch and, subject to regulatory approval, commercialization of zanubrutinib in China and the United States,
    - 32.5% of net proceeds, or HK$2,104.9 million for tislelizumab, out of which
        - 24.4% of net proceeds, or HK$1,580.3 million, for ongoing and planned clinical trials of tislelizumab, as further described in the "Business" section of this prospectus,
        - 4.9% of net proceeds, or HK$317.3 million, for preparation for registration filings of tislelizumab, the first of which is anticipated in China in 2018 in r/r HL, and
        - 3.2% of net proceeds, or HK$207.2 million, for preparation for launch and, subject to regulatory approval, commercialization of tislelizumab in China,

- 10% of net proceeds, or HK$647.6 million for pamiparib, out of which
  - 6.5% of net proceeds, or HK$421.0 million, for ongoing and planned clinical trials of pamiparib, as further described in the "Business" section of this prospectus,
  - 1.5% of net proceeds, or HK$97.1 million, for preparation for registration filings of pamiparib, and
  - 2.0% of net proceeds, or HK$129.5 million, for preparation for launch, and subject to regulatory approval, commercialization of pamiparib in China and the United States.
- 15% of net proceeds, or HK$971.5 million, to fund continued expansion of our product portfolio in cancer and potentially other therapeutic areas through internal research and external licenses and business development collaborations, including the development cost of internal early clinical and preclinical-stage pipeline agents and in-licensed pipeline agents;
- 10% of net proceeds, or HK$647.6 million, for working capital, expanding internal capabilities and general corporate purposes.

In the event that we receive net proceeds from the Global Offering higher or lower than the estimated amount stated above (including where we make a Downward Offer Price Adjustment to set the final Offer Price at HK$85.00 per Offer Share), we will increase or decrease the intended use of the net proceeds for the above purposes on a pro rata basis (other than the costs associated with the registration filings,which we expect to remain relatively fixed). In addition, the funds estimated to be allocated to our clinical programs may differ from what is provided above, based on actual results from ongoing clinical trials. We expect to incur capital expenditures of approximately US$170.0 million in 2018 and 2019 related to completing our biologics manufacturing facility in Guangzhou. We currently plan to use our existing cash and short-term investments to fund this project.

We received an aggregate of US$1.1 billion of net proceeds, after deducting the underwriting discounts and offering expenses, from the follow-on public offerings of our ADSs in November 2016, August 2017 and January 2018. We have used, and plan to continue to use the proceeds from these offerings for (a) our research and development efforts, including our registrational trials for zanubrutinib, tislelizumab and pamiparib, both in China and globally, (b) our other clinical trials for other drug candidates, (c) regulatory filing and registration of our late-stage drug candidates; (d) establishment and expansion of commercial operations, (e) preparation for launch of our drug candidates globally, (f) business development activities, and (g) working capital and other general corporate purposes. See the section headed "History, Development and Corporate Structure—Listing on the NASDAQ" for more details.

RISK FACTORS

Our operations and the Global Offering involve certain risks and uncertainties, some of which are beyond our control and may affect your decision to invest in us and/or the value of your investment. See the section headed "Risk Factors" for details of our risk factors, which we strongly urge you to read in full before making an investment in our Shares. Some of the major risks we face include:

- We depend substantially on the success of our drug candidates, particularly zanubrutinib, tislelizumab and pamiparib, which are in clinical development as monotherapies and in combination. Clinical trials of our drug candidates may not be successful. If we are unable to commercialize our drug candidates, or experience significant delays in doing so, our business will be materially harmed.

- If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our drug candidates, and our ability to generate revenue will be materially impaired.

- Even if our drug candidates receives regulatory approval, they may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

- We are a globally focused biopharmaceutical company and have a limited operating history, which makes it difficult to evaluate our current business and predict our future performance.

- We have a history of incurring net losses and anticipate that we will continue to incur net losses for the foreseeable future.

- We will need to obtain additional financing to fund our operations, and if we are unable to obtain that financing, we may be unable to complete the development and commercialization of our primary drug candidates.

- If we are unable to obtain and maintain patent protection for our technology and drugs, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs could be adversely affected.

- We rely on third parties to conduct our preclinical studies and clinical trials and manufacture our drugs and drug candidates. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drugs and drug candidates and our business could be substantially harmed.

- We have entered into collaborations, such as with Celgene and Merck KGaA, Darmstadt Germany, and may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances or licensing arrangements.

- Our global collaboration with Celgene and the associated acquisition of Celgene's commercial operations in China could disrupt our business and harm our financial condition if we are not able to successfully integrate the acquired business into ours, and the expected benefits of the acquisition may not materialize.

- Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

- We have significantly increased the size and capabilities of our organization, and we may experience difficulties in managing our growth.

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

In this prospectus, unless the context otherwise requires, the following terms shall have the following meanings. Certain technical terms are explained in the section headed "Glossary of Technical Terms" in this prospectus.

"2011 Option Plan"	the 2011 Option Plan adopted by the Company on April 15, 2011 and most recently amended on April 17, 2015, the principal terms of which are set out in the section headed "Appendix IV — Statutory and General Information — Share Option and Award Schemes — 2011 Option Plan"
"2016 Share Option and Incentive Plan"	the 2016 Share Option and Incentive Plan adopted by the Company on January 14, 2016 and most recently amended on September 27, 2017, the principal terms of which are set out in the section headed "Appendix IV — Statutory and General Information — Share Option and Award Schemes — 2016 Share Option and Incentive Plan"
"2018 ESPP"	the 2018 Employee Share Purchase Plan adopted by the Company on June 6, 2018, the principal terms of which are set out in the section headed "Appendix IV — Statutory and General Information — Share Option and Award Schemes — 2018 ESPP"
"2018 Inducement Equity Plan"	the 2018 Inducement Equity Plan adopted by the Company on June 6, 2018, the principal terms of which are set out in the section headed "Appendix IV — Statutory and General Information — Share Option and Award Schemes — 2018 Inducement Equity Plan"
"ADS(s)"	American Depositary Shares (each representing 13 ordinary shares of the Company)
"affiliate(s)"	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
"Application Form(s)"	**WHITE** Application Form(s), **YELLOW** Application Form(s) and **GREEN** Application Form(s) or, as the context so requires, any of them, which is used in relation to the Hong Kong Public Offering
"Articles" or "Articles of Association"	the fourth amended and restated memorandum and articles of association of the Company adopted by special resolution of the shareholders passed on January 14, 2016, as amended from time to time, a summary of which is set out in the section headed "Appendix III — Summary of the Constitution of the Company and Cayman Companies Law"

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"BeiGene AUS"	BeiGene AUS Pty Ltd., a company incorporated under the laws of Australia on July 15, 2013 and a wholly owned subsidiary of the Company
"BeiGene Beijing"	BeiGene (Beijing) Co., Ltd.* (百濟神州(北京)生物科技有限公司), a company incorporated under the laws of the PRC on January 24, 2011 and an indirectly wholly owned subsidiary of the Company
"BeiGene Biologics"	BeiGene Biologics Co., Ltd.* (百濟神州生物藥業有限公司), a company incorporated under the laws of the PRC on January 25, 2017 and indirectly held by the Company as to 95% of its equity interests and by GET as to 5% of its equity interests
"BeiGene Guangzhou"	BeiGene (Guangzhou) Co., Ltd.* (百濟神州(廣州)生物科技有限公司), a company incorporated under the laws of the PRC on July 11, 2017 and an indirectly wholly owned subsidiary of the Company
"BeiGene Guangzhou Manufacturing"	BeiGene Guangzhou Biologics Manufacturing Co., Ltd.* (廣州百濟神州生物製藥有限公司), a company incorporated under the laws of the PRC on March 3, 2017 and a wholly owned subsidiary of BeiGene Biologics
"BeiGene HK"	BeiGene (Hong Kong) Co., Limited, a company incorporated under the laws of Hong Kong on November 22, 2010 and a wholly owned subsidiary of the Company
"BeiGene Pharmaceutical (Shanghai)"	BeiGene Pharmaceutical (Shanghai) Co., Ltd.* (百濟神州醫藥信息諮詢(上海)有限公司), formerly known as Baiji Pharmaceutical (Shanghai) Co., Ltd. (百繼醫藥信息諮詢(上海)有限公司) and "Celgene Pharmaceutical (Shanghai) Co., Ltd.* (新基醫藥信息諮詢(上海)有限公司)", a company incorporated under the laws of the PRC on December 15, 2009 and an indirectly wholly owned subsidiary of the Company
"BeiGene Shanghai"	BeiGene (Shanghai) Co., Ltd.* (百濟神州(上海)生物科技有限公司), a company incorporated under the laws of the PRC on September 11, 2015 and a wholly owned subsidiary of BeiGene Biologics
"BeiGene Suzhou"	BeiGene (Suzhou) Co., Ltd.* (百濟神州(蘇州)生物科技有限公司), a company incorporated under the laws of the PRC on April 9, 2015 and an indirectly wholly owned subsidiary of the Company

"BeiGene (USA)"	BeiGene USA, Inc., a company incorporated under the laws of Delaware, US, on July 8, 2015 and a wholly owned subsidiary of the Company
"BeiGene Switzerland"	BeiGene Switzerland GmbH, a company established under the laws of Switzerland on September 1, 2017 and a wholly owned subsidiary of the Company
"Board"	the board of directors of the Company
"business day"	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business
"CAGR"	compound annual growth rate
"Cayman Companies Law" or "Companies Law"	the Companies Law, of the Cayman Islands, as amended or supplemented from time to time
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"CCASS Clearing Participant"	a person admitted to participate in CCASS as a direct clearing participant or a general clearing participant
"CCASS Custodian Participant"	a person admitted to participate in CCASS as a custodian participant
"CCASS Investor Participant"	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
"CCASS Participant"	a CCASS Clearing Participant, a CCASS Custodian Participant or a CCASS Investor Participant
"CDA"	China Drug Administration (formerly known as the China Food and Drug Administration, or CFDA)
"Celgene"	Celgene Corporation, a company incorporated under the laws of Delaware, US, on April 7, 1986 and an Independent Third Party
"Celgene Switzerland"	Celgene Switzerland LLC, a limited liability company incorporated under the laws of Delaware, US on November 13, 2015, and an Independent Third Party

"China" or "PRC"	the People's Republic of China and for the purposes of this prospectus only, except where the context requires otherwise, references to China or the PRC exclude Hong Kong, Macau and Taiwan
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Companies (Winding Up and Miscellaneous Provisions) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Company", "our Company", or "the Company"	BeiGene, Ltd., an exempted company with limited liability incorporated under the laws of the Cayman Islands on October 28, 2010
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Core Product Candidates"	zanubrutinib (BGB-3111), an investigational small molecule inhibitor of Bruton's tyrosine kinase; tislelizumab (BGB-A317), an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1; and pamiparib (BGB-290), an investigational small molecule inhibitor of the PARP1 and PARP2 enzymes
"CSRC"	China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Downward Offer Price Adjustment"	an adjustment that has the effect of setting the final Offer Price up to 10% below the bottom end of the indicative Offer Price Range
"EMA"	European Medicines Agency
"Equity Plans"	the 2011 Option Plan, the 2016 Share Option and Incentive Plan, the 2018 ESPP and the 2018 Inducement Equity Plan
"Ex-PRC"	worldwide except PRC
"FDA"	U.S. Food and Drug Administration
"Frost & Sullivan"	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.
"Frost & Sullivan Report"	the industry report in respect of the Global Offering issued by Frost & Sullivan

"GET"	Guangzhou GET Technology Development Co., Ltd., a limited liability company established under the laws of the PRC on November 27, 1998 and an Independent Third Party
"Global Offering"	the Hong Kong Public Offering and the International Placing
"Green Application Form(s)"	the application form(s) to be completed by the White Form eIPO Service Provider, Computershare Hong Kong Investor Services Limited
"Group", "our Group", "the Group", "we", "us", or "our"	the Company and its subsidiaries from time to time
"HKSCC"	Hong Kong Securities Clearing Company Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"HKSCC Nominee"	HKSCC Nominees Limited, a wholly-owned subsidiary of HKSCC
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong dollars" or "HK dollars" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Offer Shares"	the 5,904,000 Shares initially being offered for subscription in the Hong Kong Public Offering (subject to reallocation as described in the section headed "Structure of the Global Offering")
"Hong Kong Public Offering"	the offer of the Hong Kong Offer Shares for subscription by the public in Hong Kong at the Offer Price (plus brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) on the terms and subject to the conditions described in this prospectus and the Application Forms, as further described in the section headed "Structure of the Global Offering"
"Hong Kong Securities and Futures Ordinance" or "SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"Hong Kong Underwriters"	the underwriters of the Hong Kong Public Offering as listed in the section headed "Underwriting — Hong Kong Underwriters"

"Hong Kong Underwriting Agreement"	the underwriting agreement dated July 27, 2018 relating to the Hong Kong Public Offering entered into among, inter alia, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Company, as further described in the section headed "Underwriting"
"IFRS(s)"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"Independent Third Party(ies)"	any entity or person who is not a connected person of the Company within the meaning ascribed thereto under the Listing Rules
"International Placing"	the conditional placing of the International Placing Shares at the Offer Price pursuant to the shelf registration statement on Form S-3ASR that was filed with the SEC and became effective on May 26, 2017, and subject to the terms and conditions of the International Underwriting Agreement, as further described in the section headed "Structure of the Global Offering"
"International Placing Shares"	the 59,696,000 Shares being initially offered for subscription at the Offer Price under the International Placing together, where relevant, with any additional Shares that may be issued pursuant to any exercise of the Over-allotment Option, subject to reallocation as described under the section headed "Structure of the Global Offering"
"International Underwriters"	the underwriters of the International Placing
"International Underwriting Agreement"	the international underwriting agreement relating to the International Placing and expected to be entered into by, among others, the Company, the Joint Global Coordinators and the International Underwriters on or about the Price Determination Date, as further described in the section headed "Underwriting"
"Joint Bookrunners"	Morgan Stanley Asia Limited (in relation to the Hong Kong Public Offering), Morgan Stanley & Co. International plc (in relation to the International Placing), Goldman Sachs (Asia) L.L.C., Credit Suisse (Hong Kong) Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, Deutsche Bank AG, Hong Kong Branch and UBS AG Hong Kong Branch
"Joint Global Coordinators"	Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C., Credit Suisse (Hong Kong) Limited and CLSA Limited

"Joint Lead Managers"	Morgan Stanley Asia Limited (in relation to the Hong Kong Public Offering), Morgan Stanley & Co. International plc (in relation to the International Placing), Goldman Sachs (Asia) L.L.C., Credit Suisse (Hong Kong) Limited, CLSA Limited, China International Capital Corporation Hong Kong Securities Limited, Deutsche Bank AG, Hong Kong Branch, UBS AG Hong Kong Branch and China Renaissance Securities (Hong Kong) Limited
"Joint Sponsors"	Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C.
"Latest Practicable Date"	July 20, 2018, being the latest practicable date for ascertaining certain information in this prospectus before its publication
"Listing"	the listing of the Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	the date, expected to be on or about August 8, 2018, on which the Shares are listed and on which dealings in the Shares are first permitted to take place on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Main Board"	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
"Memorandum" or "Memorandum of Association"	the memorandum of association of the Company as amended from time to time
"MOFCOM"	the Ministry of Commerce of the PRC (中華人民共和國商務部)
"Nasdaq"	Nasdaq Global Select Market
"Offer Price"	the final price per Offer Share (exclusive of brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%) of not more than HK$111.60 and expected to be not less than HK$94.40, at which Hong Kong Offer Shares are to be subscribed for pursuant to the Hong Kong Public Offering and International Placing Shares are to be offered pursuant to the International Placing, to be determined as described in the section headed "Structure of the Global Offering — Pricing" in this prospectus, subject to any Downward Offer Price Adjustment

"Offer Share(s)"	the Hong Kong Offer Shares and the International Placing Shares together, where relevant, with any additional Shares to be issued by the Company pursuant to the exercise of the Over-allotment Option
"Over-allotment Option"	the option to be granted by the Company to the Joint Global Coordinators under the International Underwriting Agreement pursuant to which the Company may be required by the Joint Global Coordinators to issue up to 9,840,000 additional Shares, representing not more than 15% of the Offer Shares initially available under the Global Offering, at the Offer Price, details of which are described in the section headed "Structure of the Global Offering" in this prospectus
"PRC Legal Advisor"	Fangda Partners
"Price Determination Agreement"	the agreement to be entered into among the Company and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) at or about the Price Determination Date to record and fix the Offer Price
"Price Determination Date"	the date, expected to be on or about Thursday, August 2, 2018 (Hong Kong time) and in any event no later than Tuesday, August 7, 2018, on which the Offer Price is to be fixed by an agreement between the Company and the Joint Global Coordinators (on behalf of the Underwriters)
"Principal Share Registrar and Transfer Office"	Mourant Governance Services (Cayman) Limited
"prospectus"	this prospectus being issued in connection with the Hong Kong Public Offering
"RMB" or "Renminbi"	Renminbi, the lawful currency of China
"SAFE"	the State Administration of Foreign Exchange of the PRC
"SAMR"	the State Administration of Market Regulation
"SEC"	the Securities and Exchange Commission of the United States
"SFC"	the Securities and Futures Commission of Hong Kong
"Sarbanes-Oxley Act"	the United States Public Company Accounting Reform and Investor Protection Act of 2002, as amended from time to time
"Shareholder(s)"	holder(s) of the Share(s)

"Share(s)"	ordinary share(s) in the share capital of the Company
"Stabilization Manager"	Morgan Stanley Asia Limited
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it in section 15 of the Companies Ordinance
"substantial shareholder"	has the meaning ascribed to it in the Listing Rules
"Switzerland"	Swiss Confederation
"Takeovers Code"	The Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
"Track Record Period"	the two financial years ended December 31, 2016 and 2017 and the three months ended March 31, 2018
"US GAAP" or "U.S. GAAP"	United States generally accepted accounting principles
"Underwriters"	the Hong Kong Underwriters and the International Underwriters
"Underwriting Agreements"	the Hong Kong Underwriting Agreement and the International Underwriting Agreement
"United States", "U.S." or "US"	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
"US dollars", "U.S. dollars" or "US$"	United States dollars, the lawful currency of the United States
"U.S. Exchange Act"	United States Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder
"U.S. Securities Act"	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder
"White Form eIPO"	the application for Hong Kong Offer Shares to be issued in the applicant's own name, submitted online through the designated website of White Form eIPO Service Provider at www.eipo.com.hk
"White Form eIPO Service Provider"	Computershare Hong Kong Investor Services Limited

"Withdrawal Mechanism"	a mechanism which requires the Company, among other things, to (a) issue a supplemental prospectus as a result of material changes in the information (e.g., the Offer Price) in the prospectus; (b) extend the offer period and allow potential investors, if they so desire, to confirm their applications using an opt-in approach (i.e., requiring investors to positively confirm their applications for shares despite the changes)
"%"	per cent

* *for identification purposes only*

Unless otherwise expressly stated or the context otherwise requires, all data in this prospectus is as of the date of this prospectus.

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this prospectus are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

This glossary contains definitions of certain terms used in this prospectus in connection with us and our business. Some of these may not correspond to standard industry definitions.

As used herein, the terms set forth below shall have the following meanings:

Alpha-fetoprotein	Means protein normally produced by a fetus. Alpha-fetoprotein levels are usually undetectable in the blood of healthy adult men or women (who are not pregnant). An elevated level of alpha-fetoprotein suggests the presence of either a primary liver cancer or germ cell tumor
ALT	Means alanine aminotransferase
AST	Means aspartate aminotransferase
AML	Means acute mycloid leukemia
BRAF	Means a human gene that makes the B-raf protein involved in sending internal cell signals that direct cell growth
B-cell	Means a type of white blood cell that differs from other lymphocytes like T-cells by the presence of the BCR on the B-cell's outer surface. Also known as B-lymphocytes
Bcl-2	A protein that helps control whether a cell lives or dies by blocking a type of cell death called apoptosis. The gene for Bcl2 is found on chromosome 18, and transfer of the Bcl2 gene to a different chromosome is seen in many B-cell leukemias and lymphomas. This causes the Bcl2 protein to be made in larger amounts, which may keep cancer cells from dying
BCR	Means B-cell receptor, a specialized receptor protein that allows a B-cell to bind to specific antigens
BRCA	Means breast cancer susceptibility gene, of which there are two (BRCA1 and BRCA2). BRCA proteins are key components of homologous recombination DNA repair pathway. BRCA deleterious mutations are associated with breast and ovarian cancers
BTK	Means Bruton's tyrosine kinase. BTK is a key component of the BCR signaling pathway and is an important regulator of cell proliferation and cell survival in various lymphomas

CDA	Means the China Drug Administration
CD20	Means B-lymphocyte antigen CD20, a B-cell specific cell-surface molecule that is encoded by the MS4A1 gene
CLL	Means chronic lymphocytic leukemia
CMML	Means chronic myelomonocyte leukemia
CTL	Means cytoxic T-lymphocyte
DL	Means dose level
DLBCL	Means diffuse large B-cell lymphoma
Complete response (CR)	Means the disappearance of all signs of cancer in response to treatment
cryoprotein	Means a protein (as cryoglobulin) in the blood that can be precipitated by cooling and redissolved by warming
DLT	Means dose-limiting toxicity
EC	Means esophageal cancer
EOC	Means epithelial ovarian cancer
ESCC	Means esophageal squamous cell carcinoma
Fc region	Means the tail region of an antibody that interacts with cell surface receptors called Fc receptors and some proteins of the complement system. This property allows antibodies to activate the immune system
FL	Means follicular lymphoma
GC	Means gastric cancer
GGT	Means gamma-glutamyl transferase
HCC	Means hepatocellular carcinoma
HER2	Means human epidermal growth factor receptor 2, also known as receptor tyrosine-protein kinase erbB-2. HER2 is a member of the human epidermal growth factor receptor (HER/EGFR/ERBB) family. Amplification or overexpression of this oncogene is associated with certain aggressive types of breast cancer
HGOC	Means high-grade non-mucinous ovarian cancer

HL	Means Hodgkin's lymphoma
HNSCC	Means head and neck squamous cell carcinoma
IgG1	Means one type of the most common class of antibody, Immunoglobulin G, which includes IgG1, IgG2, IgG3 and IgG4
IgM	Means immunoglobulin M
Immunoglobulin	Means glycoprotein molecules produced by plasma cells (white blood cells), which are also known as antibodies. They act as a critical part of the immune response by specifically recognizing and binding to particular antigens, such as bacteria or viruses, and aiding in their destruction
Kinase	Means a type of enzyme that catalyzes the transfer of phosphate groups from high-energy, phosphate-donating molecules to specific substrates. The protein kinases make up the majority of all kinases. Protein kinases act on proteins, phosphorylating them on their serine, threonine, tyrosine, or histidine residues. These kinases play a major role in protein and enzyme regulation as well as signaling in the cell
KRAS	KRAS is known as V-Ki-ras2 Kirsten rat sarcoma viral oncogene homolog. It is an oncogene that is often mutated in a number of cancers. The protein product of the normal KRAS gene performs an essential function in normal tissue signaling, and the mutation of a KRAS gene is an essential step in the development of many cancers
Lesion	Means almost any abnormal change involving any biological structure, tissue or organ due to disease or injury, similar in meaning to the word "damage"
Major response	Means partial response or better
MAPK	Means mitogen-activated protein kinase. The MAPK pathway is a chain of proteins in the cell that communicates a signal from a receptor on the cell surface to the DNA in the nucleus of the cell. This pathway includes a small G protein (RAS) and three protein kinases (RAF, MEK, and ERK) and plays an essential role in regulating cell proliferation and survival
MCL	Means mantle cell lymphoma
MDS	Means myclodysplastic syndromes

MEK	Means mitogen/extracellular signal-regulated kinase, a member of the MAPK signaling cascade that is activated in melanoma
MM	Means multiple myeloma
MSI-high	Means microsatellite instability high
MZL	Means marginal zone lymphoma
NDA	Means new drug application
NHL	Means non-Hodgkin's lymphoma
NK-cell	Means Natural Killer cell, a type of immune cell that has granules (small particles) with enzymes that can kill tumor cells or cells infected with a virus. An NK-cell is a type of white blood cell
NRAS	Means neuroblastoma RAS viral (V-Ras) oncogene homolog. It is also a member of RAS gene family. Similar to KRAS, it plays a role in many cancers and the mutation of an NRAS gene involves in the formation and growth of many cancers
NSCLC	Means non-small cell lung cancer
OC	Means ovarian cancer
ORR	Means the overall response rate
PARP	Means poly ADP ribose polymerase, a family of proteins involved in numerous cellular processes, mostly involving DNA replication and transcriptional regulation, which plays an essential role in cell survival in response to DNA damage
PR	Means partial response
PR-L	Means partial response with lymphocytosis
PD-1	Means programmed cell death protein 1, an immune checkpoint receptor expressed on T-cells and pro-B-cells that binds two ligands, PD-L1 and PD-L2. PD-1 is a cell surface receptor that plays an important role in down-regulating the immune system by preventing the activation of T-cells

PD-L1	Means programmed death-ligand 1, a protein in humans encoded by the CD274 gene. PD-L1 binds the PD-1 receptor and sends an inhibitory signal inside the T-cell, stopping it from making more poisonous proteins and killing the cells that send the signal via PD-L1 and in the neighborhood
PI3K	Means one or more phosphoinositide 3-kinase enzymes, which are part of the PI3K/AKT/mTOR pathway, an important signaling pathway for many cellular functions such as growth control, metabolism and translation initiation
Pivotal trials/programs	Means a potentially registration-enabling trial or program that is intended to provide clinical data to support a regulatory approval for marketing the drug candidate
RAF	Means Rapidly Accelerated Fibrosarcoma. RAF kinases are a family of three serine/threonine-specific protein kinases that are related to retroviral oncogenes. RAF kinases participate in the RAS-RAF-MEK-ERK MAPK pathway
RAF dimer	Means a protein complex formed by two copies of RAF proteins. This could be a BRAF-BRAF complex, a BRAF-CRAF complex, or a CRAF-CRAF complex
Relapsed/refractory (R/R)	Relapsed means patients initially respond to treatment but then cancer returns after a period of remission; refractory means cancer/tumor did not respond to treatment
SEER	Means Surveillance, Epidemiology and End Results
SCC	Means squamous cell carcinoma
SLL	Means small lymphocytic lymphoma
Stable Disease (SD)	Means cancer that is neither decreasing nor increasing in extent or severity
T-cell	Means a type of white blood cell that play a large role in immune response and that differs from other white blood cells like B-cells by the presence of the T-cell receptor on the T-cell's outer surface, which is responsible for recognizing antigens bound to major histocompatibility complex molecules
TIM-3	Means T-cell immunoglobulin and mucin-domain containing-3, a Th1-specific cell surface protein that functions as an immune checkpoint, regulating macrophage activation and enhancing the severity of experimental autoimmune encephalomyelitis in mice

TNBC	Means triple-negative breast cancer
Treatment naïve (TN)	Means not having received therapy
UC	Means urothelial cancer
WM	Means Waldenstrom's macroglobulinemia
VGPR	Means very good partial response
17p deletion	Means a portion of the short (petit) arm of chromosome 17 is missing

Certain statements in this prospectus are forward looking statements that are, by their nature, subject to significant risks and uncertainties. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "will", "expect", "anticipate", "estimate", "believe", "going forward", "ought to", "may", "seek", "should", "intend", "plan", "projection", "could", "vision", "goals", "aim", "aspire", "objective", "target", "schedules" and "outlook") are not historical facts, are forward-looking and may involve estimates and assumptions and are subject to risks (including but not limited to the risk factors detailed in this prospectus), uncertainties and other factors some of which are beyond our Company's control and which are difficult to predict. Accordingly, these factors could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements.

Our forward-looking statements have been based on assumptions and factors concerning future events that may prove to be inaccurate. Those assumptions and factors are based on information currently available to us about the businesses that we operate. The risks, uncertainties and other factors, many of which are beyond our control, that could influence actual results include, but are not limited to:

- our operations and business prospects;
- our business and operating strategies and our ability to implement such strategies;
- our ability to develop and manage our operations and business;
- our future general and administrative expenses;
- competition for, among other things, capital, technology and skilled personnel;
- our ability to control costs;
- changes to regulatory and operating conditions in the industry and geographical markets in which we operate; and
- all other risks and uncertainties described in the section headed "Risk Factors" in this prospectus.

Since actual results or outcomes could differ materially from those expressed in any forward-looking statements, we strongly caution investors against placing undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by the Listing Rules, we undertake no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. Statements of or references to our intentions or those of any of our Directors are made as of the date of this prospectus. Any such intentions may change in light of future developments.

All forward-looking statements in this prospectus are expressly qualified by reference to this cautionary statement.

An investment in our ordinary shares and/or ADSs involves significant risks. You should carefully consider all of the information in this prospectus, including the risks and uncertainties described below, as well as our financial statements and the related notes, and the "Financial Information" section, before deciding to invest in our ordinary shares and/or ADSs. The following is a description of what we consider to be our material risks. Any of the following risks could have a material adverse effect on our business, financial condition, results of operations and growth prospects. In any such an event, the market price of our ordinary shares and/or ADSs could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations.

These factors are contingencies that may or may not occur, and we are not in a position to express a view on the likelihood of any such contingency occurring. The information given is as of the Latest Practicable Date unless otherwise stated, will not be updated after the date hereof, and is subject to the cautionary statements in the section headed "Forward-looking Statements" in this prospectus.

Risks Related to Clinical Development of Our Drug Candidates

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

Our business will depend on the successful development, regulatory approval and commercialization of our drug candidates for the treatment of patients with cancer, which are still in clinical development, and other drug candidates we may develop. We have invested a significant portion of our efforts and financial resources in the development of our existing drug candidates. The success of our drug candidates will depend on several factors, including:

- successful enrollment in, and completion of, clinical trials, as well as completion of preclinical studies;
- favorable safety and efficacy data from our clinical trials and other studies;
- receipt of regulatory approvals;
- establishing commercial manufacturing capabilities, either by building facilities ourselves or making arrangements with third-party manufacturers;
- the performance by contract research organizations, or CROs, or other third parties we may retain of their duties to us in a manner that complies with our protocols and applicable laws and that protects the integrity of the resulting data;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;

- ensuring we do not infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties;
- successfully launching our drug candidates, if and when approved;
- obtaining favorable reimbursement from third-party payors for drugs, if and when approved;
- competition with other products;
- continued acceptable safety profile following regulatory approval; and
- obtaining sufficient supplies of any competitor drug products that may be necessary for use in clinical trials for evaluation of our drug candidates.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays in our ability or be unable to obtain approval for and/or to successfully commercialize our drug candidates, which would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

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

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 trial until its conclusion. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons, including the size and nature of the patient population and the patient eligibility criteria defined in the protocol.

Our clinical trials will likely compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Because the number of qualified clinical investigators and clinical trial sites is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such clinical trial sites. Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

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

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical trials of our drug candidates may not be predictive of the results of later-stage clinical trials, and initial or interim results of a trial may not be predictive of the final results. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, including genetic differences, patient adherence to the dosing regimen and other trial protocol elements and the rate of dropout among clinical trial participants. In the case of any trials we conduct, results may differ from earlier trials due to the larger number of clinical trial sites and additional countries and languages involved in such trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Our future clinical trial results may not be favorable.

Also, there can be significant variability in safety and/or efficacy results between different trials of the same product candidate due to numerous factors, including changes in trial procedures set for the protocols, differences in the size and type of the patient populations, including genetic differences, patient adherence to the dosing regimen and other trial protocols and the rate of dropout among clinical trial participants. In the case of any trials we conduct, results may differ from early trials due to differences in the number of patients, clinical trial sites, countries and regions and populations involved in such trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials.

Even if our future clinical trial results show favorable efficacy and impressive durability of antitumor responses, not all patients may benefit. For certain drugs, including checkpoint inhibitors, and in certain indications, it is likely that the majority of patients may not respond to the agents at all, some responders may relapse after a period of response and certain tumor types may appear particularly resistant.

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

Before obtaining regulatory approval for the sale of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize our drug candidates, including but not limited to: regulators, institutional review boards, or IRBs, or ethics committees may not

authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site; our inability to reach agreements on acceptable terms with prospective CROs and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; manufacturing issues, including problems with manufacturing, supply quality, compliance with China's drug Good Manufacturing Practice, or GMP, or obtaining from third parties sufficient quantities of a drug candidate for use in a clinical trial; clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs; the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate or patients may drop out at a higher rate than we anticipate; our third-party contractors, including clinical investigators, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all; we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a finding of a lack of clinical response or other unexpected characteristics or a finding that participants are being exposed to unacceptable health risks; regulators, IRBs or ethics committees may require that we or our investigators suspend or terminate clinical research or not rely on the results of clinical research for various reasons, including noncompliance with regulatory requirements; the cost of clinical trials of our drug candidates may be greater than we anticipate; and the supply or quality of our drug candidates, companion diagnostics or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate.

If we are required to conduct additional clinical trials or other testing of our drug candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our drug candidates or other testing, if the results of these trials or tests are not positive or are only modestly positive or if they raise safety concerns, we may:

- be delayed in obtaining regulatory approval for our drug candidates;
- not obtain regulatory approval at all;
- obtain approval for indications that are not as broad as intended;
- have the drug removed from the market after obtaining regulatory approval;
- be subject to additional post-marketing testing requirements;
- be subject to restrictions on how the drug is distributed or used; or
- be unable to obtain reimbursement for use of the drug.

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

Risks Related to Extensive Government Regulation

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

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

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include a regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The failure to comply with these regulations could have a material adverse effect on our business.

The regulatory approval processes of the U.S. Food and Drug Administration, China Drug Administration, European Medicines Agency and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable. If we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, the CDA, the European Medicines Agency, or EMA, and other comparable regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials and depends on numerous factors, including the substantial discretion of the regulatory authorities.

Our drug candidates could fail to receive regulatory approval for many reasons, including:

- failure to begin or complete clinical trials due to disagreements with regulatory authorities;
- failure to demonstrate that a drug candidate is safe and effective or that a biologic candidate is safe, pure, and potent for its proposed indication;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- data integrity issues related to our clinical trials;

- disagreement with our interpretation of data from preclinical studies or clinical trials;
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval or require us to amend our clinical trial protocols;
- regulatory requests for additional analyses, reports, data, nonclinical studies and clinical trials, or questions regarding interpretations of data and results and the emergence of new information regarding our drug candidates or other products;
- our failure to conduct a clinical trial in accordance with regulatory requirements or our clinical trial protocols; and
- clinical sites, investigators or other participants in our clinical trials deviating from a trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial.

The FDA, CDA, EMA or a comparable regulatory authority may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program.

Changes in regulatory requirements and guidance may also occur, and we may need to amend clinical trial protocols submitted to applicable regulatory authorities to reflect these changes. Amendments may require us to resubmit clinical trial protocols to IRBs or ethics committees for re-examination, which may impact the costs, timing or successful completion of a clinical trial.

If we experience delays in the completion of, or the termination of, a clinical trial of any of our drug candidates, the commercial prospects of that drug candidate will be harmed, and our ability to generate product sales revenues from any of those drug candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down our drug candidate development and approval process, and jeopardize our ability to commence product sales and generate related revenues for that candidate. Any of these occurrences may harm our business, financial condition and prospects significantly. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our drug candidates.

We believe that our drug candidates' designation in China as Category 1 products should confer certain regulatory advantages on us. These advantages may not result in commercial benefits to us as we expect, and they might be changed in the future in a manner adverse to us.

In China, prior to seeking approval from the CDA, a pharmaceutical company needs to determine the drug's registration category, which will determine the requirements for its clinical trial and marketing application. These categories range from Category 1, for drugs incorporating a new chemical entity that has not previously been marketed anywhere in the world, to Category 2, for drugs with new indications, dosage forms or routes of administration and the like, to Categories 3 and 4, for certain generic drugs, to Category 5, for "originator" (what would be known elsewhere as innovative)

or generic drugs previously marketed abroad but not yet approved for marketing in China. Therapeutic biologics follow a similar classification system. All of our internally developed drug candidates are classified as Category 1 based on the respective clinical trial approval from the CDA, which is a favored category for regulatory review and approval.

The CDA has adopted several mechanisms for expedited review and approval for drug candidates that apply to Category 1 drug candidates. While we believe that the Category 1 designation of our internally developed clinical stage drug candidates should provide us with a significant regulatory, and therefore commercial, advantage over non-Chinese companies seeking to market products in China, we cannot be sure that this will be the case. The pharmaceutical regulatory environment is evolving quickly, and changes in laws, regulations, enforcement and internal policies could result in the "favored" status of Category 1 products changing, or being eliminated altogether or our products classification in Category 1 changing. We cannot be certain that the advantages we believe will be conferred by our Category 1 classifications will be realized or result in any material development or commercial advantage.

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

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

In China, however, there is no currently effective law or regulation providing patent term extension, patent linkage, or data exclusivity (referred to as regulatory data protection). Therefore, a lower-cost generic drug can emerge onto the market much more quickly. Chinese regulators have set forth a framework for integrating patent linkage and data exclusivity into the Chinese regulatory regime, as well as for establishing a pilot program for patent term extension. To be implemented, this framework will require adoption of regulations. To date, CDA has issued several draft implementing

regulations in this regard for public comment but no regulations have been formally issued. These factors result in weaker protection for us against generic competition in China than could be available to us in the United States until the relevant implementing regulations for extension, patent linkage, or data exclusivity are put into effect officially in China.

Chinese manufacturing facilities have historically experienced issues operating in line with established GMPs and international best practices, and passing FDA inspections, which may result in a longer and costlier current good manufacturing practice inspection and approval process by the FDA for our Chinese manufacturing processes.

To obtain FDA approval for our products in the United States, we will need to undergo strict pre-approval inspections of our manufacturing facilities, which we have located in China. Historically, manufacturing facilities in China have had difficulty meeting the FDA's standards. When inspecting our Chinese manufacturing facilities, the FDA might cite current good manufacturing practice, or cGMP, deficiencies, both minor and significant, which we may not be required to disclose. Remediating deficiencies can be laborious and costly and consume significant periods of time. Moreover, if the FDA notes deficiencies as a result of this inspection, it will generally reinspect the facility to determine if the deficiency was remediated to its satisfaction. The FDA may note further deficiencies as a result of its reinspection, either related to the previously identified deficiency or otherwise. If we cannot satisfy the FDA as to our compliance with cGMP in a timely basis, FDA marketing approval for our products could be seriously delayed, which in turn would delay commercialization of our drug candidates.

Undesirable adverse events caused by our drugs and drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following any regulatory approval.

Undesirable adverse events, or AEs, caused by our drugs drug candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, CDA, EMA or other comparable regulatory authority, or could result in limitations or withdrawal following approvals. If results of our trials reveal a high and unacceptable severity or prevalence of AEs, our trials could be suspended or terminated and the FDA, CDA, EMA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates.

Numerous drug-related AEs and serious AEs, or SAEs, have been reported in our clinical trials. Some of these events have led to patient death. Drug-related AEs or SAEs could affect patient recruitment or the ability of enrolled subjects to complete the trial, and could result in potential product liability claims. Any of these occurrences may harm our reputation, business, financial condition and prospects significantly. In this prospectus and from time to time we disclose clinical results for our drug candidates, including the occurrence of AEs and SAEs. Each such document speaks only as of the date of the data cutoff used in such document, and we undertake no duty to update such information unless required by applicable law. Also, a number of immune-related adverse events, or IRAEs, have been associated with treatment with checkpoint inhibitors, including

immune-mediated pneumonitis, colitis, hepatitis, endocrinopathies, nephritis and renal dysfunction, skin adverse reactions, and encephalitis. These IRAEs may be more common in certain patient populations (potentially including elderly patients) and may be exacerbated when checkpoint inhibitors are combined with other therapies.

Additionally, undesirable side effects caused by our drugs and drug candidates, or caused by our drugs and drug candidates when used in combination with other drugs, could potentially cause significant negative consequences, including:

- regulatory authorities could delay or halt pending clinical trials;
- we may suspend, delay or alter development of the drug candidate or marketing of the drug;
- regulatory authorities may withdraw approvals or revoke licenses of the drug, or we may determine to do so even if not required;
- regulatory authorities may require additional warnings on the label;
- we may be required to develop a Risk Evaluation Mitigation Strategy, or REMS, for the drug, as is the case with REVLIMID®, or, if a REMS is already in place, to incorporate additional requirements under the REMS, or to develop a similar strategy as required by a comparable regulatory authority;
- we may be required to conduct post-market studies; and
- we could be sued and held liable for harm caused to subjects or patients.

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

Our drugs and any future approved drug candidates will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our drug candidates.

Our drugs and any additional drug candidates that are approved are and will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including both federal and state requirements in the United States and requirements of comparable regulatory authorities in China and other countries.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, CDA, EMA and comparable regulatory authority requirements, including, in the United States, ensuring that quality control and manufacturing procedures conform to cGMP regulations. As such, we and our contract manufacturers are and will be subject to continual review and inspections to assess

compliance with cGMP and adherence to commitments made in any NDA or Biologics License Application, or BLA, other marketing application, and previous responses to any inspection observations. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

The regulatory approvals for our drugs and any approvals that we receive for our drug candidates are and may be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, which could adversely affect the drug's commercial potential or contain requirements for potentially costly post-marketing testing and surveillance to monitor the safety and efficacy of the drug or drug candidate. The FDA or comparable regulatory authorities may also require a REMS program as a condition of approval of our drug candidates or following approval, as is the case with REVLIMID®. In addition, if the FDA, CDA, EMA or a comparable regulatory authority approves our drug candidates, we will have to comply with requirements including, for example, submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMP and Good Clinical Practice, or GCP, for any clinical trials that we conduct post-approval.

The FDA or comparable regulatory authorities may seek to impose a consent decree or withdraw marketing approval if compliance with regulatory requirements is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with our drugs or drug candidates or with our drug's 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 studies 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 our drugs, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the FDA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals or withdrawal of approvals;
- product seizure or detention, or refusal to permit the import or export of our drugs and drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA and other regulatory authorities strictly regulate the marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for their approved indications and for use in accordance with the provisions of the approved label. The FDA, CDA, EMA and other regulatory authorities 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 liability. The policies of the FDA, CDA, EMA and of other regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our drug 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, particularly in China, where the regulatory environment is constantly evolving. 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 lose any regulatory approval that we may have obtained and we may not achieve or sustain profitability.

In addition, if we were able to obtain accelerated approval of any of our drug candidates, the FDA would require us to conduct a confirmatory study to verify the predicted clinical benefit and may also require post-marketing safety studies. Other comparable regulatory authorities outside the United States, such as the CDA or EMA, may have similar requirements. The results from the confirmatory study may not support the clinical benefit, which would result in the approval being withdrawn. While operating under accelerated approval, we will be subject to certain restrictions that we would not be subject to upon receiving regular approval.

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

We plan to develop certain of our drug candidates for use as a combination therapy. If the FDA, CDA, EMA or another comparable regulatory agency revokes its approval of another therapeutic we use in combination with our drug candidates, we will not be able to market our drug candidates in combination with such revoked therapeutic. If safety or efficacy issues arise with these or other therapeutics that we seek to combine with our drug candidates in the future, we may experience significant regulatory delays, and we may be required to redesign or terminate the applicable clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any component of our combination drug candidates, we may not be able to complete clinical development of our drug candidates on our current timeline or at all.

Reimbursement may not be available for our drug candidates. Even if we are able to commercialize our drugs and any approved drug candidates, the drugs may become subject to unfavorable pricing regulations or third-party reimbursement practices, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or licensing approval is granted. In some non-U.S. markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain regulatory approval for a drug in a particular country, but then be subject to price regulations that delay our commercial launch of the drug and negatively impact our revenues.

Our ability to commercialize any drugs successfully also will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations.

A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

In the United States, no uniform policy of coverage and reimbursement for drugs exists among third-party payors. As a result, obtaining coverage and reimbursement approval of a drug from a government or other third-party payor is a time-consuming and costly process that could require us to provide to each payor supporting scientific, clinical and cost-effectiveness data for the use of our drugs on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given drug, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our genetically modified drugs. Patients are unlikely to use our drugs and any approved drug candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the drug. Because some of our drugs and drug candidates have a higher cost of goods than conventional therapies, and may require long-term follow up evaluations, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be greater.

In China, the Ministry of Human Resources and Social Security of China or provincial or local human resources and social security authorities, together with other government authorities, review the inclusion or removal of drugs from the China's National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance, or the National Reimbursement Drug List, or the NRDL, or provincial or local medical insurance catalogues for the National Medical Insurance Program regularly, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs. There can be no assurance that our drugs and any approved drug candidates will be included in the NRDL. Products included in the NRDL are typically generic and essential drugs. Innovative drugs similar to our drug candidates have historically been more limited on their inclusion in the NRDL due to the affordability of the government's Basic Medical Insurance, although this has been changing in recent years.

Increasingly, third-party payors are requiring that companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any drug that we commercialize and, if reimbursement is available, what the level of reimbursement will be. Reimbursement may impact the demand for, or the price of, any drug which we commercialize. Obtaining or maintaining reimbursement for our drugs may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. If reimbursement is not available or is available only to limited levels, we may not be able to successfully commercialize any drug candidate that we in-license or successfully develop.

There may be significant delays in obtaining reimbursement for approved drugs, and coverage may be more limited than the purposes for which the drug is approved by the FDA or other comparable regulatory authorities outside the United States. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future weakening of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for our drugs and any new drugs that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

We intend to seek approval to market our drug candidates in the United States, China, Europe and in other jurisdictions. In some non-U.S. countries, particularly those in the European Union, the pricing of drugs and biologics is subject to governmental control, which can take considerable time even after obtaining regulatory approval. Market acceptance and sales of our drugs will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for drugs and may be affected by existing and future health care reform measures.

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

In the United States, China, the European Union and some other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding healthcare that could prevent or delay regulatory approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell our drugs and any drug candidates for which we obtain regulatory approval. We expect that healthcare reform measures may result in more rigorous coverage criteria and in 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.

Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the regulatory approvals of our drug candidates, if any, may be.

In recent years, there have been and will likely continue to be efforts to enact administrative or legislative changes to healthcare laws and policies, including modification, repeal, or replacement of all, or certain provisions of, the Affordable Care Act, or ACA. The implications of the ACA, its possible repeal, any legislation that may be proposed to replace the ACA, modifications to the implementation of the ACA, and the political uncertainty surrounding any repeal or replacement legislation for our business and financial condition, if any, are not yet clear.

Risks Related to Commercialization of Our Drugs and Drug Candidates

If we are not able to obtain, or experience delays in obtaining, required regulatory approvals, we will not be able to commercialize our drug candidates, and our ability to generate revenue will be materially impaired.

Before obtaining regulatory approvals for the commercial sale of any drug candidate for a target indication, we must demonstrate in preclinical studies and well-controlled clinical trials, and, with respect to approval in the United States, to the satisfaction of the FDA, that the drug candidate is safe and effective, or the biologic drug candidate is safe, pure and potent, for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In addition to preclinical and clinical data, the NDA or BLA must include significant information regarding the chemistry, manufacturing and controls for the drug candidate. Obtaining approval of an NDA or BLA is a lengthy, expensive and uncertain process, and approval may not be obtained. If we submit an NDA or BLA to the FDA, the FDA decides whether to accept or reject the submission for filing. We cannot be certain that any submissions will be accepted for filing and review by the FDA.

We have not yet demonstrated an ability to file for or receive regulatory approval for our drug candidates. For example, we do not have experience in preparing the required materials for regulatory submission or navigating the regulatory approval process. As a result, our ability to successfully submit an NDA or BLA and obtain regulatory approval for our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience in obtaining regulatory approvals.

Regulatory authorities outside of the United States, such as the CDA and EMA, also have requirements for approval of drugs for commercial sale with which we must comply prior to marketing in those areas. Regulatory requirements can vary widely from country to country and could delay or prevent the introduction of our drug candidates. Clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and obtaining regulatory approval in one country does not mean that regulatory approval will be obtained in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. Seeking non-U.S. regulatory approval could require additional nonclinical studies or clinical trials, which could be costly and time consuming. The non-U.S. regulatory approval process may include all of the risks associated with obtaining FDA approval. For all of these reasons, we may not obtain non-U.S. regulatory approvals on a timely basis, if at all.

The process to develop, obtain regulatory approval for and commercialize drug candidates is long, complex and costly both inside and outside the United States and China, and approval is never guaranteed. Even if our drug candidates were to successfully obtain approval from the regulatory authorities, any approval might significantly limit the approved indications for use, or require that precautions, contraindications or warnings be included on the product labeling, or require expensive and time-consuming post-approval clinical trials or surveillance as conditions of approval. Following any approval for commercial sale of our drug candidates, certain changes to the drug, such as changes in manufacturing processes and additional labeling claims, may be subject to additional review and approval by the FDA, CDA and EMA and comparable regulatory authorities. Also, regulatory approval for any of our drug candidates may be withdrawn. If we are unable to obtain regulatory approval for our drug candidates in one or more jurisdictions, or any approval contains significant limitations, our target market will be reduced and our ability to realize the full market potential of our drug candidates will be harmed. Furthermore, we may not be able to obtain sufficient funding or generate sufficient revenue and cash flows to continue the development of any other drug candidate in the future.

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

Our drugs and any future approved drug candidates may fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. For example, current cancer treatments like chemotherapy and radiation therapy are well established in the medical community, and doctors may continue to rely on these treatments to the exclusion of our drugs and drug candidates. In addition, physicians, patients and third-party payors may prefer other novel products to ours. If our drugs and drug candidates do not achieve an adequate level of acceptance, we may not generate significant product sales revenues and we may not become profitable. The degree of market acceptance of our drugs and drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our drugs and drug candidates are approved;
- physicians, hospitals, cancer treatment centers and patients considering our drugs and drug candidates as a safe and effective treatment;
- the potential and perceived advantages of our drugs and drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of regulatory authorities;
- limitations or warnings contained in the labeling approved by regulatory authorities;
- the timing of market introduction of our drugs and drug candidates as well as competitive drugs;

- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payors and government authorities; and
- the effectiveness of our sales and marketing efforts.

If any drugs that we commercialize fail to achieve market acceptance among physicians, patients, hospitals, cancer treatment centers or others in the medical community, we will not be able to generate significant revenue. Even if our drugs achieve market acceptance, we may not be able to maintain that market acceptance over time if new products or technologies are introduced that are more favorably received than our drugs, are more cost effective or render our drugs obsolete.

We have limited experience in marketing third-party drugs and no experience in launching an internally-developed drug candidate. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our drug candidates and third-party drugs, we may not be able to generate product sales revenue.

In connection with our strategic collaboration with Celgene, we were granted an exclusive license in China, excluding Hong Kong, Macau and Taiwan, to commercialize Celgene's approved cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®, and Celgene's investigational agent avadomide (CC-122) in clinical development, and acquired Celgene's commercial operations in China, excluding certain functions. We started marketing Celgene's approved drugs in September 2017. We continue to build our salesforce in China to market these drugs and our drug candidates, in the event they receive commercial approval, and any additional drugs or drug candidates that we may in-license, which will require significant capital expenditures, management resources and time.

We have not yet demonstrated an ability to launch and commercialize any of our drug candidates. For example, we do not have experience in building a commercial team, conducting a comprehensive market analysis, obtaining state licenses and reimbursement, or managing distributors and a sales force for our internally-developed drug candidates. As a result, our ability to successfully commercialize our drug candidates may involve more inherent risk, take longer and cost more than it would if we were a company with experience launching drug candidates.

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

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

We face substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than we do.

The development and commercialization of new drugs is highly competitive. We face competition 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 drugs or are pursuing the development of drugs for the treatment of cancer for which we are commercializing our drugs or developing our drug candidates. 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.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize drugs that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any drugs that we commercialize or may develop. Our competitors also may obtain approval from the FDA, CDA, EMA or other comparable regulatory authorities for their drugs 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 and or slow our regulatory approval.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved drugs than we do. 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 and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

The market opportunities for our drugs and drug candidates may be limited to those patients who are ineligible for or have failed prior treatments and may be small.

In markets with approved therapies, we expect to initially seek approval of our drug candidates as a later stage therapy for patients who have failed other approved treatments. Subsequently, for those drugs that prove to be sufficiently beneficial, if any, we would expect to seek approval as a second line therapy and potentially as a first line therapy, but there is no guarantee that our drug candidates, even if approved, would be approved for second line or first line therapy.

Our projections of both the number of people who have the cancers we are targeting, as well as the subset of people with these cancers in a position to receive later stage therapy and who have the potential to benefit from treatment with our drug candidates, are based on our beliefs and estimates and may prove to be inaccurate or based on imprecise data. Further, new studies may change the estimated incidence or prevalence of these cancers. The number of patients may turn out to be lower than expected. Additionally, the potentially addressable patient population for our drugs and drug candidates may be limited or may not be amenable to treatment with our drugs and drug candidates. Even if we obtain significant market share for our drug candidates, because the potential target populations are small, we may never achieve profitability without obtaining regulatory approval for additional indications, including use as a first or second line therapy.

We may be subject, directly or indirectly, to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in the United States and other jurisdictions, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, physicians and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. If we obtain FDA approval for any of our drug candidates and begin commercializing those drugs in the United States, our operations may be subject to various federal and state fraud and abuse laws, including, without limitation, the federal Anti-Kickback Statute, the federal False Claims Act, and physician payment sunshine laws and regulations. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business.

Additionally, we are subject to state and non-U.S. equivalents of each of the healthcare laws described above, among others, some of which may be broader in scope and may apply to healthcare services reimbursed by any source, not just governmental payors, including private insurers. In addition, some states have passed laws that require pharmaceutical companies to comply with the April 2003 Office of Inspector General Compliance Program Guidance for Pharmaceutical Manufacturers and/or other voluntary industry codes of conduct. Several states also impose other marketing restrictions or require pharmaceutical companies to make marketing or price disclosures to the state. There are ambiguities as to what is required to comply with these state requirements, and if we fail to comply with an applicable state law requirement we could be subject to penalties.

Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from federal and state healthcare programs such as Medicare and Medicaid and debarment from contracting with the U.S. government. In addition, private individuals have the ability to bring actions on behalf of the U.S. government under the federal False Claims Act as well as under the false claims laws of several states.

Neither the U.S. government nor the U.S. courts have provided definitive guidance on the applicability of fraud and abuse laws to our business. Law enforcement authorities are increasingly focused on enforcing these laws, and it is possible that some of our practices may be challenged under these laws. Efforts to ensure that our business arrangements with third parties will comply with

applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in Medicare, Medicaid and other federal healthcare programs, contractual damages, reputational harm, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and our results of operations. In addition, the approval and commercialization of any of our drug candidates outside the United States will also likely subject us to non-U.S. equivalents of the healthcare laws mentioned above, among other non-U.S. laws.

If any of the physicians or other providers or entities with whom we expect to do business are found to be not in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which may also adversely affect our business.

We may explore the licensing of commercialization rights or other forms of collaboration worldwide, which will expose us to additional risks of conducting business in additional international markets.

Non-U.S. markets are an important component of our growth strategy. For example, in connection with the Celgene transactions, we retained exclusive rights for the development and commercialization of tislelizumab for hematological cancers globally and for solid tumors in China and the rest of Asia, other than Japan. We initially intend to focus on opportunities in China, in particular. If we fail to obtain licenses or enter into collaboration arrangements with third parties in other markets, or if these parties are not successful, our revenue-generating growth potential will be adversely affected. Moreover, international business relationships subject us to additional risks that may materially adversely affect our ability to attain or sustain profitable operations, including:

- efforts to enter into collaboration or licensing arrangements with third parties in connection with our international sales, marketing and distribution efforts may increase our expenses or divert our management's attention from the acquisition or development of drug candidates;

- difficulty of effective enforcement of contractual provisions in local jurisdictions;

- potential third-party patent rights or potentially reduced protection for intellectual property rights;

- unexpected changes in tariffs, trade barriers and regulatory requirements;

- economic weakness, including inflation;

- compliance with tax, employment, immigration and labor laws for employees traveling abroad;
- the effects of applicable non-U.S. tax structures and potentially adverse tax consequences;
- currency fluctuations, which could result in increased operating expenses and reduced revenue;
- workforce uncertainty and labor unrest;
- failure of our employees and contracted third parties to comply with Office of Foreign Asset Control rules and regulations and the Foreign Corrupt Practices Act; and
- business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

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

The illegal distribution and sale by third parties of counterfeit versions of our drugs or stolen products could have a negative impact on our reputation and business.

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

Risks Related to Our Financial Position and Need for Additional Capital

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

We are a commercial-stage biopharmaceutical company formed in October 2010. Our operations to date have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio, conducting preclinical studies and clinical trials of our drug candidates and the commercialization of our drugs. We have not yet completed large-scale, pivotal or registrational clinical trials, obtained regulatory approvals, or manufactured or had manufactured a commercial scale drug. We have no internally-developed products approved for commercial sale and have not generated any revenue from internally-developed product sales. Since September 2017, we have generated revenues from the sale of drugs in China licensed from Celgene. Our limited operating history, particularly in light of the rapidly evolving cancer treatment field, may make it difficult to evaluate our current business and reliably predict our future performance. We may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. If we do not address these risks and difficulties successfully, our business will suffer.

We have incurred significant net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may never become profitable.

Investment in pharmaceutical drug development is highly speculative. It entails substantial upfront capital expenditures and significant risk that a drug candidate will fail to gain regulatory approval or become commercially viable. We continue to incur significant expenses related to our ongoing operations. As a result, we have incurred losses in each period since our inception, except in the third quarter of 2017, when we were profitable due to revenue recognized from an up-front license fee from Celgene. As of December 31, 2017 and March 31, 2018, we had an accumulated deficit of US$333.4 million and US$438.0 million, respectively. Substantially all of our operating losses have resulted from costs incurred in connection with our research and development programs and from selling, general and administrative expenses associated with our operations.

We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue and expand our development of, and seek regulatory approvals for, our drug candidates, and continue to commercialize the drugs that we have licensed from Celgene in China and any other drugs that we may successfully develop or license. Typically, it takes many years to develop one new drug from the time it is discovered to when it is available for treating patients. In addition, we will continue to incur costs associated with operating as a public company in the United States and will start incurring costs associated with being a public company in Hong Kong after the Global Offering. We will also incur costs in support of our growth as a commercial-stage global biopharmaceutical company. The size of our future net losses will depend, in part, on the number and scope of our drug development programs and the associated costs of those programs, the cost of commercializing any approved products, our ability to generate revenues and the timing and amount of milestones and other payments we make or receive with arrangements with third parties. If any of our drug candidates fail in clinical trials or do not gain regulatory approval, or if approved, fail to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts, expand our business or continue our operations.

We will need to obtain additional financing to fund our operations, and if we are unable to obtain that financing, we may be unable to complete the development and commercialization of our primary drug candidates.

Our drug candidates will require the completion of clinical development, regulatory review, significant marketing efforts and substantial investment before they can provide us with product sales revenue. Our operations have consumed substantial amounts of cash since inception. Our operating activities provided US$12.8 million and used US$89.5 million of net cash during the years ended December 31, 2017 and 2016, and used US$104.5 million and US$35.7 million of net cash during the three months ended March 31, 2018 and 2017, respectively. We recorded negative net cash flows from operating activities in 2016 primarily due to our net loss of US$119.2 million. Although we recorded positive net cash flows from operating activities in 2017, we cannot assure you that we will be able to generate positive cash flows from operating activities in the future. Our liquidity and financial condition may be materially and adversely affected by the negative net cash flows, and we cannot

assure you that we will have sufficient cash from other sources to fund our operations. If we resort to other financing activities to generate additional cash, we will incur financing costs and we cannot guarantee that we will be able to obtain the financing on terms acceptable to us, or at all, and if we raise finance by issuing further equity securities your interest in our company may be diluted. If we have negative operating cash flows in the future, our liquidity and financial condition may be materially and adversely affected.

We expect to continue to spend substantial amounts on drug discovery, advancing the clinical development of our drug candidates, commercializing our drugs and launching and commercializing any drug candidates for which we receive regulatory approval, including building our own commercial organization to address China and other markets. While we have generated product revenue in China since September 2017 from sales of our drugs licensed from Celgene, these revenues are not sufficient to support our operations. Although it is difficult to predict our liquidity requirements, based upon our current operating plan, we believe that we have sufficient cash, cash equivalents and short-term investments to meet our projected operating requirements for at least the next 12 months. However, we believe that our existing cash, cash equivalents and short-term investments will not be sufficient to enable us to complete all global development or commercially launch all of our current drug candidates for the currently anticipated indications and to invest in additional programs. Accordingly, we will require further funding through public or private offerings, debt financing, collaboration and licensing arrangements or other sources. Our forecast of the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties, and actual results could vary as a result of a number of factors, including the factors discussed elsewhere in this "Risk Factors" section. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our drug candidates;
- the number and characteristics of drug candidates that we may in-license and develop;
- the amount and timing of the milestone and royalty payments we receive from our collaborators;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- selling and marketing costs associated with our drugs in China and any future drug candidates that may be approved, including the cost and timing of expanding our marketing and sales capabilities;
- the terms and timing of any potential future collaborations, licensing or other arrangements that we may establish;

- cash requirements of any future acquisitions and/or the development of other drug candidates;

- the cost and timing of development and completion of commercial-scale internal or outsourced manufacturing activities; and

- our headcount growth and associated costs.

Adequate additional funding may not be available to us on acceptable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts. Our inability to obtain additional funding when we need it could seriously harm our business.

Raising additional capital may cause dilution to our shareholders, restrict our operations or require us to relinquish rights to our technologies or drug candidates.

We may seek additional funding through a combination of equity offerings, debt financings, collaborations and licensing 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 may include liquidation or other preferences that adversely affect your rights as a holder of our ordinary shares and/or ADSs. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our ADSs and/or ordinary shares to decline. In the event that we enter into collaborations or licensing arrangements in order to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to a third party on unfavorable terms our rights to technologies or drug candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

Fluctuations in exchange rates could result in foreign currency exchange losses and could materially reduce the value of your investment.

We incur portions of our expenses, and derive revenues, in currencies other than the U.S. dollar or Hong Kong dollar, in particular, the RMB and Australian dollar. As a result, we are exposed to foreign currency exchange risk as our results of operations and cash flows are subject to fluctuations in foreign currency exchange rates. We currently do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar. A decline in the value of the U.S. dollar against currencies in countries in which we conduct clinical trials could have a negative impact on our research and development costs. We cannot predict the impact of foreign currency fluctuations, and foreign currency fluctuations in the future may adversely affect our financial condition, results of operations and cash flows.

The value of the RMB against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions and the foreign exchange policy proposed or adopted by the PRC, Australia and other non-U.S. governments. It is difficult to predict how market forces or PRC, Australia, other non-U.S. governments and U.S. government policies may impact the exchange rate of RMB and the U.S. dollar or any other currencies in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, including from the U.S. government, which has threatened to label China as a "currency manipulator," which could result in greater fluctuation of the RMB against the U.S. dollar.

Substantially all of our revenues are denominated in U.S. dollars and RMB, and our costs are denominated in U.S. dollars, Australian dollars and RMB, and a large portion of our financial assets and a significant portion of our debt is denominated in U.S. dollars and RMB. Any significant revaluation of the RMB may materially reduce any dividends payable on our ordinary shares and/or ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars into RMB for our operations, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ADSs or for other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount we would receive.

The proceeds from the Global Offering will be received in Hong Kong dollars. As a result, any appreciation of the RMB against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our proceeds from the Global Offering. Conversely, any depreciation of the RMB may adversely affect the value of, and any dividends payable on, our ordinary shares and/or ADSs in foreign currency. In addition, there are limited instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to obtain the SAFE's approval before converting significant sums of foreign currencies into RMB. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our ordinary shares and/or ADSs in foreign currency terms.

Our business, profitability and liquidity may be adversely affected by deterioration in the credit quality of, or defaults by, our distributors and customers, and an impairment in the carrying value of our short-term investments could negatively affect our consolidated results of operations.

We are exposed to the risk that our distributors and customers may default on their obligations to us as a result of bankruptcy, lack of liquidity, operational failure or other reasons. As we continue to expand our business, the amount and duration of our credit exposure will be expected to increase over the next few years, as will the breadth of the entities to which we have credit exposure. Although we regularly review our credit exposure to specific distributors and customers that we believe may present credit concerns, default risks may arise from events or circumstances that are difficult to detect or foresee.

Also, the carrying amounts of cash and cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of US$490.6 million, US$239.6 million and US$87.5 million, restricted cash of US$17.5 million, nil and nil and short-term investments of US$973.4 million, US$597.9 million and US$280.7 million at March 31, 2018, December 31, 2017 and 2016, respectively, most of which are deposited in financial institutions outside of China. Although our cash and cash equivalents in China are deposited with various major reputable financial institutions, the deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full. As of March 31, 2018 and December 31, 2017, our short-term investments consisted primarily of U.S. Treasury securities, U.S. agency securities and time deposits. Although we believe that the U.S. Treasury securities, U.S. agency securities and time deposits are of high credit quality and continually monitor the credit worthiness of these institutions, concerns about, or a default by, one institution in the U.S. market, could lead to significant liquidity problems, losses or defaults by other institutions, which in turn could adversely affect us.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain patent protection for our drug candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us.

Our success depends in large part on our ability to protect our proprietary technology and drug candidates from competition by obtaining, maintaining and enforcing our intellectual property rights, including patent rights. We seek to protect the drug candidates and technology that we consider commercially important by filing patent applications in the United States, the PRC and other countries, relying on trade secrets or pharmaceutical regulatory protection or employing a combination of these methods. This process is expensive and time-consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable cost or in a timely manner. As a result, we may not be able to prevent competitors from developing and commercializing competitive drugs in all such fields and territories.

Patents may be invalidated and patent applications may not be granted for a number of reasons, including known or unknown prior art, deficiencies in the patent application or the lack of novelty of the underlying invention or technology. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and any other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition,

publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in our patents or pending patent applications or that we were the first to file for patent protection of such inventions. Furthermore, the PRC and, recently, the United States have adopted the "first-to-file" system under which whoever first files a patent application will be awarded the patent if all other patentability requirements are met. Under the first-to-file system, third parties may be granted a patent relating to a technology which we invented.

In addition, under PRC patent law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to report to the State Intellectual Property Office, or SIPO, for confidentiality examination. Otherwise, if an application is later filed in China, the patent right will not be granted.

The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we license or own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States, PRC and other countries. We may be subject to a third-party preissuance submission of prior art to the United States Patent and Trademark Office, or USPTO, or become involved in opposition, derivation, revocation, re-examination, post-grant and *inter partes* review, or interference proceedings or similar proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates and compete directly with us without payment to us, or result in our inability to manufacture or commercialize drug candidates without infringing, misappropriating or otherwise violating third-party patent rights. Moreover, we may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our invention or other features of patentability of our patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and drug candidates. Such proceedings also may result in substantial costs and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our technology or drug candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products in a non-infringing manner.

Furthermore, although various extensions may be available, the life of a patent and the protection it affords, is limited. For example, the approved cancer therapies we have licensed from Celgene in China, ABRAXANE®, REVLIMID® and VIDAZA®, face or are expected to face competition from generic medications, and we may face similar competition for any approved drug candidates even if we successfully obtain patent protection once the patent life has expired for the drug. Manufacturers of generic drugs may challenge the scope, validity or enforceability of our patents in court, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. The issued patents and pending patent applications, if issued, for our drug candidates are expected to expire on various dates as described in "Business—Intellectual Property" of this prospectus. Upon the expiration of our issued patents or patents that may issue from our pending patent applications, we will not be able to assert such patent rights against potential competitors and our business and results of operations may be adversely affected.

Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such drug candidates might expire before or shortly after such drug candidates are commercialized. As a result, our patents and patent applications may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours. Moreover, some of our patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license to any such third-party co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

We may not be able to protect our intellectual property rights throughout the world.

Filing, prosecuting, maintaining and defending patents on drug candidates in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in some non-U.S. countries can have a different scope and strength than do those in the United States. In addition, the laws of certain non-U.S. countries do not protect intellectual property rights to the same extent as U.S. federal and state laws do. 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 drugs made using our inventions in and into the United States or non-U.S. jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to non-U.S. jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in the United States. These drugs may compete with our drugs and drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

We currently hold issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the maintenance or issuance of the same. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our products mature, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, our business could be materially adversely affected.

Many companies have encountered significant problems in protecting and defending intellectual property rights in certain jurisdictions, including China. The legal systems of some 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 drugs in violation of our proprietary rights.

We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful. Our patent rights relating to our drug candidates could be found invalid or unenforceable if challenged in court or before the USPTO or comparable non-U.S. authority.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include ex parte re-examination, inter partes review, post-grant review, derivation and equivalent proceedings in non-U.S. jurisdictions, such as opposition proceedings. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our drug candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our drug candidates. Such a loss of patent protection could have a material adverse impact on our business.

We may not be able to prevent misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as in the United States. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

If we are sued for infringing intellectual property rights of third parties, such litigation could be costly and time consuming and could prevent or delay us from developing or commercializing our drug candidates.

Our commercial success depends in part on our avoiding infringement of the patents and other intellectual property rights of third parties. We are aware of numerous issued patents and pending patent applications belonging to third parties that exist in fields in which we are developing our drug candidates. There may also be third-party patents or patent applications of which we are currently unaware, and given the dynamic area in which we operate, additional patents are likely to issue that relate to aspects of our business. There is a substantial amount of litigation and other claims and proceedings involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries generally. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our drug candidates may give rise to claims of infringement of the patent rights of others.

Third parties may assert that we are using technology in violation of their patent or other proprietary rights. Defense of these claims, regardless of their merit, could involve substantial litigation expense and divert our technical personnel, management personnel, or both from their normal responsibilities. Even in the absence of litigation, we may seek to obtain licenses from third parties to avoid the risks of litigation, and if a license is available, it could impose costly royalty and other fees and expenses on us.

If third parties bring successful claims against us for infringement of their intellectual property rights, we may be subject to injunctive or other equitable relief, which could prevent us from developing and commercializing one or more of our drug candidates. Defense of these claims, regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim against us of infringement or misappropriation, or a settlement by us of any such claims, we may have to pay substantial damages, including treble damages and attorneys' fees in the case of willful infringement, pay royalties or redesign our infringing drug candidates, which may be impossible or require substantial time and cost. In the event of an adverse result in any such litigation, or even in the absence of litigation, we may need to obtain licenses from third parties to advance our research or allow commercialization of our drug candidates. Any such license might not be available on reasonable terms or at all. In the event that we are unable to obtain such a license, we would be unable to further develop and commercialize one or more of our drug candidates, which could harm our business significantly. We may also elect to enter into license agreements in order to settle patent infringement claims or to resolve disputes prior to litigation, and any such license agreements may require us to pay royalties and other fees that could significantly harm our business.

We are aware of U.S. patents with claims covering certain antibodies that are relevant to tislelizumab for which patents are expected to expire in 2023 or 2024; complexes of irreversible BTK inhibitors that are relevant to zanubrutinib for which the patent is expected to expire in 2027; and the use of PARP inhibitors to treat certain cancers that are relevant to pamiparib for which patents are expected to expire between 2027 and 2031. We are also aware of issued patents in Europe and China relevant to pamiparib. Although we believe that the relevant claims of these patents would likely be held invalid, we can provide no assurance that a court or an administrative agency would agree with our assessment. If the validity of the relevant claims of one or more of these patents were to be upheld upon a validity challenge, and our related drug candidate was to be approved for sale in the United States before the expiration of the relevant patents, we would need a license to commercialize the drug candidate in the United States before the expiration of the relevant patents. In addition, depending upon the circumstances, we may need licenses for jurisdictions outside of the United States where we wish to commercialize a particular drug candidate before the expiration of corresponding patents covering that drug candidate. In such cases, we can provide no assurance that we would be able to obtain a license or licenses on commercially reasonable terms or at all, which could materially and adversely affect our business.

Even if litigation or other proceedings are resolved in our favor, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of the ordinary shares and/or ADSs. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

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

Periodic maintenance fees on any issued patent are due to be paid to the USPTO and other patent agencies in several stages over the lifetime of the patent. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance 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. Noncompliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In any such event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

If we do not obtain patent term extension and data exclusivity for any drug candidates we may develop, our business may be materially harmed.

Depending upon the timing, duration and specifics of any FDA marketing approval of any drug candidates we may develop, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch Waxman Amendments. The Hatch Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during clinical trials and the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. In addition, no patent term extension system has been established in the PRC beyond the new pilot program, and implementation of the pilot program may not occur quickly. As a result, the patents we have in the PRC are not yet eligible to be extended for patent term lost during clinical trials and the regulatory review process. If we are unable to obtain patent term extension or term of any such extension is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed.

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

The United States has recently enacted and is currently implementing wide-ranging patent reform legislation. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

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

Furthermore, many of our employees, including our senior management, were previously employed at other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Some of these employees, including each member of our senior management, executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer. We are not aware of any threatened or pending claims related to these matters or concerning the agreements with our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees, consultants and contractors who may be involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

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

Because our programs may involve additional drug candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire and maintain licenses or other rights to use these proprietary rights. We may be unable to acquire or in-license any compositions, methods of use, or other third-party intellectual property rights from third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies are also pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, cash resources and greater clinical development and commercialization capabilities. If we are unable to successfully obtain rights to required third-party intellectual property rights, our business, financial condition and prospects for growth could suffer.

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

We have entered into license agreements with third parties providing us with rights under various third-party patents and patent applications. These license agreements impose diligence, development or commercialization timelines and milestone payment, royalty, insurance and other obligations on us. If we fail to comply with our obligations under our current or future license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any drug or drug candidate that is covered by the licenses provided for under these agreements or we may face claims for monetary damages or other penalties under these agreements. Such an occurrence could diminish the value of these products and our company. Termination of the licenses provided for under these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology.

Risks Related to Our Reliance on Third Parties

We rely on third parties to conduct our preclinical studies and clinical trials and we must work effectively with collaborators to develop our drug candidates. If these third parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon third-party CROs to monitor and manage data for our ongoing preclinical and clinical programs. We rely on these parties for execution of our preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities. We, our CROs for our clinical programs and our clinical investigators are required to comply with GCPs, which are regulations and guidelines enforced by the FDA, CDA, EMA and other comparable regulatory authorities for all of our drugs in clinical development. If we or any of our CROs or clinical investigators fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, CDA, EMA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. In addition, our pivotal clinical trials must be conducted with product produced under cGMP regulations. Our failure to comply with these regulations may require us to repeat clinical trials, which would delay the regulatory approval process.

If any of our relationships with these third-party CROs terminate, we may not be able to enter into arrangements with alternative CROs or to do so on commercially reasonable terms. In addition, our CROs are not our employees, and except for remedies available to us under our agreements with such CROs, we cannot control whether or not they devote sufficient time and resources to our ongoing clinical and nonclinical programs. If CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines, if they need to be replaced or if the quality or accuracy of the clinical data they or our clinical investigators obtain is compromised due to the failure to adhere to our clinical protocols, regulatory requirements or for other reasons, our clinical trials may be extended, delayed or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our drug candidates. As a result, our results of operations and the commercial prospects for our drug candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

Switching or adding additional CROs involves additional cost and delays, which can materially influence our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

Our future revenues are dependent on our ability to work effectively with collaborators to develop our drug candidates, including to obtain regulatory approval. Our arrangements with collaborators will be critical to successfully bringing products to market and commercializing them. We rely on collaborators in various respects, including to undertake research and development programs and conduct clinical trials, manage or assist with the regulatory filings and approval process

and to assist with our commercialization efforts. We do not control our collaborators; therefore, we cannot ensure that these third parties will adequately and timely perform all of their obligations to us. If they fail to complete the remaining studies successfully, or at all, it could delay, adversely affect or prevent regulatory approval. We cannot guarantee the satisfactory performance of any of our collaborators and if any of our collaborators breach or terminate their agreements with us, we may not be able to successfully commercialize the licensed product which could materially and adversely affect our business, financial condition, cash flows and results of operations.

We expect to rely on third parties to manufacture at least a portion of our clinical and commercial drug supplies. Our business could be harmed if those third parties fail to provide us with sufficient quantities of product or fail to do so at acceptable quality levels or prices.

Although we currently have a facility that may be used as our clinical-scale manufacturing and processing facility and are building manufacturing facilities in China, we intend to at least partially rely on outside vendors to manufacture supplies and process our drugs and drug candidates. For example, we have entered into a commercial supply agreement for tislelizumab with Boehringer Ingelheim Biopharmaceuticals (China) Ltd. In addition, we rely on Celgene and its third-party manufacturers for supply of ABRAXANE®, REVLIMID® and VIDAZA® in China. We have not yet caused our drug candidates to be manufactured or processed on a commercial scale and may not be able to do so for any of our drug candidates. We have limited experience in managing the manufacturing process, and our process may be more difficult or expensive than the approaches currently in use.

Although we intend to further develop our own manufacturing facilities, we also intend to use third parties as part of our manufacturing process and for the clinical and commercial supply of our drugs and drug candidates. Our anticipated reliance on a limited number of third-party manufacturers exposes us to the following risks:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the FDA, CDA, EMA or other comparable regulatory authorities must evaluate and/or approve any manufacturers as part of their regulatory oversight of our drug candidates. This evaluation would require new testing and cGMP-compliance inspections by FDA, CDA, EMA or other comparable regulatory authorities;

- our manufacturers may have little or no experience with manufacturing our drug candidates, and therefore may require a significant amount of support from us in order to implement and maintain the infrastructure and processes required to manufacture our drug candidates;

- our third-party manufacturers might be unable to timely manufacture our drugs and drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;

- manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies in the United States to ensure strict compliance with cGMPs and other government regulations and by other comparable regulatory authorities for corresponding non-U.S. requirements. We do not have control over third-party manufacturers' compliance with these regulations and requirements;

- we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our drug candidates and drugs;

- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects; and

- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters.

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

Currently, the raw materials for our manufacturing activities are supplied by multiple source suppliers. We have agreements for the supply of drug materials with manufacturers or suppliers that we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, there is a risk that, if supplies are interrupted, it would materially harm our business.

Manufacturers of drug and biological products often encounter difficulties in production, particularly in scaling up or out, validating the production process, and assuring high reliability of the manufacturing process (including the absence of contamination). These problems include logistics and shipping, difficulties with production costs and yields, quality control, including stability of the product, product testing, operator error, availability of qualified personnel, as well as compliance with strictly enforced federal, state and non-U.S. regulations. Furthermore, if contaminants are discovered in our supply of our drugs and drug candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. We cannot assure you that any stability failures or other issues relating to the manufacture of our drug candidates will not occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide our drugs for commercial sale and our drug candidates to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to begin new clinical trials at additional expense or terminate clinical trials completely.

If third-party manufacturers fail to comply with manufacturing regulations, our financial results and financial condition will be adversely affected.

Before a third party can begin commercial manufacture of our drugs and drug candidates, contract manufacturers are subject to regulatory inspections of their manufacturing facilities, processes and quality systems. Due to the complexity of the processes used to manufacture drug and biological products and our drug candidates, any potential third-party manufacturer may be unable to initially pass federal, state or international regulatory inspections in a cost-effective manner in order for us to obtain regulatory approval of our drug candidates. If our contract manufacturers do not pass their inspections by the relevant regulatory authorities, our commercial supply of drug product or substance will be significantly delayed and may result in significant additional costs, including the delay or denial of any marketing application for our drug candidates or disruption in sales. In addition, drug and biological manufacturing facilities are continuously subject to inspection by regulatory authorities, before and after drug approval, and must comply with cGMPs. Our contract manufacturers may encounter difficulties in achieving quality control and quality assurance and may experience shortages in qualified personnel. In addition, contract manufacturers' failure to achieve and maintain high manufacturing standards in accordance with applicable regulatory requirements, or the incidence of manufacturing errors, could result in patient injury, product liability claims, product shortages, product recalls or withdrawals, delays or failures in product testing or delivery, cost overruns or other problems that could seriously harm our business. If a third-party manufacturer with whom we contract is unable to comply with manufacturing regulations, we may also be subject to fines, unanticipated compliance expenses, recall or seizure of our drugs, product liability claims, total or partial suspension of production and/or enforcement actions, including injunctions, and criminal or civil prosecution. These possible sanctions could materially adversely affect our financial results and financial condition.

Furthermore, changes in the manufacturing process or procedure, including a change in the location where the product is manufactured or a change of a third-party manufacturer, could require prior review by regulatory authorities and/or approval of the manufacturing process and procedures in accordance with applicable requirements. This review may be costly and time consuming and could delay or prevent the launch of a product. The new facility will also be subject to pre-approval inspection. In addition, we have to demonstrate that the product made at the new facility is equivalent to the product made at the former facility by physical and chemical methods, which are costly and time consuming. It is also possible that regulatory authorities may require clinical testing as a way to prove equivalency, which would result in additional costs and delay.

We have entered into collaborations, such as with Celgene and Merck KGaA, Darmstadt Germany, and may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such collaborations, alliances or licensing arrangements.

We may form or seek strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our drug candidates and any future drug candidates that we may develop. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders, or disrupt our management and business.

For example, we entered into license agreements with Merck KGaA, Darmstadt Germany, pursuant to which Merck KGaA, Darmstadt Germany has an option to acquire exclusive commercialization rights under our pamiparib PARP program in the PRC if pamiparib does not receive national priority project status in China under its 12th or 13th five-year plan by July 28, 2017. We applied for national priority project status for pamiparib to be effective from the beginning of 2017, and our application is in process and we believe it will be approved. However, there have been unanticipated governmental delays that have impacted the 2017 applicant pool for national project priority status and we expect that we will now receive formal notification in 2018. As such, we intend to discuss with Merck KGaA, Darmstadt Germany the impact of this delay on the PRC PARP license agreement.

Our strategic collaboration with Celgene involves numerous risks. There can be no assurance that we will be able to successfully manage and integrate Celgene's commercial operations in China and its personnel into our business, which could disrupt our business and harm our financial results. Moreover, we may not achieve the revenue and cost synergies expected from the transaction and our management's attention may be diverted from our drug discovery and development business. These synergies are inherently uncertain, and are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. If we achieve the expected benefits, they may not be achieved within the anticipated time frame. Also, the synergies from our collaboration with Celgene may be offset by costs incurred in integrating Celgene's commercial operations in China, increases in other expenses, operating losses or problems in the business unrelated to our collaboration with Celgene. As a result, there can be no assurance that these synergies will be achieved.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a drug candidate, we can expect to relinquish some or all of the control over the

future success of that drug candidate to the third party. For any drugs or drug candidates that we may seek to in-license from third parties, we may face significant competition from other pharmaceutical or biotechnology companies with greater resources or capabilities than us, and any agreement that we do enter may result in the anticipated benefits.

Further, collaborations involving our drugs and drug candidates 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;

- collaborators may not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs based on clinical trial results, changes in their strategic focus due to the acquisition of competitive drugs, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;

- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a drug candidate, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing;

- collaborators could independently develop, or develop with third parties, drugs that compete directly or indirectly with our drugs or drug candidates;

- a collaborator with marketing and distribution rights to one or more drugs may not commit sufficient resources to their marketing and distribution;

- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;

- disputes may arise between us and a collaborator that cause the delay or termination of the research, development or commercialization of our drug candidates, or that result in costly litigation or arbitration that diverts management attention and resources;

- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable drug candidates; and

- collaborators may own or co-own intellectual property covering our drugs that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

As a result, we may not be able to realize the benefit of current or future collaborations, strategic partnerships or the license of our third-party drugs if we are unable to successfully integrate such products with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our drug candidates or bring them to market and generate product sales revenue, which would harm our business prospects, financial condition and results of operations.

If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected.

We rely on a third-party distributor to distribute Celgene's approved cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®. Our ability to maintain and grow our business will depend on our ability to maintain an effective distribution channel that ensures the timely delivery of our products to the relevant markets where we generate market demand through our sales and marketing activities. However, we have relatively limited control over our distributor, who may fail to distribute our products in the manner we contemplate. While we have long-standing business relationship with our distributor, the agreement we entered into with our distributor can be terminated by both parties upon six months' written notice. If PRC price controls or other factors substantially reduce the margins our distributor can obtain through the resale of our products to hospitals, medical institutions and sub-distributors, it may terminate its relationship with us. As of the Latest Practicable Date, we rely on one distributor to distribute our products. While we believe alternative distributors are readily available in China, there is a risk that, if the distribution of our drugs is interrupted, our sales volumes and business prospects could be adversely affected.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》), or the Scientific Data Measures, which provides a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Given the term state secret is not clearly defined, if and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any subsequent laws as required by the relevant

government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our pre-clinical studies or clinical trials conducted within China) abroad or to our foreign partners in China. If we are unable to obtain necessary approvals in a timely manner, or at all, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, results of operations, financial conditions and prospects. If the relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities.

Risks Related to Our Industry, Business and Operations

Our future success depends on our ability to retain key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on Xiaodong Wang, Ph.D., our Co-Founder, Chairman of our scientific advisory board, which may from time to time provide us assistance upon our request, and director; John V. Oyler, our Co-Founder, Chief Executive Officer and Chairman of the Board; and the other principal members of our management and scientific teams. Although we have formal employment agreements with each of our executive officers, these agreements do not prevent our executives from terminating their employment with us at any time. We do not maintain "key person" insurance for any of our executives or other employees. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have provided share option, restricted share unit and restricted share grants that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the ADS and/or ordinary share price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Although we have employment agreements with our key employees, any of our employees could leave our employment at any time, with or without notice.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery, clinical development and commercialization strategy. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Furthermore, replacing executive officers, key employees or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel.

We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We have significantly increased the size and capabilities of our organization, and we may experience difficulties in managing our growth.

At the beginning of 2017, we had over 320 employees, and we ended the year with approximately 900 employees. As of July 20, 2018, our total employee number reached over 1,300. Most of our employees are full-time. As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent growth and any future growth will impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our drug candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to commercialize our drugs and drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth, and our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services. There can be no assurance that the services of these independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

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

We incur significant costs as a result of operating as a public company in the United States, and our management is required to devote substantial time to compliance requirements, including establishing and maintaining internal controls over financial reporting. We may be exposed to potential risks if we are unable to comply with these requirements.

As a public company in the United States, we are subject to the periodic reporting requirements of the U.S. Exchange Act and incur significant legal, accounting and other expenses under the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley Act, together with rules implemented by the SEC and applicable market regulators. These rules impose various requirements on public companies, including requiring certain corporate governance practices. Our management and other personnel devote a substantial amount of time to these requirements. Moreover, these rules and regulations increase our legal and financial compliance costs and make some activities more time-consuming and costly.

The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal controls for financial reporting and disclosure controls and procedures. In particular, we must perform system and process evaluations and testing of our internal controls over financial reporting to allow management to report on the effectiveness of our internal controls over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. We have limited experience complying with Section 404, and such compliance may require that we incur substantial accounting expenses and expend significant management efforts. Our testing may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses. In the event we identify significant deficiencies or material weaknesses in our internal controls that we cannot remediate in a timely manner, the market price of our ordinary shares and/or ADSs could decline if investors and others lose confidence in the reliability of our financial statements, we could be subject to sanctions or investigations by the SEC or other applicable regulatory authorities and our business could be harmed.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;

- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;

- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug candidates and regulatory approvals; and

- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

PRC regulations and rules concerning mergers and acquisitions, including the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (《關於外國投資者併購境內企業的規定》), or the M&A Rules, and other recently adopted regulations and rules with respect to mergers and acquisitions established additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, the M&A Rules require that the MOFCOM, be notified in advance of any change-of-control transaction in which a foreign investor takes control of a PRC domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national economic security, or (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or PRC time-honored brand. Moreover, according to the Anti-Monopoly Law of PRC (《中華人民共和國反壟斷法》) and the Provisions on Thresholds for Prior Notification of Concentrations of Undertakings, or the Prior Notification Rules issued by the State Council, the concentration of business undertakings by way of mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be notified in advance to the SAMR when the threshold is crossed and such concentration shall not be implemented without the clearance of prior notification. In addition, the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprise by Foreign Investors (《實施外國投資者併購境內企業安全審查制度的規定》), or the Security Review Rules, issued by the MOFCOM specify that mergers and acquisitions by foreign investors that raise "national defense and security" concerns and mergers and acquisitions through which foreign investors may acquire the de facto control over domestic enterprises that raise "national security" concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review by structuring the transaction through, among other things, trusts, entrustment or contractual control arrangements. In the future, we may grow our business by acquiring complementary businesses. Complying with the requirements of the above-mentioned regulations and other relevant rules to complete such transactions could be time consuming, and any required approval processes, including obtaining approval from the SAMR, the MOFCOM or its local counterparts may delay or inhibit our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises "national defense and security" or "national security" concerns. However, the MOFCOM or other government agencies may publish explanations in the future determining that our business is in an industry subject to the security review, in which

case our future acquisitions in the PRC, including those by way of entering into contractual control arrangements with target entities, may be closely scrutinized or prohibited. Our ability to expand our business or maintain or expand our market share through future acquisitions would as such be materially and adversely affected.

If we fail to comply with the U.S. Foreign Corrupt Practices Act or other anti-bribery laws, our reputation may be harmed and we could be subject to penalties and significant expenses that have a material adverse effect on our business, financial condition and results of operations.

We are subject to the Foreign Corrupt Practices Act, or FCPA. The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We are also subject to the anti-bribery laws of other jurisdictions, particularly China. As our business has expanded, the applicability of the FCPA and other anti-bribery laws to our operations has increased.

We do not fully control the interactions our employees, distributors and third-party promoters have with hospitals, medical institutions and doctors, and they may try to increase sales volumes of our products through means that constitute violations of the PRC anti-corruption and other related laws. If our employees, distributors or third-party promoters engage in corrupt or other improper conduct that results in violation of applicable anti-corruption laws in the PRC or other jurisdictions, our reputation could be harmed. Furthermore, we could be held liable for actions taken by our employees, distributors or third-party promoters, which could expose us to regulatory investigations and penalties.

Our procedures and controls to monitor anti-bribery compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, 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.

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

We and third parties, such as our CROs or CMOs, 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. In addition, our construction projects can only be put into operation after certain regulatory procedures with the relevant administrative authorities in charge of environmental protection, health and safety have been completed. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. We cannot eliminate the risk of

contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

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

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

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

Despite the implementation of security measures, our internal computer systems and those of our CROs and other contractors and consultants are vulnerable to damage from computer viruses and unauthorized access. Although to our knowledge we have not experienced any material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations.

In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property, and proprietary business information. We manage and maintain our applications and data utilizing on-site systems and outsourced vendors. These applications and data encompass a wide variety of business critical information including research and development information, commercial information and business and financial information. Because information systems, networks and other technologies are critical to many of our operating activities, shutdowns or service disruptions at our company or vendors that provide information systems, networks, or other services to us pose increasing risks. Such disruptions may be caused by events such as computer hacking, phishing attacks, ransomware, dissemination of computer viruses, worms and other destructive or disruptive software, denial of service attacks and other malicious activity, as well as power outages, natural disasters (including extreme weather), terrorist attacks or other similar events. Such events could have an adverse impact on us and our business, including loss of data and damage to equipment and data. In addition, system redundancy may be ineffective or inadequate, and our disaster recovery planning may not be sufficient to cover all eventualities. Significant events could result in a disruption of our operations, damage to our reputation or a loss of revenues. In addition, we may not have adequate insurance coverage to compensate for any losses associated with such events.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of our company and our vendors, including personal information of our employees and patients, and company and vendor confidential data. In addition, outside parties may attempt to penetrate our systems or those of our vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and/or systems. Like other companies, we have on occasion experienced, and will continue to experience, threats to our data and systems, including malicious codes and viruses, phishing, and other cyber-attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed and our reputation and credibility could be damaged. We could be required to expend significant amounts of money and other resources to repair or replace information systems or networks. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data, as well as unfair or deceptive practices. Although we develop and maintain systems and controls designed to prevent these events from occurring, and we have a process to identify and mitigate threats, the development and maintenance of these systems, controls and processes is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase and we will need to expend additional resources to protect our technology and information systems.

If we or parties on whom we rely fail to maintain the necessary licenses for the development, production, sales and distribution of our products, our ability to conduct our business could be materially impaired.

We are required to obtain, maintain and renew various permits, licenses and certificates to develop, produce, promote and sell our products. Third parties, such as distributors, third party promoters and third-party manufacturers, on whom we may rely to develop, produce, promote, sell and distribute our products may be subject to similar requirements. We and third parties on whom we rely may be also subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. Moreover, the criteria used in reviewing applications for, or renewals of permits, licenses and certificates may change from time to time, and there can be no assurance that we or the parties on whom we rely will be able to meet new criteria that may be imposed to obtain or renew the necessary permits, licenses and certificates. Many of such permits, licenses and certificates are material to the operation of our business, and if we or parties on whom we rely fail to maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired. Furthermore, if the interpretation or implementation of existing laws and regulations change, or new regulations come into effect, requiring us or parties on whom we rely to obtain any additional permits, licenses or certificates that were previously not required to operate our business, there can be no assurance that we or parties on whom we rely will successfully obtain such permits, licenses or certificates.

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

Our operations, and those of our third-party research institution collaborators, CROs, suppliers and other contractors and consultants, could be subject natural or man-made disasters or business interruptions, for which we are predominantly self-insured. In addition, we partially rely on our third-party research institution collaborators for conducting research and development of our drug candidates, and they may be affected by government shutdowns or withdrawn funding. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We partially rely on third-party manufacturers to produce and process our drugs and drug candidates. Our ability to obtain supplies of our drugs and drug candidates could be disrupted if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption. Damage or extended periods of interruption to our corporate, development, research or manufacturing facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development or commercialization of some or all of our drug candidates. Although we maintain property damage and business interruption insurance coverage on these facilities, our insurance might not cover all losses under such circumstances and our business may be seriously harmed by such delays and interruption.

Product liability claims or lawsuits could cause us to incur substantial liabilities.

We face an inherent risk of product liability as a result of the commercialization of our drugs in China and the clinical testing and any future commercialization of our drug candidates globally. For example, we may be sued if our drugs or drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection acts. If we cannot successfully defend ourselves against or obtain indemnification from our collaborators for product liability claims, we may incur substantial liabilities or be required to limit commercialization of our drugs and drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in: decreased demand for our drugs; injury to our reputation; withdrawal of clinical trial participants and inability to continue clinical trials; initiation of investigations by regulators; costs to defend the related litigation; a diversion of management's time and our resources; substantial monetary awards to trial participants or patients; product recalls, withdrawals or labeling, marketing or promotional restrictions; loss of revenue; exhaustion of any available insurance and our capital resources; the inability to commercialize any drug candidate; and a decline in the ADS or ordinary share price.

Our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of our drugs and drug candidates. Although we currently hold US$10 million in product liability coverage in the aggregate, the amount of such insurance coverage may not be adequate, we may be unable to maintain such insurance at a reasonable cost or in an amount adequate to satisfy any liability that may arise, or we may not be able to obtain additional or replacement insurance at a reasonable cost, if at all. Our insurance policies may 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. Even if our agreements with any future collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

We are subject to the risks of doing business globally.

Because we operate in China and other countries outside of the United States, our business is subject to risks associated with doing business globally. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including: changes in a specific country's or region's political and cultural climate or economic condition; unexpected changes in laws and regulatory requirements in local jurisdictions; difficulty of effective enforcement of contractual provisions in local jurisdictions; inadequate intellectual property protection in certain countries; enforcement of anti-corruption and anti-bribery laws, such as the FCPA; trade-protection measures, import or export licensing requirements such as Export Administration Regulations promulgated by the United States Department of Commerce and fines, penalties or suspension or revocation of export privileges; the effects of applicable local tax regimes and potentially adverse tax consequences; and significant adverse changes in local currency exchange rates.

We manufacture and intend to continue to manufacture ourselves at least a portion of our drug candidates and our drugs, if approved. Delays in completing and receiving regulatory approvals for our manufacturing facilities, or damage to, destruction of or interruption of production at such facilities, could delay our development plans or commercialization efforts.

We currently have manufacturing facilities in Beijing and Suzhou, China and are building a biologics manufacturing facility in Guangzhou, China. These facilities may encounter unanticipated delays and expenses due to a number of factors, including regulatory requirements. If construction, regulatory evaluation and/or approval of our new facility is delayed, we may not be able to manufacture sufficient quantities of our drug candidates and our drugs, if approved, which would limit our development and commercialization activities and our opportunities for growth. Cost overruns associated with constructing or maintaining our facilities could require us to raise additional funds from other sources.

In addition to the similar manufacturing risks described in "—Risks Related to Our Reliance on Third Parties," our manufacturing facilities will be subject to ongoing, periodic inspection by the FDA, CDA, EMA or other comparable regulatory agencies to ensure compliance with cGMP. Our failure to follow and document our adherence to such cGMP regulations or other regulatory requirements may lead to significant delays in the availability of products for clinical or, in the future, commercial use, may result in the termination of or a hold on a clinical trial, or may delay or prevent filing or approval of marketing applications for our drug candidates or the commercialization of our drugs, if approved. We also may encounter problems with the following:

- achieving adequate or clinical-grade materials that meet FDA, CDA, EMA or other comparable regulatory agency standards or specifications with consistent and acceptable production yield and costs;

- shortages of qualified personnel, raw materials or key contractors; and

- ongoing compliance with cGMP regulations and other requirements of the FDA, CDA, EMA or other comparable regulatory agencies.

Failure to comply with applicable regulations could also result in sanctions being imposed on us, including fines, injunctions, civil penalties, a requirement to suspend or put on hold one or more of our clinical trials, failure of regulatory authorities to grant marketing approval of our drug candidates, delays, suspension or withdrawal of approvals, supply disruptions, license revocation, seizures or recalls of drug candidates or drugs, operating restrictions and criminal prosecutions, any of which could harm our business.

Developing advanced manufacturing techniques and process controls is required to fully utilize our facilities. Advances in manufacturing techniques may render our facilities and equipment inadequate or obsolete.

To produce our drugs in the quantities that we believe will be required to meet anticipated market demand of our drug candidates if approved, we will need to increase, or "scale up," the production process by a significant factor over the initial level of production. If we are unable to do so, are delayed, or if the cost of this scale up is not economically feasible for us or we cannot find a third-party supplier, we may not be able to produce our drugs in a sufficient quantity to meet future demand.

In addition to the similar manufacturing risks described in "—Risks Related to Our Reliance on Third Parties," if our manufacturing facilities or the equipment in them is damaged or destroyed, we may not be able to quickly or inexpensively replace our manufacturing capacity or replace it at all. In the event of a temporary or protracted loss of the facilities or equipment, we might not be able to transfer manufacturing to a third party. Even if we could transfer manufacturing to a third party, the shift would likely be expensive and time-consuming, particularly since the new facility would need to comply with the necessary regulatory requirements and we would need regulatory agency approval before selling any drugs manufactured at that facility. Such an event could delay our clinical trials or reduce our product sales if and when we are able to successfully commercialize one or more of our drug candidates. Any interruption in manufacturing operations at our manufacturing facilities could result in our inability to satisfy the demands of our clinical trials or commercialization. Any disruption that impedes our ability to manufacture our drug candidates or drugs in a timely manner could materially harm our business, financial condition and operating results.

Currently, we maintain insurance coverage against damage to our property and equipment in amounts we believe are reasonable. However, our insurance coverage may not reimburse us, or may not be sufficient to reimburse us, for any expenses or losses we may suffer. We may be unable to meet our requirements for our drug candidates and drugs if there were a catastrophic event or failure of our manufacturing facilities or processes.

Risks Related to Our Doing Business in the PRC

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

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

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

Due to our extensive operations in China, our business, results of operations, financial condition and prospects may be influenced to a significant degree by economic, political, legal and social conditions in the PRC. 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 the PRC economy has experienced significant growth over the past four decades, growth has been uneven across different regions and among various economic sectors of the PRC. The PRC government has implemented various measures to encourage economic development and guide the allocation of resources. Some of these measures may benefit the overall PRC 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 PRC government implemented certain measures, including interest rate increases, to control the pace of economic growth. These measures may cause decreased economic activity in the PRC, which may adversely affect our business and results of operation. More generally, if the business environment in the PRC deteriorates from the perspective of domestic or international investment, our business in the PRC may also be adversely affected.

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

A large portion of our operations are conducted in the PRC through our PRC subsidiaries, and are governed by PRC laws, rules and regulations. Our PRC subsidiaries are subject to laws, rules and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions may be cited for reference but have limited precedential value.

In 1979, the PRC government began to promulgate a comprehensive system of laws, rules and regulations governing economic matters in general. The overall effect of legislation over the past four decades has significantly enhanced the protections afforded to various forms of foreign investment in China. However, China has not developed a fully integrated legal system, and recently enacted laws, rules and regulations may not sufficiently cover all aspects of economic activities in China or may be subject to significant degrees of interpretation by PRC regulatory agencies. In particular, because these laws, rules and regulations are relatively new and often give the relevant regulator significant discretion in how to enforce them, and because of the limited number of published decisions and the nonbinding nature of such decisions, the interpretation and enforcement of these laws, rules and regulations involve uncertainties and can be inconsistent and unpredictable. In addition, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all, and which may have a retroactive effect. As a result, we may not be aware of our violation of these policies and rules until after the occurrence of the violation.

A draft of the proposed Foreign Investment Law (《外國投資法(徵求意見稿)》) is being considered and there are substantial uncertainties with respect to the enactment timetable and the final content of the Foreign Investment Law. If enacted as proposed, the Foreign Investment Law may materially impact our current corporate governance practices and business operations in many aspects and may increase our compliance costs. For instance, the proposed Foreign Investment Law would impose stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable foreign invested entities. Depending on the seriousness of the circumstances, non-compliance with the information reporting obligations, concealment of information or providing misleading or false information could result in monetary fines or criminal charges.

Additionally, the CDA's recent reform of the drug and approval system may face implementation challenges. The timing and full impact of such reforms is uncertain and could prevent us from commercializing our drug candidates in a timely manner.

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

Any failure to comply with PRC regulations regarding our employee equity incentive plans and investments in offshore companies by PRC residents may subject the PRC plan participants and PRC-resident beneficial owners or us to fines and other legal or administrative sanctions.

We and our Directors, executive officers and other employees who are PRC residents have participated in our employee equity incentive plans. We are an overseas listed company, and therefore, we and our Directors, executive officers and other employees who are PRC citizens or who have resided in the PRC for a continuous period of not less than one year and who have been granted restricted share units, restricted shares, options or other forms of equity incentives are subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plan of Overseas Publicly Listed Company (《關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》), according to which, employees, directors, supervisors and other management members participating in any share incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in the PRC for a continuous period of not less than one year, subject to limited exceptions, are required to register with SAFE, through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our Directors and employees under PRC law.

Some of our existing shareholders, each of whom owns our ordinary shares as a result of exercising share options, are PRC residents under the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or SAFE Circular 37. These shareholders have undertaken to (i) apply to register with local SAFE branch or its delegated commercial bank as soon as possible after exercising their options, and (ii) indemnify and hold harmless us and our subsidiaries against any loss suffered arising from their failure to complete the registration. We do not have control over such shareholders and our other beneficial owners and cannot assure you that all of our PRC-resident beneficial owners have complied with, and will in the future comply with, SAFE Circular 37 and subsequent implementation rules.

If we or our Directors, executive officers or other employees who are PRC citizens or who have resided in the PRC for a continuous period of not less than one year and who have been granted equity awards fail to register the employee equity incentive plans or their exercise of options, or such PRC-resident beneficial owners fail to register or amend their SAFE registrations in a timely manner pursuant to SAFE Circular 37, we, such employees and PRC-resident beneficial owners may be subject to (i) legal or administrative sanctions imposed by the SAFE or other PRC authorities, including fines; (ii) restrictions on our cross-border investment activities; (iii) limits on the ability of our wholly owned subsidiaries in China to distribute dividends or the proceeds from any reduction in capital, share transfer or liquidation to us; and (iv) prohibitions on our ability to inject additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions.

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

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity paid by our PRC subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or to service any debt we may incur. If any of our PRC subsidiaries incur debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund. In addition, registered share capital and capital reserve accounts are also restricted from withdrawal in the PRC, up to the amount of net assets held in each operating subsidiary. As of December 31, 2017 and March 31, 2018, these restricted assets totaled US$39.9 million and US$37.0 million, respectively.

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

In response to the persistent capital outflow in the PRC and RMB's depreciation against U.S. dollar, in the fourth quarter of 2016, People's Bank of China, or PBOC, and the SAFE promulgated a series of capital control measures, including stricter vetting procedures for domestic companies to remit foreign currency for overseas investments, dividends payments and shareholder loan repayments.

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

The Enterprise Income Tax Law (《企業所得税法》), or the EIT Law, and its implementation rules provide that China-sourced income of foreign enterprises, such as dividends paid by a PRC subsidiary to its equity holders that are non-PRC resident enterprises, will normally be subject to PRC withholding tax at a rate of 10%, unless any such foreign investor's jurisdiction of incorporation has a tax treaty with China that provides for a different withholding arrangement. As a result, dividends paid to us by our PRC subsidiaries are expected to be subject to PRC withholding tax at a rate of 10%.

Pursuant to the Arrangement between Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵税和防止偷漏税的安排》), or the Hong Kong Tax Treaty, BeiGene HK, the shareholder of some of our PRC subsidiaries, may be subject to a withholding tax at a rate of 5% on dividends received from our PRC operating subsidiaries as a Hong Kong tax resident. Pursuant to the Hong Kong Tax Treaty, subject to certain conditions, this reduced withholding tax rate will be available for dividends from PRC entities provided that the recipient can demonstrate it is a Hong Kong tax resident and it is the beneficial owner of the dividends. BeiGene HK currently does not hold a Hong Kong tax resident certificate from the Inland Revenue Department of Hong Kong and there is no assurance that the reduced withholding tax rate will be available.

We may be treated as a resident enterprise for PRC tax purposes under the EIT Law and we may therefore be subject to PRC income tax on our worldwide taxable income. Dividends payable to foreign investors and gains on the sale of our ADSs or ordinary shares by our foreign investors may become subject to PRC tax.

Under the EIT Law an enterprise established outside the PRC with "de facto management bodies" within the PRC is considered a "resident enterprise," meaning that it is treated in a manner similar to a Chinese enterprise for PRC enterprise income tax, or EIT, purposes. The implementing rules of the EIT Law define "de facto management bodies" as "management bodies that exercise substantial and overall management and control over the production and operations, personnel, accounting and properties" of the enterprise. In addition, the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprises as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies (《關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》), or Circular 82, specifies that certain Chinese-controlled offshore incorporated enterprises, defined as enterprises incorporated under the laws of foreign countries or territories and that have PRC enterprises or enterprise groups as their primary controlling shareholders, will be classified as resident enterprises if all of the following are located or resident in China: (i) senior management personnel and departments that are responsible for daily production, operation and management; (ii) financial and personnel decision-making bodies; (iii) key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings; and (iv) half or more of senior management or directors having voting rights. The State Administration of Taxation, or the SAT, has subsequently provided further guidance on the implementation of Circular 82.

Although BeiGene, Ltd. does not have a PRC enterprise or enterprise group as its primary controlling shareholder and is therefore not a Chinese-controlled offshore incorporated enterprise within the meaning of Circular 82, in the absence of guidance specifically applicable to us, we have applied the guidance set forth in Circular 82 to evaluate the tax residence status of BeiGene, Ltd. and its subsidiaries organized outside of the PRC. We are not aware of any offshore holding company with a corporate structure similar to ours that has been deemed a PRC "resident enterprise" by the PRC tax authorities. Accordingly, we do not believe that our company or any of our overseas subsidiaries should be treated as a PRC resident enterprise.

However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term "de facto management body." If the PRC tax authorities determine that our Cayman Islands holding company

is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow and we may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. If we are deemed a PRC resident enterprise, dividends paid on our ordinary shares or ADSs, and any gain realized from the transfer of our ordinary shares or ADSs, may be treated as income derived from sources within the PRC. As a result, dividends paid to non-PRC resident enterprise ADS holders or shareholders may be subject to PRC withholding tax at a rate of 10% (or 20% in the case of non-PRC individual ADS holders or shareholders) and gains realized by non-PRC resident enterprises ADS holders or shareholders from the transfer of our ordinary shares or ADSs may be subject to PRC tax at a rate of 10% (or 20% in the case of non-PRC individual ADS holders or shareholders).

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

Pursuant to the Bulletin on Issues of Enterprise Income Tax and Indirect Transfers of Assets by Non-PRC Resident Enterprises (《關於非居民企業間接轉讓財產企業所得税若干問題的公告》), or Bulletin 7, which was amended by the Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises issued by SAT (《關於非居民企業所得税源泉扣繳有關問題的公告》), or Announcement 37, an "indirect transfer" of "PRC taxable assets," including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, factors to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in the PRC or if its income mainly derives from the PRC; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. In respect of an indirect offshore transfer of assets of a PRC establishment, the resulting gain is to be reported on with the enterprise income tax filing of the PRC establishment or place of business being transferred, and would consequently be subject to PRC enterprise income tax at a rate of 25%. Where the underlying transfer relates to equity investments in a PRC resident enterprise, which is not related to a PRC establishment or place of business of a non-resident enterprise, a PRC enterprise income tax at the rate of 10% would apply, subject to available preferential tax treatment under applicable tax treaties or similar arrangements. Late payment of applicable tax will subject the transferor to default interest. Gains derived from the sale of shares by investors through a public stock exchange are not subject to the PRC enterprise income tax pursuant to Bulletin 7 where such shares were acquired in a transaction through a public stock exchange. As such, the sale of the ADSs or ordinary shares on a public stock exchange will not be subject to PRC enterprise income tax pursuant to Bulletin 7. However, the sale of our ordinary shares or ADSs by a non-PRC resident enterprise outside a public stock exchange may be subject to PRC enterprise income tax under Bulletin 7.

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

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

Restrictions on currency exchange may limit our ability to utilize our revenue effectively.

The PRC government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of the PRC. A portion of our revenue is denominated in RMB. Shortages in availability of foreign currency may then restrict the ability of our PRC subsidiaries to remit sufficient foreign currency to our offshore entities for our offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign currency denominated obligations. The RMB is currently convertible under the "current account," which includes dividends, trade and service-related foreign exchange transactions, but not under the "capital account," which includes foreign direct investment and loans, including loans we may secure from our onshore subsidiaries. Currently, our PRC subsidiaries may purchase foreign currency for settlement of "current account transactions," including payment of dividends to us, without the approval of SAFE by complying with certain procedural requirements. However, the relevant PRC governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. Since a portion of our revenue is denominated in RMB, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of the PRC or pay dividends in foreign currencies to holders of our ordinary shares and the ADSs. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant PRC governmental authorities or designated banks. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations.

In the past, local governments in the PRC granted certain financial incentives from time to time to our PRC subsidiaries as part of their efforts to encourage the development of local businesses. The timing, amount and criteria of government financial incentives are determined within the sole

discretion of the local government authorities and cannot be predicted with certainty before we actually receive any financial incentive. We generally do not have the ability to influence local governments in making these decisions. Local governments may decide to reduce or eliminate incentives at any time. In addition, some of the government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the specific project therein. We cannot guarantee that we will satisfy all relevant conditions, and if we do so we may be deprived of the relevant incentives. We cannot assure you of the continued availability of the government incentives currently enjoyed by us. Any reduction or elimination of incentives would have an adverse effect on our results of operations. Government grant and subsidies recognized in the income statement for the years ended December 31, 2016 and 2017, and the three month periods ended March 31, 2018 and 2017 was US$1,363,000, US$20,957,000, US$154,000 and US$776,000, respectively.

The audit report included in our annual report on Form 10-K filed with the SEC is prepared by auditors who are not inspected fully by the Public Company Accounting Oversight Board, or the PCAOB, and, as such, investors are deprived of the benefits of such inspection.

As an auditor of companies that are publicly traded in the United States and a firm registered with the PCAOB, Ernst & Young Hua Ming LLP is required under the laws of the United States to undergo regular inspections by the PCAOB. However, because we have substantial operations within the PRC, a jurisdiction where the PCAOB is currently unable to conduct inspections without the approval of the Chinese government authorities, our auditor and its audit work is not currently inspected fully by the PCAOB.

Inspections of other auditors conducted by the PCAOB outside the PRC have at times identified deficiencies in those auditors' audit procedures and quality control procedures, which may be addressed as part of the inspection process to improve future audit quality. The lack of PCAOB inspections of audit work undertaken in the PRC prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, investors may be deprived of the benefits of PCAOB inspections, and may lose confidence in our reported financial information and procedures and the quality of our financial statements.

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

In December 2012, the SEC brought administrative proceedings against five accounting firms in China, including our independent registered public accounting firm, alleging that they had refused to produce audit work papers and other documents related to certain other PRC-based companies under investigation by the SEC. On January 22, 2014, an initial administrative law decision was issued, censuring these accounting firms and suspending four of these firms from practicing before the SEC for a period of six months. The decision is neither final nor legally effective unless and until reviewed and approved by the SEC. On February 12, 2014, four of these PRC-based accounting firms appealed to the SEC against this decision. In February 2015, each of the four PRC-based accounting firms agreed to a censure and to pay a fine to the SEC to settle the dispute and avoid suspension of their ability to practice before the SEC. These firms' ability to continue to serve all their respective clients

is not affected by the settlement. The settlement requires these firms to follow detailed procedures to seek to provide the SEC with access to Chinese firms' audit documents via the CSRC. If these firms do not follow these procedures, the SEC could impose penalties such as suspensions, or it could restart the administrative proceedings. The settlement did not require these firms to admit to any violation of law and preserves these firms' legal defenses in the event the administrative proceeding is restarted. In the event that the SEC restarts the administrative proceedings, depending upon the final outcome, listed companies in the United States with major PRC operations may find it difficult or impossible to retain auditors in respect of their operations in the PRC, which could result in financial statements being determined to not be in compliance with the requirements of the U.S. Exchange Act, including possible delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding PRC-based, U.S.-listed companies and the market price of the ADSs and/or ordinary shares may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the U.S. Exchange Act. Such a determination could ultimately lead to deregistration from the SEC, which would substantially reduce or effectively terminate the trading of the ADSs in the United States. Moreover, any negative news about the proceedings against these audit firms may adversely affect investor confidence in companies with substantial mainland China-based operations listed in the United States. All these would materially and adversely affect the market price of the ADSs and substantially reduce or effectively terminate the trading of the ADSs in the United States, and the market price of the ordinary shares may be adversely affected.

Risks Related to the Global Offering and the Dual Listing

An active trading market for the ordinary shares on the Stock Exchange might not develop or be sustained, their trading prices might fluctuate significantly and the effectiveness of the liquidity arrangements might be limited.

Following the completion of the Global Offering, we cannot assure you that an active trading market for the ordinary shares on the Stock Exchange will develop or be sustained. In particular, the Stock Exchange has only recently implanted changes to the Listing Rules to facilitate the listing of biotech companies and investors in Hong Kong listed securities may not be as familiar with investing in biotech companies as investors in other markets. If an active trading market of the ordinary shares on the Stock Exchange does not develop or is not sustained after the Global Offering, the market price and liquidity of the ordinary shares could be materially and adversely affected. As a result, the market price for our ordinary shares in Hong Kong following the completion of the Global Offering might not be indicative of our ADSs on the Nasdaq, even allowing for currency differences.

The trading prices of our ordinary shares and/or ADSs can be volatile, which could result in substantial losses to you.

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

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

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

The characteristics of the U.S. capital markets and the Hong Kong capital markets are different.

The Nasdaq and the Stock Exchange have different trading hours, trading characteristics (including trading volume and liquidity), trading and listing rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our ordinary shares and the ADSs representing them might not be the same, even allowing for currency differences. Fluctuations in the price of our ADSs due to circumstances peculiar to its home capital market could materially and adversely affect the price of the ordinary shares. Because of the different characteristics of the U.S. and Hong Kong equity markets, the historic market prices of our ADSs may not be indicative of the performance of our securities (including the ordinary shares) after the Global Offering.

We may be subject to securities litigation, which is expensive and could divert management attention.

Companies that have experienced volatility in the volume and market price of their shares have been subject to an increased incidence of securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, and, if adversely determined, could have a material adverse effect on our business, financial condition and results of operations.

Future sales of our ordinary shares and/or the ADSs in the public market could cause the ordinary share and/or ADS price to fall.

Our ordinary share and/or ADS price could decline as a result of sales of a large number of ordinary shares and/or the ADSs or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

As of May 4, 2018, we had 698,883,853 ordinary shares outstanding, of which 495,841,346 ordinary shares were held in the form of 38,141,642 ADSs. Of this amount, 32,746,416 ordinary shares issued to Celgene are subject to a lock-up until September 1, 2018. We have also granted certain registration rights with respect to the shares issued to Celgene in the event that they are not eligible for sale under Rule 144.

In connection with the Global Offering, our Directors and executive officers, certain trusts and parties affiliated with such Directors and officers and certain holders of our shares have signed lock-up agreements. See "Underwriting — Underwriting Arrangements and Expenses — Lock-up — Undertakings by our Directors and Senior Management." Upon completion of the Global Offering, assuming the underwriters do not exercise their option to purchase additional shares, approximately 81.7% of our outstanding ordinary shares immediately after the Global Offering will not be subject to lock-up agreements and sold to the public after the Global Offering from time to time.

We filed a registration statement with the SEC on behalf of certain shareholders, registering 299,279,370 ordinary shares in the form of 23,021,490 ADSs to be resold by the selling shareholders identified therein and in any related prospectus supplement from time to time. Furthermore, we have

registered or plan to register the offer and sale of all securities that we have issued and may issue in the future under our equity compensation plans, including upon the exercise of share options and vesting of restricted share units. If these additional securities are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ordinary shares and/or ADSs could decline.

In addition, in the future, we may issue additional ordinary shares, ADSs or other equity or debt securities convertible into ordinary shares or ADSs in connection with a financing, acquisition, litigation settlement, employee arrangements or otherwise. Any such issuance could result in substantial dilution to our existing shareholders and could cause the ordinary share and/or ADS price to decline.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of the ordinary shares and/or ADSs for return on your investment.

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

Our Board has significant discretion as to whether to distribute dividends. Even if our Board 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 and regulatory restrictions and other factors deemed relevant by our Board. Accordingly, the return on your investment in the ordinary shares and/or ADSs will likely depend entirely upon any future price appreciation of the ordinary shares and/or ADSs. There is no guarantee that the ordinary shares and/or ADSs will appreciate in value or even maintain the price at which you purchased the ordinary shares and/or ADSs. You may not realize a return on your investment in the ordinary shares and/or ADSs and you may even lose your entire investment in the ordinary shares and/or ADSs.

If securities or industry analysts do not continue to publish research or publish inaccurate or unfavorable research about our business, the market price for the ordinary shares and/or ADSs and trading volume could decline.

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

We are a Cayman Islands company. Because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than under Hong Kong law or U.S. law, shareholders may have fewer shareholder rights than they would have under Hong Kong law or U.S. law and may face difficulties in protecting your interests.

We are an exempted company with limited liability incorporated in the Cayman Islands. Our corporate affairs are governed by our Articles of Association (as may be further amended from time to time), the Companies Law (as amended) of the Cayman Islands and the common law of the Cayman Islands. The rights of shareholders to take action against the Directors, actions by minority shareholders and the fiduciary responsibilities of our Directors are to a large extent governed by the common law of the Cayman Islands. This common law is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority 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 Hong Kong and the United States. In particular, the Cayman Islands has a less developed body of securities law than the Hong Kong or United States In addition, some states in the United States, such as Delaware, have more fully developed and judicially interpreted bodies of corporate law than the Cayman Islands.

In addition, as a Cayman Islands exempted company, our shareholders have no general rights under Cayman Islands law to inspect corporate records and accounts or to obtain copies of lists of shareholders of these companies with the exception that the shareholders may request a copy of the Articles of Association. Our Directors have discretion under our 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. As a Cayman Islands company, we may not have standing to initiate a derivative action in a federal court of the United States. As a result, you may be limited in your ability to protect your interests if you are harmed in a manner that would otherwise enable you to sue in a Hong Kong or U.S. federal court. In addition, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in Hong Kong or United States federal courts.

Some of our Directors and executive officers reside outside of Hong Kong and the United States and a substantial portion of their assets are located outside of Hong Kong and the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the Cayman Islands or in China in the event that you believe that your rights have been infringed under the securities laws of Hong Kong, the United States or otherwise. In addition, some of our operating subsidiaries are incorporated in China. To the extent our Directors and executive officers reside in China or their assets are located in China, it may not be possible for investors to effect service of process upon us or our management inside China. Even if you are successful in bringing an action, the laws of the Cayman Islands and China may render you unable to enforce a judgment against our assets or the assets of our Directors and officers. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, Hong Kong or China, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits.

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 management, members of the Board or controlling shareholders than they would as public shareholders of a Hong Kong company or a U.S. company.

Your voting rights as a holder of the ADSs are limited by the terms of the deposit agreement. The depositary for the ADSs will give us a discretionary proxy to vote our ordinary shares underlying your ADSs if you do not vote at shareholders' meetings, except in limited circumstances, which could adversely affect your interests.

You may exercise your voting rights with respect to the ordinary shares underlying your ADSs only in accordance with the provisions of the deposit agreement. Upon receipt of voting instructions from you in the manner set forth in the deposit agreement, the depositary for the ADSs will endeavor to vote your underlying ordinary shares in accordance with these instructions. Under our Articles of Association, the minimum notice period required for convening a general meeting is seven calendar days. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw your ordinary shares to allow you to cast your vote with respect to any specific matter at the meeting. In addition, the depositary and its agents may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make all reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but you may not receive the voting materials in time to ensure that you can instruct the depositary to vote your shares. Furthermore, the depositary and its agents will not be responsible 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 ordinary shares are not voted as you requested.

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

- we have failed to timely provide the depositary with our notice of meeting and related voting materials;
- we have instructed the depositary that we do not wish a discretionary proxy to be given;
- we have informed the depositary that there is substantial opposition as to a matter to be voted on at the meeting; or
- a matter to be voted on at the meeting would have a material adverse impact on shareholders.

The effect of this discretionary proxy is that, if you fail to give voting instructions to the depositary, you cannot prevent the ordinary shares underlying your ADSs from being voted, absent the situations described above, and it may make it more difficult for you to influence our management. Holders of our ordinary shares are not subject to this discretionary proxy.

Anti-takeover provisions in our constitutional documents may discourage our acquisition by a third party, which could limit our shareholders' opportunity to sell their shares at a premium.

Our Articles of Association include provisions that could limit the ability of others to acquire control of our company, could modify our structure or could cause us to engage in change-of-control transactions. These provisions could have the effect of depriving our shareholders of an opportunity to sell their shares at a premium over prevailing market prices by discouraging third parties from seeking to obtain control in a tender offer or similar transaction.

For example, our Board has the authority, without further action by our shareholders, to issue preferred shares in one or more series and to fix the powers and rights of these shares, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights associated with our ordinary shares. Preferred shares could thus be issued quickly with terms calculated to delay or prevent a change in control or make removal of management more difficult. In addition, if our Board authorizes the issuance of preferred shares, the market price of our ordinary shares and/or ADSs may fall and the voting and other rights of the holders of our ordinary shares and/or ADSs may be materially and adversely affected.

Because our Directors are divided into three classes with staggered terms of three years each, shareholders can only elect or remove a limited number of our Directors in any given year. The length of these terms could present an obstacle to certain actions, such as a merger or other change of control, which could be in the interest of our shareholders.

Our Articles of Association provide that any shareholder bringing an unsuccessful action against us may be obligated to reimburse us for any costs we have incurred in connection with such unsuccessful action.

Our Articles of Association provide that under certain circumstances the fees, costs and expenses that we incur in connection with actions or proceedings brought by any person or entity, which we refer to as claiming parties, may be shifted to such person or entity. If a claiming party asserts any claim; initiates any proceeding; or joins, offers substantial assistance to, or has a direct financial interest in any claim or proceeding against us, and such claiming party or the third party that received substantial assistance from the claiming party or in whole claim the claiming party had a direct financial interest is unsuccessful in obtaining a judgment on the merits in which the claiming party prevails, then such claiming party shall (to the fullest extent permitted by law) be obligated to reimburse us for all fees, costs and expenses, including but not limited to all reasonable attorneys' fees and other litigation expenses, that we may incur in connection with such claim or proceeding.

Fee-shifting articles are relatively new and untested in the Cayman Islands, the United States and Hong Kong. The case law and potential legislative action on fee-shifting articles are evolving and there exists considerable uncertainty regarding the validity of, and potential judicial and legislative responses to, such articles. The application of our fee-shifting article in connection with claims under the Cayman Islands, United States or Hong Kong securities laws, if any, will depend in part on future developments of the law. We cannot assure you that we will or will not invoke our fee-shifting article in any particular dispute. Consistent with our Directors' fiduciary duties to act in the best interests of the Company, the Directors may in their sole discretion from time to time decide whether or not to enforce this article. In addition, given the unsettled state of the law related to fee-shifting articles, such as ours, we may incur significant additional costs associated with resolving disputes with respect to such articles, which could adversely affect our business and financial condition.

If a Shareholder that brings any such claim or proceeding is unable to obtain the judgment sought, the attorneys' fees and other litigation expenses that might be shifted to a claiming party are potentially significant. This fee-shifting article, therefore, may dissuade or discourage current or former Shareholders (and their attorneys) from initiating lawsuits or claims against us. In addition, it may impact the fees, contingency or otherwise, required by potential plaintiffs' attorneys to represent our Shareholders or otherwise discourage plaintiffs' attorneys from representing our Shareholders at all. As a result, this article may limit the ability of shareholders to affect the management and direction of our company, particularly through litigation or the threat of litigation.

Holders of the ADSs may be subject to limitations on transfer of their ADSs.

Your ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of your ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, as amended, or for any other reason, subject to your right to cancel your ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying common shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares.

In addition, you may not be able to cancel your ADSs and withdraw the underlying ordinary shares when you owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

The depositary for the ADSs is entitled to charge holders fees for various services, including annual service fees.

The depositary for the ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of ordinary shares, cancellation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free

share distributions, distributions of securities other than ADSs and annual service fees. In the case of ADSs issued by the depositary into The Depository Trust Company, or DTC, the fees will be charged by the DTC participant to the account of the applicable beneficial owner in accordance with the procedures and practices of the DTC participant as in effect at the time.

Holders of ADSs may not receive distributions on our ordinary shares or any value for them if it is illegal or impractical to make them available to you.

The depositary of the ADSs has agreed to pay you the cash dividends or other distributions it or the custodian for the ADSs 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 that your ADSs represent. However, the depositary is not responsible for making such payments or distributions if it is unlawful or impractical to make a distribution available to any holders of ADSs. For example, it would be unlawful to make a distribution to a holder of ADSs if it consists of securities that require registration under the Securities Act, but that are not properly registered or distributed pursuant to an applicable exemption from registration. The depositary is not responsible for making a distribution available to any holders of ADSs if any government approval or registration required for such distribution cannot be obtained after reasonable efforts made by the depositary. We have no obligation to take any other action to permit the distribution of 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 for them if it is illegal or impractical for us to make them available to you. These restrictions may materially reduce the value of your ADSs.

Holders of the ADSs may not be able to participate in rights offerings and may experience dilution of their holdings.

From time to time, we may distribute rights to our shareholders, including rights to acquire securities. Under the deposit agreement, the depositary will not distribute rights to holders of ADSs unless the distribution and sale of rights and the securities to which these rights relate are either exempt from registration under the U.S. Securities Act with respect to all holders of ADSs or are registered under the U.S. Securities Act. The depositary may, but is not required to, attempt to sell these undistributed rights to third parties and may allow the rights to lapse. We may be unable to establish an exemption from registration under the U.S. Securities Act, and we are under no obligation to file a registration statement with respect to these rights or underlying securities or to try to have a registration statement declared effective. Accordingly, holders of ADSs may be unable to participate in our rights offerings and may experience dilution of their holdings as a result.

Our corporate actions are substantially controlled by our Directors, executive officers and other principal shareholders, who can exert significant influence over important corporate matters, which may reduce the price of our ordinary shares and/or ADSs and deprive you of an opportunity to receive a premium for your ordinary shares and/or ADSs.

Our Directors, executive officers and principal shareholders beneficially owned approximately 60.8% of our outstanding ordinary shares as of April 20, 2018. These shareholders, if acting together, could exert substantial influence over matters such as electing directors and approving material mergers, acquisitions or other business combination transactions. This concentration of ownership

may also discourage, delay or prevent a change in control of our company, which could have the dual effect of depriving our shareholders of an opportunity to receive a premium for their shares as part of a sale of our company and reducing the price of our ordinary shares and/or ADSs. These actions may be taken even if they are opposed by our other shareholders. In addition, these persons could divert business opportunities away from us to themselves or others.

As the public offering price is substantially higher than our net tangible book value per ordinary share, you will incur immediate and substantial dilution.

If you purchase ordinary shares in the Global Offering, you will pay more for your ordinary shares than the amount paid by existing holders for their ordinary shares or ADSs on a per ordinary share basis. As a result, you will experience immediate and substantial dilution after giving effect to the Global Offering. In addition, you will experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options or vesting of restricted share units. All of the ordinary shares issuable upon the exercise of currently outstanding share options will be issued at a purchase price on a per ordinary share basis that is less than the public offering price per ordinary share in the Global Offering.

There can be no assurance of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various independent third-party sources, including the industry expert reports, contained in this prospectus.

This prospectus, particularly the sections headed "Business" and "Industry Overview," contains information and statistics relating to the global and China oncology drug markets. Such information and statistics have been derived from a third-party report commissioned by us and publicly available sources. We believe that the sources of the information are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. However, we cannot guarantee the quality or reliability of such source materials. The information has not been independently verified by us, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, or any other party involved in the Global Offering, and no representation is given as to its accuracy. Collection methods of such information may be flawed or ineffective, or there may be discrepancies between published information and market practice, which may result in the statistics included in this prospectus being inaccurate or not comparable to statistics produced for other economies. You should therefore not place undue reliance on such information. In addition, we cannot assure you that such information is stated or compiled on the same basis or with the same degree of accuracy as similar statistics presented elsewhere. You should consider carefully the importance placed on such information or statistics.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us and the Global Offering. We strongly caution you not to rely on any information contained in press articles or other media regarding us and the Global Offering. Prior to the publication of this prospectus, there has been press and media coverage regarding us and the Global Offering. Such press and media coverage may include references to certain information that does not appear in this prospectus, including certain operating and financial information and projections, valuations and other information. We have not authorized the disclosure of any such information in the press or media and do not accept any responsibility for any such press

or media coverage or the accuracy or completeness of any such information or publication. We make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication. To the extent that any such information is inconsistent or conflicts with the information contained in this prospectus, we disclaim responsibility for it and you should not rely on such information.

Possible setting of the Offer Price after making a Downward Offer Price Adjustment.

We have the flexibility to make a Downward Offer Price Adjustment to set the final Offer Price at up to 10% below the bottom end of the indicative Offer Price range per Share. It is therefore possible that the final Offer Price will be set at HK$85.00 per Offer Share upon the making of a full Downward Offer Price Adjustment. In such a situation, the Global Offering will proceed and the Withdrawal Mechanism will not apply.

If the final Offer Price is set at HK$85.00, the estimated net proceeds we will receive from the Global Offering will be reduced to HK$5,337.0 million.

In preparation for the Global Offering, we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from the companies (Winding Up and Miscellaneous Provisions) Ordinance:

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

We do not have sufficient management presence in Hong Kong for the purposes of satisfying the requirements under Rule 8.12 of the Listing Rules. The Group's management, business operations and assets are primarily based outside Hong Kong. The principal management headquarters and senior management of the Group are primarily based in the US. The Directors consider that the appointment of executive Directors who will be ordinarily resident in Hong Kong would not be beneficial to, or appropriate for, the Group and therefore would not be in the best interests of the Company and the Shareholders as a whole. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

(a) pursuant to Rule 3.05 of the Listing Rules, we have appointed and will continue to maintain two authorised representatives, namely Dr. Howard Liang, Chief Financial Officer and Chief Strategy Officer, and Scott A. Samuels, Senior Vice President, General Counsel, to be the principal communication channel at all times between the Stock Exchange and the Company. Each of our authorised representatives will be readily contactable by the Stock Exchange by telephone, facsimile and/or e-mail to deal promptly with enquiries from the Stock Exchange. Both of our authorised representatives are authorised to communicate on our behalf with the Stock Exchange;

(b) we will implement a policy to provide the contact details of each Director (such as mobile phone numbers, office phone numbers, residential phone numbers, email addresses and fax numbers) to each of the authorised representatives, to their alternate representative and to the Stock Exchange. This will ensure that each of the authorised representatives, the alternate representative and the Stock Exchange will have the means to contact all the Directors (including the independent non-executive Directors) promptly as and when required, including means to communicate with the Directors when they are travelling;

(c) we will ensure that all Directors who are not ordinarily resident in Hong Kong have valid travel documents to visit Hong Kong and will be able to come to Hong Kong to meet with the Stock Exchange within a reasonable period of time when required;

(d) we have retained the services of a compliance adviser, being Somerley Capital Limited (the "**Compliance Adviser**"), in accordance with Rule 3A.19 of the Listing Rules. The Joint Sponsors submit, on behalf of our Company, that the Compliance Adviser will serve as an additional channel of communication with the Stock Exchange in addition to the authorised representatives of our Company. The Compliance Adviser will provide our Company with professional advice on ongoing compliance with the Listing Rules. We will ensure that the Compliance Adviser has prompt access to our Company's authorised representatives and Directors who will provide to the Compliance Adviser such information and assistance as the Compliance Adviser may need or may reasonably request in connection with the performance of the Compliance Adviser's duties. The Compliance Adviser will also provide advice in compliance with Rule 3A.23 of the Listing Rules; and

(e) meetings between the Stock Exchange and the Directors could be arranged through the authorised representatives or the Compliance Adviser, or directly with the Directors within a reasonable time frame. Our Company will inform the Stock Exchange as soon as practicable in respect of any change in the authorised representatives and/or the Compliance Adviser in accordance with the Listing Rules.

DEALINGS IN SECURITIES BY CORE CONNECTED PERSONS DURING A LISTING APPLICATION PROCESS

Rule 9.09 of the Listing Rules provides that there must be no dealing in the securities for which listing is sought by any core connected person of the issuer, in the case of a new applicant, from four clear Business Days before the expected hearing date until listing is granted (the "**Relevant Period**"). Our Company, being a company whose ADSs are widely held, publicly traded and listed on the Nasdaq is not in a position to control the investment decisions of our shareholders or the investing public in the US. To the best knowledge of our Directors after making all reasonable enquiries, other than Baker Bros. Advisors LP and Hillhouse Capital Management, Ltd. and parties affiliated with them (the "**Existing Shareholders**"), there are no shareholders who held more than 10% of the total issued share capital of our Company as at the Latest Practicable Date. Further, other than Mr. John V. Oyler and Dr. Xiaodong Wang, there is no director who held more than 1% of the total issued share capital of our Company as at the Latest Practicable Date.

Our Company has applied to the Hong Kong Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 9.09 of the Listing Rules subject to the following conditions:

(a) we shall promptly release any inside information to the public in accordance with the relevant laws and regulations in the US and Hong Kong;

(b) we shall procure that none of our existing core connected persons, other than the Existing Shareholders, deals in our Shares during the Relevant Period. For the avoidance of doubt, such dealing in our Shares shall not include the vesting of options and restricted share units granted under our Equity Plans and the options and restricted share units granted by the Company outside our Equity Plans;

(c) we will notify the Hong Kong Stock Exchange if there is any dealing or suspected dealing in our Shares by any of our core connected persons during the Relevant Period; and

Further, we have applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 9.09 of the Listing Rules to allow the Existing Shareholders to participate as cornerstone investors in the Global Offering, subject to the conditions that:

(a) we will comply with the public float requirements of Rule 8.08(1) and 18.A.07 of the Listing Rules;

(b) the Offer Shares to be subscribed by and allocated to the Existing Shareholders in the Global Offering will be at the same Offer Price and on substantially the same terms as other cornerstone investors (including being subject to a six-month lock up arrangement following the Listing); and

(c) the subscription of the Offer Shares by the Existing Shareholders in the Global Offering as cornerstone investors and this waiver will be disclosed in this Prospectus.

For further information, please refer to the section headed "Cornerstone Investors" in this Prospectus.

As at the Latest Practicable Date, we were not aware of any core connected person other than the Existing Shareholders who may not be able to comply with Rule 9.09 of the Listing Rules.

ARTICLES OF THE COMPANY

Appendix 3 and Part B of Appendix 13 of the Listing Rules state that the articles of association or equivalent document must conform with the provisions set out in such appendices (the "**Articles Requirements**"). Our Articles do not comply with some of the Articles Requirements. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the following Articles Requirements, subject to the conditions that:

(a) we will put forth resolutions to amend our Articles as described below with respect to the requirements set out in paragraph 4(3) of Appendix 3 of the Listing Rules and paragraphs 5(1), 3(1) and 5(4) of Part B of Appendix 13 of the Listing Rules at the next general meeting of our Company following the Listing, which we have undertaken to convene within four months of the Listing (the "**Next GM**");

(b) we remain listed on the Nasdaq; and

(c) we will seek irrevocable undertakings from shareholders prior to the Listing to vote in favor of the proposed resolutions outlined below with a view to ensuring that there may be adequate votes in favor of such resolutions.

We will also put forth a resolution at the Next GM to amend our Articles such that (i) holders of one-tenth (1/10) of voting rights of our issued share capital may requisition a general meeting of shareholders, compared to the simple majority requirement currently set out in our Articles, (ii) the shareholders requisitioning the general meeting of shareholders may put forward resolutions to appoint or remove directors, and (iii) at that meeting so convened the affirmative vote of a majority of the then outstanding shares be sufficient to approve the election or removal of directors. In many cases, an Articles Requirement may not strictly be met but are covered by a broadly commensurate provision in the Articles, a comparable law or rule that the Company is already subject to by virtue of being listed on the Nasdaq, or the Company has undertaken to put alternative measures in place to otherwise comply with the obligations underlying the relevant Articles Requirement.

As regards special resolutions

Paragraph 1 of Part B of Appendix 13 defines a special resolution to be a resolution passed by members holding three-fourths of the voting rights of those present and voting in person or by proxy at a meeting of members. Our Articles provides that a special resolution is a resolution passed by members holding two-thirds of the voting rights of those present and voting in person or by proxy at a meeting of members, which is consistent with the requirements applicable for Nasdaq-listed companies. In addition, the Company does not have a controlling shareholder capable of either passing a resolution by itself or blocking the passing of a resolution by itself. Therefore, we believe that our Articles provide substantively the same level of protection to shareholders as provided under the Listing Rules. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 1 of Part B of Appendix 13 for the reasons set out above.

As regards share capital

Paragraph 2(1) of Part B of Appendix 13 provides that 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 only with the consent in writing of the holders of three-fourths in nominal value of the issued shares of the class in question or with the sanction of a resolution passed at a separate general meeting of the holders of the shares of that class by members holding shares representing three-fourths in nominal value of the shares present in person or by proxy and voting at such meeting. Our Articles provides that class rights may only be varied with the written consent of the holders of two-thirds in nominal value of the issued shares of the class in question or a corresponding resolution. Furthermore, we currently only have one class of shares (being our ordinary shares). We therefore believe that our Articles provide substantively the same level of protection to shareholders as provided under the Listing Rules. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 2(1) of Part B of Appendix 13 for the reasons set out above.

As regards share certificates

Paragraph 2(1) of Appendix 3 provides that all certificates for capital must be under seal, which may only be affixed with the authority of the directors, or be executed under signature of appropriate officials with statutory authority. The Company has undertaken to the Stock Exchange that it will issue

share certificates to holders of Hong Kong listed shares (or CCASS holding on their behalf) and on this basis failure to include this provision in its Articles should not materially detract from the rights of the shareholders. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 2(1) of Appendix 3 on the basis that we will put in place alternative arrangements to ensure that all certificates for capital are issued under seal, including by making arrangements with our Hong Kong Share Registrar to ensure that all certificates by them are issued under seal.

As regards directors

Paragraph 4(2) of Appendix 3 provides that any person appointed by the directors to fill a casual vacancy on or as an addition to the board shall hold office only until the next following annual general meeting of the issuer, and shall then be eligible for re-election. Our Articles provide that our Directors shall be subject to re-election every three years, and that our Directors may be removed by the affirmative vote of the holders of at least two-thirds of the votes cast at a shareholder meeting. The Company has undertaken to the Stock Exchange to require Directors appointed to fill a casual vacancy to retire and seek re-election at the next annual general meeting following their appointment. On the basis that we have given an undertaking to the Stock Exchange to put in place alternative measures that will result in the same outcome as required under the relevant provision, we have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 4(2) of Appendix 3 for the reasons set out above.

Paragraph 4(3) of Appendix 3 and paragraph 5(1) of Part B of Appendix 13 provide that directors may be removed at any time by ordinary resolution of the members. Under our Articles, any director may be removed by a special resolution of the members. The Company has undertaken to the Stock Exchange to put forth a resolution at the Next GM to revise the Articles so that an affirmative vote of a majority of the then outstanding shares is required to remove a Director, and to amend an existing provision in the Articles that restricts Shareholders from putting forth resolutions to remove Directors so that there is no such restriction on Shareholders putting forth resolutions to remove Directors. On the basis of this undertaking, and for the reasons set out above, we have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 4(3) of Appendix 3 and paragraph 5(1) of Part B of Appendix 13. For the avoidance of doubt, the affirmative vote referenced in this paragraph is not the ordinaryresolution referred in the Articles of Association of the Company.

Paragraph 5(2) of Part B of Appendix 13 provides that the articles of association shall restrict the making of loans to directors and their close associates and shall import provisions at least equivalent to the provisions of Hong Kong law prevailing at the time of the adoption of the articles of association. Under the Sarbanes-Oxley Act to which our Company is subject, subject to certain limited exceptions, it is unlawful for any public company, directly or indirectly, to extend or maintain credit, or to arrange for the extension of credit, in the form of a personal loan to or for any director or executive officer. These limited exceptions include certain home improvement and home finance loans, extensions of consumer credit, open end credit plans, such as credit cards, charge cards and margin loans by registered broker-dealers, in each case to the extent such loans are made by the public company in the ordinary course of its business on market terms or terms no less favorable than those

offered to the general public. These exceptions are not applicable to our Company's business and therefore will not result in our Company's non-compliance with the requirement of paragraph 5(2) of Part B of Appendix 13. Loans in existence on July 30, 2002 are grandfathered so long as there is no material modification to any term of these loans, including any renewal. Comparable protection is therefore provided by this statute. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 5(2) of Part B of Appendix 13 on the condition that if in the future we cease to be listed on the Nasdaq and / or cease to be subject to the provision of the Sarbanes-Oxley Act (or any comparable provisions under applicable laws), we will use our reasonable endeavors to amend our Articles as soon as practicable to comply with this requirement.

Paragraph 5(3) of Part B of Appendix 13 provides that the articles of association shall contain provisions requiring the directors to declare their material interests in any contracts with the issuer at the earliest meeting of the Board of the issuer at which it is practicable for them to do so either specifically or by way of a general notice stating that, by reason of facts specified in the notice, they are to be regarded as interested in any contracts of a specified description which may subsequently be made by the issuer. Under Section 406 of the Sarbanes-Oxley Act, the Company is required to and has adopted a Code of Business Conduct and Ethics applicable to directors that requires the disclosure of conflicts of interest promptly, which the Company believes is a higher standard than that provided by the Articles Requirements as it would require Directors to notify the Board of any material interests without delay, irrespective of when the next meeting of the Board may be scheduled. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 5(3) of Part B of Appendix 13 on the condition that if in the future we cease to be listed on the Nasdaq and / or cease to be subject to the provision of the Sarbanes-Oxley Act (or any comparable provisions under applicable laws), we will use our reasonable endeavors to amend our Articles as soon as practicable to comply with this requirement.

Paragraph 5(4) of Part B of Appendix 13 provides that the articles of association shall stipulate that the issuer in general meeting must approve the payment to any director or past director of any sum by way of compensation for loss of office or as consideration or in connection with his retirement from office (not being a payment to which the director is contractually entitled). Compensation of our directors is approved by our independent Compensation Committee. The Company does not currently provide for retirement payments or benefits for directors. Moreover, comparable protection is provided by Nasdaq Rule 5630(a) "Review of Related Party Transactions" which requires the Company to conduct an appropriate review and oversight of all related party transactions for potential conflict of interest situations on an ongoing basis by our audit committee or another independent body of our Board. The Company will also be subject to the requirements of Chapter 14A with respect to transactions with directors. Therefore, a comparable level of protection will be provided. We have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 5(4) of Part B of Appendix 13 for the reasons set out above, and on the basis that the Company has undertaken to the Stock Exchange to put forth a resolution at the Next GM to revise the Articles so that any compensation for loss of office or as consideration in connection with their retirement (not being a payment to which they are contractually entitled) is subject to the approval of our Shareholders in general meeting.

Paragraphs 4(4) and 4(5) of Appendix 3 provide that the minimum length of the period, during which notice to the issuer of the intention to propose a person for election as a director and during which notice to the issuer by such person of his willingness to be elected may be given, will be at least 7 days and the period for lodgment of the notices referred to above will commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than 7 days prior to the date of such meeting.

Comparable protection is provided as disclosed on page 31 of the Company's Definitive Proxy Statement filed with the SEC on April 30, 2018. As disclosed therein, any shareholder wishing to recommend a director candidate for consideration by the Nominating and Corporate Governance Committee should provide the following information within the timeframe set forth by the Articles and Regulation 14A of the SEC rules and regulations: (a) the name and address of record of the shareholder; (b) a representation that the shareholder is a record holder of the Company's securities or, if the shareholder is not a record holder, evidence of ownership in accordance with Rule 14a-8(b)(2) of the Exchange Act; (c) the candidate's name, age, business and residential address, educational background, current principal occupation or employment, and principal occupation or employment for the past five years; (d) a description of the qualifications and background of the candidate that addresses the criteria for board membership approved by the Company's board of directors; (e) a description of all arrangements or understandings between the shareholder and the candidate; (f) the consent of the candidate (i) to be named in the proxy statement for the Company's next shareholder meeting and (ii) to serve as a director if elected at that meeting; and (g) and any other information regarding the candidate that is required to be included in a proxy statement filed pursuant to SEC rules and regulations. The Nominating and Corporate Governance Committee may seek further information from or about the shareholder making the recommendation, the candidate, or any such other beneficial owner, including information about all business and other relationships between the candidate and the shareholder and between the candidate and any such other beneficial owner. Rule 14a-11 requires shareholders to submit nominees no later than 120 days before the anniversary date of the mailing of the company's proxy statement for the prior year, far longer than the seven day requirement in the Articles Requirements. The Company is also prepared to undertake to amend its Articles to reflect the Articles Requirements should it cease to be subject to section 14A of the Exchange Act and the corresponding SEC rules and regulations.

As regards accounts

Paragraph 5 of Appendix 3 provides that a copy of either (a) the directors' report, accompanied by the balance sheet (including every document required by law to be annexed thereto) and profit and loss account or income and expenditure account, or (b) the summary financial report shall, at least 21 days before the date of the general meeting, be delivered or sent by post to the registered address of every member. Paragraph 4(2) of Part B of Appendix 13 provides that the articles of association shall require the issuer to keep proper books of account necessary to give a true and fair view of the issuer's affairs, and shall provide that accounts shall be audited and shall be laid before members at the annual general meeting which must be held in each year; not more than 15 months (or such longer period as the Exchange may authorise) may elapse between the date of one annual general meeting and the next.

The Company is required under the Exchange Act and corresponding SEC rules and regulations to deliver a copy of its audited financial statements, together with a copy of the Audit Committee Report, with the proxy statement for its annual general meeting of shareholders each year. The Company is a U.S. reporting company and publicly files its financial information on the SEC's EDGAR system subject to the SEC reporting timeline. The Company is a Large Accelerated Filer and is required by the SEC rules and regulations to file its annual financials within 60 days after its fiscal year end. This is more than 21 days before the annual meeting. Moreover, as a practical matter, given that the Company's securities are publicly listed on the Nasdaq, in order to have sufficient time to solicit proxies for the annual general meeting each year the Company must deliver the annual report and proxy materials at least 21 days prior to the meeting. Our Directors are permitted to allow the shareholders to inspect the accounts and the shareholders can also request inspection by ordinary resolution. Nasdaq Rule 5620(a), "Meetings of Shareholders", requires the Company to hold an annual meeting of shareholders no later than one year after the end of the Company's fiscal year-end. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 5 of Appendix 3 and Paragraph 4(2) of Part B of Appendix 13 on the condition that if in the future we cease to be listed on the Nasdaq and/or cease to be subject to the Exchange Act and corresponding SEC rules and regulations (or any comparable provisions under applicable laws), we will use our reasonable endeavors to amend our Articles as soon as practicable to comply with this requirement.

As regards redeemable shares

Paragraph 8 of Appendix 3 provides that where the issuer has the power to purchase for redemption a redeemable share, purchases not made through the market or by tender shall be limited to a maximum price and if purchases are by tender, tenders shall be available to all shareholders alike. Under our Articles, subject to applicable law, the Company may, by agreement with the relevant shareholder, repurchase its shares of the Company (including any redeemable shares) provided that the manner and terms of such purchase have been approved by our directors or by ordinary resolution (provided further that no repurchase may be made contrary to the terms or manner recommended by our directors). As a publicly listed company on the Nasdaq, the Company is subject to the tender offer rules under the Exchange Act and corresponding SEC rules and regulations that provide a similar level of protection. Repurchase is made by the agreement between the Company and the relevant shareholder to ensure shareholder protection. As a company with a primary listing on the Stock Exchange, the Company will also be subject to the Codes on Takeovers and Mergers and Share Repurchases, which will limit the on-market and off-market share repurchases that the Company may make. A comparable level of protection will therefore be available to its shareholders. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 8 of Appendix 3 for the reasons set out above.

As regards proxies

Paragraph 11(1) of Appendix 3 provides that where provision is made in the articles as to the form of proxy, this must be so worded as not to preclude the use of the two-way form. Although the Articles do not provide for this, the Company will in any event be subject to the requirements of Rule 13.38 of the Listing Rules to send a two-way voting form to shareholders, so absence of this provision

in its Articles should not detract from the level of shareholder protection. We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 11(1) of Appendix 3 for the reasons set out above.

As regards voting

Paragraph 14 of Appendix 3 provides that where any shareholder is, under Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted. To the extent that a transaction would require a shareholder to abstain from voting pursuant to the Listing Rules, the Company has undertaken to the Stock Exchange that it will not proceed with a transaction unless the votes required to approve a transaction would have been reached without counting the votes of the shareholder that ought to have been required to abstain. On the basis that we have given an undertaking to the Stock Exchange to put in place alternative measures that will result in the same outcome as required under the relevant provision, and for the reasons set out above, we have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 14 of Appendix 3.

As regards shareholders

Paragraph 3(1) of Part B of Appendix 13 provides that the articles of association shall stipulate that any annual general meeting must be called by notice of at least 21 days, and that any other general meeting (including an extraordinary general meeting) must be called by notice of at least 14 days and the articles of association shall stipulate that the notice convening a meeting shall contain particulars of the resolutions to be considered at that meeting. The note to paragraph 3(1) of Part B of Appendix 13 further provides that the articles of association may provide that issuers may convene a general meeting on shorter notice than required under this provision or the companies' articles of association if it is agreed: (a) in the case of an annual general meeting, by all the members entitled to attend and vote at the meeting; and (b) in any other case, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together representing at least 95% of the total voting rights at the meeting of all the members. The Company has historically provided notice of at least the minimum amounts required by the Articles Requirements, and has undertaken to the Stock Exchange to put forth a resolution at the Next GM to revise the Articles so that the notice period for any annual general meeting shall be at least 21 days and the notice period for any other general meeting shall be at least 14 days. On the basis of this undertaking, and for the reasons set out above, we have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 3(1) of Part B of Appendix 13.

Paragraph 3(2) of Part B of Appendix 13 provides the articles of association shall provide for the branch register of members in Hong Kong to be open for inspection by members but may permit the company to close the register in terms equivalent to section 632 of the Companies Ordinance. Under our Articles, our directors may disclose the information in the register of members to the shareholders providing a comparable level of shareholder protection. The Company has also undertaken to the Stock Exchange to make the Hong Kong Branch Register open for inspection by members and has made arrangements with its Hong Kong Branch Registrar to give effect to this. On the basis that we

have given an undertaking to the Stock Exchange to put alternative measures in place that will result in the same outcome as required under the relevant provision, we have applied for, and the Stock Exchange has agreed to grant, a waiver from the requirement set out in Paragraph 3(2) of Part B of Appendix 13 for the reasons set out above.

USE OF US GAAP AND AUDITING STANDARDS

Rules 4.10 and 4.11 of, and note 2.1 to paragraph 2 of the Appendix 16 to, the Listing Rules require the Company to prepare its financial statements in the prospectus and the subsequent financial reports issued after listing to be in conformity with: (a) Hong Kong Financial Reporting Standards ("**HKFRS**"); (b) IFRS; or (c) China Accounting Standards for Business Enterprises in the case of companies incorporated in China.

As a company listed on the Nasdaq, the Company uses Generally Accepted Accounting Principles in the US ("**US GAAP**") and corresponding audit standards for the filing of its financial statements with the SEC as determined by the United States Public Company Accounting Oversight Board. US GAAP is well recognized and accepted by the international investment community, particularly among biotechnology companies, and significant progress has been made in the convergence between US GAAP and IFRS. Additionally, we note that it might lead to confusion among the Company's investors and shareholders if the Company was required to adopt different accounting standards for its disclosures in Hong Kong from those in the US. Aligning the accountings standards used for disclosures in both markets will alleviate any such confusion.

Our Company has applied to the Hong Kong Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of Rules 4.10, 4.11 and note 2.1 to paragraph 2 of the Appendix 16 of the Listing Rules subject to the following conditions:

(a) the Company will include (i) a description of the relevant key differences between US GAAP and IFRS; and (b) a statement showing the financial effect of any material differences between the financial statements reported under US GAAP and IFRS (the "**Reconciliation Statement**") in the Company's accountants' report of the prospectus and annual financial reports after listing. Such reconciliation statements have to be audited by external accountants;

(b) the Company will include a Reconciliation Statement in the Company's interim reports after listing, to be reviewed by external accountants (at least equivalent to International Standard on Assurance Engagements 3000 or Hong Kong Standard on Assurance Engagements 3000);

(c) the Company will use Hong Kong Financial Reporting Standards or IFRS in the preparation of the Company's financial statements in the event that the Company is no longer listed in the U. S. or has no obligation to make financial disclosure in the U. S.; and

(d) this waiver request will not be applied generally and is based on the specific circumstances of the Company.

WAIVER AND EXEMPTION IN RELATION TO THE 2011 OPTION PLAN AND THE 2016 SHARE OPTION AND INCENTIVE PLAN

Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, requires the Company to disclose, among other things, details of the number, description and amount of any shares in or debentures of our Company which any person has, or is entitled to be given, an option to subscribe for, together with certain particulars of each option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given (the "**Share Option Disclosure Requirements**").

As of the Latest Practicable Date, our Company had granted options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan to, respectively, 240 grantees and 724 grantees, including Directors, senior management and other connected persons of the Company, other employees of our Group and other non-employees, to subscribe for an aggregate of respectively, 19,540,593 Shares and 89,606,938 Shares, representing, respectively, 2.55% and 11.68%, of the total number of Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans) on the terms set out in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV.

Our Company has applied to the Stock Exchange and the SFC, respectively for, (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

(a) given that 240 grantees under the 2011 Option Plan and 724 grantees under the 2016 Share Option and Incentive Plan are involved, strict compliance with such disclosure requirements in setting out full details of all the grantees under each of the 2011 Option Plan and the 2016 Share Option and Incentive Plan in the prospectus would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation, prospectus preparation and printing;

(b) as of the Latest Practicable Date, among all the grantees under the 2011 Option Plan and the 2016 Share Option and Incentive Plan, 3 grantees and 13 grantees, respectively, were Directors, the senior management or other connected persons of our Company and 11 grantees (who were granted options to subscribe for a total of 757,834 Shares) and 1 grantee (who was granted an option to subscribe for a total of 212,080 Shares), respectively, were non-employees (who are members of the Scientific Advisory Board or external consultants of the Company) and the remaining 226 grantees and 710 grantees, respectively, were only

employees of our Group, strict compliance with the Share Option Disclosure Requirements to disclose names, addresses, and entitlements on an individual basis will require substantial number of pages of additional disclosure that does not provide any material information to the investing public;

(c) given the nature of the business of the Company, it is extremely important for the Company to recruit and retain talents and the success of the Company's long-term development plan will very much depend on the loyalty and contribution of the grantees;

(d) the 2011 Option Plan and the 2016 Share Option and Incentive Plan form a critical component in the compensations of the employees of the Group, and the information relating to the share options granted to the grantees is highly sensitive and confidential to the Group;

(e) the full disclosure of the details of the grantees (which include their addresses) as well as the share options granted to each of them, would provide the Group's competitors with the Group's employees' compensation details and facilitate their soliciting activities which could adversely impact the Group's ability to recruit and retain valuable personnel;

(f) the full disclosure on the share options granted to each of the grantees would also allow the employees of the Group to gain access to the others' compensation, which could negatively affect the employees' morale, give rise to negative internal competitions, and lead to an increase in the costs for recruitment and retention;

(g) the grant and exercise in full of the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan will not cause any material adverse impact in the financial position of our Company;

(h) non-compliance with the above disclosure requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

(i) material information relating to the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan will be disclosed in this prospectus, including the total number of Shares subject to the 2011 Option Plan and the 2016 Share Option and Incentive Plan, the exercise price per Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the Equity Plans. The Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of the Company in their investment decision making process has been included in this prospectus.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interests of the investing public.

The Stock Exchange has agreed to grant to our Company a waiver under the Listing Rules on condition that:

(a) on an individual basis, full details of the options granted under the 2011 Option Plan and the 2016 Share Option and Incentive Plan to each of the Directors, the senior management and the other connected persons of the Company will be disclosed in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted under the 2011 Option Plan and the 2016 Share Option and Incentive Plan and to remaining grantees (being the other grantees who are not Directors, the senior management or the other connected persons of the Company), disclosure will be made, on an aggregate basis, of (1) their aggregate number of grantees and number of Shares underlying the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan, (2) the consideration paid for the grant of the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan and (3) the exercise period and the exercise price of the options granted under the 2011 Option Plan and the 2016 Share Option and Incentive Plan;

(c) aggregate number of Shares underlying the options granted under the 2011 Option Plan and the 2016 Share Option and Incentive Plan and the percentage to the Company's total issued share capital represented by such number of Shares as of the Latest Practicable Date;

(d) the dilutive effect and impact on earnings per Share upon the full exercise of the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan will be disclosed in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV;

(e) a summary of the major terms of the 2011 Option Plan and the 2016 Share Option and Incentive Plan will be disclosed in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV;

(f) the particulars of the waiver will be disclosed in this prospectus;

(g) a list of all the grantees (including those persons whose details have already been disclosed in this prospectus) containing all the particulars as required under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A of the Listing Rules and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance will be made available for public inspection in the section headed "Documents Delivered to the Registrar of Companies and Available for Inspection" in Appendix V; and

(h) the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has agreed to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on condition that:

(a) on an individual basis, full details of the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan granted to each of our Directors, the senior management of our Group and the other connected persons of the Company will be disclosed in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV as required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;

(b) in respect of the options granted by the Company under the 2011 Option Plan and the 2016 Share Option and Incentive Plan for the remaining grantees (being the other grantees who are not Directors, the senior management or the other connected persons of the Company), disclosure will be made of, on an aggregate basis, (1) their aggregate number of grantees and the number of Shares underlying the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan, (2) the consideration (if any) paid for the grant of the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan (3) the exercise period and the exercise price for the options granted under the 2011 Option Plan and the 2016 Share Option and Incentive Plan;

(c) a full list of all the grantees (including those persons whose details have already been disclosed in this prospectus) who have been granted the options under the 2011 Option Plan and the 2016 Share Option and Incentive Plan, containing all the particulars as required in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, will be made available for public inspection in the section headed "Documents Delivered to the Registrar of Companies in Hong Kong and Available for Inspection" in Appendix V; and

(d) the particulars of the exemption will be disclosed in this prospectus.

Further details of the 2011 Option Plan and the 2016 Share Option and Incentive Plan are set forth in the section headed "Statutory and General Information — Share Option and Award Schemes" in Appendix IV.

EXEMPTION FROM COMPLIANCE WITH PARAGRAPH 27 OF PART I AND PARAGRAPH 31 OF PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE

According to section 342(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, this prospectus shall include an accountants' report which contains the matters specified in the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

According to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in the prospectus a statement as to the gross trading income or sales turnover (as the case may be) of the Company during each of the three financial years immediately preceding the issue of the prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

According to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Company is required to include in the prospectus a report prepared by the Company's auditor with respect to profits and losses and assets and liabilities of the Company in respect of each of the three financial years immediately preceding the issue of the prospectus.

According to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

According to Rule 4.04(1) of the Listing Rules, the Accountant's Report contained in the prospectus must include, inter alia, the results of the Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

According to Rule 18A.06 of the Listing Rules, an eligible biotech company shall comply with Rule 4.04 as modified so that references to "three financial years" or "three years" in that rule shall instead reference to "two financial years" or "two years", as the case may be. Given that the Company is required to disclose its financial results for each of the two financial years ended December 31, 2016 and 2017 under Chapter 18A of the Listing Rules and the three months ended March 31, 2018, it will be unduly burdensome for the Company to comply with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance as stated above.

Accordingly, we applied to the SFC for, and the SFC has granted, a certificate of exemption from strict compliance with the requirements under paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the following grounds:

(a) our Company is primarily engaged in the research and development, application and commercialisation of biotech products, and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;

(b) the Accountant's Report for each of the two financial years ended December 31, 2016 and 2017 and the three months ended March 31, 2018 has been prepared and is set out in Appendix I to this prospectus in accordance with Rule 18A.06 of the Listing Rules;

(c) notwithstanding that the financial results set out in this prospectus are only for the two years ended December 31, 2016 and 2017 in accordance with Chapter 18A of the Listing Rules and the three months ended March 31, 2018, other information required to be disclosed under the Listing Rules and requirements under the Companies (Winding up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this prospectus pursuant to the relevant requirements.

Our Company is of the view that the Accountant's Report covering the two years ended December 31, 2016 and 2017 and the three months ended March 31, 2018, together with other disclosure in this prospectus, has already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record of our Company; and our Directors confirm that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, management and prospects has been included in this prospectus. Therefore, the exemption would not prejudice the interests of the investing public.

PLACINGS TO CONNECTED PERSONS

The Company has a number of products ranging from early (Phase 1a) products to later stage (Phase 3) products, which will necessitate significant ongoing financing over a more than five year period prior to their potential commercialization. Efficient access to capital on a continuing basis is therefore essential to funding the Company's business plans, and participation in capital raisings by biotech focused funds with deep industry knowledge (such as the Existing Shareholders) is often crucial to their success.

We have therefore applied for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 13.36(1) of the Listing Rules and the independent shareholder approval requirements set out in Chapter 14A of the Listing Rules in respect of issuances of the Company's shares to the Existing Shareholders to the extent they are our connected persons during the initial five-year period after the Next GM with such five-year period subject to an extension on a rolling basis each subsequent year such that assuming the shareholders vote in favour of all relevant

resolutions, the Company would at any given point in time have a five-year period within which it could place a pro rata amount of securities to the Existing Shareholders, in connection with issuances of the Company's shares under a general mandate approved by the Company's shareholders at the Next AGM ("**General Mandate Placings**") subject to the following conditions:

(a) at the Next GM, the Company will put forward the following two resolutions to its shareholders, which shall not be inter-conditional:

  (i) a resolution to approve a general mandate to issue shares within the parameters of Listing Rule 13.36 up to the next annual general meeting ("**AGM**") of the Company;

  (ii) a resolution authorizing the Company and its underwriters, at their sole discretion, to allocate to each of the Existing Shareholders up to a maximum amount of shares in order to maintain the same shareholding percentage of each of the Existing Shareholders (based on then-outstanding share capital of the Company) before and after the allocation of the corresponding securities issued pursuant to an offering conducted pursuant to the general mandate for a period of five years, which period will be subject to an extension on a rolling basis each year, conditional on the approval of the independent shareholders;

(b) the resolutions outlined in paragraphs (a)(i) and (a)(ii) above are not inter-conditional in that the Company's shareholders may approve the resolution outlined in paragraph (a)(i) without approving the resolution outlined in paragraph (a)(ii);

(c) the Existing Shareholders would abstain from voting on the resolution outlined in paragraph (a)(ii) above;

(d) the authorization provided in paragraph (a)(ii) above would only be valid to the extent the Existing Shareholders individually held less than 50% of the then-outstanding shares of the Company;

(e) any securities issued to the Existing Shareholders in an offering conducted pursuant to the general mandate shall be for cash consideration only and not as consideration for any acquisition;

(f) neither of the Existing Shareholders shall be entitled to have representatives on the committee of the Board responsible for determining specific pricing of any offering;

(g) apart from the potential pro rata allocation, the Existing Shareholders will subscribe for securities on the same terms and conditions as all other places in any offering and neither of the Existing Shareholders shall be entitled to any preferential treatment with respect to any offering conducted, and shall (among other things) be required to pay the same price for any securities offered as other participants in any offering;

(h) the waiver (or any subsequent renewal thereof) only remain valid for so long as the Company remained listed on the NASDAQ; and

(i) the Company shall include full disclosure of the waivers in this prospectus.

In accordance with the waiver granted above, the Company currently proposes to convene the Next GM as soon as practicable following the Listing. Furthermore, at each subsequent AGM, the Company proposes to put forward the following two resolutions to its shareholders:

(a) a resolution to approve a general mandate to issue shares within the parameters of Rule 13.36 up to the next AGM of the Company; and

(b) a resolution authorizing the Company and its underwriters, at their sole discretion, to allocate to each of the Existing Shareholders up to a maximum amount of shares in order to maintain the same shareholding percentage of each of the Existing Shareholders (based on then-outstanding share capital of the Company) before and after the allocation of the corresponding securities issued pursuant to an offering conducted pursuant to the general mandate for an additional one year period.

The waiver above has been granted by the Stock Exchange on the basis that the Existing Shareholders are sophisticated, SEC-registered investment advisers highly experienced in biotech industry investments that are long-term investors in our Company and have participated in all prior external financing rounds conducted by our Company. Furthermore, neither of the Existing Shareholders are our controlling shareholders or are otherwise able to control a majority of the voting rights attached to the Company's issued and outstanding share capital, nor are they represented on our Board's pricing committee with respect to potential offerings.

WAIVER IN RELATION TO BUSINESS OR SUBSIDIARY ACQUIRED OR PROPOSED TO BE ACQUIRED AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountant's report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document (the "**Target Historical Financial Information**").

Pursuant to guidance letter HKEX-GL32-12 issued by the Stock Exchange ("**GL32-12**"), acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to GL32-12, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) of the Listing Rules on a case-by-case basis, and having regard to all relevant facts and circumstances. The Stock Exchange will ordinarily grant a waiver in relation to acquisitions of a business or subsidiary subject to the following conditions: (i) the percentage ratio (as defined under Rule 14.04(9) of the Listing Rules) of the acquired or to be acquired business or subsidiary are all less than 5% by reference to the most recent financial year of the applicant's trading record period; (ii) the historical financial information of the acquired or to be acquired business or subsidiary is not available or would be unduly burdensome to obtain or prepare; and (c) the listing document should include at least the information that would be required for a disclosable transaction under Chapter 14 of the Listing Rules on each acquisition.

Acquisition of Company X

A subsidiary of our Company is contemplating to purchase all of the outstanding equity of Company X (the "**Proposed Acquisition 1**") for a cash consideration of approximately RMB 264.8 million. The primary asset of Company X is a property (the "**Property**") primarily used for office, laboratory and manufacturing purposes. The consideration is based on arm's length negotiations between Company X and the Group taking into account a number of factors including the value of the Property. The Group intends to use its internal resources to satisfy the cash consideration. The purchase is expected to close in the second half of 2018, and the consideration shall be paid in cash upon various stages of closing. Through the Proposed Acquisition 1, the Company expects to benefit from the ownership and use of the Property on an ongoing basis for its expanding operations. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Company X and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

The Directors believe that the terms of the Proposed Acquisition 1 are fair and reasonable and in the interests of the Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Company X and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

Acquisition of Company Y

On July 25, 2018, a subsidiary of our Company had entered into a share purchase agreement with all shareholders of Company Y to purchase all of the outstanding equity of Company Y (the "**Proposed Acquisition 2**") for a cash consideration of RMB 3.8 million. Company Y is engaged in the pharmaceutical business. The consideration is based on arm's length negotiations between Company Y and the Group taking into account a number of factors including the value of Company Y's assets. The Group intends to use its internal resources to satisfy the cash consideration. The purchase is expected to close in the second half of 2018, and the consideration shall be paid in cash upon various stages of closing. Through the Proposed Acquisition 2, the Company expects to benefit from the assets

held by Company Y that may be used by the Company for the expansion of its business operations in the PRC. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Company Y and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

The Directors believe that the terms of the Proposed Acquisition 2 are fair and reasonable and in the interests of the Shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Company Y and its ultimate beneficial owners are third parties independent from the Company and its connected persons.

Conditions to the waivers granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 4.04(2) and 4.04(4) of the Listing Rules in respect of the acquisition of Company X and Company Y on the following grounds:

1. **The percentage ratios of the Proposed Acquisition 1 and the Proposed Acquisition 2 are all less than 5% by reference to the most recent financial year of the Company's Track Record Period**

The applicable percentage ratios for the Proposed Acquisition 1 and the Proposed Acquisition 2 are all significantly less than 5% by reference to the most recent financial year of the Company's Track Record Period.

Accordingly, we consider that the Proposed Acquisition 1 and the Proposed Acquisition 2 are immaterial and does not expect them to have any material effect on the business, financial condition or operations of the Group.

2. **The historical financial information of Company X or Company Y is not available or would be unduly burdensome to obtain or prepare**

We do not currently have any equity interest in Company X or Company Y and does not have any representation at the board of directors of Company X or Company Y and is therefore unable to compel Company X or Company Y to disclose its historical financial information in the Company's prospectus. In addition, it will require considerable time and resources for the Company and its reporting accountant to fully familiarize with the management accounting policies of Company X or Company Y and compile the necessary financial information and supporting documents for disclosure in the listing document of the Company. As such, it would be impracticable within the tight timeframe for the Company to disclose the audited financial information of Company X or Company Y as required under Rules 4.04(2) and 4.04(4) of the Listing Rules.

In addition, having considered the Proposed Acquisition 1 and the Proposed Acquisition 2 are immaterial and do not expect to have any material effect on the business, financial condition or operations of the Group, it would not be meaningful and would be unduly burdensome for the Company to prepare and include the financial information of Company X or Company Y during the Track Record Period in the listing documents of the Company.

3. **Alternative disclosure in the prospectus**

We will provide alternative information in the Prospectus in connection with the Proposed Acquisition 1 and the Proposed Acquisition 2. Such information includes, where applicable, those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules including, for example, reasons for the investments and a confirmation that the counterparties and the ultimate beneficial owners of the counterparties are independent third parties of the Company and its connected persons.

We do not expect to use any proceeds from the Proposed Listing to fund the Proposed Acquisition 1 or the Proposed Acquisition 2.

WAIVER IN RESPECT OF CLAWBACK MECHANISM

Under Paragraph 4.2 of Practice Note 18 to the Listing Rules, where an initial public offering includes both a placing tranche and a public subscription tranche, the minimum allocation of shares to the public subscription tranche shall be an initial allocation of 10% of the shares offered in the initial public offering and subject to a clawback mechanism that increases the number of shares available in the public subscription tranche depending on the demand for those shares as set out in the paragraph. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Paragraph 4.2 of Practice Note 18 to the Listing Rules such that, in the event of over-subscription, the alternative clawback mechanism shall be applied to the provisions under Paragraph 4.2 of Practice Note 18 of the Listing Rules, following the closing of the application lists. For further information of such clawback mechanism, please see the section headed "Structure of the Global Offering — The Hong Kong Public Offering — Reallocation".

DIRECTORS' RESPONSIBILITY FOR THE CONTENTS OF THIS PROSPECTUS

This prospectus, for which our Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the Securities and Futures (Stock Market Listing) Rules (Chapter 571V of the Laws of Hong Kong) and the Listing Rules for the purpose of giving information to the public with regard to our Group. Our Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

GLOBAL OFFERING

This prospectus is published solely in connection with the Hong Kong Public Offering, which forms part of the Global Offering. For applicants under the Hong Kong Public Offering, this prospectus and the Application Forms contain the terms and conditions of the Hong Kong Public Offering.

The Hong Kong Offer Shares are offered solely on the basis of the information contained and representations made in this prospectus and the Application Forms and on the terms and subject to the conditions set out herein and therein. No person is authorised to give any information in connection with the Global Offering or to make any representation not contained in this prospectus and the relevant Application Forms, and any information or representation not contained herein and therein must not be relied upon as having been authorised by our Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers and any of the Underwriters, any of their respective directors, agents, employees or advisers or any other party involved in the Global Offering.

The Listing is sponsored by the Joint Sponsors and the Global Offering is managed by the Joint Global Coordinators. Pursuant to the Hong Kong Underwriting Agreement, the Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms of the Hong Kong Underwriting Agreement, subject to agreement on the Offer Price to be determined between the Joint Global Coordinators (on behalf of the Underwriters) and our Company on the Price Determination Date. The International Placing is expected to be fully underwritten by the International Underwriters subject to the terms and conditions of the International Underwriting Agreement, which is expected to be entered into on or about the Price Determination Date.

The Offer Price is expected to be determined between the Joint Global Coordinators (on behalf of the Underwriters) and our Company on the Price Determination Date. The Price Determination Date is expected to be on or around August 2, 2018 and, in any event, not later than Tuesday, August 7, 2018 (unless otherwise determined between the Joint Global Coordinators (on behalf of the Underwriters) and our Company). If, for whatever reason, the Offer Price is not agreed between the Joint Global Coordinators and our Company on or before Tuesday, August 7, 2018, the Global Offering will not become unconditional and will lapse immediately.

See the section headed "Underwriting" in this prospectus for further information about the Underwriters and the underwriting arrangements.

PROCEDURES FOR APPLICATION FOR HONG KONG OFFER SHARES

The application procedures for the Hong Kong Offer Shares are set forth in "How to Apply for Hong Kong Offer Shares" in this prospectus and on the relevant Application Forms.

STRUCTURE AND CONDITIONS OF THE GLOBAL OFFERING

Details of the structure of the Global Offering, including its conditions, are set forth in the section headed "Structure of the Global Offering" in this prospectus.

Downward Offer Price Adjustment

We have reserved the right to make a Downward Offer Price Adjustment to provide flexibility in pricing the Offer Shares. The ability to make a Downward Offer Price Adjustment does not affect our obligation to issue a supplemental prospectus and to offer investors a right to withdraw their applications if there is a material change in circumstances not disclosed in the prospectus.

If it is intended to set the final Offer Price at more than 10% below the bottom end of the indicative Offer Price range, the Withdrawal Mechanism will be applied if the Global Offering is to proceed.

SELLING RESTRICTIONS ON OFFERS AND SALE OF SHARES

Each person acquiring the Hong Kong Offer Shares under the Hong Kong Public Offering will be required to, or be deemed by his/her acquisition of Offer Shares to, confirm that he/she is aware of the restrictions on offers for the Offer Shares described in this prospectus and on the relevant Application Forms.

No action has been taken to permit a public offering of the Offer Shares in any jurisdiction other than in Hong Kong, or the distribution of this prospectus and/or the Application Forms in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of, and does not constitute an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering and sale of the Offer Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

APPLICATION FOR LISTING ON THE STOCK EXCHANGE

We have applied to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering (including the Shares which may be issued pursuant to the exercise of the Over-Allotment Option and Shares which may be issued pursuant to the Equity Plans).

Dealings in the Shares on the Stock Exchange are expected to commence on August 8, 2018. Our ADSs are currently listed on and dealt in the Nasdaq. Other than the foregoing, no part of our Shares or loan capital is listed on or dealt in on any other stock exchange and no such listing or permission to list is being or proposed to be sought. All Offer Shares will be registered on the Hong Kong Share Registrar of our Company in order to enable them to be traded on the Stock Exchange.

Under section 44B(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, any allotment made in respect of any application will be invalid if the listing of, and permission to deal in, the Shares on the Stock Exchange is refused before the expiration of three weeks from the date of the closing of the application lists, or such longer period (not exceeding six weeks) as may, within the said three weeks, be notified to our Company by the Stock Exchange.

OVER-ALLOTMENT OPTION AND STABILISATION

Details of the arrangements relating to the Over-allotment Option and stabilisation are set out in the section headed "Structure of the Global Offering" in this prospectus. Assuming that the Over-allotment Option is exercised in full, the Company may be required to sell up to an aggregate of 9,840,000 new Shares.

SHARES WILL BE ELIGIBLE FOR ADMISSION INTO CCASS

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

SHARE REGISTER AND STAMP DUTY

Our principal register of members will be maintained in the Cayman Islands by our principal registrar, Mourant Governance Services (Cayman) Limited, in the Cayman Islands, and our Hong Kong register will be maintained by the Hong Kong Share Registrar in Hong Kong.

All Offer Shares issued pursuant to applications made in the Hong Kong Public Offering and the International Placing will be registered on the Hong Kong register of members of our Company in Hong Kong. Dealings in the Shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice.

LISTINGS

Our Company currently has a primary listing of ADSs on the NASDAQ Global Select Market, which it intends to maintain alongside its proposed dual primary listing of Shares on the Stock Exchange. Application has been made to the Listing Committee for the listing of, and permission to deal in, our Shares in issue, and those that may be issued pursuant to the exercise of any options and Shares that have been or may be granted under the Equity Plans.

REGISTRATION OF SUBSCRIPTION, PURCHASE AND TRANSFER OF SHARES

Our register of members holding unlisted Shares will be maintained by the Principal Share Registrar, Mourant Governance Services (Cayman) Limited, in the Cayman Islands, and our register of members holding Shares listed on the Stock Exchange and Shares represented by the ADSs (other than Shares represented by Restricted ADSs) will be maintained by our Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

The Company has instructed the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, and it has agreed, not to register the subscription, purchase or transfer of any Shares in the name of any particular holder unless and until the holder delivers a signed form to the Hong Kong Share Registrar in respect of those Shares bearing statements to the effect that the holder:

- agrees with the Company and each of the Shareholders, and the Company agrees with each Shareholder, to observe and comply with the Cayman Companies Law and our Articles;

- agrees with the Company and each of the Shareholders that the Shares are freely transferable by the holders thereof; and

- authorises the Company to enter into a contract on his or her behalf with each of the Directors, managers and officers of the Company whereby such Directors, managers and officers undertake to observe and comply with their obligations to the Shareholders as stipulated in the Articles.

OWNERSHIP OF ADSs

An owner of ADSs may hold his or her ADSs either by means of an ADR registered in his or her name, through a brokerage or safekeeping account, or through an account established by the depositary bank in his or her name reflecting the registration of uncertificated ADSs directly on the books of the depositary bank (commonly referred to as the "direct registration system" or "DRS"). The direct registration system reflects the uncertificated (book-entry) registration of ownership of ADSs by the depositary bank. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary bank to the holders of the ADSs. The direct registration system includes automated transfers between the depositary bank and The Depository Trust Company ("DTC"), the central book-entry clearing and settlement system for equity securities in the United States. If an owner of ADSs decides to hold his or her ADSs through his or her brokerage or

safekeeping account, he or she must rely on the procedures of his or her broker or bank to assert his or her rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. All ADSs held through DTC will be registered in the name of a nominee of DTC.

DEALINGS AND SETTLEMENT

Dealings in our Shares on the Stock Exchange and our ADSs on the NASDAQ Global Select Market will be conducted in Hong Kong dollars and U.S. dollars, respectively. Our Shares will be traded on the Stock Exchange in board lots of 100 Shares.

The transaction costs of dealings in our Shares on the Stock Exchange include a Stock Exchange trading fee of 0.005%, a SFC transaction levy of 0.0027%, a transfer deed stamp duty of HK$5.00 per transfer deed and ad valorem stamp duty on both the buyer and the seller charged at the rate of 0.1% each of the consideration or, if higher, the fair value of our Shares transferred. The brokerage commission in respect of trades of Shares on the Stock Exchange is freely negotiable.

Investors in Hong Kong must settle their trades executed on the Stock Exchange through their brokers directly or through custodians. For an investor in Hong Kong who has deposited his Shares in his stock account or in his designated CCASS Participant's stock account maintained with CCASS, settlement will be effected in CCASS in accordance with the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. For an investor who holds the physical certificates, settlement certificates and the duly executed transfer forms must be delivered to his broker or custodian before the settlement date.

An investor may arrange with his broker or custodian on a settlement date in respect of his trades executed on the Stock Exchange. Under the Listing Rules and the General Rules of CCASS and CCASS Operational Procedures in effect from time to time, the date of settlement must be the second business day (a day on which the settlement services of CCASS are open for use by CCASS Participants) following the trade date (T+2). For trades settled under CCASS, the General Rules of CCASS and CCASS Operational Procedures in effect from time to time provided that the defaulting broker may be compelled to compulsorily buy-in by HKSCC the day after the date of settlement (T+3), or if it is not practicable to do so on T+3, at any time thereafter. HKSCC may also impose fines from T+2 onwards.

The CCASS stock settlement fee payable by each counterparty to a Stock Exchange trade is currently 0.002% of the gross transaction value subject to a minimum fee of HK$2.00 and a maximum fee of HK$100.00 per trade.

DEPOSITARY

The depositary for our ADSs is Citibank, N.A. ("the Depositary"), whose office is located at 388 Greenwich Street, New York, New York 10013, United States. The certificated ADSs are evidenced by certificates referred to as American Depositary Receipts ("ADRs") that are issued by the Depositary.

Each ADS represents ownership interests in 13 Shares, and any and all securities, cash or other property deposited with the Depositary in respect of such Shares but not distributed to ADS holders.

ADSs may be held either (1) directly (a) by having an ADR registered in the holder's name or (b) by holding in the DRS, pursuant to which the Depositary may register the ownership of uncertificated ADSs, which ownership shall be evidenced by periodic statements issued by the Depositary to the ADS holders entitled thereto, or (2) indirectly through the holder's broker or other financial institution. The following discussion regarding ADSs assumes the holder holds its ADSs directly. If a holder holds the ADSs indirectly, it must rely on the procedures of its broker or other financial institution to assert the rights of ADS holders described in this section. If applicable, you should consult with your broker or financial institution to find out what those procedures are.

We do not treat ADS holders as Shareholders, and ADS holders have no Shareholder rights. Cayman Islands law governs Shareholder rights. Because the Depositary actually holds the legal title to our Shares represented by ADSs (through the Depositary's Custodian (as defined below)), ADS holders must rely on it to exercise the rights of a Shareholder. The obligations of the Depositary are set out in the deposit agreement, as amended among us, Citibank, N.A. and our ADS holders and beneficial owners from time to time (the "Deposit Agreement"). The Deposit Agreement and the ADRs evidencing ADSs are governed by the law of the State of New York.

Transfer of Shares to Hong Kong Register

All of our Shares are currently registered on the principal register of members in the Cayman Islands. As at the Latest Practicable Date, there was an aggregate of 701,563,184 issued Shares on the registers of members in the Cayman Islands, 485,160,377 of which were on deposit in the ADS program in respect of 37,320,029 freely transferable ADSs. For the purposes of trading on the Stock Exchange, the Shares must be registered in the Hong Kong Share Register. In order to facilitate the investors with a more timely and cost-effective conversion process from ADSs to Hong Kong listed Shares, the Shares represented by the ADSs that are unrestricted ADSs will be removed from the principal share register in the Cayman Islands and entered into the Hong Kong Share Register on or around 8 August 2018.

ADSs are quoted for trading on the NASDAQ Global Select Market. An investor who holds Shares and wishes to trade ADSs on the NASDAQ Global Select Market must deposit or have his broker deposit with Citibank, N.A. Hong Kong, as custodian of the Depositary (the "Depositary's Custodian"), Shares, or evidence of rights to receive Shares, so as to receive the corresponding ADSs as described below.

Withdrawal from and Deposit into the ADS Program

A deposit of the Shares into the ADS program involves the following procedures:

1. If the Shares are held outside CCASS, the investor shall arrange to deposit his Shares into CCASS for delivery to the Depositary's account with the Depositary's Custodian within CCASS, submit and deliver a request for conversion form to the Depositary's Custodian and after duly completing and signing such conversion form, deliver such conversion form to

the Depositary's Custodian. If the Shares have been deposited with CCASS, the investor must transfer the Shares to the Depositary's account with the Depositary's Custodian within CCASS by following the CCASS procedures for transfer and submit and deliver a the duly completed and signed conversion form to the Depositary.

2. Upon payment of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depositary will issue the corresponding number of ADSs in the name(s) requested by an investor and will deliver the ADSs to the designated DTC account of the person(s) designated by an investor.

Note: Under normal circumstances, step(1) to (2) generally require two business days for Shares deposited in CCASS, or 14 business days, or more, as necessary for Shares held outside CCASS in physical form, to complete.

If an investor who holds ADSs wishes to trade Shares on the Stock Exchange, he must withdraw Shares from the ADS program and cause his broker or other financial institution to trade such Shares on the Stock Exchange. A withdrawal of Shares from the ADS program involves the following procedures:

1. To withdraw Shares from the ADS program, an investor who holds ADSs may turn in such ADSs at the office of the Depositary (and the applicable ADR(s) if the ADSs are held in certificated form), and send an instruction to cancel such ADSs to the Depositary. An investor has the right to cancel ADSs and withdraw the underlying Shares at any time except when temporary delays arise because the Depositary has closed its transfer books in connection with voting at a Shareholders' meeting or the payment of dividends; when the investor or other ADS holders seeking to withdraw Shares owe money to pay fees, taxes and similar charges; when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of Shares or other deposited securities; or at any other times when the Depositary or we consider it advisable.

2. Upon payment or net of its fees and expenses and of any taxes or charges, such as stamp taxes or stock transfer taxes or fees, the Depositary will instruct the Depositary's Custodian to deliver the Shares underlying the cancelled ADSs to the CCASS account designated by the investor and any other deposited securities underlying the cancelled ADSs to or for the account of such investor. Regarding deposited property, other than Shares, which underlie ADSs, our Company currently has no plans to distribute any such property or cause such property to be deposited into the ADS program. The Deposit Agreement, however, contains provisions to address any such distribution in case it should arise. In summary, the Deposit Agreement provides that the Depositary will send to ADS holders any such property our Company distributes on deposited Shares by any means it thinks is lawful and reasonably practicable. If it cannot make the distribution in that way, the Depositary shall endeavor to sell what our Company distributed and distribute the net proceeds. If it is unable to sell such property, the Depositary may dispose of such property in any way it deems reasonably practicable under the circumstances for nominal or no consideration and the investors shall have no rights thereto or arising therefrom. The Depositary is not required to distribute any property to ADS holders unless it receives satisfactory evidence from our Company that it

is legal to make that distribution. Subject to the Listing Rules and any other applicable legal requirements, a distribution of securities other than Shares could possibly include equity securities of a different class from the Shares, debt securities or equity or debt securities of a third party. It is expected that such securities, if distributed to an ADS holder, would not be in the form of Shares tradable on the Stock Exchange.

3. Upon the withdrawal of Shares from the ADS program and following payment of all fees, taxes and charges, investors can instruct the Depositary, who will in turn instruct the Depositary's Custodian, to deliver the Shares tradable in Hong Kong into a CCASS participant stock account. If investors prefer to receive the Shares outside CCASS, they must receive the Shares in CCASS first and arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register the Shares in their own names with the Hong Kong Share Registrar.

Note: Under normal circumstances, step(1) to (3) generally require two business days for Shares to be received inside CCASS, or 14 business days, or more, as necessary for Shares received outside CCASS in physical form, to complete.

Before the Depositary will issue or register a transfer of an ADS or make a distribution on an ADS, or permit withdrawal of Shares, the Depositary may require:

1. production of satisfactory proof of the identity and genuineness of any signature or other information it deems necessary; and

2. compliance with regulations it may establish, from time to time, consistent with the Deposit Agreement, including presentation of transfer documents.

The Depositary may refuse to deliver, transfer, or register issuances, transfers and cancellations of ADSs generally when the transfer books of the Depositary or our Hong Kong Share Registrar are closed or at any time if the Depositary or we determine it advisable to do so.

All costs attributable to the transfer of Shares to effect a withdrawal from or deposit of Shares into the ADS program shall be borne by the Shareholder requesting the transfer. In particular, holders of Shares and ADSs should note that the Hong Kong Share Registrar will charge between HK$2.50 to HK$20 (or such higher fee as may from time to time be permitted under the Listing Rules) for each transfer of Shares from one registered owner to another, each Share certificate cancelled or issued by it and any applicable fee as stated in the share transfer forms used in Hong Kong. In addition, holders of Shares and ADSs must pay up to US$5.00 (or less) per 100 ADSs for each issuance of ADSs and each cancellation of ADSs, as the case may be, in connection with the deposit of Shares into, or withdrawal of Shares from, the ADS program.

For illustrative purposes, a holder of Shares who wishes to deposit 1300 Shares into the ADS program would incur a maximum charge of US$5.00 for the issuance to the holder of 100 ADSs and between HK$2.50 to HK$20 (or such higher fee as may from time to time be permitted under the Listing Rules) for each Share certificate transferred from the holder to the Depositary's Custodian with respect to the 1300 Shares. Conversely, a holder of ADSs who wishes to withdraw 1300 Shares from the ADS program in exchange for 100 ADSs being cancelled would incur similar charges. In addition to the above, holders of Shares and ADSs may also have to pay any applicable fee as stated in the share transfer forms used in Hong Kong and any related brokerage commission.

If you hold "Restricted ADSs," the withdrawal of the corresponding Shares upon presentation of the "Restricted ADSs" for cancellation is subject to special procedures, the details of which may be obtained from the Company or the Depositary. The registration of issuances and transfers of Shares represented by "Restricted ADSs" is in the charge of the Cayman Registrar, Mourant Governance Services (Cayman) Limited.

Upon the withdrawal of Shares from the ADS program and following payment of all fees, taxes and charges, investors can instruct the Depositary, who will in turn instruct the Depositary's Custodian, to deliver the Shares tradable in Hong Kong into a CCASS participant stock account. If investors prefer to receive the Shares outside the CCASS, they must receive the Shares in CCASS first and arrange for withdrawal from CCASS. Investors can then obtain a transfer form signed by HKSCC Nominees Limited (as the transferor) and register the Shares in their own names with the Hong Kong Share Registrar.

PROFESSIONAL TAX ADVICE RECOMMENDED

Potential investors in the Global Offering are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, holding and dealing in the Shares or exercising any rights attached to them. It is emphasised that none of the Company, the Joint Sponsors, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax effects on, or liabilities of holders of the Shares resulting from the subscription, purchase, holding or disposal of the Shares or exercising any rights attached to them.

EXCHANGE RATE CONVERSION

Solely for convenience purposes, this prospectus includes translations among certain amounts denominated in Renminbi, Hong Kong dollars and U.S. dollars. No representation is made that the Renminbi amounts could actually be converted into another currency at the rates indicated, or at all. Unless we indicate otherwise, the translation of Renminbi into Hong Kong dollars, of Renminbi into U.S. dollars and of Hong Kong dollars into U.S. dollars, and vice versa, in this Prospectus was made at the following rates

RMB0.8111	to HK$1.00
RMB6.3667	to US$1.00
HK$7.8491	to US$1.00

LANGUAGE

If there is any inconsistency between the English version of this prospectus and the Chinese translation of this prospectus, the English version of this prospectus shall prevail unless otherwise stated. However, if there is any inconsistency between the names of any of the entities mentioned in this English prospectus which are not in the English language and their English translations, the names in their respective original languages shall prevail.

ROUNDING

Any discrepancies in any table in this prospectus between total and sum of amounts listed therein are due to rounding.

For further information on our Directors, please refer to the section headed "Directors and Senior Management".

DIRECTORS

Name	Address	Nationality
Executive Director		
John V. Oyler	Room 132, Unit 1 Section B, Liang Ma Qiao Diplomatic Residence Compound (DRC), 19 Dong Fang East Road Chaoyang District Beijing PRC	American
Non-executive Director		
Xiaodong Wang	10700 NE 4th Street Unit 3516 Bellevue WA 98004 USA	American
Independent non-executive Directors		
Timothy Chen	2857 Paradise Rd Unit 1002 Las Vegas, NV 89109-5294 USA	American
Donald W. Glazer	225 Kenrick Street Newton MA 02458 USA	American
Michael Goller	404 Park Avenue South Apartment 16B New York NY 10016-8455 USA	American
Ranjeev Krishana	272 West 107th Street, Apt. 14C New York NY 10025 USA	American

Name	Address	Nationality
Thomas Malley	19 Martin Lane Englewood CO 80113 USA	American
Jing-Shyh (Sam) Su	19A 969 Beijing West Road Shanghai PRC	Chinese (Taiwan)
Qingqing Yi	57 Paterson Road, #03-06 Singapore, 238551	Singaporean

PARTIES INVOLVED IN THE GLOBAL OFFERING

Joint Sponsors

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
68th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Joint Global Coordinators

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
68th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CLSA Limited
18/F One Pacific Place
88 Queensway
Hong Kong

Joint Bookrunners

Morgan Stanley Asia Limited
(in relation to the Hong Kong Public Offering only)
46/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Morgan Stanley & Co. International plc
(in relation to the International Placing only)
25 Cabot Square, Canary Wharf
London E14 4QA
United Kingdom

Goldman Sachs (Asia) L.L.C.
68th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CLSA Limited
18/F One Pacific Place
88 Queensway
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Deutsche Bank AG, Hong Kong Branch
52/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Joint Lead Managers

Morgan Stanley Asia Limited
(in relation to the Hong Kong Public Offering only)
46/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Morgan Stanley & Co. International plc
(in relation to the International Placing only)
25 Cabot Square, Canary Wharf
London E14 4QA
United Kingdom

Goldman Sachs (Asia) L.L.C.
68th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CLSA Limited
18/F One Pacific Place
88 Queensway
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Deutsche Bank AG, Hong Kong Branch
52/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

China Renaissance Securities (Hong Kong) Limited
Units 8107-08, International Commerce Center
No. 1 Austin Road West, Kowloon
Hong Kong

Auditors and Reporting Accountants	Ernst & Young 22/F, CITIC Tower 1 Tim Mei Avenue Central, Hong Kong
Legal Advisers to the Company	As to Hong Kong and U.S. laws: Skadden, Arps, Slate, Meagher & Flom and Affiliates 42/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong As to PRC law: Fangda Partners 27/F, North Tower, Beijing Kerry Centre, 1 Guanghua Road, Chaoyang District Beijing PRC As to Cayman Islands law: Mourant Ozannes 6th Floor, 125 Old Broad Street London EC2N 1AR United Kingdom
Legal Advisers to the Joint Sponsors and the Underwriters	As to Hong Kong and U.S. laws: Davis Polk & Wardwell 18/F, The Hong Kong Club Building 3A Charter Road Hong Kong As to PRC law: JunHe LLP 20/F, China Resources Building 8 Jianguomenbei Avenue Beijing PRC

Industry Consultant	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. 1018, Tower B 500 Yunjin Road Shanghai 200232 PRC
Receiving Bank	Standard Chartered Bank (Hong Kong) Limited 15th Floor, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Kowloon Hong Kong

Registered Office	The offices of Mourant Governance Services (Cayman) Limited 94 Solaris Avenue Camana Bay Grand Cayman KY1-1108 Cayman Islands
Head Office and Principal Place Of Business in China	No.30 Science Park Road Zhong-Guan-Cun Life Science Park Changping District Beijing PRC
Principal Place of Business in Hong Kong	Room 1901, 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay Hong Kong
Company's Website	www.beigene.com (A copy of this prospectus is available on the Company's website. Except for the information contained in this prospectus, none of the other information contained on the Company's website forms part of this prospectus)
Company Secretary for the purposes of the Listing	Chau Hing Ling Anita (FCIS, FIS) 19/F, Lee Garden One 33 Hysan Avenue Causeway Bay, Hong Kong
Authorised Representatives	Mr. Scott A. Samuels 55 Cambridge Parkway Suite 700W Cambridge, MA 02142 USA Dr. Howard Liang 55 Cambridge Parkway Suite 700W Cambridge, MA 02142 USA
Audit Committee	Mr. Thomas Malley (Chairman) Mr. Qingqing Yi Mr. Timothy Chen
Compensation Committee	Mr. Qingqing Yi (Chairman) Mr. Ranjeev Krishana Mr. Timothy Chen

Nominating and Corporate Governance Committee	Mr. Donald W. Glazer (Chairman) Mr. Michael Goller
Compliance Adviser	Somerley Capital Limited 20th Floor, China Building 29 Queen's Road Central Central, Hong Kong
Hong Kong Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor Hopewell Centre 183 Queen's Road East Wanchai Hong Kong
Principal Share Registrar and Transfer Office	Mourant Governance Services (Cayman) Limited 94 Solaris Avenue, Camana Bay Grand Cayman KY1-1108 Cayman Islands
Principal Banker	Morgan Stanley & Co. Inc. 1585 Broadway New York NY 10036-8293 United States

The information and statistics set out in this section and other sections of this prospectus were extracted from different official government publications, available sources from public market research and other sources from independent suppliers. In addition, we engaged Frost & Sullivan to prepare the Frost & Sullivan Report, an independent industry report, in connection with the Global Offering. We believe that the sources of the information in this section and other sections of this prospectus are appropriate sources for such information, and we have taken reasonable care in extracting and reproducing such information. We have no reason to believe that such information is false or misleading in any material respect or that any fact has been omitted that would render such information false or misleading in any material respect. The information from official and non-official sources has not been independently verified by us, the Joint Global Coordinators, Joint Sponsors, Joint Bookrunners, Joint Lead Managers, any of the Underwriters, any of their respective directors and advisers, or any other persons or parties involved in the Global Offering, and no representation is given as to its accuracy. Accordingly, the information from official and non-official sources contained herein may not be accurate and should not be unduly relied upon. We confirm that, after making reasonable enquiries, there is no adverse change in the market information since the date of the Frost & Sullivan Report that would qualify, contradict or have an impact on the information in this section in any material respect. Unless otherwise noted, the amounts related to market size in China in this section used an exchange rate of USD1 = RMB6.5.

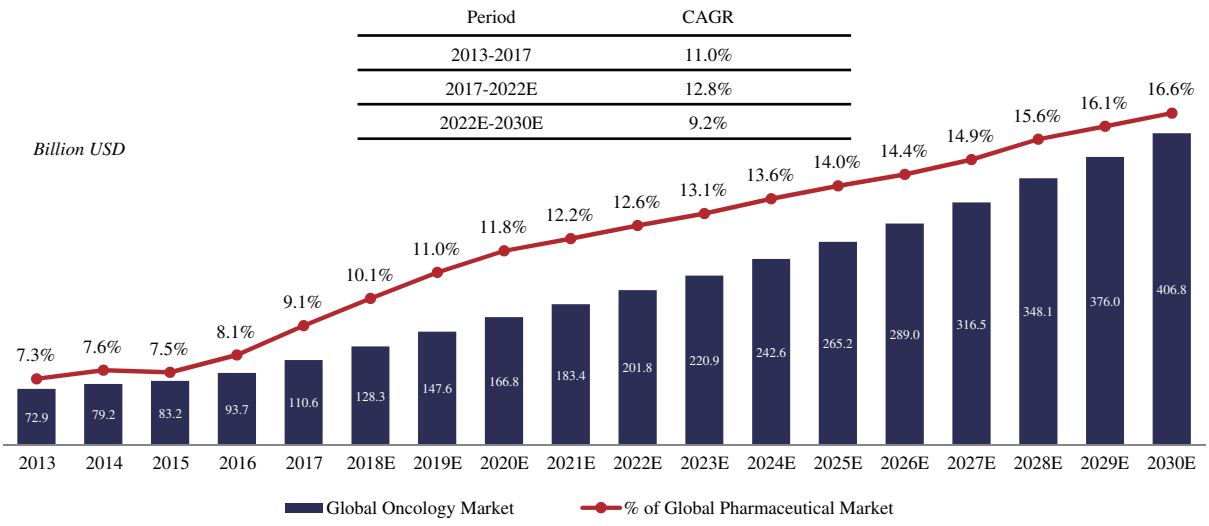
OVERVIEW OF THE ONCOLOGY DRUG MARKET

Global Oncology Drug Market

The pharmaceutical industry is the commercial industry that discovers, develops, manufactures and markets medicines. The global pharmaceutical market is large, with revenues of US$1,209 billion in 2017 that are expected to grow to US$2,457 billion by 2030. The global oncology drug market is the sector of the pharmaceutical market that focuses on medicines for the treatment of cancer. In 2017, the global oncology drug market generated revenues of US$111 billion, accounting for 9.1% of the global pharmaceutical market. The market is expected to grow at a higher rate than the overall pharmaceutical market, primarily driven by scientific advancements, new therapy launches and an increasing aging population. Global oncology drug market revenues are expected to reach US$407

billion in 2030, accounting for 16.6% of the global pharmaceutical market, as shown in the chart below:

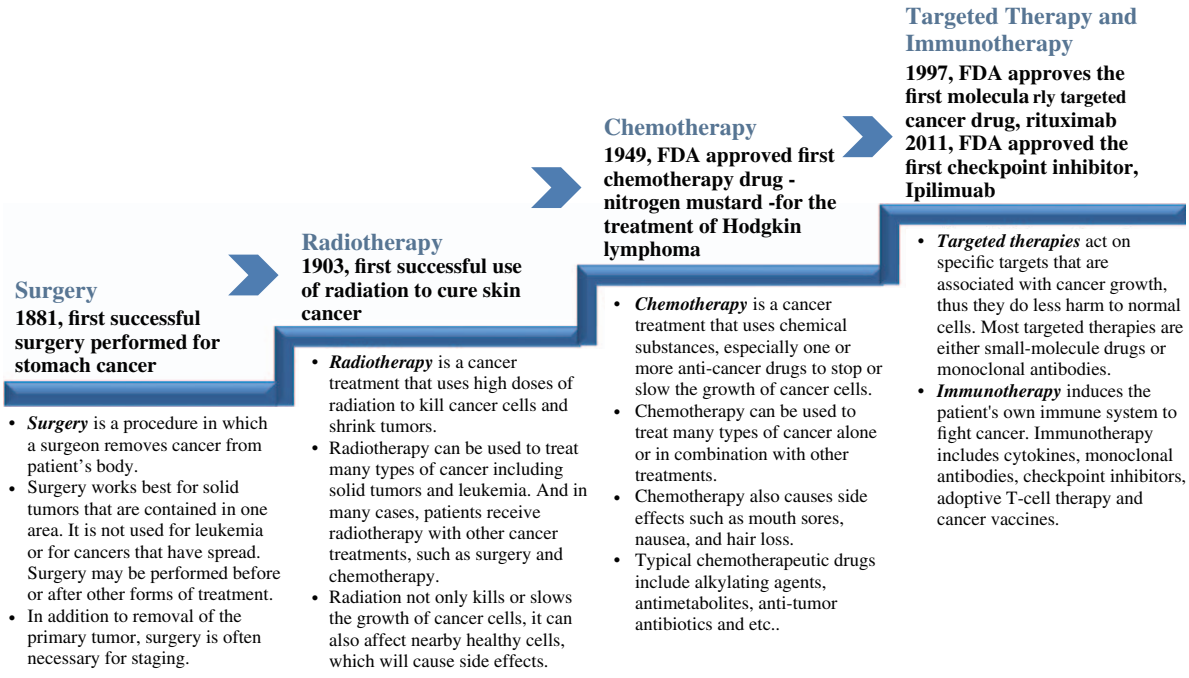
Global Oncology Market 2013-2030E



Source: The Frost & Sullivan analysis.

The treatment of cancer has significantly improved over the last century. Today, major treatments include surgery, radiotherapy, chemotherapy, targeted therapy and immuno-oncology therapy. The key milestones in the evolution of cancer treatment are summarized in the diagram below:

Milestones in Cancer Treatment



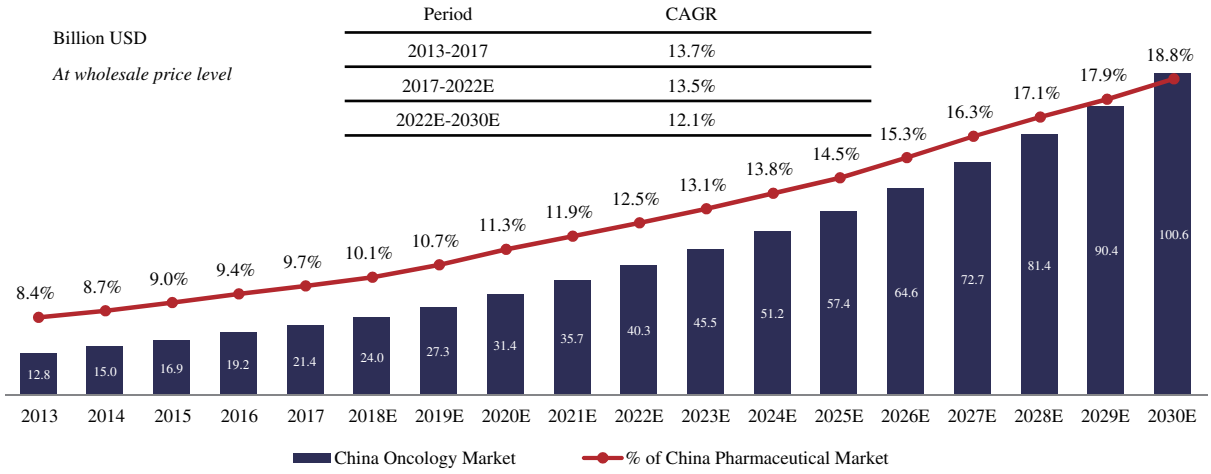
Sources: Literature research and the Frost & Sullivan analysis.

China's Oncology Drug Market

China is the second largest pharmaceutical market in the world based on product revenues. The Chinese government has designated the pharmaceutical industry as one of China's "pillar industry sectors," aiming to transform China into an innovation-focused economy. Driven by economic growth and increasing healthcare demand, China's pharmaceutical market generated total revenues of US$220.1 billion in 2017, which are projected to grow to US$536.1 billion by 2030.

China's oncology drug market has grown rapidly in recent years. In 2013, the oncology drug market accounted for 8.4% of China's pharmaceutical market, and the percentage increased to 9.7% in 2017. Over the same period, China's oncology drug market grew at a CAGR of 13.7%, reaching US$21.4 billion in 2017. This double-digit annual growth is expected to continue between 2017 and 2030 and revenues are expected to reach US$100.6 billion by 2030, accounting for 18.8% of China's pharmaceutical market, as shown in the following chart:

China Oncology Market 2013-2030E



Source: The Frost & Sullivan Analysis.

The large and growing opportunity for oncology drugs in China is largely attributable to the following factors:

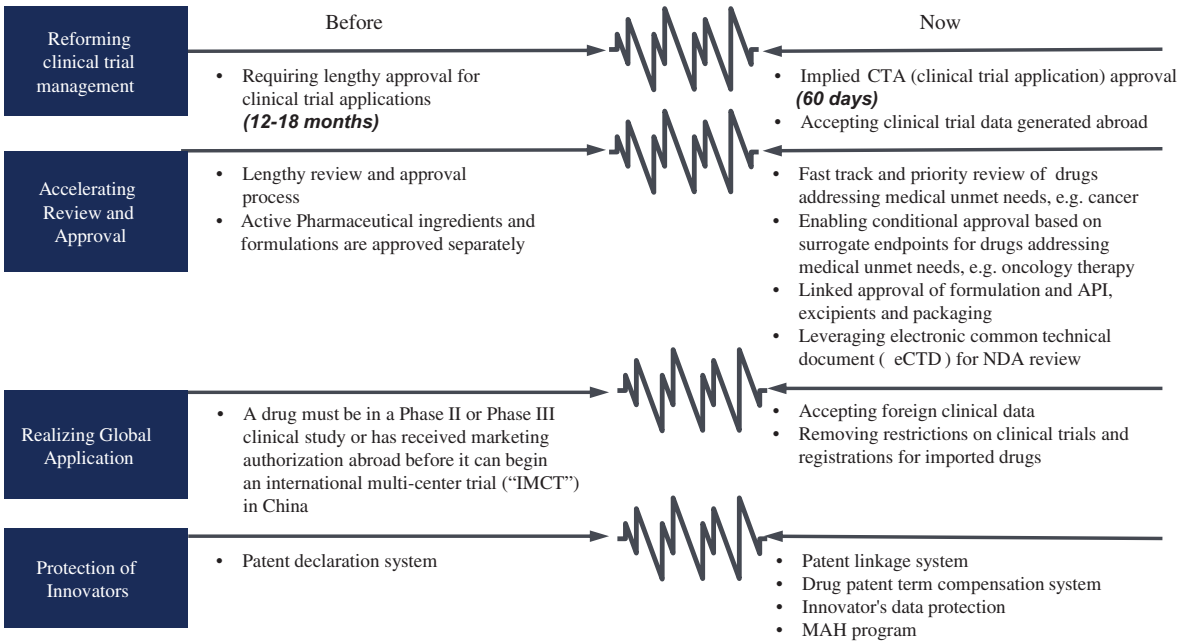
Large cancer patient population with significant unmet needs: According to Chen et al. 2016, cancer is the leading cause of death in China, and is a major public health problem. It is estimated that there were 4.3 million new cancer cases and 2.8 million cancer deaths in China in 2015. Lung, stomach, liver and esophageal cancers were the four most prevalent cancer types in China in 2015, which collectively accounted for 57% of all cancer incidence. Lung cancer, liver cancer and gastric cancer were among the five most prevalent cancer types in Eastern China, Central China and Western China, respectively in 2014. According to the Frost & Sullivan Report, cancer incidence is expected to increase to 5.5 million in China in 2030.

Lead Cancers of High Incidence by Geographic Areas in China, 2014

	Core Product Candidates (zanubrutinib, tislelizumab, pamiparib)	Marketed Products (ABRAXANE®, REVLIMID®, VIDAZA®)
Eastern China	Lung, Liver	Breast
Central China	Lung, Liver, Esophagus	-
Western China	Lung, Liver	Breast

Source: Chen et al., Cancer Incidence and Mortality in China, 2014, Chin J Cancer Res. 2018; 30(1):1-12

Increasingly favorable regulatory framework for innovative drugs that address unmet medical needs: On October 8, 2017, the General Office of the State Council released Opinions on Reform of the Drug and Medical Device Review and Approval ("關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見"). The opinions aim to accelerate drug development and approval and to encourage innovation within the drug and medical device sectors, as shown in the following chart:



Sources: The CDA and the Frost & Sullivan analysis.

Expanding reimbursement coverage: The latest version of the national reimbursement drug list, or the NRDL, issued in February 2017, or NRDL 2017, expanded the reimbursement for cancer drugs by adding 14 additional cancer drugs, which increased the total number of cancer drugs in the List A and B catalogues of the NRDL to 30 and 81, respectively. For further details of the reimbursement scheme in China, please see the below section "Medical Insurance in China." Some commonly prescribed cancer drugs in the Chinese market, such as paclitaxel, were also moved from the List B catalogue to the List A catalogue. The List A catalogue drugs are fully reimbursed, and the List B catalogue drugs require a 10% to 30% co-payment from patients. In addition, 36 innovative, patented drugs were incorporated into the List B catalogue after price negotiation, of which half were cancer drugs. Prices of these drugs were reduced by 44% on average. Inclusion into NRDL 2017 significantly reduces the out-of-pocket costs of these drugs for patients in China. In addition, provincial-level reimbursement is also expanding. Twenty provinces have released updated reimbursement lists, and some provinces have expanded the reimbursement to more drugs than those in the NRDL. For example, Zhejiang province added a list of premium drugs to its critical illness insurance program, such as TAGRISSO®, SUTENT®, ABRAXANE® and ZELBORAF®.

Increasing urbanization rate and patients' ability to pay: Due to the rapid economic development of China and the influx of migrants from rural to urban areas, the urban population in China is expected to increase from 793 million in 2016 to 992 million in 2030, accounting for 57.3% and 68.0% of the total population, respectively. The median per capita disposable income of urban residents is significantly higher than that of the rural residents, which provides this growing urban population with a greater ability to pay for better healthcare and more-effective, higher-priced drugs.

Medical Insurance in China

The medical insurance schemes provided by the PRC government, including urban and rural medical insurance, are the largest payors of pharmaceutical expenditures in China. The NRDL sets out the framework for reimbursement of drugs for people covered by the urban employee and resident basic medical insurance schemes. It is managed by the Ministry of Human Resources and Social Security, or MoHRSS. The Provincial Reimbursement Drug List, or the PRDL, is overseen by the Provincial Bureau of Health Resources and Social Security, or PBoHRSS, in each province. The NRDL establishes coverage at the national level and consists of two drug catalogues, the List A catalogue and the List B catalogue. The List A catalogue typically includes low-priced and clinically necessary drugs that are fully reimbursed and the List B catalogue typically includes higher-priced or new drugs that generally require a 10% to 30% co-payment from patients. Criteria for a drug to be included in the List A Catalogue include clinical necessity, safety and efficacy, significant effect of treatment and reasonableness of price. Criteria for a drug to be included in the List B Catalogue include provision of more clinical options, good treatment effect and higher price than the drug in the same class included in the List A Catalogue. Inclusion into the NRDL typically results in a much higher sales volume and a significant sales growth despite a reduction in the price.

The MoHRSS sets the negotiated drug price for the country, but the PBoHRSS sets the reimbursement ratio. NRDL drugs are not reimbursed until the reimbursement ratio is established. PRDLs cannot change the price negotiated by the MoHRSS for "premium-priced" drugs and must list those approved by the NRDL. For other drugs on the List B catalogue, provinces may conduct an independent price evaluation. Drugs can be listed on the PRDLs before they are included on the

NRDL, and when they are so included, this influences the decision for NRDL inclusion. Provinces tend to give priority to drugs that treat diseases with a high local prevalence and those that treat catastrophic diseases at a reasonable price. Drugs that have been included in a PRDL can maintain the reimbursement status until the subsequent update of such PRDL. Provinces and municipalities that have recently updated their PRDLs include Xinjiang, Sichuan, Qinghai, Hebei, Guizhou, Gansu, Tibet, Shanghai, Shandong, Jilin, Jiangxi, Jiangsu, Anhui, Heilongjiang, Hubei, Beijing, Henan and Ningxia. The following tables set forth the drug name, company name and pricing of the oncology drugs on these PRDLs that are competitive to the Company's Core Product Candidates and marketed products:

Category: Taxane			
Drug	**Company**	**Specification**	**Average Bidding Price Per Unit in 2018 (RMB)**
Paclitaxel	Hospira	5ml:30mg	747
	Yangtze River	5ml:30mg	155
Docetaxel	Sanofi	0.5ml:18mg	1523
	Yangtze River	0.5ml:18mg	284
	Jiangsu Hengrui	0.5ml:18mg	367
Albumin-bound Paclitaxel	BeiGene/Celgene	0.1g	5755
	CSPC	0.1g	2680

Category: Pyrimidine Analogue			
Drug	**Company**	**Specification**	**Average Bidding Price Per Unit in 2018 (RMB)**
TS-1 combination capsule	Taiho	0.025g	75
	Qilu	0.2g	39
	Jiangsu Hengrui	0.2g	38
Tegafur and Sodium Chloride	Qilu	0.5g	23
	Harbin Pharmaceutical	0.5g	30
Tegafur	Harbin Pharmaceutical	0.5g	38
	Qilu	0.5g	33
Gemcitabine	Eli Lilly	0.2g	426
	Haosen	0.2g	190
	Luoxin	0.2g	185
fluridine	Hisun	0.25g	34
	Guangdong Lingnan	0.25g	35
Fluorouracil	Tianjin Jinyao	10ml:0.25g	2
	Shanghai Xudonghaipu	10ml:0.25g	2
	Hisun	0.25g	34
	Guangdong lingnan	0.25g	30

Category: IMiD			
Drug	Company	Specification	Average Bidding Price Per Unit in 2018 (RMB)
Revlimid	BeiGene / Celgene	25mg	1102
	Shuanglu	25mg	1100
Thalidomide	Changzhou	25mg	2
	Cinkate	25mg	5

Category: Targeted Drug			
Drug	Company	Specification	Average Bidding Price Per Unit in 2018 (RMB)
Bortezomib	Janssen	1.0mg	2344
	Haosen	1.0mg	1725
Thalidomide	Changzhou Pharmaceutical	25mg	2
	Cinkate Corporation	25mg	5
icotinib	Beta Pharma	0.125g	67
erlotinib	Novartis Pharma Stein AG	0.2g	292
gefitinib	AstraZeneca UK Limited	0.25g	236
	Qilu pharmaceutical co.,ltd.	0.25g	166
crizotinib	Pfizer	0.2g	750
rituximab	Roche	50ml:0.5mg	8299

Source: Local government announcements and the Frost & Sullivan analysis.

New drugs that have obtained the approval for NDA must wait until the next NRDL revision window before submitting the application for inclusion into the NRDL. Since 2000, updates to the NRDL have been less frequent. The latest version of the NRDL issued in February 2017, or NRDL 2017, started expanding the reimbursement for cancer drugs.

BTK INHIBITOR MARKET LANDSCAPE

Overview of Lymphomas

Lymphomas are blood-borne cancers involving lymphatic cells of the immune system. They can be broadly categorized into non-Hodgkin's lymphomas, or NHL and HL. Depending on the origin of the cancer cells, lymphomas can also be characterized as either B- or T-cell lymphomas. B-cell lymphomas make up approximately 85% of NHLs and comprise a variety of specific diseases involving B-cells at differing stages of maturation or differentiation. According to statistics from the Surveillance, Epidemiology and End Results, or SEER, program of the U.S. National Cancer Institute, there were 72,240 new NHL cases and 20,140 deaths, and 20,110 new chronic lymphocytic leukemia, or CLL, cases and 4,660 deaths in 2017 in the United States. In China, according to GLOBOCAN 2012 analyses on cancer statistics and Chen et al. 2016, there are an estimated 42,000 to 88,000 new lymphoma cases and 26,000 to 53,000 deaths each year.

Conventional methods of treating lymphomas vary according to the specific disease or histology, but generally include chemotherapy, antibodies directed at CD20, and, less frequently, radiation. Recently, significant progress has been made in the development of new therapies for lymphomas, including BTK inhibitors, PI3K inhibitors, idelalisib and copanlisib and the Bcl-2 inhibitor, venetoclax. Most recently, a cell-based therapy, YESCARTA®, was approved for the treatment of diffuse large B-cell lymphoma, or DLBCL. YESCARTA® is a CD-19 directed genetically modified autologous T-cell immuno-oncology therapy.

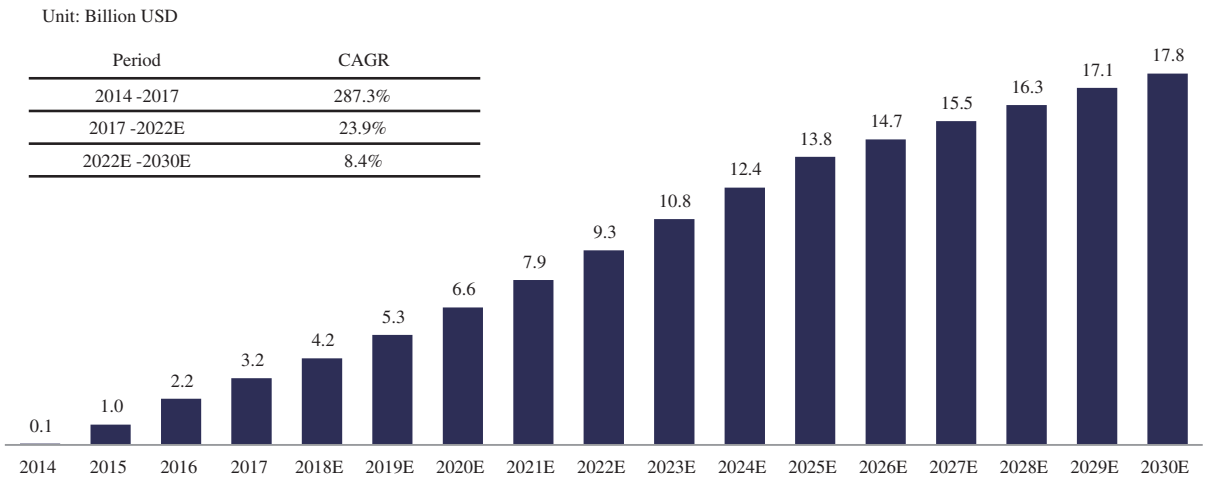
Overview of BTK Inhibitors

BTK is a key component of the B-cell receptor signaling pathway and is an important regulator of cell proliferation and cell survival in various lymphomas. BTK inhibitors block B-cell receptor, or BCR, -induced BTK activation and its downstream signaling, leading to growth inhibition and cell death in B-cells. As of July 18, 2018, there were two marketed BTK inhibitors in the global oncology drug market, Johnson & Johnson's IMBRUVICA® (ibrutinib) and AstraZeneca's CALQUENCE® (acalabrutinib). Ibrutinib was first approved by the FDA in 2013 for the treatment of patients with MCL who have received at least one prior therapy. Since 2013, ibrutinib has received supplemental FDA approvals for the treatment of patients with CLL, CLL patients with 17p deletion, patients with WM, patients with marginal zone lymphoma, or MZL, who have received at least one prior anti-CD20-based therapy, and patients with chronic graft versus host disease after failure of one or more lines of systemic therapy. Ibrutinib is also approved by the EMA for the treatment of patients with MCL, CLL or WM. Ibrutinib has been approved in over 80 countries and regions. Acalabrutinib was approved by the FDA in October 2017 under accelerated approval for the treatment of patients with MCL who have received at least one prior therapy. In November 2017, IMBRUVICA® was launched in China for relapsed/refractory, or R/R CLL/SLL, and R/R MCL, and it was the only BTK inhibitor marketed in China as of July 18, 2018.

Historical and Projected Revenues of BTK Inhibitors Globally

In 2017, global revenues for BTK inhibitors reached US$3.2 billion, predominantly from ibrutinib, growing from US$0.1 billion in 2014. Revenues are projected to increase to US$17.8 billion by 2030, due to the expansion of clinical indications, the rising penetration rate among cancer patients and the growth of emerging markets such as China, as shown in the following chart:

Historical and Forecasted Market Size of Global BTK Inhibitors Market 2014-2030E

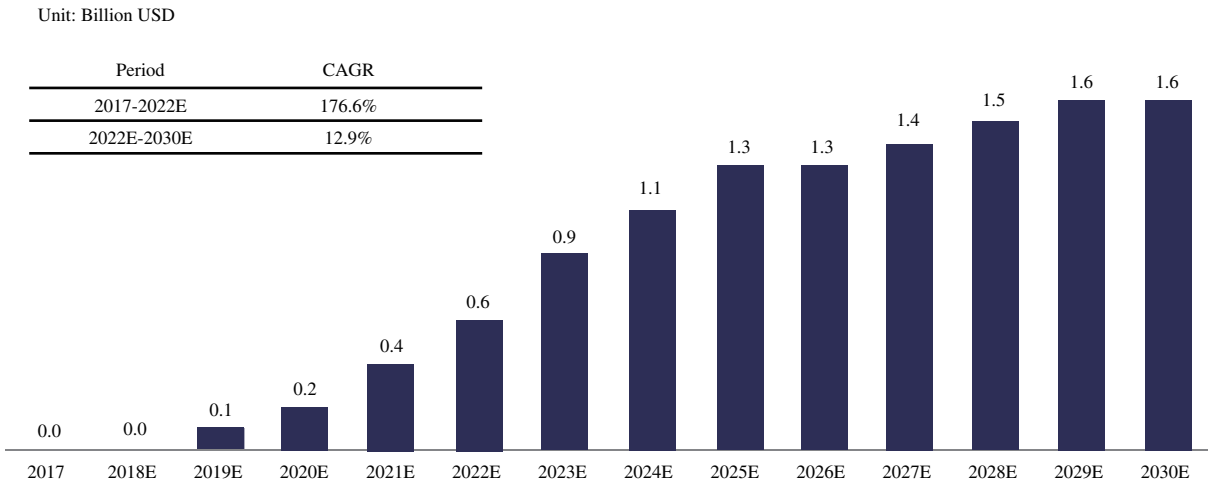


Sources: Evaluate Pharma, Annual Reports and the Frost & Sullivan analysis.

Projected Revenues of BTK Inhibitors in China

IMBRUVICA® was launched in China in November 2017. It is estimated that China's BTK inhibitor market will grow significantly in the coming years due to new drug launches and expanding reimbursement. According to the Frost & Sullivan Report, revenues will grow to US$1.6 billion in 2030, as shown in the following chart:

Forecasted Market Size of China BTK Inhibitors, 2017-2030E



Sources: The Frost & Sullivan analysis.

PD-1/PD-L1 ANTIBODY MARKET LANDSCAPE

Overview of Immuno-oncology Therapy

Over the last few years, immuno-oncology therapy has revolutionized cancer care. Immuno-oncology therapy is designed to re-engage the patient's own immune system to recognize cancer cells as foreign to the body and kill them. Due to its ability to provide durable remissions while being generally well-tolerated in some patients with advanced cancers, immuno-oncology therapy has become the "fifth pillar" in cancer treatment, following surgery, radiotherapy, chemotherapy, and molecularly targeted therapy. Major types of immuno-oncology therapy include monoclonal antibodies, therapeutic cancer vaccines, cytokines and cell therapies.

Global revenues of immuno-oncology therapies reached US$13.8 billion in 2017, with monoclonal antibodies accounting for 73.2% of the total market. Global revenues of immuno-oncology therapies are expected to climb to US$139 billion by 2030, accounting for approximately 34.3% of the entire global oncology drug market in 2030. In China, revenues of immuno-oncology therapies reached US$0.14 billion in 2017 and are expected to grow to US$18.5 billion by 2030, representing 18.4% of China's oncology drug market in 2030.

Overview of PD-1/PD-L1 Inhibitors

Cells called cytotoxic T-lymphocytes, or CTLs, provide an important self-defense mechanism against cancer, patrolling the body, recognizing cancer cells due to immunogenic features that differ from normal cells, and killing cancer cells. T-lymphocytes have various mechanisms that prevent them from damaging normal cells, among which is a protein called PD-1 receptor, which is expressed on the surface of T-lymphocytes. PD-L1 is an important signaling protein that can engage PD-1. PD-L1 binding to PD-1 sends an inhibitory signal inside the T-lymphocyte and abrogates its cytotoxic effects. Many types of cancer cells have hijacked the PD-L1 expression system that normally exists in healthy cells. By expressing PD-L1, cancer cells protect themselves from being killed by CTLs. A monoclonal antibody can prevent PD-L1 from engaging PD-1 by specifically binding to PD-1 without activating the receptor, or by binding to PD-L1, and therefore restore the ability of CTLs to kill cancer cells.

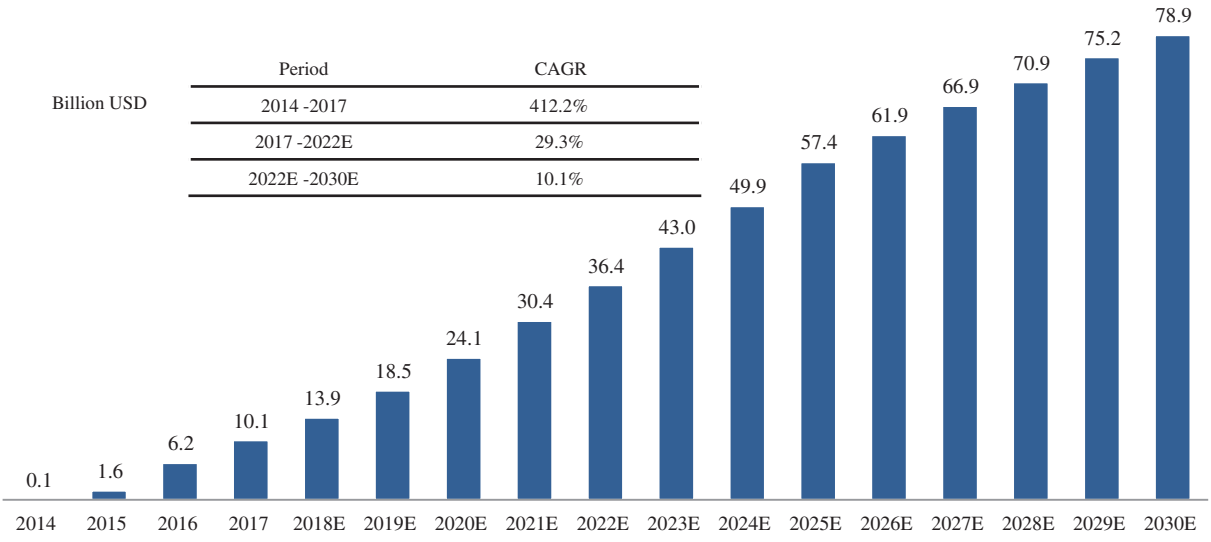
A number of PD-1/PD-L1 inhibitors have been approved by the FDA, including two marketed PD-1 antibodies, Merck's KEYTRUDA® (pembrolizumab) and Bristol-Myers Squibb's OPDIVO® (nivolumab), as well as three marketed PD-L1 antibodies, Roche's TECENTRIQ® (atezolizumab), AstraZeneca's IMFINZI® (durvalumab) and Pfizer and Merck Serono's BAVENCIO® (avelumab). In the global setting, several PD-1/PD-L1 inhibitors are in clinical development, such as BeiGene Ltd.'s tislelizumab, Regeneron's cemiplimab, Novartis' PDR-001, Tesaro's TSR042 and Pfizer's PF-06801591.

Both KEYTRUDA® and OPDIVO® have been approved for multiple indications, including unresectable or metastatic melanoma, NSCLC, classic HL, or cHL, head and neck squamous cell carcinoma, or HNSCC, and urothelial carcinoma, or UC. OPDIVO® has also been approved for renal cell carcinoma, colorectal carcinoma and HCC, and KEYTRUDA® has also been approved for microsatellite instability-high, or MSI-high, cancer and gastric cancer, or GC. In addition, TECENTRIQ®, IMFINZI® and BAVENCIO® have been approved for a total of five indications, including three in UC and one each in NSCLC and Merkel cell carcinoma.

Historical and Projected Revenues for PD-1/PD-L1 Inhibitors Globally

According to the Frost & Sullivan Report, global revenues for the PD-1/PD-L1 class reached US$10.1 billion in 2017, which make these therapies some of the best-selling and fastest-launched oncology drugs in history. Due to the expected expansion into new indications and launch of combination therapies, global revenues for PD-1/ PD-L1 inhibitors are expected to grow significantly to US$78.9 billion by 2030. The diagram below summarizes global revenues for PD-1/ PD-L1 inhibitors from 2014 to 2017 and projected revenues from 2018 to 2030:

Historical and Forecasted Market Size of Global PD-1 and PD-L1 Inhibitors, 2014-2030E

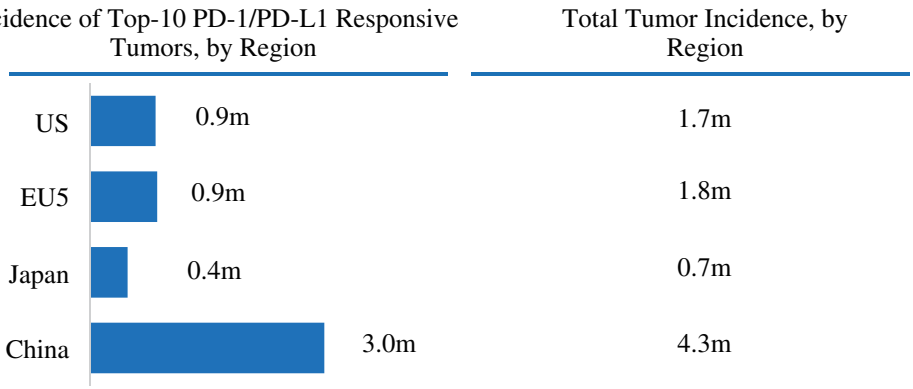


Sources: Annual reports and the Frost & Sullivan analysis.

Market Landscape of PD-1/PD-L1 Inhibitors in China

Currently available clinical data suggest that some of the most prevalent cancers in China, such as lung, gastric, liver and esophageal cancers, are responsive to the PD-1 class of agents. In 2012, 38%, 45%, 51% and 49% of the worldwide mortalities from lung, gastric, liver and esophageal cancers, respectively, occurred in China, according to the World Health Organization. In addition, China has a higher proportion of PD-1/PD-L1 responsive tumors in its total annual cancer incidence in comparison to other geographies like the United States and the European Union. According to Chen et al. 2016, the annual incidence of the top ten PD-1/PD-L1 responsive tumors in China is estimated to be 3.0 million out of 4.3 million in total annual cancer incidence. In comparison, the estimated annual incidence of the top ten PD-1/PD-L1 responsive tumors is 0.9 million out of 1.7 million in total

annual cancer incidence in the United States, and 0.9 million out of the 1.8 million total in the EU5 countries, including United Kingdom, France, Germany, Italy and Spain, according to the SEER program and the World Health Organization.



Source: Japan and EU5 (United Kingdom, France, Germany, Italy and Spain) data are from 2015 (GLOBOCAN); China data is from 2015 (Chen et al.), U.S. data is from 2017 (SEER program), the Frost & Sullivan analysis.

The diagram below illustrates the methodology Frost & Sullivan used to calculate incidence of PD-1/PD-L1 responsive tumors in each of the four regions in the diagram above.

Methodology Used to Collect Incidence of PD-1/PD-L1 Responsive Tumors

Methodology and Process

Define PD-1 Responsive Tumor

Incidence Data Collection for Different Regions

Sum Up the Separated Incidence for the Total Incidence of Different Regions

Approved PD-1 Indications

√ There are 2 global approved anti-PD-1 antibodies: Opdivo® and Keytruda® and 3 globally approved anti-PD-L1 antibodies: TECENTRIQ®, IMFINZI® and BAVENCIO®.

√ The PD-1/PD-L1 responsive tumors could be broadly categorized as approved indications and tumors with positive late stage clinical data. These include melanoma, lung cancer, liver cancer, gastric cancer, renal cancer, urothelial carcinoma, esophagus cancer, Hodgkin's lymphoma, lip and oral cancer, cervical cancer, and larynx cancer, Merkel cell carcinoma, head and neck squamous cell carcinoma, primary mediastinal large B-cell lymphoma, MSI-h colorectal cancer, and other MSI-h cancers.

Data Source

Regions	Source	Sample Size
Japan	Data in 2015 from GloboCan	15% of the population for the period 2003-2007
EU5	Data in 2015 from GLOBOCAN	United Kingdom: at least 30% of the population for the period 1993-2007 France: at least 30% of the population for the period before 2011 Germany:28% of the population for the period 2000-2008 Italy:17% of the total population) for the period 2006-2007 Spain:21% of the population for the period 2006-2007
China	Chen et al., CA Cancer J Clin, 2016	85.5 million population
US	SEER.cancer.gov, 2017	30% of the US population

Source: The Frost & Sullivan analysis.

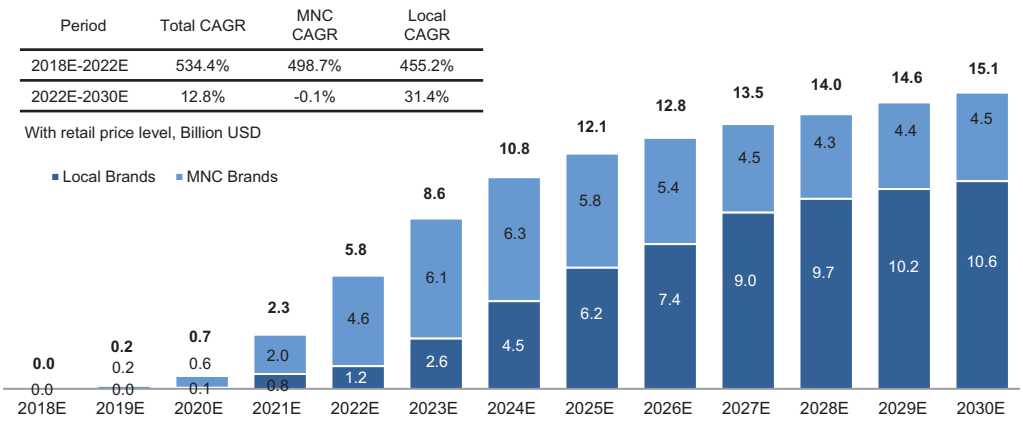
In China, the most commonly used methods of treating these most prevalent tumors include surgery, radiation and chemotherapy, though significant progresses have been made in recent years. Some targeted therapies were launched in China's market, such as EGFR inhibitors, ALK inhibitors, VEGFR inhibitors, and multi-kinase inhibitors.

In China, as of July 26, 2018, there were two approved PD-1 therapies, Bristol-Myers Squibb's OPDIVO® (nivolumab) and Merck's KEYTRUDA® (pembrolizumab), and there were no approved PD-L1 therapies. On June 15, 2018, the CDA approved the NDA for Bristol-Myers Squibb's OPDIVO® (nivolumab) for the treatment of locally advanced or metastatic NSCLC after platinum-based chemotherapy in adult patients without EGFR or ALK genomic tumor aberration. On July 26, 2018, the CDA also approved the NDA for Merck's KEYTRUDA® (pembrolizumab) for the treatment of advanced melanoma following failure of one prior line of therapy. As of June 15, 2018, there were three NDAs of PD-1 inhibitors submitted in China pending the CDA's approval. Among domestic Chinese companies, Shanghai Junshi Biosciences Co., Ltd., or Junshi, submitted an NDA for JS001 (trepinzumab) in March 2018 seeking approval for the treatment of melanoma. In addition, Innovent Biologics, Inc., or Innovent, submitted an NDA for IBI308 (sintilimab) seeking approval for the treatment of R/R cHL, and Jiangsu Hengrui Medicine Co., Ltd, or Hengrui, submitted an NDA for SHR-1210 (camrelizumab) in April 2018 seeking approval for the treatment of R/R cHL.

Projected Revenues of PD-1/PD-L1 Inhibitors in China

Given the large number of available patients, improving affordability and the attractive clinical profile of PD-1/PD-L1 inhibitors, it is estimated that revenues of this class will grow very rapidly in China, reaching US$15.1 billion by 2030, as illustrated in the chart below:

Forecasted Market Size of China PD-1 & PD-L1 Inhibitors, 2018E-2030E



Source: The Frost & Sullivan analysis.

PARP INHIBITOR MARKET LANDSCAPE

Overview of PARP Inhibitors

PARP family members PARP1 and PARP2 play essential roles in cell survival in response to DNA damage. Inhibition of PARPs prevents the repair of common single-strand DNA breaks which leads to formation of double-strand breaks during DNA replication. Cancer cells with mutations in BRCA1/2, a key gene in breast cancer susceptibility, are highly sensitive to PARP inhibition. A number of PARP inhibitors have been approved as monotherapies, and there is strong scientific rationale for the potential utility of PARP inhibitors in combination therapy. PARP proteins are key factors in base-excision-repair, which is critical for the repair of DNA lesions caused by some chemotherapeutic agents and by radiation. PARP inhibitors are also considered good potential combination partners with checkpoint inhibitors in part due to increased mutations in tumor cells as a result of the blockade of DNA repair by PARP inhibitors.

Many tumor types have been shown to be responsive to PARP inhibitors, including ovarian cancer, or OC, breast cancer, prostate cancer and GC. PARP inhibitors have demonstrated encouraging activity both in relapsed and refractory patients as well as in the maintenance setting. In the United States, each year there are approximately 22,440 new cases of OC, 252,710 new cases of breast cancer, 161,360 new cases of prostate cancer, and 28,000 new cases of GC, according to the SEER program. In China, each year there are approximately 52,000 new cases of OC, 272,000 new cases of breast cancer, 60,000 new cases of prostate cancer, and 680,000 new cases of GC according to Chen et al. 2016.

Market Landscape of PARP Inhibitors Globally and in China

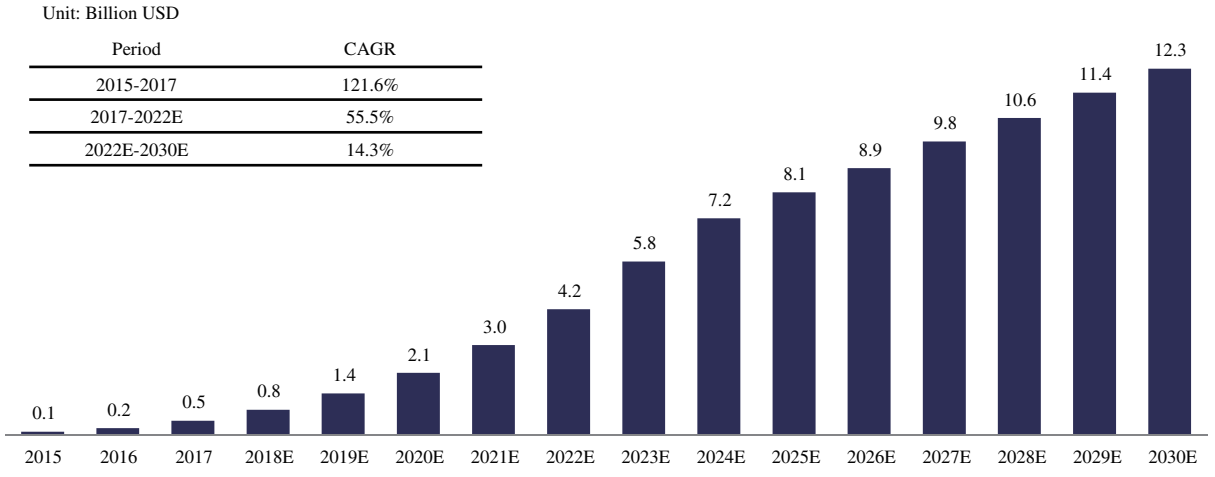
A number of PARP inhibitors have been approved by the FDA. These include AstraZeneca's LYNPARZA® (olaparib), Clovis Oncology's RUBRACA® (rucaparib) and Tesaro's ZEJULA® (niraparib). The approved indications include breast cancer and OC. Several PARP inhibitors are in late-stage clinical development, including BeiGene Ltd.'s pamiparib, AbbVie's veliparib and Pfizer's talazoparib.

In China, there were no approved PARP inhibitors as of July 18, 2018. AstraZeneca has submitted an NDA for olaparib. In addition, Zai Lab obtained the development and commercial rights for niraparib in China, and is currently running a Phase 1 pharmacokinetics study, a Phase 3 trial as a maintenance treatment after two lines of platinum-containing therapy in patients with OC, a Phase 3 trial as a maintenance treatment after one line of platinum-containing therapy in patients with OC, and a Phase 3 trial as a maintenance treatment after one line of platinum-containing therapy in patients with small cell lung cancer. There are some other PARP inhibitors being developed by domestic Chinese companies, such as pamiparib from BeiGene Ltd. and fluzoparib from Hengrui and Jiangsu Hansoh Pharmaceutical Co., Ltd, or Hansoh.

Historical and Projected Revenues of PARP Inhibitors Globally and in China

In 2017, global revenues of PARP inhibitors exceeded $461 million, according to the Frost & Sullivan Report. The market is currently dominated by AstraZeneca's LYNPARZA®, which generated revenues of US$297 million in 2017. The PARP inhibitor class is expected to become one of the major categories of targeted therapies globally, with annual revenues forecasted to grow to US$12.3 billion in 2030. The historical and projected global revenues of PARP inhibitors are shown in the chart below:

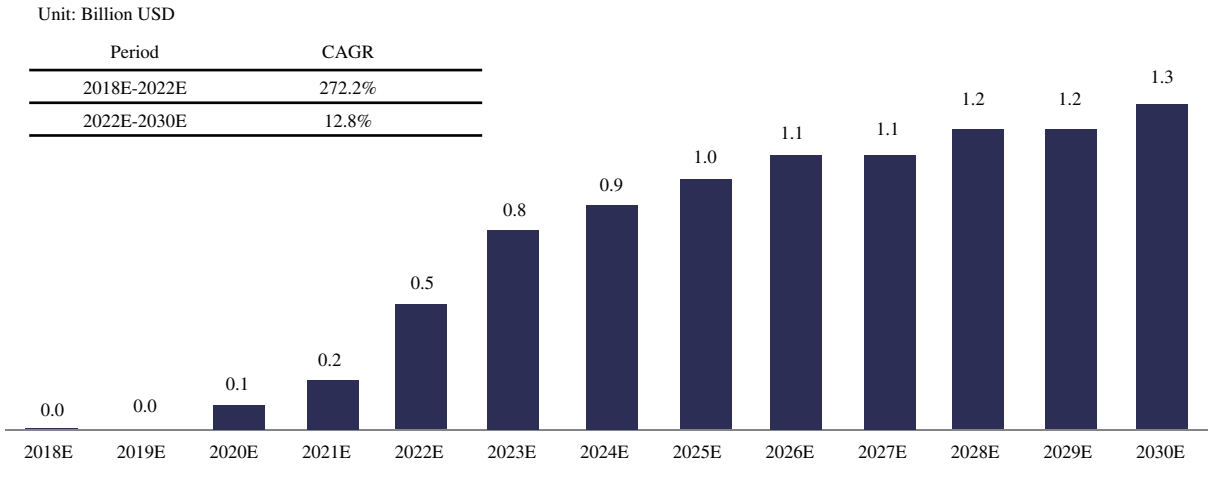
Historical and Forecasted Market Size of Global PARP Inhibitors, 2015-2030E



Sources: Evaluate Pharma, Annual Report and the Frost & Sullivan analysis.

In China, revenues for PARP inhibitors are expected to grow to US$1.3 billion in 2030, due to rising penetration within the large and growing patient population in China. The projected revenues of PARP inhibitors in China are shown in the chart below:

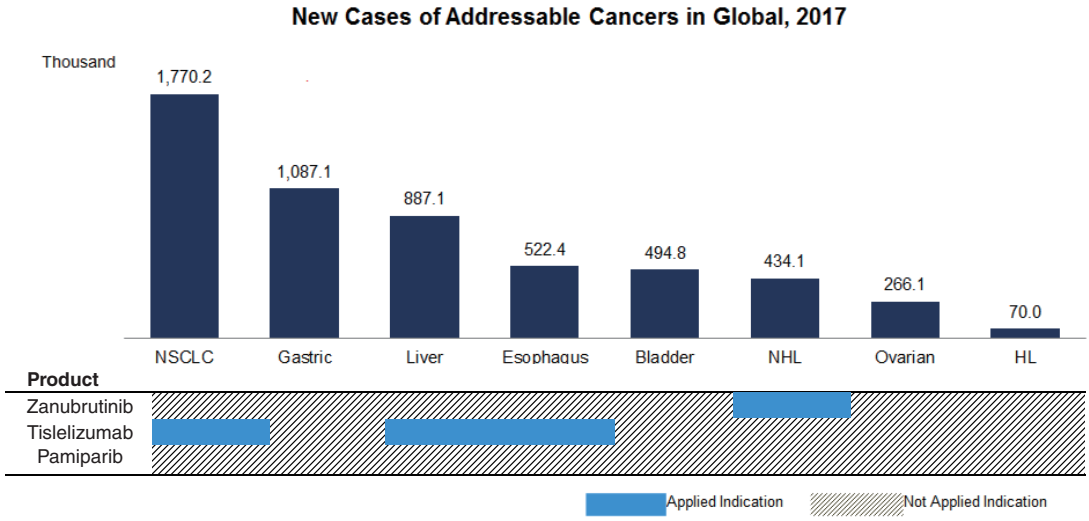
Forecasted Market Size of China PARP Inhibitors, 2018E-2030E



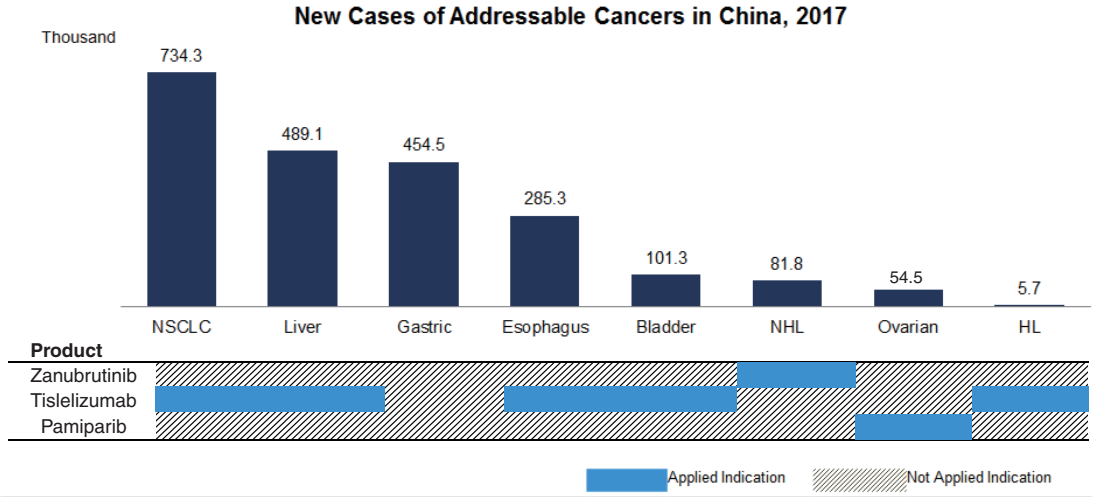
Sources: The Frost & Sullivan analysis.

ADDRESSABLE ONCOLOGY PATIENT POPULATION TARGETED BY BEIGENE'S CORE PRODUCT CANDIDATES

Our core product candidates target oncology patient population worldwide and in China. According to the Frost & Sullivan Report, counting only the indications currently in late stage development, (i) the total addressable worldwide oncology patient population for tislelizumab and zanubrutinib is approximately 3.2 million and 0.4 million, respectively, and (ii) the total addressable oncology patient population in China for tislelizumab, zanubrutinib and pamiparib is approximately 1.6 million, 0.08 million and 0.05 million, respectively. The two diagrams below illustrate the addressable cancers targeted by our core product candidates, globally and in China, respectively.



Source: GloboCan and the Frost & Sullivan analysis.



Source: GloboCan and the Frost & Sullivan analysis.

REPORT COMMISSIONED BY FROST AND SULLIVAN

In connection with the Global Offering, we have engaged Frost & Sullivan to conduct a detailed analysis and to prepare an industry report on the worldwide and China oncology drug markets. Frost & Sullivan is an independent global market research and consulting company founded in 1961 and is based in the United States. Services provided by Frost & Sullivan include market assessments, competitive benchmarking, and strategic and market planning for a variety of industries.

We have included certain information from the Frost & Sullivan Report in this prospectus because we believe such information facilitates an understanding of the oncology drug market for potential investors. Frost & Sullivan prepared its report based on its in-house database, independent third-party reports and publicly available data from reputable industry organizations. Where necessary, Frost & Sullivan contacts companies operating in the industry to gather and synthesize information in relation to the market, prices and other relevant information. Frost & Sullivan believes that the basic assumptions used in preparing the Frost & Sullivan Report, including those used to make future projections, are factual, correct and not misleading. Frost & Sullivan has independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. Frost & Sullivan research may be affected by the accuracy of these assumptions and the choice of these primary and secondary sources.

We have agreed to pay Frost & Sullivan a fee of RMB680,000 for the preparation of the Frost & Sullivan Rreport. The payment of such amount was not contingent upon our successful listing or on the content of the Frost & Sullivan Report. Except for the Frost & Sullivan Report, we did not commission any other industry report in connection with the Global Offering. We confirm that after taking reasonable care, there has been no adverse change in the market information since the date of the report prepared by Frost & Sullivan which may qualify, contradict or have an impact on the information set forth in this section in any material respect.

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries extensively regulate, among other things, the research and clinical development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing, pricing and export and import of drugs such as those we are developing and commercializing. Generally, before a new drug can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized into a format specific to each regulatory authority, submitted for review and approved by the regulatory authority.

U.S. Regulation

U.S. Government Regulation and Product Approval

In the United States, the FDA regulates drugs under the Federal Food, Drug, and Cosmetic Act, or FDCA, and its implementing regulations, and biologics under the FDCA, its implementing regulations, and the Public Health Service Act, or PHSA, and its implementing regulations.

Cancer therapies are sometimes characterized as first line, second line or third line, and the FDA often approves new therapies initially only for third line use. When cancer is detected early enough, first line therapy is sometimes adequate to cure the cancer or prolong life without a cure. Whenever first line therapy, usually chemotherapy, hormone therapy, surgery or a combination of these, proves unsuccessful, second line therapy may be administered. Second line therapies often consist of more chemotherapy, radiation, antibody drugs, tumor targeted small molecule drugs or a combination of these. Third line therapies can include bone marrow transplantation, antibody and small molecule targeted therapies, more invasive forms of surgery and new technologies.

U.S. Drug Development Process

The process required by the FDA before a drug or biologic may be marketed in the United States generally involves the following:

- completion of preclinical laboratory tests, animal studies and formulation studies according to Good Laboratory Practices, or GLP, regulations;

- submission to the FDA of an investigational new drug, or IND, application, which must become effective before human clinical trials may begin;

- performance of adequate and well-controlled human clinical trials according to GCP, to establish the safety and efficacy of the proposed drug or safety, purity and potency of the proposed biologic for the intended use;

- preparation and submission to the FDA of an NDA for a drug or a BLA for a biologic;

- a determination by the FDA within 60 days of its receipt of an NDA or BLA to file the application for review;

- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with cGMP;

- FDA audits of some clinical trial sites to ensure compliance with GCPs; and

- FDA review and approval of the NDA or licensing of the BLA.

Once a product candidate is identified for development, it enters the preclinical testing stage. Preclinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. An IND sponsor must submit the results of the preclinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND. The sponsor must also include a protocol detailing, among other things, the objectives of the initial clinical trial, dosing procedures, subject selection and exclusion criteria, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated if the initial clinical trial lends itself to an efficacy evaluation. Some preclinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions related to the proposed clinical trial and places the trial on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical trials due to safety concerns or noncompliance, and may be imposed on all products within a certain class of products. The FDA also can impose partial clinical holds, for example, prohibiting the initiation of clinical trials of a certain duration or for a certain dose.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with GCP regulations. These regulations include the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an IRB, must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. An IRB considers, among other things, whether the risks to individuals participating in the clinical trial are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical trial and the 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.

Each new clinical protocol and any amendments to the protocol must be filed with the FDA as an IND amendment, and submitted to the IRBs for approval.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- **Phase 1**. The product is initially introduced into a small number of healthy human subjects or patients and tested for safety, dosage tolerance, absorption, metabolism, distribution and excretion and, if possible, to gain early evidence on effectiveness. In the case of some products for severe or life-threatening diseases, especially when the product is suspected or known to be unavoidably toxic, the initial human testing may be conducted in patients.

- **Phase 2**. Involves clinical trials in a limited patient population to identify possible adverse effects and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage and schedule.

- **Phase 3**. Clinical trials are undertaken to further evaluate dosage, clinical efficacy and safety in an expanded patient population. These clinical trials are intended to evaluate the overall risk/benefit relationship of the product and provide an adequate basis for product labeling.

We refer to our Phase 1 programs as dose-escalation and dose-expansion trials. In addition, we refer to some of our Phase 2 programs as pivotal or registrational programs, where the results can be used to support regulatory approval in specific jurisdictions without the need to conduct a Phase 3 trial.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and the investigators for serious and unexpected suspected AEs, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator's brochure, or any findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the product drug. Phase 1, Phase 2 and Phase 3 studies may not be completed successfully within any specified period, if at all. The FDA or the 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 if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product has been associated with unexpected serious harm to subjects.

Concurrent with clinical trials, companies usually complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product does not undergo unacceptable deterioration over its shelf life.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA for a new drug or a BLA for a biologic, requesting approval to market the product. The submission of an NDA or BLA is subject to the payment of a substantial user fee; although a waiver of such fee may be obtained under certain limited circumstances. The sponsor of an approved NDA or BLA is also subject to an annual prescription drug product program fee.

The FDA reviews all NDAs and BLAs submitted to ensure that they are sufficiently complete for substantive review before it accepts them for filing. The FDA may request additional information rather than accept an NDA or BLA for filing. In this event, the NDA or BLA must be re-submitted with the additional information. The re-submitted application also is subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA reviews an NDA to determine, among other things, whether a product is safe and effective for its intended use, and a BLA to determine whether the biologic is safe, pure, and potent for its intended use. The FDA also evaluates whether the product's manufacturing is cGMP-compliant to assure the product's identity, strength, quality and purity. Before approving an NDA or BLA, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA or BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA or BLA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive, and the FDA may interpret data differently than we interpret the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA or BLA in its present form. The complete response letter usually describes all of the specific deficiencies that the FDA identified in the NDA or BLA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA or BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

If a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including Phase 4 clinical trials, to further assess a product's safety and effectiveness after NDA or BLA approval and may require testing and surveillance programs to

monitor the safety of approved products that have been commercialized. The FDA may also approve an NDA or BLA with a Risk Evaluation and Mitigation Strategy plan to mitigate risks, which 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.

Regulation of Combination Products in the United States

Certain products may be comprised of components that would normally be regulated under different types of regulatory authorities in certain jurisdictions, and in the United States by different centers at the FDA. These products are known as combination products. Under the FDCA, the FDA is charged with assigning a center with primary jurisdiction, or a lead center, for review of a combination product. That determination is based on the "primary mode of action" of the combination product. We are developing combination products using our own drug candidates and third-party drugs.

Expedited Programs

Fast Track Designation

The FDA has a fast track program that is intended to expedite or facilitate the process for reviewing new drugs, including biologics that meet certain criteria. Specifically, new drugs are eligible for Fast Track designation if they are intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrate the potential to address unmet medical needs for the condition. Fast track designation applies to the combination of the product and the specific indication for which it is being studied. The sponsor of a new drug may request the FDA to designate the drug as a fast track product concurrently with, or at any time after, submission of an IND, and the FDA must determine if the drug candidate qualifies for fast track designation within 60 days of receipt of the sponsor's request.

In addition to other benefits, such as the ability to engage in more frequent interactions with the FDA, the FDA may initiate review of sections of a fast track drug's NDA or BLA before the application is complete. This rolling review is available if the applicant provides, and the FDA approves, a schedule for the submission of each portion of the NDA or BLA and the applicant pays the applicable user fee. However, the FDA's time period goal for reviewing an application does not begin until the last section of the NDA or BLA is submitted. Additionally, the fast track designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Accelerated Approval

Under FDA's accelerated approval regulations, the FDA may approve a drug, including a biologic, for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments based upon a surrogate endpoint that is reasonably likely to predict clinical benefit, or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality, that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the

availability or lack of alternative treatments. In clinical trials, a surrogate endpoint is a marker, such as a laboratory measurement or clinical signs of a disease or condition that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. A drug candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trials sometimes referred to as Phase 4 trials to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the drug from the market on an expedited basis. All promotional materials for drug candidates approved under accelerated regulations are subject to prior review by the FDA.

Breakthrough Designation

Breakthrough therapy designation is intended to expedite the development and review of a breakthrough therapy. A drug or biologic product can be designated as a breakthrough therapy if it is intended to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that it may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the candidate qualifies for breakthrough therapy designation within 60 days of receipt of the sponsor's request. If so designated, the FDA shall act to expedite the development and review of the product's marketing application, including by meeting with the sponsor throughout the product's development, providing timely advice to the sponsor to ensure that the development program to gather preclinical and clinical data is as efficient as practicable, involving senior managers and experienced review staff in a cross-disciplinary review, and assigning a cross-disciplinary project lead for the FDA review team to facilitate an efficient review of the development program and to serve as a scientific liaison between the review team and the sponsor.

Priority Review

The FDA may grant an NDA for a new molecular entity or BLA a priority review designation, which sets the target date for FDA action on the application at six months after the FDA accepts the application for filing. Priority review is granted where there is evidence that the proposed product would be a significant improvement in the safety or effectiveness of the treatment, diagnosis, or prevention of a serious condition. If criteria are not met for priority review, the application is subject to the standard FDA review period of ten months after FDA accepts the application for filing. Priority review designation does not change the scientific/medical standard for approval or the quality of evidence necessary to support approval.

Post-Approval Requirements

Any products for which we receive FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with FDA promotion and advertising requirements. The FDA strictly regulates

labeling, advertising, promotion and other types of information on products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further FDA review and approval.

Manufacturers and other entities involved in the manufacturing and distribution of approved products 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. The cGMP requirements apply to all stages of the manufacturing process, including the production, processing, sterilization, packaging, labeling, storage and shipment of the product. Manufacturers must establish validated systems to ensure that products meet specifications and regulatory requirements, and test each product batch or lot prior to its release.

The FDA may withdraw a product approval or revoke a biologics license if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product may result in restrictions on the product or even complete withdrawal of the product from the market. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, untitled or warning letters, holds on clinical trials, product seizures, product detention or refusal to permit the import or export of products, refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions or civil or criminal penalties. We may undertake or be required to undertake a product recall.

Patent Term Restoration and Marketing Exclusivity

Depending upon the timing, duration and specifics of FDA approval of the use of our drug candidates, some of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date. The patent term restoration period is generally one-half the time between the effective date of an IND and the submission date of an NDA or BLA plus the time between the submission date of an NDA or BLA and the approval of that application, except that this review period is reduced by any time during which the applicant failed to exercise due diligence. Only one patent applicable to an approved product is eligible for the extension and the application for the extension must be submitted prior to the expiration of the patent. The USPTO, in consultation with the FDA, reviews and approves the application for any patent term extension or restoration. In the future, if available, we intend to apply for restorations of patent term for some of our currently owned patents beyond their current expiration dates, depending on the expected length of the clinical trials and other factors involved in the filing of the relevant NDA or BLA; however, there can be no assurance that any such extension will be granted to us.

Market exclusivity provisions under the FDCA can also delay the submission or the approval of certain applications. The FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain 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 NDA, or ANDA, or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval. However, such an application may be submitted after four years if it contains a certification of patent invalidity or non-infringement. The FDCA also provides three years of marketing exclusivity for an NDA, 505(b)(2) 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, for example, for new indications, dosages or strengths of an existing drug. This three-year exclusivity covers only the conditions of use associated with the new clinical investigations and does not prohibit the FDA from approving ANDAs for drugs containing the original active agent. 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 all of the preclinical studies and adequate and well-controlled clinical trials necessary to demonstrate safety and effectiveness.

Pediatric exclusivity is another type of exclusivity in the United States. Pediatric exclusivity, if granted, provides an additional six months of exclusivity, which runs from the end of other exclusivity or patent periods.

Biosimilars and Exclusivity

The PHSA includes an abbreviated approval pathway for biological products shown to be similar to, or interchangeable with, an FDA-licensed reference biological product. Biosimilarity, which requires that there be no clinically meaningful differences between the biological product and the reference product in terms of safety, purity and potency, can be shown through analytical studies, animal studies, and a clinical trial or trials. Interchangeability requires that a product is biosimilar to the reference product and the product must demonstrate that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic.

A reference biologic is granted twelve years of exclusivity from the time of first licensure of the reference product. The first biologic product submitted under the abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against other biologics submitting under the abbreviated approval pathway for the lesser of (i) one year after the first commercial marketing, (ii) 18 months after approval if there is no legal challenge, (iii) 18 months after the resolution in the applicant's favor of a lawsuit challenging the biologic's patents if an application has been submitted, or (iv) 42 months after the application has been approved if a lawsuit is ongoing within the 42-month period.

Orphan Drugs

Under the Orphan Drug Act, the FDA may grant orphan drug designation to drugs, including biologics, intended to treat a rare disease or condition—generally a disease or condition that affects fewer than 200,000 individuals in the United States or that affects more than 200,000 individuals in the United States and for which there is no reasonable expectation that costs of research and development of the product for the indication can be recovered by sales of the product in the United States. Orphan drug designation must be requested before submitting an NDA or BLA.

After the FDA grants orphan drug designation, the generic identity of the drug or biologic and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. The first NDA or BLA applicant to receive FDA approval for a particular active ingredient to treat a particular disease or condition with FDA orphan drug designation is entitled to a seven-year exclusive marketing period in the United States for that product, for that indication. Among the other benefits of orphan drug designation are tax credits for certain research and a waiver of the NDA or BLA application user fee.

During the exclusivity period, the FDA may not approve any other applications to market the same drug for the same disease or condition, except in limited circumstances, such as if the second applicant demonstrates the clinical superiority of its product to the product with orphan drug exclusivity through a demonstration of superior safety, superior efficacy, or a major contribution to patient care. "Same drug" means a drug that contains the same active moiety if it is a drug composed of small molecules, or the same principal molecular structural features if it is composed of macromolecules and is intended for the same use as a previously approved drug, except that if the subsequent drug can be shown to be clinically superior to the first drug, it will not be considered to be the same drug. 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.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of FDA-regulated products, including drugs and biologics, are required to register and disclose certain clinical trial information, which is publicly available at *www.clinicaltrials.gov*. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pharmaceutical Coverage, Pricing and Reimbursement

In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors, including government authorities, managed care providers, private health insurers and other organizations. The process for determining whether a payor will provide coverage for a

product may be separate from the process for setting the reimbursement rate that the payor will pay for the product. Third-party payors may limit coverage to specific products on an approved list which might not include all of the FDA-approved products for a particular indication. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost-effectiveness of medical products and services, in addition to their safety and efficacy. In order to obtain coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of any products, in addition to the costs required to obtain regulatory approvals. If third-party payors do not consider a product to be cost-effective or medically-necessary compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The U.S. government and state legislatures have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. For example, ACA contains provisions that may reduce the profitability of drug products, including, for example, 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. Adoption of government controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals.

Other U.S. Healthcare Laws and Compliance Requirements

If we obtain regulatory approval of our product candidates, we may be subject to various federal and state laws targeting fraud and abuse in the healthcare industry. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business prior to and after receiving regulatory approval of our product candidates. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims and civil monetary penalty laws, such as the federal False Claims Act, which impose criminal and civil penalties and authorize civil whistleblower or *qui tam* actions, against individuals or entities for, among other things: knowingly presenting, or causing to be presented, to the federal government, claims for payment that are false or fraudulent; making a false statement or record material to a false or fraudulent claim or obligation to pay or transmit money or property to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay money to the federal government. In addition, the government may assert that a claim including items and services resulting from a violation of the federal Anti-Kickback Statute constitutes a false of fraudulent claim for purposes of the False Claims Act;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which prohibits knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations, or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and their respective implementing regulations, which impose requirements on certain covered healthcare providers, health plans and healthcare clearinghouses as well as their respective business associates who perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information;

- the federal false statements statute, which prohibits knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement in connection with the delivery of or payment for healthcare benefits, items or services;

- the federal transparency requirements under the ACA, including the provision commonly referred to as the Physician Payments Sunshine Act, which require manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program to report annually to the U.S. Department of Health and Human Services information related to payments or other transfers of value made to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members; and

- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers.

The ACA broadened the reach of the fraud and abuse laws by, among other things, amending the intent requirement of the federal Anti-Kickback Statute and the applicable criminal healthcare fraud statutes contained within 42 U.S.C. § 1320a-7b. Pursuant to the statutory amendment, a person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. In addition, the ACA provides 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 civil False Claims Act or the civil monetary penalties statute. Many states have adopted laws similar to the federal Anti-Kickback Statute and False Claims Act, some of which apply to claims for, and referral of patients for, healthcare items or services reimbursed by any source, not only the Medicare and Medicaid programs. Similarly, state privacy laws may be broader and require greater protections than HIPAA.

Violations of fraud and abuse laws may be punishable by criminal and/or civil sanctions, including penalties, fines and/or exclusion or suspension from federal and state healthcare programs such as Medicare and Medicaid and debarment from contracting with the U.S. government. In addition, private individuals have the ability to bring actions on behalf of the U.S. government under the federal False Claims Act as well as under the false claims laws of several states.

PRC Regulation

In the PRC, we operate in an increasingly complex legal and regulatory environment. We are subject to a variety of PRC laws, rules and regulations affecting many aspects of our business. This section summarizes the principal PRC laws, rules and regulations relevant to our business and operations.

PRC Drug Regulation

Introduction

China heavily regulates the development, approval, manufacturing and distribution of drugs, including biologics. The specific regulatory requirements applicable depend on whether the drug is made and finished in China, which is referred to as a domestically manufactured drug, or made abroad and imported into China in finished form, which is referred to as an imported drug, as well as the approval or "registration" category of the drug. For both imported and domestically manufactured drugs, China typically requires regulatory approval for a clinical trial, or CTA, prior to submitting an application for marketing approval. For a domestically manufactured drug, there is also a requirement for a drug manufacturing license for a facility in China.

In 2017, the drug regulatory system entered a new and significant period of reform. The State Council and the China Communist Party jointly issued the Opinion on Deepening the Reform of the Regulatory Approval System to Encourage Innovation in Drugs and Medical Devices (關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見), or the Innovation Opinion. The expedited programs and other advantages under this and other recent reforms encourage drug manufacturers to seek market approval in China first, manufacture domestically, and develop drugs in high priority disease areas, such as oncology.

To implement the regulatory reform introduced by the Innovation Opinion, the CDA is currently revising the fundamental laws, regulations and rules regulating pharmaceutical products and the industry, which include the framework law known as the PRC Drug Administration Law (藥品管理法), or DAL. The DAL is also generally implemented by a set of regulations issued by the State Council referred to as the DAL Implementing Regulation (藥品管理法實施條例). The CDA has its own set of regulations implementing the DAL; the primary one governing clinical trial applications, marketing approval, and license renewal and amendment is known as the Drug Registration Regulation (藥品註冊管理辦法). However, as of April 2018 the implementing regulations for many of the reforms in the Innovation Opinion had not been announced, and therefore, the details in the implementation of the regulatory changes remained uncertain in some respects.

Regulatory Authorities and Recent Government Reorganization

In the PRC, the CDA is the primary regulator for pharmaceutical products and businesses. It regulates almost all of the key stages of the life-cycle of pharmaceutical products, including nonclinical studies, clinical trials, marketing approvals, manufacturing, advertising and promotion, distribution, and pharmacovigilance (i.e., post-marketing safety reporting obligations). The Center for Drug Evaluation, or CDE, which is under the CDA, conducts the technical evaluation of each drug and biologic application for safety and effectiveness.

The National Health and Family Planning Commission, or NHFPC, formerly known as the Ministry of Health, or MOH, is China's chief healthcare regulator. It is primarily responsible for overseeing the operation of medical institutions, which also serve as clinical trial sites, and regulating the licensure of hospitals and other medical personnel. NHFPC plays a significant role in drug reimbursement. Furthermore, the NHFPC and its local counterparts at or below the provincial-level of local government also oversee and organize public medical institutions' centralized bidding and procurement process for pharmaceutical products. This is the chief way that public hospitals and their internal pharmacies acquire drugs.

China has recently reorganized the agencies that regulate drugs, healthcare, and the state health insurance plans, although it is still not entirely clear what effect on policy these changes will ultimately have in terms of making the drug approval process more efficient. The drug regulatory agency, CFDA, is merged into a State Administration on Market Regulation, or SAMR, along with other agencies that regulate consumer protection, product quality and anti-monopoly. The drug, device and cosmetic regulatory functions of CFDA is put under the CDA, which is subordinate to the SAMR. The National Health Commission, or the NHC, will be the healthcare regulator replacing the NHFPC, and a new, separate State Medical Insurance Bureau will focus on regulating reimbursement under the state-sponsored insurance plans.

Pre-Clinical and Clinical Development

The CDA requires both pre-clinical and clinical data to support registration applications for imported and domestic drugs. Pre-clinical work, including pharmacology and toxicology studies, must meet the GLP, issued in July 2017. The CDA accredits GLP labs and requires that nonclinical studies on chemical drug substances and preparations and biologics that are not yet marketed in China be conducted there. There are no approvals required from the CDA to conduct pre-clinical studies.

Registration Categories

Prior to engaging with the CDA on research and development and approval, an applicant will need to determine the registration category for its drug candidate (which will ultimately need to be confirmed with the CDA), which will determine the requirements for its clinical trial and marketing application. There are five categories for small molecule drugs: Category 1 ("innovative drugs") refers to drugs that have a new chemical entity that has not been marketed anywhere in the world, Category 2 ("improved new drugs") refers to drugs with a new indication, dosage form, route of administration, combination, or certain formulation changes not approved in the world, Categories 3 and 4 are for generics that reference an innovator drug (or certain well-known generic drugs) marketed either abroad or in China, respectively, and Category 5 refers to originator or generic drugs that have already been marketed abroad but are not yet approved in China (*i.e.*, many imported drugs).

Therapeutic biologics follow a similar categorization, with Category 1 being new to the world, but with fifteen product-specific categories. Like with small molecule drugs, Category 1 for biologics is also for innovative biologics that have not been approved inside or outside of China. A clear regulatory pathway for biosimilars does not yet exist, but the CDA may soon develop one in its revision of implementing rules pursuant to the Innovation Opinion. Each of zanubrutinib, tislelizumab, pamiparib and lifirafenib is classified as Category 1 based on the respective clinical trial approval from the CDA, which is a favored category for CTA and marketing approval.

Expedited Programs

Priority Evaluation and Approval Programs to Encourage Innovation

The CDA has adopted several expedited review and approval mechanisms since 2009 and created additional expedited programs in recent years that are intended to encourage innovation. Applications for these expedited programs can be submitted after the CTA is admitted for review by the CDE. Some of the current categories of drugs eligible for priority status that may be particularly relevant for us include: (1) Category 1 innovative drugs that have not been approved inside or outside of China; (2) oncology drugs; (3) drugs using advanced technology, innovative treatment methods, and having clear therapeutic benefit; and (4) new drugs for which clinical trials are already approved in the United States or European Union, or for which marketing authorization applications have been filed simultaneously in China and in the United States or European Union and are manufactured in China using the same production line that passed FDA or EMA inspection.

If admitted to one of these expedited programs, an applicant will be entitled to more frequent and timely communication with reviewers at the CDE, expedited review and approval, and more agency resources throughout the approval process. Each of our drug candidates zanubrutinib, tislelizumab, pamiparib and lifirafenib is classified as Category 1 based on the respective clinical trial approval from the CDA.

CDE Guideline on PD-1/L1 NDA

In addition to the programs and proposals above, the CDE has recently stated that it will permit applicants for PD-1/L1 agents to submit data on a rolling basis based on the current high unmet medical need for PD-1/L1 agents. In February 2018, the CDE released the Guideline on the Basic Requirements of Information and Data for NDA Submissions of anti-PD-1/L1 Monoclonal Antibody Products (抗PD-1/PD-L1單抗品種申報上市的資料數據基本要求) on recurrent and refractory advanced cancers without standard-of-care therapies. Under the guideline, the sponsor must have a pre-NDA meeting with the CDE regarding the data and the NDA submission. The CDE will permit the following submission for these applicants: (1) an initial NDA submission with full preliminary safety data and effectiveness data, including the results of at least two independent therapeutic efficacy assessments of all patients who are currently enrolled pursuant to all of the protocol's requirements; (2) during the CDE's substantive technical review of the NDA, submission on a rolling basis of follow-up safety and effectiveness data from at least six months from the time of the last enrolled patient showing the duration of the response; and (3) submission of all efficacy and safety data as provided for under the protocol before final approval is granted by the CDA. Sponsors may also apply for priority review and approval for their NDA to accelerate the progress. If granted, priority status will be applied to various stages of the approval process, including testing, manufacturing site inspection, technical review, and clinical site inspection.

Clinical Trials and Marketing Approval

Upon completion of pre-clinical studies, a sponsor typically needs to conduct clinical trials in China for registering a new drug in China. The materials required for this application and the data requirements are determined by the registration category. The CDA has taken a number of steps to increase efficiency for approving CTAs, and it has also significantly increased monitoring and enforcement of GCP to ensure data integrity.

Trial Approval

All clinical trials conducted in China must be approved and conducted at hospitals accredited by the CDA. For imported drugs, proof of foreign approval is required prior to the trial, unless the drug has never been approved anywhere in the world. In addition to a standalone China trial to support development, imported drug applicants may establish a site in China that is part of an international multicenter trial, or IMCT, at the outset of the global trial. Domestically manufactured drugs are not subject to foreign approval requirements, and in contrast to prior practice, the CDA has recently indicated its intent to permit those drugs to conduct development via an IMCT as well.

In 2015, the CDA began to issue an umbrella approval for all phases (typically three) of a new drug clinical trial, instead of issuing approval phase by phase. For certain types of new drug candidates, clinical trial applications may be prioritized over other applications, and put in a separate expedited queue for approval. Category 1 drugs are new drug trials which would qualify for this expedited umbrella approval status. Other trials that are not part of these expedited lines could still wait up to a year for approval to conduct the trial.

The Innovation Opinion also introduces a notification system for new drug clinical trial approval. In other words, trials can proceed if after certain fixed period of time (possibly 60 days), the applicant has not received any objections from the CDE, as opposed to the lengthier current clinical trial pre-approval process in which the applicant must wait for affirmative approval. The Innovation Opinion also promises to expand the number of trial sites by truncating the timeline for accreditation by converting it from a pre-approval procedure into a notification procedure. These reforms will require implementing law and regulations in order to proceed in practice. The CDA proposed implementing legislation in 2017 but it has not yet been finalized.

Human Genetic Resources Approval

According to the Interim Measures for the Administration of Human Genetic Resources (人類遺傳資源管理暫行辦法), an additional approval is required for any foreign companies or foreign affiliates that conduct trials in China. Prior to entering into a clinical trial agreement and beginning a trial, the parties to a clinical trial (i.e., the foreign sponsor and the Chinese clinical trial site) are required to obtain a human genetic resources, or HGR, approval to collect any biological samples that contain the genetic material of Chinese human subjects from the Ministry of Science and Technology, and any cross-border transfer of the samples or associated data requires additional approval. Furthermore, one of the key review points for the HGR review and approval process is the IP sharing arrangement between Chinese and foreign parties. The parties are required to share patent rights to inventions arising from the samples. Conducting a clinical trial in China without obtaining the relevant HGR preapproval will subject the sponsor and trial site to administrative liability, including confiscation of HGR (samples and associated data), and administrative fines.

Clinical Trial Process and Good Clinical Practices

Typically drug clinical trials in China have three phases. Phase 1 refers to the initial clinical pharmacology and human safety evaluation studies. Phase 2 refers to the preliminary evaluation of a drug candidate's therapeutic efficacy and safety for target indication(s) in patients. Phase 3 (often the pivotal study) refers to clinical trials to further verify the drug candidate's therapeutic efficacy and safety on patients with target indication(s) and ultimately provide sufficient evidence for the review of drug registration application. The CDA requires that the different phases of clinical trials in China receive ethics committee approval prior to approval of the CTA and comply with GCP. The CDA conducts inspections to assess GCP compliance and will cancel the CTA if it finds substantial issues.

The CDA may reduce requirements for trials and data, depending on the drug and the existing data. The CDA has granted waivers for all or part of trials, but it is now planning to take a more official position on the acceptance of foreign data to support an application. The foreign data must meet the CDA's requirements, including, for drugs that have never been approved before in China, having sufficient Chinese ethnic data. The precise requirements are not yet clear.

Unlike innovative drugs, generic small molecule drugs are required to conduct a bioequivalence trial to demonstrate therapeutic equivalence to an originator drug marketed either in China or abroad or an internationally accepted generic drug. The CDA has released catalogues of reference products, and it released a first installment of a "marketed drug list" (China's "Orange Book") with information about drugs that may serve as reference products.

New Drug Application (NDA) and Approval

Upon completion of clinical trials, a sponsor may submit clinical trial data to support marketing approval for the drug. For imported drugs, this means issuance of an import license. Again, the applicant must submit evidence of foreign approval, unless it is an innovative drug that has never been approved anywhere in the world.

Domestically manufactured drugs must similarly submit data in support of a drug approval number. Under the current regime, upon approval of the registration application, the CDA will first issue a new drug certificate to the applicant. Only when the applicant is equipped with relevant manufacturing capability will the CDA issue a Drug Approval Serial Number (藥品批准文號), which is effectively the marketing approval allowing the holder to market/commercialize the drug in China.

Under the authorization of the Standing Committee of the National People's Congress, the State Council issued the Pilot Plan for the Drug Marketing Authorization Holder Mechanism (藥品上市許可持有人制度試點方案) on May 26, 2016, which provides a detailed pilot plan for the marketing authorization holder system, or MAH pilot program. Domestically established research institutions (including domestic companies) can apply through an MAH pilot program if they are established in one of 10 designated provinces (including Beijing and Shanghai) in China. The MAH pilot program permits research institutions and individuals to develop and hold the marketing approvals for drugs without holding a drug manufacturing license. The marketing authorization holders, or MAHs, may engage contract manufacturers and distributors.

The MAH pilot program is set to run until November 2018. The Innovation Opinion indicates that China will strive to implement the MAH system nationally as soon as possible by amending the DAL. The CDA has proposed revisions to accomplish this purpose, but the timeline to finalize these proposals is still unclear.

New Drug Monitoring Period

Currently, new varieties of domestically produced drugs approved under Categories 1 or 2 in China may be placed under a monitoring period for three to five years. Category 1 innovative drugs will be monitored for five years. During the monitoring period, the CDA will not approve another CTA from another applicant for the same type of drug, except if another sponsor has an approved CTA at the time that the monitoring period is initiated it may proceed with its trial and become part of the period. Therefore, by blocking other CTAs, the monitoring period can act as a type of market exclusivity.

New Policies on Promoting Imported Oncology Drugs and Regulatory Data Specificity

The PRC government continues to establish measures and incentives to promote the development and swifter approval of marketing for oncology and other innovative drugs. In April 2018, these measures included lowering the tariffs on a significant number of imported innovative drugs, including oncology drugs, to zero, and making the importation process more efficient. Also, the PRC government reaffirmed its commitment to provide stronger intellectual property protections, including regulatory data protection, and patent term extension for certain innovative drugs (up to 5 years). In

April 2018 the CDA published a draft on Implementing Regulations for Pharmaceutical Study Data Protection (藥品試驗數據保護實施辦法(暫行)) for public comment that would set regulatory data protection for innovative small molecule drugs at six years and for innovative therapeutic biologics at 12 years. Included in the proposals were reduced protection periods of one to five years if an NDA is filed first outside of China (but no more than six years later) in reliance on international multi-center clinical trials conducted in China, or is filed in China based solely on overseas clinical data with no Chinese subjects (75% reduction) or based on supplemental "China clinical trial data" (50% reduction). Information about the exclusivity term will be included in an "orange book" at the time of approval, similar to the United States. Some mechanics of these proposed rules are not yet clear, and it is not certain when the proposed rules will be finalized. The PRC government has also stated that it will explore ways to expand access to reimbursement under the state health plans for innovative drugs (particularly for urgently needed oncology drugs).

Acceptance of Foreign Clinical Trial Studies

On July 10, 2018, the CDA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (接受藥品境外臨床試驗數據的技術指導原則), or the Guidance Principles, as one of the implementing rules for the Innovation Opinion. According to the Guidance Principles, sponsors may use the data of foreign clinical trials to support drug registration in China, provided that sponsors must ensure the authenticity, completeness and accuracy of foreign clinical trial data and such data must be obtained consistent with the relevant requirements under the Good Clinical Trial Practice (GCP) of the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use (ICH). Sponsors must also comply with other relevant sections of the Drug Registration Regulation (藥品註冊管理辦法) when applying for drug registrations in China using foreign clinical trial data.

Manufacturing and Distribution

According to the Drug Administration Law (藥品管理法), all facilities that make drugs in China should receive a drug manufacturing license with an appropriate "scope of manufacturing" from the local PFDA. This license must be renewed every five years. A separate certification of compliance with GMP is also required.

Similarly, to conduct sales, importation, shipping and storage ("distribution activities") a company must obtain a Drug Distribution License from the local PFDA, subject to renewal every five years. Like with GMPs, a separate certification of compliance with CDA's drug good supply practice, or GSP, is required.

On January 9, 2017, eight central government agencies jointly promulgated the Notice on the Distribution of the Opinions on the Implementation of the "Two-Invoice System" in Drug Procurement by Public Medical Institutions (for Trial Implementation) (關於在公立醫療機構藥品採購中推行"兩票制"的實施意見(試行)的通知). The "Two-Invoice System" generally requires that at most two invoices may be issued throughout the distribution chain, with one from the manufacturer to a distributor and another from the distributor to the end-user hospital. This excludes the sale of products invoiced from the manufacturer to its wholly owned or controlled distributors, or for imported drugs, to their exclusive distributor, or from a distributor to its wholly owned or controlled subsidiary (or

between the wholly owned or controlled subsidiaries). However, the system still significantly limits the options for companies to use multiple distributors to reach a larger geographic area in China. Compliance with the Two-Invoice System will become a prerequisite for pharmaceutical companies to participate in procurement processes with public hospitals, which provide most of China's healthcare. Manufacturers and distributors that fail to implement the Two-Invoice System may lose their qualifications to participate in the bidding process. Non-compliant manufacturers may also be blacklisted from engaging in drug sales to public hospitals in a locality.

The Two-Invoice System was first implemented in 11 provinces that are involved in pilot comprehensive medical reforms. The objective is nationwide implementation by no later than 2018. Almost all the provinces and many cities have already adopted implementing rules for the Two-Invoice System.

Post-Marketing Surveillance

The manufacturer or marketing authorization holder of marketing approval is primarily responsible for pharmacovigilance, including quality assurance, adverse reaction reporting and monitoring, and product recalls. Distributors and user entities (e.g., hospitals) are also required to report, in their respective roles, adverse reactions of the products they sell or use, and assist with the manufacturer of the product recall. A drug that is currently under the new drug monitoring period has to report all adverse drug reactions (as opposed to just serious adverse reactions) for that period.

Advertising and Promotion of Pharmaceutical Products

China has a strict regime for the advertising of approved medicines. No unapproved medicines may be advertised. The definition of an advertisement is very broad, and does not exclude scientific exchange. It can be any media that directly or indirectly introduces the product to end users. There is no clear line between advertising and any other type of promotion.

Pursuant to the Provisions for Drug Advertisement Examination (藥品廣告審查辦法), which was promulgated on March 13, 2007 and came into effect on May 1, 2007, an enterprise seeking to advertise its drugs must apply for an advertising approval code. The validity term of an advertisement approval number for pharmaceutical drugs is one year. The content of an approved advertisement may not be altered without prior approval. Where any alteration to the advertisement is needed, a new advertisement approval number shall be obtained by submitting a reapplication.

Pursuant to the DAL and the Advertisement Law, prescription medicines may only be advertised to healthcare professionals in approved journals. The individual advertisements themselves must also be approved by a local level PFDA. In addition, advertisements are subject to strict content restrictions, which prohibit recommendations by doctors and hospitals and guarantees of effectiveness. Advertising that includes content that is outside of the drug's approval documentation ("off-label content") is strictly prohibited. False advertising can result in civil suits from end users and administrative liability, including fines In addition to advertisements, websites that convey information about a drug must also be approved by a PFDA.

Regulatory Intellectual Property Reforms

The Innovation Opinion also includes several intellectual property related reforms. First, it sets forth the basic elements of a patent linkage system to protect innovators, in which a follow-on applicant will be required to specify patents that are relevant to its application and notify relevant patent holders (including, innovators) within a specified period after filing its application, permitting them to sue to protect their rights. The system will require that the CDA continue to review the potentially infringing follow-on application during any lawsuit by the innovator. However, the CDA may not approve the follow-on application pending resolution of the patent litigation in favor of the follow-on application or for a specified period of time, whichever is shorter. This reform will require implementing regulations. To date, the CDA has not issued the relevant implementing regulations.

The Innovation Opinion also lays the foundation for the establishment of a system for regulatory data protection to protect innovators. Under this reform, when submitting an application for drug registration, an applicant may also submit an application for the protection of its clinical trial data. Such protection will be available to the undisclosed clinical trial data of drugs falling into the following categories: innovative drugs, innovative therapeutic biologics, drugs that treat orphan diseases, pediatric drugs, and drugs for which there has been a successful patent challenge. During the data protection period (the length has not yet been determined), marketing applications for the same type of drugs submitted by any other applicant will not be approved, unless such applicant generates the data by itself or obtains the consent the holder of the data.

In addition, the Innovation Opinion introduces a patent term extension pilot program. The patent term extension system will provide appropriate compensation of patent life when marketing of the drug has been delayed due to delays related to clinical trials and review and approval procedures. To date, there has been no proposal for implementing regulations related to regulatory data protection or patent term extension.

Reimbursement under the national medical insurance program

China's national medical insurance program was adopted pursuant to the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (國務院關於建立城鎮職工基本醫療保險制度的決定) issued by the State Council on December 14, 1998, under which all employers in urban cities are required to enroll their employees in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. The State Council promulgated Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (國務院關於開展城鎮居民基本醫療保險試點的指導意見) on July 10, 2007, under which urban residents of the pilot district, rather than urban employees, may voluntarily join Urban Resident Basic Medical Insurance. Participants of the national medical insurance program and their employers, if any, are required to contribute to the payment of insurance premiums on a monthly basis. Program participants are eligible for full or partial reimbursement of the cost of medicines included in the NRDL. A pharmaceutical product listed in the NRDL must be clinically needed, safe, effective, reasonably priced, easy to use, available in sufficient quantity.

Factors that affect the inclusion of a pharmaceutical product in the NRDL include whether the product is consumed in large volumes and commonly prescribed for clinical use in the PRC and whether it is considered to be important in meeting the basic healthcare needs of the general public. Since 2016, special consideration has been given to, among others, innovative drugs with high clinical value and drugs for serious diseases. In addition, the PRC Ministry of Human Resources and Social Security has also been negotiating with manufacturers of expensive drugs with high clinical demands and proved effectiveness for price cuts in exchange for inclusion into the NRDL. The 2017 NRDL covers 2,535 drugs in total, including 339 new additions, with an emphasis on innovative drugs and drugs that treat cancer and other serious diseases.

Government price controls

In June 2015, the Chinese government abolished the 15-year-old government-led pricing system for drugs, and lifted the maximum retail price requirement for most drugs, including drugs reimbursed by government medical insurance funds, patented drugs, and some other drugs. The government regulates prices mainly by establishing a consolidated procurement mechanism, restructuring medical insurance reimbursement standards and strengthening regulation of medical and pricing practices as discussed below.

Centralized procurement and tenders

Under current regulations, public medical institutions owned by the government or owned by state-owned or controlled enterprises are required to purchase pharmaceutical products through centralized online procurement processes. There are exceptions for drugs on the National List of Essential Drugs, which must comply with their own procurement rules, and certain drugs subject to the central government's special control such as toxic, radioactive and narcotic drugs, and traditional Chinese medicines.

The centralized procurement process takes the form of public tenders operated by provincial or municipal-level government agencies. The centralized tender process is typically conducted once every year. The bids are assessed by a committee randomly selected from a database of experts. The committee members assess the bids based on a number of factors, including but not limited to bid price, product quality, clinical effectiveness, product safety, level of technology, qualifications and reputation of the manufacturer, after-sale services and innovation.

Over the last decade, the government has been using various methods to ensure that drugs are offered at affordable prices. In 2009, the central government announced the campaign to implement a "zero markup" policy on essential drugs among basic healthcare institutions, which has been fully implemented nationwide by the end of September 2017. In addition, some local government began to allow medical institutions to collectively negotiate with manufacturers for a second price to further lower the already agreed bid price. Further, the newly adopted Two-Invoice System is also aimed to reduce price mark-ups brought about by multi-tier distribution chains.

Other PRC national- and provincial-level laws and regulations

We are subject to changing regulations under many other laws and regulations administered by governmental authorities at the national, provincial and municipal levels, some of which are or may become applicable to our business. For example, regulations control the confidentiality of patients' medical information and the circumstances under which patient medical information may be released for inclusion in our databases, or released by us to third parties. The privacy of human subjects in clinical trials is also protected under regulations, e.g., the case report forms must avoid disclosing names of the human subjects.

These laws and regulations governing both the disclosure and the use of confidential patient medical information may become more restrictive in the future, including restrictions on transfer of healthcare data. The Cybersecurity Law that took effect in 2017 designates healthcare as a priority area that is part of critical information infrastructure, and China's cyberspace administration is trying to finalize a draft rule on cross-border transfer of personal information.

PRC Regulation of Foreign Investment

Investment activities in China by foreign investors are principally governed by the Guidance Catalogue of Industries for Foreign Investment, or the Catalogue, which was promulgated and is amended from time to time by the MOFCOM and the National Development and Reform Commission. Pursuant to the latest Catalogue effective in 2017, or the 2017 Catalogue, industries are divided into two categories: encouraged industries and the industries within the catalogue of special management measures, or the Negative List. The Negative List is further divided into two sub-categories: restricted industries and prohibited industries. Establishment of wholly foreign-owned enterprises is generally allowed in industries outside of the Negative List. For the restricted industries within the Negative List, some are limited to equity or contractual joint ventures, while in some cases Chinese partners are required to hold the majority interests in such joint ventures. In addition, restricted category projects are subject to government approvals and certain special requirements. Foreign investors are not allowed to invest in industries in the prohibited category. Industries not listed in the Catalogue are generally open to foreign investment unless specifically restricted by other PRC regulations. Pursuant to the 2017 Catalogue, the manufacture of innovative oncology drugs and certain other kinds of pharmaceutical products falls in the encouraged industries for foreign investment.

Regulations Relating to Foreign Exchange

The Foreign Exchange Administration Regulations are the principal regulations governing foreign currency exchange in China. Under the PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, may be made in foreign currencies without prior approval from the State Administration of Foreign Exchange, or SAFE, by complying with certain procedural requirements. In contrast, approval from or registration with appropriate government authorities or designated banks is required when RMB is to be converted into a foreign currency and remitted out of China to pay capital expenses such as the repayment of foreign currency-denominated loans.

Under current regulations, the capital of a foreign-invested enterprise and capital in RMB obtained by the foreign-invested enterprise from foreign exchange settlement must not be used for the following purposes: directly or indirectly used for the payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; directly or indirectly used for investment in securities, unless otherwise provided by relevant laws and regulations; extending loans to non-related parties, unless permitted by the scope of business; and/or paying the expenses related to the purchase of real estate that is not for self-use, except for the real estate enterprises.

In 2017, new regulations were adopted which, among other things, relax the policy restriction on foreign exchange inflow to further enhance trade and investment facilitation and tighten genuineness and compliance verification of cross-border transactions and cross-border capital flows.

Regulations Relating to Dividend Distribution

The principal laws, rules and regulations governing dividend distribution by foreign-invested enterprises in the PRC are the PRC Company Law, as amended, the Wholly Foreign-owned Enterprise Law and its implementation regulations, and the Sino-foreign Joint Venture Law and its implementation regulations. Under these requirements, foreign-invested enterprises may pay dividends only out of their accumulated profit, if any, as determined in accordance with PRC accounting standards and regulations. Both PRC domestic companies and wholly-foreign owned PRC enterprises are required to allocate at least 10% of their respective accumulated after-tax profits each year, if any, to fund certain capital reserve funds until the aggregate amount of these reserve funds have reached 50% of the registered capital of the enterprises. A PRC company is not permitted to distribute any profits until any losses from prior fiscal years have been offset. Profits retained from prior fiscal years may be distributed together with distributable profits from the current fiscal year.

Labor Laws and Social Insurance

Pursuant to the PRC Labor Law and the PRC Labor Contract Law, employers must execute written labor contracts with full-time employees. All employers must comply with local minimum wage standards. 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. Violations of the PRC Labor Contract Law and the PRC Labor Law may result in the imposition of fines and other administrative and criminal liability in the case of serious violations.

In addition, according to the PRC Social Insurance Law, employers like our PRC subsidiaries in China must provide employees with welfare schemes covering pension insurance, unemployment insurance, maternity insurance, work-related injury insurance, medical insurance and housing funds.

Rest of World Regulation

For other countries outside of the United States and the PRC, 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 GCP requirements and the applicable regulatory requirements and the ethical principles having their origin in the Declaration of Helsinki.

OVERVIEW

We are a commercial-stage biotechnology company focused on developing and commercializing innovative molecularly-targeted and immuno-oncology drugs for the treatment of cancer. Our internally-developed lead drug candidates are currently in late-stage clinical trials, and we are marketing three in-licensed drugs in China from which we have been generating product revenue since September 2017. Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies. We started as a research and development company in Beijing in 2010 focusing on developing best-in-class oncology therapeutics. Over the last eight years, we have developed into a fully-integrated global biotechnology company with a broad portfolio consisting of six internally-developed, clinical-stage drug candidates, including three late-stage clinical drug candidates. We also have five in-licensed drugs and drug candidates, including three marketed drugs in China and two clinical-stage drug candidates to which we have obtained development and commercialization rights in China and other selected countries in the Asia-Pacific region.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on October 28, 2010. Our Group have operations in China in Beijing, Suzhou, Guangzhou and Shanghai, operations in the United States in Cambridge, MA; Fort Lee and Ridgefied, NJ; and Emeryville and San Mateo, CA and operations in Switzerland in Basel. As of July 20, 2018, we had a global team of over 1,300 employees, including a research team of approximately 200 employees, a development operations team of over 200 employees, and a growing commercial team of over 200 employees. In addition, we have a facility in Suzhou for the manufacture of small molecule drugs at commercial scale and biologics drugs at pilot scale, and another facility under construction in Guangzhou for the manufacture of biologics at commercial scale.

KEY MILESTONES

The following is a summary of our key business milestones:

Year	Event
October 2010	Founding of our Company
November 2011.....	Completed a US$20 million financing with Merck & Co., Inc.
April 2011	Began development of lifirafenib and pamiparib
February 2012.....	Began development of tislelizumab
July 2012.....	Began development of zanubrutinib
May 2013	Entered into a collaboration with Merck Serono for lifirafenib
November 2013.....	Entered into a further collaboration with Merck Serono for pamiparib
November 2013.....	Began clinical trials of lifirafenib in Australia

Year	Event
July 2014	Began clinical trials of pamiparib in Australia
August 2014	Began clinical trials of zanubrutinib in Australia
November 2014	Completed a US$75 million Series A financing
April 2015	Completed a US$97 million Series A-2 financing
June 2015	Began clinical trials of tisleizumab in Australia
October 2015	Began clinical trials of lifirafenib in China
October 2015	Opened the first office in the United States
February 2016	Completed a US$182 million initial public offering on the Nasdaq
November 2016	Completed a US$212 million follow-on public offering
July 2016	Began clinical trials of zanubrutinib in China
December 2016	Began clinical trials of tislelizumab and pamiparib in China
March 2017	Began construction of Guangzhou manufacturing facility of biologics
July and August 2017	Entered into a global collaboration with Celgene for tislelizumab, acquired Celgene's commercial operations in China and assumed commercial responsibility for Celgene's approved therapies in China (ABRAXANE®, REVLIMID®, and VIDAZA®) and pipeline agent avadomide (CC-122)
August 2017	Completed a US$189 million follow-on public offering
September 2017	Completed construction of Suzhou manufacturing facility
November 2017	Began global Phase 3 trials of zanubrutinib in China
December 2017	Began a pivotal Phase 2 trial of pamiparib in China
January 2018	Began global Phase 3 trials of tislelizumab in China
January 2018	Entered into a collaboration with Mirati Therapeutics for the development, manufacturing and commercialization of sitravatinib in Asia (except Japan), Australia and New Zealand
January 2018	Completed a US$800 million follow-on public offering
February 2018	Announced commercial availability of Vidaza® in China and the approval of Revlimid® for patents with newly diagnosed multiple myeloma in China
May 2018	Opened our first office in Europe, in Basel, Switzerland

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities and date of establishment of each member of our Group that was most relevant to the core operations of our Group during the Track Record Period are shown below:

Name of company	Principal business activities	Date of establishment
BeiGene Beijing	Medical and pharmaceutical research	January 24, 2011
BeiGene Suzhou	Medical and pharmaceutical research and manufacturing	April 9, 2015
BeiGene (USA)	Clinical trial activities	July 8, 2015
BeiGene Biologics	Biologics manufacturing	January 25, 2017
BeiGene Pharmaceutical (Shanghai)	Medical and pharmaceutical consultation, marketing and promotion services	December 15, 2009
BeiGene Switzerland	Research, development, manufacture and distribution or licensing of pharmaceutical and related products as well as the provision of related services	September 1, 2017

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on October 28, 2010 with an authorised share capital of US$30,000 divided into 300,000,000 shares of a par value of US$0.0001 each.

Please refer to the sections headed "Listing on the Nasdaq" and "Acquistion of BeiGene Pharmaceutical (Shanghai) and Celgene Strategic Collaboration" for our significant shareholding changes during the Track Record Period.

LISTING ON THE NASDAQ

On February 8, 2016, our Company completed an initial public offering and was listed on the Nasdaq and sold 6.6 million ADSs representing 85.8 million ordinary shares of our Company. Additionally, the underwriters exercised their option to purchase an additional 990,000 ADSs representing 12,870,000 ordinary shares of our Company.

On November 23, 2016, our Company completed a follow-on public offering at a price of US$32.00 per ADS, or US$2.46 per ordinary share. In this offering, our Company sold 5,781,250 ADSs representing 75,156,250 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 850,000 ADSs representing 11,050,000 ordinary shares from our Company. Net proceeds from this offering, including the underwriter option, after deducting the underwriting discounts and offering expenses were US$198,625,000, which were used for: (a) the dose-expansion phase of our clinical trial, other planned signal-seeking monotherapy and combination trials, as well as initiating registrational trials globally and in China for BGB-3111; (b) the dose-escalation phase of our clinical trial, the expansion phase of our clinical trial, and other planned monotherapy and

combination studies, and potentially initiating registration trials, for BGB-A317 globally and in China; (c) the dose-expansion phase of our clinical trial, and other planned monotherapy and combination studies, and initiating registration trials globally and in China, for BGB-290; (d) supporting our research and development infrastructure and the development of other clinical and preclinical candidates; and (e) working capital, capital expenditure and general corporate purposes.

On August 16, 2017, our Company completed a follow-on public offering at a price of US$71.00 per ADS, or US$5.46 per ordinary share. In this offering, our Company sold 2,465,000 ADSs representing 32,045,000 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 369,750 ADSs representing 4,806,750 ordinary shares from our Company. Net proceeds from this offering, including the underwriter option, after deducting the underwriting discounts and offering expenses were US$188,517,000, which were used for: (a) our research and clinical development efforts, including our registrational trials for BGB-3111, BGB-A317 and BGB-290, both in China and globally; and (b) our other clinical trials; regulatory filing and registration of our late-stage assets; establishment and expansion of commercial operations; business development activities; and working capital and other general corporate purposes.

On January 22, 2018, our Company completed a follow-on public offering at a price of US$101.00 per ADS, or US$7.77 per ordinary share. In this offering, our Company sold 7,425,750 ADSs representing 96,534,750 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 495,050 ADSs representing 6,435,650 ordinary shares from our Company. Net proceeds from this offering, including the underwriter option, after deducting the underwriting discounts and offering expenses were US$757,587,000, which were used for: (a) our research and clinical development efforts, including our registrational trials for zanubrutinib, tislelizumab and pamiparib, both in China and globally; (b) our other clinical trials; (c) regulatory filing and registration of our late-stage drug candidates; (d) expansion of commercial operations in China and preparation for launch of our drug candidates globally; (e) business development activities; and working capital and other general corporate purposes.

From time to time, our Company may also use a portion of the net proceeds of our prior offerings for the acquisition or licensing, as the case may be, of additional technologies, drugs or drug candidates, other assets or businesses, or for other strategic investments or opportunities.

COMPLIANCE WITH THE RULES OF NASDAQ

As a result of the departure of a former director of the Company who was a member of our audit committee on June 1, 2017, the Company was temporarily non-compliant with Nasdaq's audit committee requirements as set forth in Nasdaq Rule 5605. Pursuant to Nasdaq Rule 5605, the Company appointed Mr. Timothy Chen on April 1, 2018 to serve as a member of our audit committee to comply with the audit committee requirements, which took place within the cure period set forth in Nasdaq Rule 5605(c)(4).

Since the date of our listing on the Nasdaq and up to the Latest Practicable Date, our Directors confirm that we had no instances of non-compliance with the rules of Nasdaq in any material respects and to the best knowledge of our Directors after having made all reasonable enquiries, there is no matter that should be brought to investors' attention in relation to our compliance record on Nasdaq.

JOINT VENTURE

On March 7, 2017, BeiGene HK and GET entered into a definitive agreement to establish a commercial scale biologics manufacturing facility in Guangzhou, Guangdong Province, PRC.

On March 7, 2017, BeiGene HK and GET entered into an Equity Joint Venture Contract (the "JV Agreement"). Under the terms of the JV Agreement, BeiGene HK made an initial cash capital contribution of RMB200,000,000 and a subsequent contribution of one or more biologics assets in exchange for a 95% equity interest in BeiGene Biologics. GET made a cash capital contribution of RMB100,000,000 to BeiGene Biologics, representing a 5% equity interest in BeiGene Biologics. In addition, on March 7, 2017, BeiGene Biologics entered into a contract with GET, under which GET agreed to provide a RMB900,000,000 loan (the "Shareholder Loan") to BeiGene Biologics. BeiGene Biologics is working to establish a biologics manufacturing facility in Guangzhou, through a wholly-owned subsidiary, BeiGene Guangzhou Manufacturing, to manufacture biologics for the Company and its subsidiaries.

On April 11, 2017, BeiGene HK, GET and BeiGene Biologics amended the JV Agreement and the capital contribution agreement, among other things, to adjust the capital contribution schedules and adjust the initial term of the governing bodies and a certain management position. On April 13, 2017 and May 4, 2017, BeiGene HK made cash capital contributions of RMB137,830,000 and RMB2,414,615, respectively, into BeiGene Biologics. The remainder of the cash capital contribution from BeiGene HK to BeiGene Biologics will be paid by April 10, 2020. On April 14, 2017, GET made cash capital contributions of RMB100,000,000 into BeiGene Biologics. On April 14, 2017, BeiGene Biologics drew down the Shareholder Loan of RMB900,000,000 from GET. As of December 5, 2017, BeiGene HK made capital contribution of RMB1,700,000,000 in the form of 100% equity interest in BeiGene (Shanghai) Co., Ltd. into BeiGene Biologics.

ACQUISITION OF BEIGENE PHARMACEUTICAL (SHANGHAI) AND CELGENE STRATEGIC COLLABORATION

On August 31, 2017, BeiGene HK, a wholly owned subsidiary of the Company, acquired 100% of the equity interests of BeiGene Pharmaceutical (Shanghai) (the "**Acquisition**"). BeiGene Pharmaceutical (Shanghai) was formerly known as Celgene Pharmaceutical (Shanghai) Co., Ltd. prior to the Acquisition. BeiGene Pharmaceutical (Shanghai) is in the business of, among other things, providing marketing and promotional services in connection with certain pharmaceutical products manufactured by Celgene. The purchase price of BeiGene Pharmaceutical (Shanghai) was calculated as US$28,138,254, and is comprised of cash consideration of US$4,532,254 and non-cash consideration of US$23,606,000, related to the discount on ordinary shares issued to Celgene in connection with a share subscription agreement dated July 5, 2017 between our Company and

Celegene Switzerland pursuant to which Company issued 32,746,416 of its ordinary shares to Celgene Switzerland for an aggregate purchase price of US$150,000,000, or US$4.58 per ordinary share, or US$59.55 per ADS. The consideration was determined based on arms' length negotiation among the parties.

On July 5, 2017, the Company entered into an Exclusive License and Collaboration Agreement with Celgene and its wholly-owned subsidiary, Celgene Switzerland, the "PD-1 License Agreement" pursuant to which the Company granted the Celgene Parties an exclusive right to develop and commercialize tislelizumab, an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1, in all fields of treatment, other than hematology, in the United States, Europe, Japan and the rest of the world other than Asia.

On the same date, the Company and a wholly-owned subsidiary of Celgene, Celgene Logistics Sàrl entered into a License and Supply Agreement (the "**China License Agreement**"), pursuant to which the Company was granted the right to exclusively distribute and promote Celgene's approved cancer therapies, ABRAXANE®, REVLIMID®, and VIDAZA®, and its investigational agent avadomide (CC-122) in clinical development in China, excluding Hong Kong, Macau and Taiwan.

For further details of the PD-1 License Agreement and the China License Agreement, please see the section headed "Business — Collaboration Agreements".

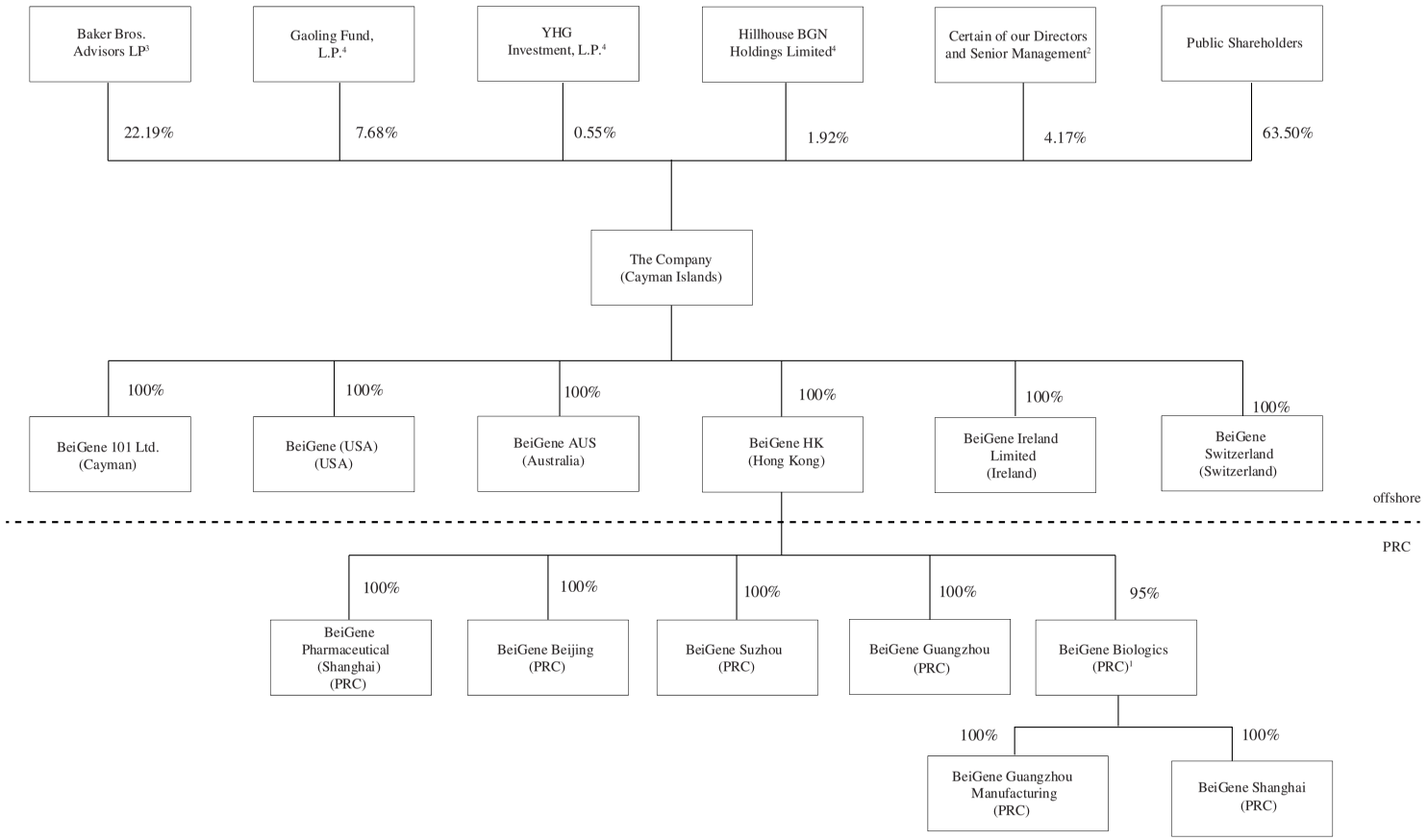
The transactions contemplated under the PD-1 License Agreement and the China License Agreement and the Acquisition formed a broader strategic collaboration (the "**Celgene Collaboration**") between the Company and Celgene which has provided the Company the opportunity to build a commercial infrastructure and marketed product portfolio in China.

REASONS FOR THE LISTING

We have since February 2016 been listed on the Nasdaq. Our Board is also of the view that the net proceeds of approximately HK$6,476.5 million from the Global Offering after deducting the underwriting commissions and other estimated offering expenses payable by us, and assuming the initial Offer Price of HK$103.00 per Share, being the mid-point of the indicative Offer Price range set forth on the cover page of this prospectus, and assuming the Over-allotment Option is not exercised, the Listing and the Global Offering will provide us with the necessary funding for us to further develop and commercialize our lead drug candidates as disclosed in ''Business — Our Business Strategies'' in this prospectus.

CORPORATE AND SHAREHOLDING STRUCTURE

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans):



Notes:

1 BeiGene Biologics is owned by BeiGene (Hong Kong) Co., Limited as to 95% and GET, an Independent Third Party, as to 5%.

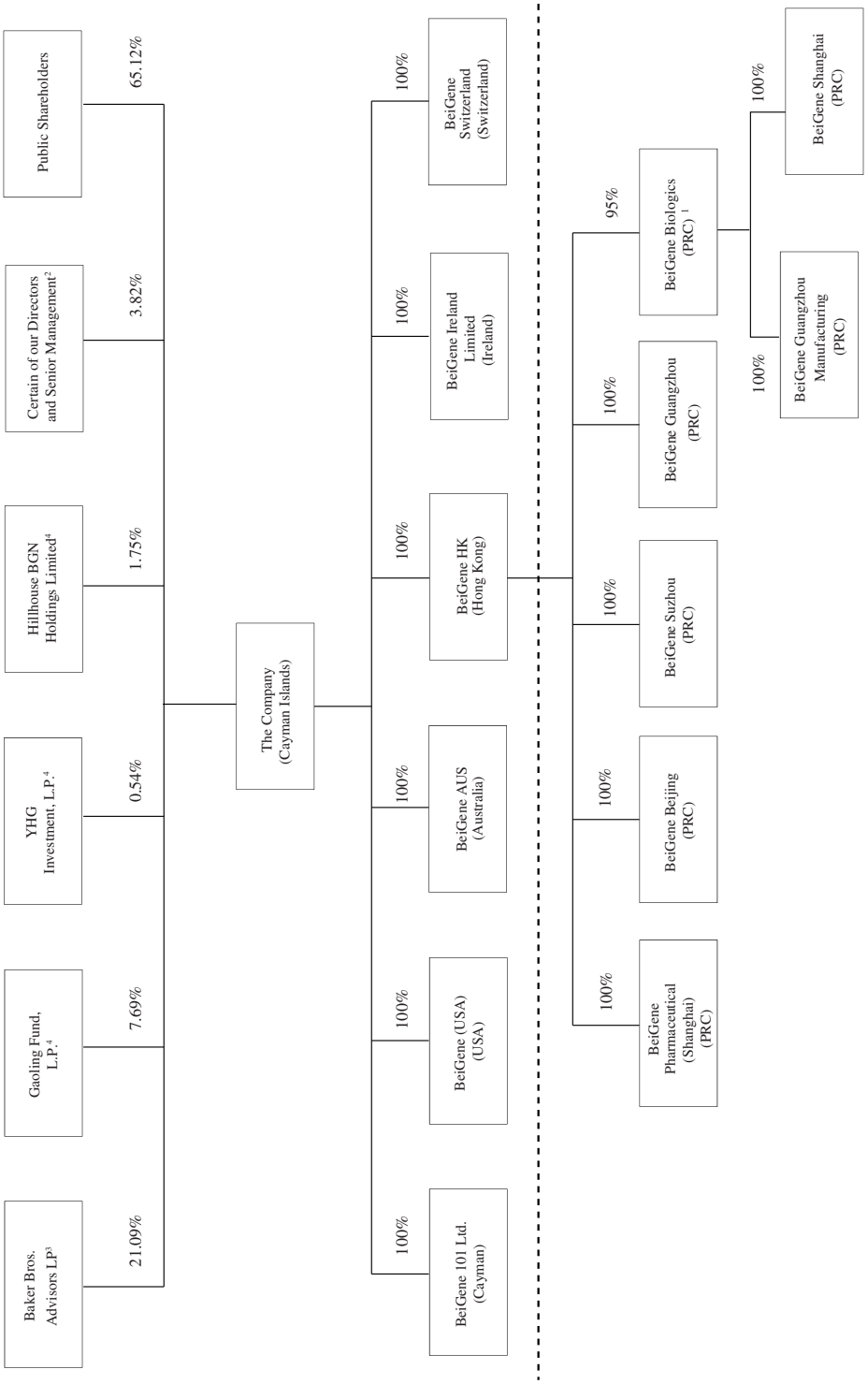
2 The Directors and members of senior management with interests in the Company are Mr. John V. Oyler (2.32%), Mr. Donald W. Glazer (0.62%), Mr. Thomas Malley (0.05%), Dr. Xiaodong Wang (1.08%), Dr. Amy Peterson (0.03%), Dr. Jane Huang (0.04%) and Dr. Xiaobin Wu (0.03%). For further information regarding their beneficial interests in the Shares and outstanding options, please see the section headed "Statutory and General Information".

3 Entities and persons affiliated with Baker Bros. Advisors LP with interests in the Company are Baker Brothers Life Sciences, L.P. (19.92%), 667, L.P. (2.24%), Julian C. Baker (0.01%) and Felix J. Baker. (0.01%).

Baker Bros Advisors, LP is the investment advisor to Baker Brothers Life Sciences, L.P. and has sole voting and investment power with respect to the shares held by Baker Brothers Life Sciences, L.P. Baker Bros. Advisors (GP) LLC is the sole general partner of Baker Bros. Advisors LP. The managing members of Baker Bros. Advisors (GP) LLC are Julian C. Baker and Felix J. Baker. 667, L.P., is a limited partnership, the sole general partner of which is Baker Biotech Capital, L.P., a limited partnership the sole general partner of which is Baker Biotech Capital (GP), LLC. Julian C. Baker and Felix J. Baker are the controlling members of Baker Biotech Capital (GP), LLC. Under the SFO, Julian C. Baker, Felix J. Baker, Baker Biotech Capital, L.P. and Baker Biotech Capital (GP), LLC are deemed to be interested in the 15,737,460 Shares held by 667, L.P., Julian C. Baker, Felix J. Baker, Baker Bros Advisors, LP and Baker Bros. Advisors (GP) LLC are deemed to be interested in the 139,740,274 Shares held by Baker Brothers Life Sciences, L.P. Each of Julian C. Baker and Felix J. Baker holds 92,326 Shares.

4 Hillhouse Capital Management, Ltd. acts as the sole general partner of YHG Investment, L.P. and the sole management company of Gaoling Fund, L.P. and Hillhouse Fund II, L.P., which owns Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Capital Management, Ltd. is deemed to be interested in the 53,853,800 Shares held by Gaoling Fund, L.P., the 3,839,589 Shares held by YHG Investment, L.P. and the 13,445,978 Shares held by Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Fund II, L.P. is deemed to be interested in the 13,445,978 Shares held by Hillhouse BGN Holdings Limited.

The following diagram illustrates the corporate and shareholding structure of our Group immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans):



Notes:

1 BeiGene Biologics is owned by BeiGene (Hong Kong) Co., Limited as to 95% and GET, an Independent Third Party, as to 5%.

2 The Directors and members of senior management with interests in the Company are Mr. John V. Oyler (2.12%), Mr. Donald W. Glazer (0.56%), Mr. Thomas Malley (0.05%), Dr. Xiaodong Wang (0.99%), Dr. Amy Peterson (0.03%), and Dr. Jane Huang (0.03%) and Dr. Xiaobin Wu (0.03%). For further information regarding their beneficial interests in the Shares and outstanding options, please see the section headed "Statutory and General Information".

3 Entities and persons affiliated with Baker Bros. Advisors LP with interests in the Company are Baker Brothers Life Sciences, L.P. (18.93%), 667, L.P. (2.13%), Julian C. Baker (0.01%) and Felix J. Baker (0.01%). These shareholdings take into account 667, L.P.'s subscription for an additional 610,400 Shares and Baker Brothers Life Sciences, L.P.'s subscription for an additional 5,485,800 Shares pursuant to the cornerstone investment agreement as further described under the section headed "Cornerstone Investors" in this prospectus, assuming that the Offer Price is fixed at the mid-point of HK$103.00 per Offer Share.

Baker Bros Advisors, LP is the investment advisor to Baker Brothers Life Sciences, L.P. and has sole voting and investment power with respect to the shares held by Baker Brothers Life Sciences, L.P. Baker Bros. Advisors (GP) LLC is the sole general partner of Baker Bros. Advisors LP. The managing members of Baker Bros. Advisors (GP) LLC are Julian C. Baker and Felix J. Baker. 667, L.P., is a limited partnership, the sole general partner of which is Baker Biotech Capital, L.P., a limited partnership the sole general partner of which is Baker Biotech Capital (GP), LLC. Julian C. Baker and Felix J. Baker are the controlling members of Baker Biotech Capital (GP), LLC. Under the SFO, Julian C. Baker, Felix J. Baker, Baker Biotech Capital, L.P. and Baker Biotech Capital (GP), LLC are deemed to be interested in the 16,347,860 Shares held by 667, L.P., Julian C. Baker, Felix J. Baker, Baker Bros Advisors, LP and Baker Bros. Advisors (GP) LLC are deemed to be interested in the 145,226,074 Shares held by Baker Brothers Life Sciences, L.P. Each of Julian C. Baker and Felix J. Baker holds 92,326 Shares.

4 Hillhouse Capital Management, Ltd. acts as the sole general partner of YHG Investment, L.P. and the sole management company of Gaoling Fund, L.P. and Hillhouse Fund II, L.P., which owns Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Capital Management, Ltd. is deemed to be interested in the 58,995,800 Shares held by Gaoling Fund, L.P., the 4,121,589 Shares held by YHG Investment, L.P. and the 13,445,978 Shares held by Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Fund II, L.P. is deemed to be interested in the 13,445,978 Shares held by Hillhouse BGN Holdings Limited. These shareholdings take into account Gaoling Fund, L.P.'s subscription for an additional 5,142,000 Shares and YHG Investment, L.P.'s subscription for an additional 282,000 Shares pursuant to the cornerstone investment agreement as further described under the section headed "Cornerstone Investors" in this prospectus.

Overview

We are a commercial-stage biotechnology company focused on developing and commercializing innovative molecularly-targeted and immuno-oncology drugs for the treatment of cancer. Our internally-developed lead drug candidates are currently in late-stage clinical trials, and we are marketing three in-licensed drugs in China from which we have been generating product revenue since September 2017. Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies.

We started as a research and development company in Beijing in 2010 focusing on developing best-in-class oncology therapeutics. Over the last eight years, we have developed into a fully-integrated global biotechnology company with a broad portfolio consisting of six internally-developed, clinical-stage drug candidates, including three late-stage clinical drug candidates. We have also in-licensed five drugs and drug candidates, including three marketed drugs in China and two clinical-stage drug candidates for which we have obtained development and commercialization rights in China and other selected countries in the Asia-Pacific region.

Our Core Product Candidates include the following:

- Zanubrutinib (BGB-3111) — a potentially best-in-class investigational small molecule inhibitor of BTK, that is currently being evaluated in a broad pivotal clinical program in China and in other markets, including the United States and the European Union, which we refer to as globally, for which we expect to file for approval in China in 2018 initially for the treatment of MCL, and submit in the first half of 2019 an NDA to the FDA to pursue an accelerated approval for the treatment of WM;

- Tislelizumab (BGB-A317) — an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1 that is currently being evaluated in a broad pivotal clinical program globally and in China, for which we expect to file for approval in China in 2018 initially for the treatment of cHL; and

- Pamiparib (BGB-290) — an investigational small molecule inhibitor of the PARP1 and PARP2 enzymes that is being evaluated in two pivotal clinical trials in China and a global Phase 3 trial.

We are preparing to launch the two lead product candidates from our internal pipeline, zanubrutinib and tislelizumab, which we believe will address major unmet medical needs and have significant commercial potential.

In addition to our three late-stage clinical drug candidates, our pipeline also includes three internally-developed drug candidates in Phase 1 clinical development: lifirafenib (BGB-283), an investigational RAF dimer inhibitor, BGB-A333, an investigational humanized monoclonal antibody against the immune checkpoint receptor ligand PD-L1, and BGB-A425, an investigational humanized monoclonal antibody against TIM-3.

We entered into a strategic collaboration with Celgene Corporation in August 2017, in which we obtained an exclusive license to market in China Celgene's approved cancer therapies ABRAXANE®, REVLIMID® and VIDAZA®, as well as rights in China to develop and commercialize avadomide (CC-122), an investigational next-generation Cereblon modulator currently in clinical development by Celgene outside of China for lymphoma and hepatocellular carcinomas, or HCC. As part of the collaboration, we also granted Celgene an exclusive right to develop and commercialize tislelizumab for solid tumors in the United States, Europe, Japan and the rest of world other than Asia, for which we received US$263 million in upfront license fees and a US$150 million equity investment and are eligible to receive up to US$980 million in milestone payments and royalties on future sales.

Our portfolio also includes sitravatinib, an in-licensed, investigational, spectrum-selective kinase inhibitor in clinical development by Mirati Therapeutics, Inc., or Mirati, for the treatment of non-small cell lung cancer, or NSCLC, and other tumors, for which we are planning to initiate clinical development in China.

We have strong internal capabilities spanning research, clinical development, manufacturing and commercialization. We have advanced six internally-developed candidates into clinical trials, including three into pivotal trials. With more than 500 clinical development personnel in China, the United States, Australia and Switzerland as of July 20, 2018, we have built internal clinical development capabilities globally which we believe provide a competitive advantage over other biotechnology companies in China. We have an 11,000-square meter facility in Suzhou for the manufacture of small molecule drugs at commercial scale and biologics drugs at pilot scale. We are currently building a 24,000-liter commercial-scale biologics manufacturing factory in Guangzhou. We also have a growing commercial team in China, which provides us with the initial commercial platform for the planned launches of our internally-developed drug candidates as well as current and potentially future in-licensed drug candidates.

We have formed collaborations with other biotechnology companies aiming to capture opportunities in China and the broader Asia-Pacific region by leveraging our global clinical development capabilities and China commercial capabilities, as evidenced by our collaborations with Celgene and Mirati.

We believe we are well-positioned to capture the significant market opportunities in China, including those created by recent regulatory reforms and new reimbursement policies in China. China is the second largest pharmaceutical market in the world based on revenue, and the oncology sector grew at a 13.7% CAGR from 2013 to 2017, according to the Frost and Sullivan Report. We believe that there is a large and growing opportunity for novel cancer therapeutics in China based on significant unmet medical need, a large target patient population, expanding reimbursement coverage, and increasing treatment affordability and willingness to pay. In addition, the CDA has undertaken significant regulatory reforms that are designed to accelerate the development of new innovative drugs and allow China to be an integral part of global drug development. In addition, innovative oncology drugs have been included in the most recent NDRL, reducing out-of-pocket expenses for patients. We believe that access to the large number of patients in China during clinical development as well as commercialization creates new opportunities for us. Leveraging our strong China presence and commitment to global standards of innovation and quality, we believe we have a unique ability to effectively take advantage of these opportunities.

Our Strengths

We believe the following strengths have contributed to our success and differentiate us from our competitors:

Fully-Integrated Biotechnology Company with Broad Capabilities in China and Globally

Initially started as a research and development company in Beijing in 2010, we have since become a fully-integrated global biotechnology company with broad capabilities spanning research, clinical development, manufacturing and commercialization.

Research. As of July 20, 2018, we had a team of approximately 200 researchers based in Beijing. Our scientific advisory board, which may from time to time provide us with assistance upon our request, is comprised of world-renowned experts with extensive expertise in cancer drug research and development, and is led by Dr. Xiaodong Wang, founding director of China's National Institute of Biological Sciences in Beijing, and member of the U.S. National Academy of Sciences and the Chinese Academy of Sciences. In addition, we have built strong working relationships with key Chinese cancer centers, which give us access to patient biopsy samples that allow us to develop an extensive collection of proprietary cancer models. In eight years, our research team has generated six internally-developed candidates that we have advanced into clinical trials, including three which are currently in pivotal trials.

Clinical Development. We believe clinical development capabilities are critical to success in our industry. We have built internal clinical development capabilities globally, which we believe provide a competitive advantage over other biotechnology companies in China. As of July 20, 2018, we had over 200 clinical development staff in the United States and over 300 in China and the broader Asia-Pacific region. We believe that this global capability enables us to take advantage of significant regulatory reforms in China by integrating China and global clinical development, which allows access to a patient base that is as large as the United States and Europe combined. As of July 5, 2018, we had more than 50 clinical trials ongoing or planned for initiation, including 16 pivotal or potentially registration-enabling trials, with more than 3,000 patients and healthy subjects already enrolled in these trials. These trials include clinical sites in the United States, Australia, New Zealand, China and other Asian countries, as well as Europe. All of our data and clinical practices are designed to meet the global standards of the International Council on Harmonisation of Technical Requirements for Pharmaceuticals for Human Use (ICH). We believe that our broad global clinical development program will translate into significant commercial opportunities. In addition, we believe that our investment in research and development of US$269 million during 2017 was the largest in oncology and one of the largest by a China-based biopharmaceutical company.

Manufacturing. We have an 11,000-square meter facility in Suzhou for the manufacture of small molecule drugs at commercial scale and biologics drugs at pilot scale. The facility was designed to comply with GMP requirements in China, the European Union and the United States. In January 2018, the facility received a manufacturing license from the Jiangsu Food and Drug Administration, in preparation for the commercial manufacture of zanubrutinib in China. We have another 100,000-square meter facility under construction in Guangzhou for the manufacture of biologics at commercial scale. This facility is planned to have a 24,000-liter capacity, and over US$300 million

in funding has been committed for the construction of this facility. We expect the first phase of the facility to be completed in 2019. We also have a commercial supply partner, Boehringer Ingelheim, under an exclusive multi-year arrangement to manufacture our biologic drug candidate, tislelizumab, in its manufacturing facility in Shanghai as part of a MAH trial project.

Commercialization. In connection with our collaboration with Celgene, we obtained Celgene's commercial operations in China and an exclusive license to market three of Celgene's cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®. This collaboration provided us with commercial infrastructure and a marketed drug portfolio in China. We believe that our commercial team has established and maintains strong relationships with leading hospitals and medical professionals. We also believe that we have built relationships with key opinion leaders, or KOLs, in oncology through our years of research and clinical development efforts. Recently, we have strengthened our commercial leadership by adding Dr. Xiaobin Wu, who was the Country Manager of Pfizer China and Regional President of Pfizer Essential Health for Greater China, Ivan Yifei Zhu, who was the Vice President of Sales and Marketing at Janssen China, Vivian Xin Bian, who was the Vice President of Innovative Products Division at Janssen China. We are developing a top oncology team covering over 800 hospitals. We believe these commercial leadership additions will further help build our commercial team and drive future product launches. We believe these efforts position us well for the planned launches of our internally-developed drug candidates as well as current and potentially future in-licensed drug candidates.

Two Late-Stage Clinical Drug Candidates with Significant Commercial Potential

We believe that our two lead drug candidates have significant commercial potential and we are well-positioned to realize these product-based opportunities.

Zanubrutinib. We believe that our lead drug candidate, zanubrutinib, is a potentially best-in-class BTK inhibitor based on the clinical data to date. Zanubrutinib has demonstrated higher selectivity against BTK and higher exposure than the first approved BTK inhibitor IMBRUVICA®, or ibrutinib, in pre-clinical models. As of July 5, 2018, we had enrolled more than 1,200 patients in clinical trials of zanubrutinib. The preliminary data reported to date demonstrated favorable response rates, quality and durability in various B-cell malignancies, such as WM and CLL/SLL.

We are running a broad pivotal clinical program globally and in China, including a global Phase 3 head-to-head trial against ibrutinib in WM, a global Phase 3 trial in treatment-naïve CLL/SLL, a global pivotal Phase 2 trial in combination with obinutuzumab in FL, and three China pivotal Phase 2 trials in MCL, CLL/SLL and WM, respectively, in which the global Phase 3 WM trial and the three China pivotal Phase 2 trials have completed enrollment.

We have received results from independent review of the Phase 2 study in Chinese patients with R/R MCL. The overall response met the pre-specified criteria for a positive trial. We had a pre-NDA meeting with the CDA earlier this year and based on the feedback we received from the meeting, we currently believe that, subject to the successful completion and satisfactory results of the trials, we are on track to file the NDA for the treatment of R/R MCL in 2018.

In July 2018, zanubrutinib was granted Fast Track Designation by the FDA for the treatment of patients with WM. Based on our discussions with the FDA, internal review of available data from our global Phase 1 trial of zanubrutinib in patients with WM, and supported by the Fast Track Designation, we are preparing to submit in the first half of 2019 an NDA to pursue an accelerated approval of zanubrutinib for patients with WM based on results from the global Phase 1 study. The FDA's Fast Track program is intended to expedite or facilitate the process for reviewing new drugs that are intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrate the potential to address unmet medical needs for the condition. A drug candidate with a Fast Track designation may be eligible for more frequent communications with the FDA, eligibility for Accelerated Approval and Priority Review (if relevant criteria are met), and rolling review of the NDA.

BTK inhibitors reported approximately US$3.2 billion in global sales in 2017 and are projected to reach US$17.8 billion in 2030 according to the Frost & Sullivan Report. According to the same report, the class of BTK inhibitors is projected to represent a US$1.6 billion market in China in 2030. We believe there is significant market opportunity given the potentially best-in-class profile and the broad pivotal clinical program that we are currently conducting for zanubrutinib.

Tislelizumab. Tislelizumab is an investigational humanized PD-1 monoclonal antibody that belongs to a class of immuno-oncology agents known as immune checkpoint inhibitors. Tislelizumab is being developed as a monotherapy and in combination with other therapies for the treatment of a broad array of solid tumors and hematologic cancers. As of July 5, 2018, we had enrolled more than 1,500 patients in clinical trials of tislelizumab. The preliminary data reported to date demonstrated that tislelizumab was generally well-tolerated and exhibited anti-tumor activity in a variety of tumor types. We had a pre-NDA meeting with the CDA, and based on the feedback we received from the meeting, we believe we are on track to file the NDA in China in 2018 initially for the treatment for HL.

We believe that PD-1/PD-L1 antibody therapies represent a large market opportunity, particularly in the favorably evolving China market. According to the Frost & Sullivan Report, the worldwide annual sales of the PD-1/PD-L1 class reached US$10.1 billion in 2017 and are projected to amount to US$78.9 billion worldwide and US$15.1 billion in China in 2030. We believe the China market is particularly attractive, as currently available clinical data suggest that some of the most prevalent cancers in China, such as lung, gastric, liver and esophageal cancers, are responsive to these PD-1/PD-L1 antibody therapies.

We believe that we are uniquely positioned to capture this market opportunity because of our broad clinical development program and growing commercial capabilities in China. As of July 20, 2018, we had initiated four global pivotal trials of tislelizumab and three pivotal trials in China. The global pivotal trials are intended to support regulatory submissions globally and in China, and we and Celgene expect to commence additional pivotal trials in 2018 and 2019. We believe that our broad pivotal clinical program will enable wide reimbursement coverage for patients in China and allow us to maximize the commercial opportunities for tislelizumab. In addition, we believe that our strategic partnership with Celgene will further expand our development programs and help maximize the commercial potential for tislelizumab across product combinations and global markets.

Robust Pipeline of Internally-Developed and In-Licensed Product Candidates

Beyond zanubrutinib and tislelizumab, we have an extensive pipeline of internally-developed and in-licensed product candidates that we are developing as monotherapies and in combination with other therapies. We have the internal capacity to develop both biologic and small-molecule drugs. Our recent collaboration with Mirati for sitravatinib provides an example of our ability to supplement internal research and development through external collaboration.

Pamiparib. We believe that pamiparib, a PARP1 and PARP2 inhibitor, has the potential to be differentiated from other PARP inhibitors because of its potential brain penetration, high selectivity, strong DNA-trapping activity and good oral bioavailability, based on pre-clinical data. In Phase 1/2 trials to date, it was demonstrated that pamiparib was generally well-tolerated and showed promising anti-tumor activity in ovarian cancer, and initial data from the dose-escalation portion of the Phase 1 trial of tislelizumab in combination with pamiparib suggested that the combination was generally well-tolerated and showed anti-tumor activity in multiple solid tumor types. We currently have a pivotal Phase 2 trial in China in patients with germline BRCA-mutated ovarian cancer, a Phase 3 trial in China as a potential maintenance therapy in patients with platinum-sensitive ovarian cancer, and a global Phase 3 maintenance trial in patients with platinum-sensitive GC.

Other early-stage assets. We are pursuing the clinical development of other early-stage drug candidates, advancing pre-clinical drug candidates toward clinical trials and developing additional novel drug candidates. For example, three internally-developed drug candidates, lifirafenib, BGB-A333, and BGB-A425 are in Phase 1 clinical development. Sitravatinib is in clinical development by Mirati for the treatment of NSCLC and other tumors, and avadomide (CC-122) is currently in clinical development by Celgene for lymphomas and HCC.

Experienced Management Team with Diverse Backgrounds and Skill Sets

We have assembled an experienced management team with geographically diverse backgrounds and skillsets to lead our company. Our Co-Founder, Xiaodong Wang, Ph.D., is a highly respected cancer scientist, a member of the U.S. National Academy of Sciences and the Chinese Academy of Sciences, and head of China's National Institute of Biological Sciences. John Oyler, our Co-Founder, Chief Executive Officer and Chairman of the Board is a serial entrepreneur with a track record of successfully starting and managing companies in several industries including biotechnology. Dr. Xiaobin Wu, our General Manager of China and President, was the Country Manager of Pfizer China and Regional President of Pfizer Essential Health for Greater China and has 17 years of experience leading China operations of multinational companies. Our management team has experience successfully translating scientific visions into tangible drug candidates, solving complex issues in clinical development, progressing drug candidates through regulatory approval, and commercializing innovative therapies.

Our Strategy

Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies. In the near term, we plan to focus on pursuing the following significant opportunities:

Globally Develop and Commercialize Zanubrutinib, a Potentially Best-in-Class BTK Inhibitor

Zanubrutinib is an investigational small molecule inhibitor of BTK that is currently being evaluated both as a monotherapy and in combination with other therapies to treat various lymphomas. Our clinical experience to date suggests a potentially best-in-class profile. To pursue this opportunity, we are conducting a broad pivotal clinical program globally and in China, including a global Phase 3 trial head-to-head against ibrutinib in WM, a global Phase 3 trial in treatment-naïve CLL/SLL, a global pivotal Phase 2 trial in combination with obinutuzumab in FL, and three China pivotal Phase 2 trials in MCL, CLL/SLL and WM, respectively. Subject to the successful completion and satisfactory results of the trials, we expect to file for approval in China in 2018 for the treatment of R/R MCL and accelerated approval in the U.S. for the treatment of WM in the first half of 2019.

Develop and Commercialize Our Investigational Checkpoint Inhibitor, Tislelizumab, in a Rapidly and Favorably Evolving China Market

We believe that there is a large and growing opportunity for novel cancer therapeutics in China and that the market opportunity for PD-1/PD-L1 antibody therapies may be especially attractive, as this class of agents has demonstrated anti-tumor activity in all four of the most common tumors in China: lung, gastric, liver and esophageal cancers. We believe that we are uniquely positioned to capture this opportunity with our strategic collaboration with Celgene, our strong presence in China, and our integrated global and China clinical development capabilities. We have initiated global Phase 3 trials to evaluate tislelizumab as a potential second- or third-line treatment compared to docetaxel in patients with NSCLC; as a potential first-line treatment compared to sorafenib in patients with HCC; and as a potential second-line treatment compared to investigator-chosen chemotherapy in patients with esophageal squamous cell carcinoma, or ESCC. We also have a global Phase 2 trial in

patients with previously treated advanced HCC, as well as a global Phase 2 trial in patients with relapsed or refractory mature T- and NK-cell lymphomas. We and our strategic collaborator Celgene expect to commence additional global pivotal trials in 2018 and 2019. Moreover, we have three additional China pivotal trials ongoing, and subject to the successful completion and satisfactory results of the trials, we expect to file for approval in China for the treatment of cHL in 2018.

Build A Leadership Position by Further Expanding Our Capabilities

Although we believe that we have significant integrated capabilities in research and clinical development, manufacturing and commercialization, we plan to continue to strengthen and expand our platform. In particular, we plan to significantly expand our commercial capabilities in China in preparation for the potential launch of our drug candidates and to support our existing marketed drugs. We have an established commercial team in China, which provides coverage of large hospitals and physician clients. As a result of the improving reimbursement environment in China, which is expected to provide access to innovative medicines for a significantly larger number of patients, we believe that the scale of our commercial organization and the breadth of our market coverage will become even more important. We plan to invest in expanding our teams of sales and marketing, market access, medical and scientific affairs, compliance, and other supporting functions. We aim to become a leading organization in the commercialization of oncology drugs in China. Outside of China, we also plan to build commercial capabilities in the hematology-oncology area ahead of the potential launch of zanubrutinib. In addition, we plan to continue to invest in building our global clinical development capabilities, which we believe will provide a competitive advantage in allowing us to conduct pivotal trials to support approvals globally and in China.

Take Advantage of Significant Regulatory Reforms in China to Accelerate Global Drug Development

Historically, the regulatory environment in China has been considered highly challenging, with clinical development significantly delayed and regulatory approvals taking much longer than in the United States and Europe. To address these challenges, the CDA has issued a series of reform policies and opinions, which, among many things, are expected to expand access to clinical patients and expedite development and approval by removing delays and creating an environment with international quality standards for drug development, manufacturing and commercialization in China. We expect that these regulatory reforms will allow clinical trials in China to play a major role in global drug development programs. We also believe that the ability to effectively operate in China and integrate trials conducted in China with those in the rest of the world will be of increasing strategic importance. We are already taking advantage of these opportunities by conducting and leading dual-purpose global / China registration trials under our collaboration with Celgene.

Expand Our Product Portfolio and Pipeline Through Collaborations with Other Biopharmaceutical Companies to Complement Our Internal Research

We expect to further expand our portfolio of drugs and drug candidates, in oncology as well as potentially in other therapeutic areas, through internal research and external collaborations. We intend to pursue collaborations with other biopharmaceutical companies both in China and globally by leveraging our strong clinical development capabilities. We have pursued and plan to continue to pursue business development opportunities, such as our collaboration with Mirati, in which development in China is expected to contribute to, and potentially accelerate, the global development program. We believe that there will be increasing interest by international biopharmaceutical companies in seeking collaborations in Asia, particularly in oncology, where clinical recruitment is a major bottleneck in new drug development.

Our Pipeline and Commercial Products

The following table summarizes the status of our pipeline and commercial products:

Program (*Target*)	Commercial Rights	Dose Esc	Dose Exp		Pivotal		Lead Indications
		Phase 1a	Phase 1b	Phase 2*	Phase 2**	Phase 3	
zanubrutinib *(BGB-3111, BTK)*	Worldwide						• WM, 1L CLL/SLL • R/R MCL, R/R CLL/SLL, WM (pivotal Ph2)
zanubrutinib + GAZYVA® *(BTK + CD20)*	Worldwide						• R/R FL (pivotal Ph2)
tislelizumab *(BGB-A317, PD-1)*	Worldwide for heme malignancy, Asia ex-Japan for solid tumors[1]						• 2L NSCLC, 1L HCC, 2L ESCC • 1L NSCLC • R/R cHL, 2L+ UC (pivotal Ph2) • 2L/3L HCC (pivotal Ph2) • R/R NK/T-cell lymphomas
tislelizumab + pamiparib *(PD-1 + PARP)*	Worldwide						• Solid tumors
tislelizumab + zanubrutinib *(PD-1 + BTK)*	Worldwide						• B-cell malignancies
pamiparib *(BGB-290, PARP)*	Worldwide[2]						• 1L plat-sensitive GC maintenance • 2L plat-sensitive OC maintenance • 3L gBRCA+ OC (pivotal Ph2) • Solid tumors
pamiparib + TMZ *(PARP + Chemo)*	Worldwide[2]						• Solid tumors
pamiparib + RT/TMZ *(PARP + RT/Chemo)*	Worldwide[2]						• Glioblastoma
lifirafenib *(BGB-283, RAF Dimer)*	Worldwide[2]						• B-Raf- or K-RAS/N-RAS-mutated solid tumors • B-Raf- or K-RAS/N-RAS-mutated solid tumors
BGB-A333 +/- tislelizumab *(PD-L1 +/- PD-1)*	Worldwide						• Solid tumors
BGB-A425 *(TIM-3)*	Worldwide	Planned					• Solid tumors
REVLIMID® *(IMiD)****	China	Marketed					• R/R MM (marketed), NDMM (marketed), R/R NHL (Phase 3)
ABRAXANE® *(Albumin-bound paclitaxel)*	China	Marketed					• Breast cancer
VIDAZA® *(hypomethylating agent)*	China	Marketed					• MDS, AML with 20-30% bone marrow blasts, CMMoL
CC-122 *(CELMoD)*	China	Planned					• NHL
sitravatinib *(multi-kinase inhibitor)*	Asia ex-Japan, AU, NZ[3]	Planned					• NSCLC

*Some indications will not require a non-pivotal Phase 2 clinical trial prior to beginning pivotal Phase 2 or 3 clinical trials. **Confirmatory clinical trials post approval are required for accelerated approvals. ***Revlimid approved as a combination therapy with dexamethasone.[1] Celgene has the right to develop and commercialize tislelizumab in solid tumors in the United States, European Union, Japan and the rest-of-world outside of Asia.[2] Limited collaboration with Merck KGaA.[3] Partnership with Mirati Therapeutics, Inc.

China | Global (ex-China) | Global (China included)

Abbreviations: Dose Esc = dose escalation; Dose Exp = dose expansion; WM = Waldenstrom's macroglobulinemia; 1L = first line; CLL = chronic lymphocytic leukemia; SLL = small lymphocytic lymphoma; R/R = relapsed / refractory; MCL = mantle cell lymphoma; FL = follicular lymphoma; 2L = second line; NSCLC = non-small cell lung cancer; HCC = hepatocellular carcinoma; ESCC = esophageal squamous cell carcinoma; HL = Hodgkin's lymphoma; UC = urothelial carcinoma; 3L = third

line treatment; gBRCA = germline BRCA; OC = ovarian cancer, TMZ = temozolomide; RT = radiotherapy; IMiD = immunomodulatory drugs; MM = multiple myeloma; ND = newly diagnosed; NHL = non-Hodgkin's lymphoma; MDS = myelodysplastic syndrome; AML = acute myeloid leukemia; CMMoL = chronic myelomonocytic leukemia; DLBCL = diffuse large B-cell lymphoma;

---

* Some indications will not require a non-pivotal Phase 2 clinical trial prior to beginning pivotal Phase 2 or 3 clinical trials.

** Confirmatory clinical trials post-approval are required for accelerated approvals.

*** REVLIMID® approved as a combination therapy with dexamethasone.

[1] Celgene has the right to develop and commercialize tislelizumab in solid tumors in the United States, Europe, Japan and the rest-of-world outside of Asia.

[2] Limited collaboration with Merck KGaA.

[3] Partnership with Mirati Therapeutics, Inc.

Our drug candidates are subject to NDA approval by the relevant authorities, such as the FDA and the CDA, before commercialization in the relevant jurisdictions. Please refer to the section titled "Regulations — U.S. Regulation — U.S. Government Regulation and Product Approval" and "— PRC Regulation — PRC Drug Regulation" for details. As of the date of this prospectus, we believe that we have not received any material comments or concerns raised by the CDA that we are not able to address in a timely manner, and we believe we are on track to file the NDAs related to our Core Product Candidates as described in the section titled "— Our Clinical-Stage Drug Candidates."

Our Clinical-Stage Drug Candidates

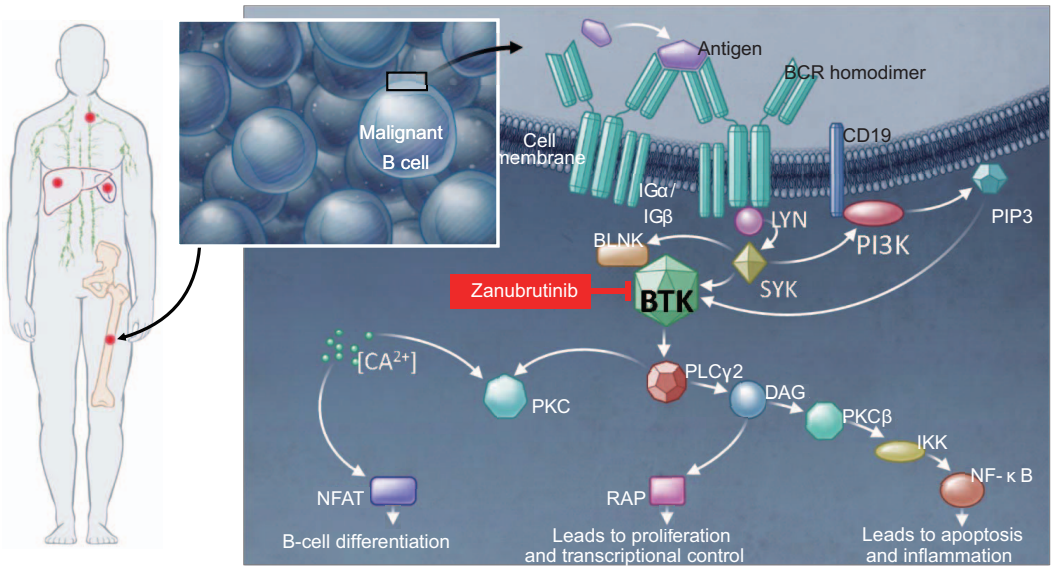
Zanubrutinib (BGB-3111), a BTK Inhibitor

Zanubrutinib is an investigational small molecule inhibitor of BTK that is currently being evaluated in a broad pivotal clinical program globally and in China as a monotherapy and in combination with other therapies to treat various lymphomas. Zanubrutinib has demonstrated higher selectivity against BTK than IMBRUVICA® (ibrutinib), an approved BTK inhibitor, based on our biochemical assays, higher exposure than ibrutinib based on their respective Phase 1 experience in separate studies, and sustained 24-hour BTK occupancy in both the peripheral blood and lymph node compartments.

Mechanism of Action

BTK is a key component of the BCR signaling pathway and is an important regulator of cell proliferation and cell survival in various lymphomas. BTK inhibitors block BCR-induced BTK activation and its downstream signaling, leading to growth inhibition and cell death in certain malignant white blood cells called B-cells. Zanubrutinib is an orally active inhibitor that covalently binds to BTK, resulting in irreversible inactivation of the enzyme.

BTK Inhibitor Mechanism of Action



BCR=B-cell antigen receptor, BLNK=B cell linker, BTK=Bruton's tyrosine kinase, CA2+=calcium, CD19=cluster of differentiation 19, DAG=1,2 di-acyl glycerol, IKK=I kappa B kinase, LYN=LYN proto-oncogene, Src family tyrosine kinase, NFkB=nuclear factor kappa B, NFAT=nuclear factor of activated T cells, PI3K=phosphatidylinositol-4,5-bisphosphate 3-kinase, PIP3=phosphatidylinositol (3,4,5 trisphosphate, PKC=protein kinase C, PLC=phospholipase C, RAP=Rap GTP-binding protein also known as Ras-related protein, SYK=spleen tyrosine kinase. Hendriks RW. Nature Chem Biol. 2011;7(1):4-5.

Market Opportunity and Competition

Lymphomas are blood-borne cancers involving lymphatic cells of the immune system. They can be broadly categorized into NHL and HL. Depending on the origin of the cancer cells, lymphomas can also be characterized as B-cell or T-cell lymphomas. B-cell lymphomas make up approximately 85% of NHLs and comprise a variety of specific diseases involving B-cells at differing stages of maturation or differentiation. According to statistics from the SEER program of the U.S. National Cancer Institute, there were 72,240 new NHL cases and 20,140 deaths, and 20,110 new CLL, cases and 4,660 deaths in 2017 in the United States. According to a published study (Chen et al., Cancer Statistics in China, 2015, CA Cancer J. Clin. 2016; 66(2):115-32), which we refer to as Chen et al. 2016, and GLOBOCAN 2012 analyses on cancer statistics in China, there are an estimated 42,000 to 88,000 new lymphoma cases and 26,000 to 53,000 deaths in China each year.

Conventional methods of treating lymphomas vary according to the specific disease or histology, but generally include chemotherapy, antibodies directed at CD20, and, less frequently, radiation. Recently, significant progress has been made in the development of new therapies for lymphomas, including BTK inhibitors, PI3K inhibitors, idelalisib, copanlisib and the Bcl-2 inhibitor, venetoclax. Most recently, a cell-based therapy, YESCARTA®, was approved for the treatment of diffuse large B-cell lymphoma, or DLBCL. YESCARTA® is a CD 19 directed genetically modified autologous T-cell immuno-oncology therapy.

The BTK inhibitor ibrutinib was first approved by the FDA in 2013 for the treatment of patients with MCL, who have received at least one prior therapy. Since 2013, ibrutinib has received supplemental FDA approvals for the treatment of patients with CLL, CLL patients with 17p deletion, patients with WM, patients with MZL, who have received at least one prior anti-CD20-based therapy, and patients with chronic graft versus host disease after failure of one or more lines of systemic therapy. Ibrutinib is also approved by the EMA for the treatment of patients with MCL, CLL or WM. Ibrutinib has been approved in over 80 countries and regions, and it was approved and launched in China at the end of 2017. In 2017, global revenues for BTK inhibitors were approximately US$3.2 billion. Another BTK inhibitor, CALQUENCE® (acalabrutinib) was approved by the FDA in 2017 under accelerated approval for the treatment of patients with MCL who have received at least one prior therapy. The table below summarizes the China competitive landscape of zanubrutinib, according to the Frost & Sullivan Report.

BTK Competitive Landscape in China (Late-Stage)							
Mechanism: Bruton's tyrosine kinase plays a role in signaling through the B-cell surface receptors which results in activation of pathways necessary for B-cell trafficking, chemotaxis, and adhesion. Nonclinical studies show that BTK inhibition could inhibit malignant B-cell proliferation and survival.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
ibrutinib	IMBRUVICA®	Pharmacyclics, J&J, AbbVie	Approved (2017.11)	R/R CLL/SLL and R/R MCL	Zhejiang CII	2027	NA
zanubrutinib (BGB-3111)	**NA**	**BeiGene**	**Pivotal PhII**	**R/R MCL, R/R CLL/SLL, WM**	**NA**	**2034**	**NA**
acalabrutinib	CALQUENCE®	Acerta, AstraZeneca	CTA submitted (2018.6)	Early phase	NA	2032	NA

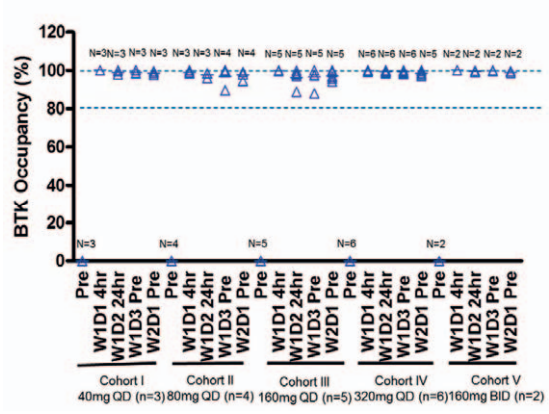
Abbreviations: CII = Critical Illness Insurance; CTA = Clinical trial application; NA = not applicable

Summary of Clinical Results

As of July 5, 2018, we have enrolled more than an aggregate of 1,200 patients in clinical trials of zanubrutinib, including trials of zanubrutinib in combination with other therapies, which we refer to as combination trials. A multi-center, open-label Phase 1 trial is being conducted in Australia, New Zealand, the United States, South Korea and European countries to assess the safety, tolerability, pharmacokinetic properties and preliminary activity of zanubrutinib as a monotherapy in patients with different subtypes of B-cell malignancies, such as WM, CLL/SLL, FL, and MCL. The initial results of the dose-escalation phase and dose-expansion phase of this trial, as shown in the chart below, demonstrated that, consistent with zanubrutinib's pharmacokinetic profile, complete and sustained 24-hour BTK occupancy in the blood was observed in all tested patients, starting at the lowest dose of 40 mg once daily. In addition, sustained full BTK occupancy was observed in the lymph nodes especially for the 160 mg twice daily dosing regimen. There is no guarantee that these results will be reproduced in pivotal trials.

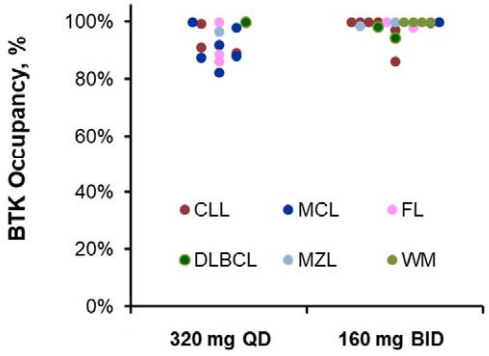
Clinical Trial Data Show Sustained Full BTK Occupancy

Peripheral Blood Mononuclear Cell



Note:
Data from 20 patients.
W1D1 stands for week 1 day 1;
W1D2 stands for week 1 day 2;
W1D3 stands for week 1 day 3;
W2D1 stands for week 2 day 1;
Pre stands for pre-dose

Lymph Node



Note:
QD means once daily,
BID means twice daily.
Paired lymph node biopsies were collected during screening or pre-dose on day 3.

Waldenstrom's Macroglobulinemia

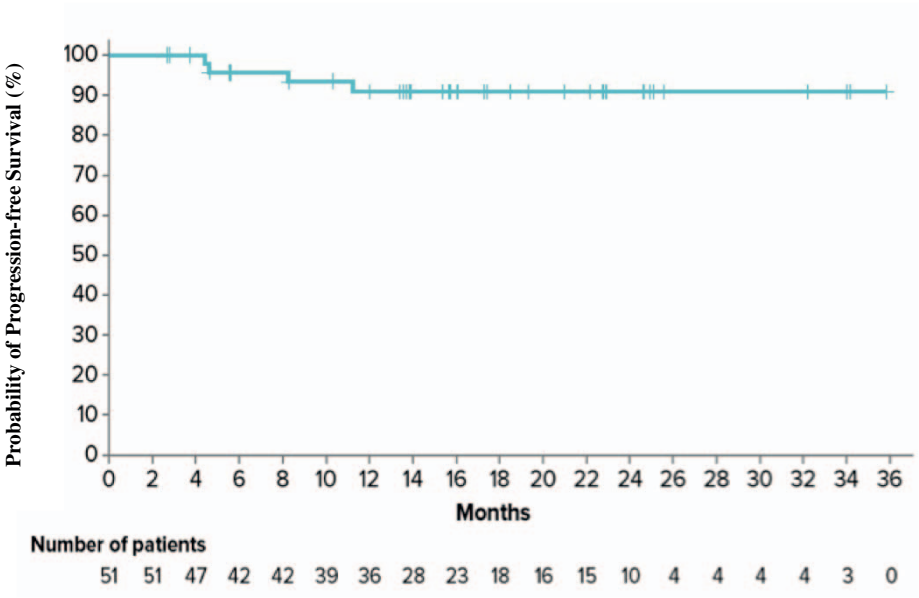
On June 15, 2018, we presented data from our Phase 1 trial in patients with WM at the 23rd Congress of the EHA in Stockholm, Sweden. As of the data cutoff of November 3, 2017, 67 WM patients were enrolled in the study. At the time of the data cutoff, 59 patients remained on study treatment. Responses were determined according to the modified Sixth International Workshop on WM Criteria.

Zanubrutinib was observed to be generally well-tolerated with no discontinuation for zanubrutinib-related toxicity. AEs were generally mild in severity and self-limited. The most frequent AEs (>15%, all grade 1-2 but one) of any attribution among 67 patients evaluable for safety were petechia/purpura/contusion (37%), upper respiratory tract infection (34%), constipation (18%) and diarrhea (18%). Grade 3-4 AEs of any attribution reported in two or more patients included anemia (7%), neutropenia (6%), basal cell carcinoma (3%), hypertension (3%), squamous cell carcinoma (3%), pyrexia (3%), pneumonia (3%), major hemorrhage (3%), and actinic keratosis (3%). Serious AEs, or SAEs, were seen in 22 patients (33%), with events in five patients (7%) considered possibly related to zanubrutinib treatment: febrile neutropenia, colitis, atrial fibrillation, hemothorax (spontaneous) and headache. Among AEs of special interest, four patients (6%) experienced atrial fibrillation (all grade 1 or 2) and two patients experienced major hemorrhage. Four patients (6%) discontinued study treatment due to AEs, including fatal worsening bronchiectasis, prostate cancer, gastric adenocarcinoma, and acute myeloid leukemia. Two patients (3%) disticontinued study treatment due to disease progression as assessed by investigator and one patient remains on treatment post disease progression.

At the time of the data cutoff, 51 patients were evaluable for response, excluding those with less than 12 weeks of follow-up (n=13) and those with IgM less than 5 g/L at baseline (n=3). Of the 51 patients evaluable for efficacy, 12 were treatment naïve and 39 patients were relapsed or refractory to prior treatment. The overall response rate, or ORR, was 92% (47/51), and the major response rate was 80%, with 43 percent of patients achieving a very good partial responses, or VGPR, (defined as a >90% reduction in baseline IgM levels and improvement of extramedullary disease by CT scan). The 12-month progression-free survival (PFS) was estimated at 91%, and the median PFS had not yet been reached with 16.9 months median follow-up. Median time to response (partial response or higher) was 88 days (range, 77-279). The median IgM decreased from 32.5 g/L (range, 5.3-88.5) at baseline to 4.9 g/L (range, 0.1-57). Of 22 patients with hemoglobin <10 g/dL at baseline, the median increased from 8.7 g/dL (range, 6.3-9.8) to 13.8 g/dL (range, 7.7-15.8). While the presence of MYD88L265P appears to be associated with response and depth of response with zanubrutinib treatment, significant activity was also observed in patients with MYD88WT (ORR 83%, major response rate 50%, VGPR rate 17%).

The table below shows the progression-free survival data of WM patients treated with zanubrutinib:

Progression-Free Survival in Evaluable Patients (n=51)



Chronic Lymphocytic Leukemia / Small Lymphocytic Lymphoma

On June 14, 2017 at the 14th International Conference on Malignant Lymphoma in Lugano, Switzerland, we presented the data in patients with CLL/SLL from the same trial. As of the data cutoff of March 31, 2017, 69 patients with CLL or SLL (18 treatment naïve, or TN, 51 R/R) were enrolled in the trial.

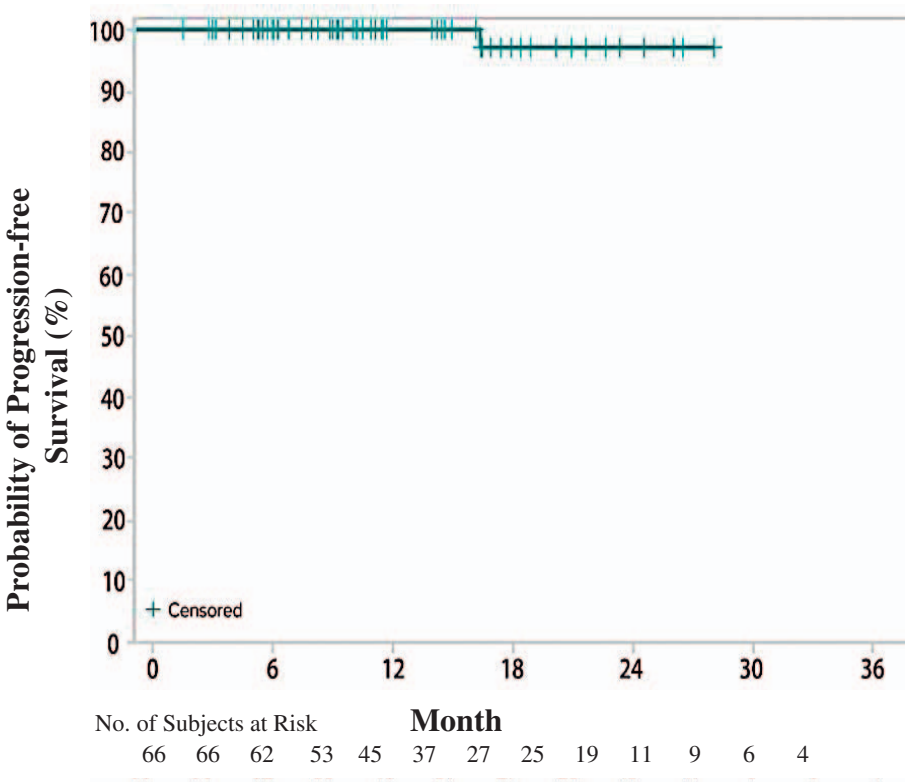
Zanubrutinib was shown to be generally well-tolerated in CLL/SLL. The most frequent AEs (≥10%) of any attribution were petechiae/purpura/contusion (46%), fatigue (29%), upper respiratory tract infection (28%), cough (23%), diarrhea (22%), headache (19%), hematuria (15%), nausea (13%),

rash (13%), arthralgia (12%), muscle spasms (12%) and urinary tract infection (12%). All of these events were grade 1 or 2 except for one case of grade 3 purpura (subcutaneous hemorrhage), which was the only major bleeding event. Additional AEs of interest included one case of each grade 2 diarrhea and grade 2 atrial fibrillation. A total of 18 SAEs occurred in 13 patients, with no SAE occurring in more than one patient. Only one patient discontinued treatment due to an AE, a grade 2 pleural effusion.

At the time of the data cutoff, 66 patients (16 TN and 50 R/R) had more than 12 weeks of follow-up and were evaluable for efficacy, and three other patients had less than 12 weeks of follow-up. After a median follow-up of 10.5 months (2.2—26.8 months), the ORR was 94% (62/66) with complete responses, or CRs, in 3% (2/66), PRs in 82% (54/66), and PRs with lymphocytosis, or PR-Ls, in 9% (6/66) of patients. Stable disease, or SD, was observed in 5% (3/66) of patients. The patient with pleural effusion discontinued treatment prior to week 12 and was not evaluable for response. There was one instance of Hodgkin's transformation. In TN CLL/SLL, at a median follow-up time of 7.6 months (3.7—11.6 months), the ORR was 100% (16/16) with CRs in 6% (1/16), PRs in 81% (13/16) and PR-Ls in 13% (2/16) of patients. In R/R CLL/SLL, at a median follow-up time of 14.0 months (2.2—26.8 months), the ORR was 92% (46/50) with CRs in 2% (1/50), PRs in 82% (41/50) and PR-Ls in 8% (4/50) of patients. SD was observed in 6% (3/50) patients.

The table below shows the progression-free survival data of CLL/SLL patients treated with zanubrutinib:

Zanubrutinib PFS in CLL/SLL



Other Lymphomas

On December 9, 2017, we presented additional data from our Phase 1 trial at the 59th American Society of Hematology, or ASH, Annual Meeting in Atlanta, GA. This dataset included 34 patients in an indolent lymphoma cohort, which consisted of 24 patients with FL and 10 patients with MZL, and 65 patients in an aggressive lymphoma cohort, which consisted of 27 patients with diffuse large B-cell lymphoma, or DLBCL, and 38 patients with MCL. The median follow-up time was 5.6 months (0.3—22.3 months) and 5.1 months (0.1—31.9) for indolent and aggressive lymphoma, respectively.

As of the data cutoff of September 15, 2017, the most frequent AEs (occurring in ≥15% of patients) of any attribution among 34 patients with indolent lymphoma were petechiae/purpura/contusion (24%), upper respiratory tract infection (21%), nausea (18%) and pyrexia (15%). The most frequently reported grade 3 or greater AEs (occurring in ≥5% of patients) of any attribution were anemia (9%), neutropenia (9%), urinary tract infection (6%) and abdominal pain (6%). SAEs were reported in 11 patients (32%). Of those, four patients had SAEs that were considered possibly related to zanubrutinib, including one case each of nausea, urinary tract infection, diarrhea and creatinine increase.

The most frequent AEs (occurring in ≥15% of patients) of any attribution among 65 patients with aggressive lymphoma were petechiae/purpura/contusion (25%), diarrhea (23%), constipation (22%), fatigue (18%), upper respiratory tract infection (18%), anemia (17%), cough (15%), pyrexia (15%) and thrombocytopenia (15%). The most frequently reported grade 3 or greater AEs (occurring in ≥ 5% of patients) of any attribution were anemia (11%), neutropenia (9%), thrombocytopenia (9%) and pneumonia (6%). SAEs were reported in 26 patients (40%). Of those, three patients had SAEs that were considered possibly related to zanubrutinib, including one case each of peripheral edema and joint effusion (occurring in the same patient), pneumonia and pneumonitis.

At the time of data cutoff, 26 patients with indolent lymphoma, including 17 patients with FL and nine patients with MZL, were evaluable for efficacy. In patients with FL, the ORR was 41%, with CRs in 18% and PRs in 24% of patients. SD was observed in 41% of patients. Progressive disease was observed in one patient. In patients with MZL, the ORR was 78%, with no CRs and PRs in 78% of patients. SD was observed in 22% of patients. No progressive disease was observed.

58 patients with aggressive lymphoma, including 26 patients with DLBCL and 32 patients with MCL, were evaluable for efficacy. In patients with DLBCL, the ORR was 31%, with CRs in 15% and PRs in 15% of patients. In patients with MCL, the ORR was 88%, with CRs in 25% and PRs in 63% of patients.

Combination with GAZYVA® (obinutuzumab)

We are also evaluating zanubrutinib in combination with GAZYVA® (obinutuzumab), an approved anti-CD20 antibody therapy, in patients with B-cell lymphoma in an open label, multi-center Phase 1b trial in Australia, the United States and South Korea. On December 9, 2017, we presented updated preliminary clinical data from this trial at the 59th ASH Annual Meeting in Atlanta, GA. As of the data cutoff of September 15, 2017, 45 patients with CLL/SLL and 26 patients with FL were enrolled in the trial. The preliminary Phase 1b data demonstrated that the combination was generally well-tolerated and was highly active in patients with FL and TN or R/R CLL/SLL.

At the time of data cutoff, the most common AEs were grades 1 and 2. The most common AEs in patients with CLL/SLL (occurring in ≥ 20% of patients) of any attribution were petechiae/purpura/contusion (42%), neutropenia (40%), upper respiratory tract infection (36%), fatigue (24%), thrombocytopenia (24%), diarrhea (20%) and pyrexia (20%). The most common AEs in patients with FL (occurring in ≥ 20% of patients) of any attribution were upper respiratory tract infection (38%), petechia/purpura/contusion (35%), rash (27%) and thrombocytopenia (23%). Grade 3 or 4 AEs of any attribution reported in ≥ 5% of the CLL/SLL patients included neutropenia (24%) and thrombocytopenia (7%). Grade 3 or 4 AEs of any attribution reported in ≥ 5% of the FL patients included neutropenia (12%). There were no cases of serious hemorrhage, which is ≥ grade 3 hemorrhage or central nervous system hemorrhage of any grade, atrial fibrillation, or grade 3 or above diarrhea. Only one patient with CLL/SLL discontinued treatment due to an AE, a case of squamous cell carcinoma, or SCC, who had a prior history of SCC. This was also the only patient in the study who had a fatal AE.

45 patients with CLL/SLL (20 TN and 25 R/R) and 21 patients with R/R FL were evaluable for efficacy. In TN CLL/SLL patients, after a median follow-up of 11.4 months (6.0—17.3 months), the ORR was 95%, with CRs in 35% and PRs in 60% of patients. In R/R CLL/SLL patients, at a median follow-up time of 12.7 months (7.9—19.5 months), the ORR was 92%, with CRs in 20% and PRs in 72% of patients. In R/R FL patients, at a median follow-up time of 12.1 months (0.8—19.7 months), the ORR was 76%, with CRs in 38% and PRs in 38% of patients.

Combination with Tislelizumab

We are also evaluating zanubrutinib in combination with our investigational anti-PD1 antibody tislelizumab. The open-label, multi-center Phase 1b trial is being conducted in Australia and is currently in a dose-escalation phase to be followed by a dose-expansion phase. On December 11, 2017, we presented initial data from the ongoing Phase 1b trial at the 59th ASH Annual Meeting in Atlanta, GA. The initial dose-escalation data suggested that the combination of zanubrutinib and tislelizumab was generally well-tolerated and exhibited anti-tumor activity in patients with B-cell malignancies. As of September 15, 2017, 25 patients had been enrolled. There were 13 patients with indolent lymphoma, including CLL, FL, MZL and WM, and 12 patients with aggressive lymphoma, including DLBCL, MCL and transformed lymphoma. The median follow-up time was 5.1 months (0.4—14.1 months). Two cases of autoimmune hemolysis occurred in patients with WM in the dose 2 cohort, and one

qualified as a dose-limiting toxicity, or DLT. These events were not associated with a positive direct antiglobulin test and were resolved with immunosuppressive therapy, but resulted in the decision to exclude further enrollment of WM patients in the trial. As of the data cutoff date, this autoimmune hemolysis is the only DLT case that was observed.

Among patients with indolent lymphoma, the most common AEs (occurring in ≥ 20% of patients) of any attribution were petechiae/purpura/contusion (31%) and thrombocytopenia (23%). Grade 3 and 4 AEs of any attribution reported in at least two patients included thrombocytopenia, anemia and hemolysis (15% each). In addition to the two cases of autoimmune hemolysis, there was one more immune-related event, a grade 4 autoimmune encephalitis. The patient was treated with aggressive immunosuppressive therapy and gradually improved over time.

Among patients with aggressive lymphoma, the most common AEs (occurring in ≥ 20% of patients) of any attribution were diarrhea, fatigue, pyrexia, upper respiratory tract infection (33% each), cough (25%) and nausea (25%). Grade 3 and 4 AEs of any attribution reported in at least two patients included pyrexia (17%). There was one patient with multiple occurrences of grade 2 and 3 pneumonitis.

In addition, certain IRAEs may be associated with checkpoint inhibition and the combination of checkpoint inhibitors with other drugs.

At the time of data cutoff, the efficacy-evaluable population consisted of 25 patients. Objective responses were observed in 10 patients (40%). By tumor type, two PRs were observed out of five patients with CLL, one CR and one PR were observed out of five patients with FL, one VGPR and one minor response were observed out of two patients with WM, one CR was observed out of five patients with DLBCL, and three PRs were observed out of five patients with transformed lymphoma.

Pooled Analysis of Safety Data from Monotherapy Trials

We presented at the 2018 EHA meeting the pooled safety data from patients with various B-cell lymphomas in four ongoing zanubrutinib monotherapy studies, totaling 476 patients with a median exposure of seven months. Overall, the data suggest that exposure levels of zanubrutinib resulting in complete and sustained BTK inhibition can be achieved and that zanubrutinib was generally well-tolerated. There are infrequent events of interest with BTK inhibitor therapy, such as atrial fibrillation/flutter (2%), major hemorrhage (2%), and grade 3 and above diarrhea (1%). Treatment discontinuation due to zanubrutinib-related AEs was uncommon (3%). The majority of patients (94%) experienced one or more AE of any attribution, primarily grades 1 or 2. The most common grade 3 or higher AEs of any attribution were neutropenia/neutrophil count decreased/febrile neutropenia (14%), anemia (7%) and thrombocytopenia/platelet count decreased (7%). SAEs were reported in 116 patients (24%), with 38 patients (8%) assessed by the investigator as related to zanubrutinib. The most common SAEs were pneumonia/lung infection (6%), pleural effusion (1%), and febrile neutropenia (1%). The only treatment-related SAE reported in greater than 1% of patients was pneumonia/lung infection (2%). No cases of pneumocystis jiroveci pneumonia (PJP) or cytomegalovirus (CMV) reactivation were reported. The most common bleeding events observed included petechiae/purpura/contusion (26%) and hematuria (11%). Major hemorrhage (2%) included gastrointestinal hemorrhage/melena (n=3), intraparenchymal CNS hemorrhage grade 5, hematuria,

purpura, hemorrhagic cystitis, renal hematoma, and hemothorax (one each). The median time to first major hemorrhage was 1.2 months. Amongs patients with emergent atrial fibrillation/flutter (n=8), a majority had known risk factors including hypertension (n=2), pre-existing cardiovascular disease (n=2), and concurrent infection (n=1). The cumulative rates of grade 3 or higher infections were 14 percent at six months, 19% at 12 months and 21% at 18 months. The exposure-adjusted incidence rate was 1.82 per 100 person-months. The most common second primary malignancies included basal cell carcinoma (3%) and squamous cell carcinoma of the skin (1%).

Clinical Development Plan

Based on the clinical data to date, we believe that zanubrutinib has a potentially best-in-class profile, and we are running a broad global pivotal program in multiple indications.

Globally, we have an ongoing monotherapy head-to-head Phase 3 trial versus ibrutinib in WM, which has met the enrollment target. The trial has closed new patient screening and completed enrollment. We are also conducting an ongoing Phase 3 trial compared to bendamustine and rituximab in patients with TN CLL/SLL; and an ongoing Phase 2 trial in combination with GAZYVA® (obinutuzumab) in patients with FL, which is a pivotal trial for accelerated or conditional approval and will require a confirmatory study. We are also planning a Phase 3 trial for head-to-head comparison versus ibrutinib in patients with R/R CLL/SLL, which is expected to be initiated in 2018.

In July 2018, zanubrutinib was granted Fast Track Designation by the FDA for the treatment of patients with WM. Based on our discussions with the FDA, internal review of available data from our global Phase 1 trial of zanubrutinib in patients with WM, and supported by the Fast Track Designation, we are preparing to submit in the first half of 2019 an NDA to pursue an accelerated approval of zanubrutinib for patients with WM based on results from the global Phase 1 study.

In China, we are conducting three separate pivotal Phase 2 trials of zanubrutinib as monotherapy in patients with R/R MCL, R/R CLL/SLL, and WM, respectively. We expect to file for regulatory approvals in China for zanubrutinib in these indications based on the results of these Phase 2 trials. If we receive conditional approval instead of full approval, we will be required to conduct one or more confirmatory studies after such conditional approvals. We have completed enrollment in all three pivotal trials. On June 15, 2018, we announced results from the independent review of response data from the 86-patient single-arm pivotal Phase 2 study of zanubrutinib in Chinese patients with relapsed or refractory MCL. The ORR of 84% (59% complete response rate) met the pre-specified criteria for a positive trial, and the median duration of response has not been reached with 8.3 months median follow-up. The safety profile was consistent with previously reported clinical data for zanubrutinib. Subject to the successful completion and satisfactory results of the trials, we plan to submit an NDA in China for patients with R/R MCL later this year. If approved, we plan to commercialize zanubrutinib shortly after approval. In addition, we are also conducting a Phase 2 trial of zanubrutinib in patients with R/R DLBCL.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ZANUBRUTINIB SUCCESSFULLY.

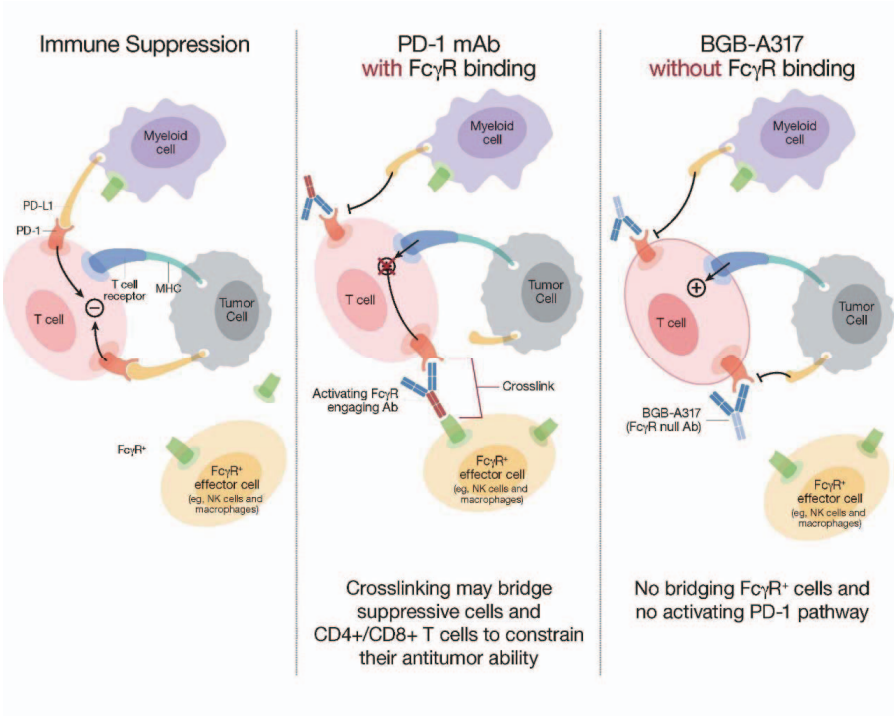
Tislelizumab (BGB-A317), a PD-1 Antibody

Tislelizumab is an investigational humanized monoclonal antibody against the immune checkpoint receptor PD-1 that is currently being evaluated in pivotal clinical trials globally and in China and for which we plan to commence additional pivotal trials as a monotherapy and in combination with standard of care to treat various solid and hematological cancers. Tislelizumab is designed to bind to and block downstream activity of PD-1, a cell surface receptor that plays an important role in downregulating the immune system by preventing the activation of T-cells. Tislelizumab has high affinity and specificity for PD-1. It is differentiated from the currently approved PD-1 antibodies by an engineered Fc region, which we believe may minimize potentially negative interactions with other immune cells based on preclinical data. We have a global strategic collaboration with Celgene for tislelizumab for solid tumors outside of Asia (other than Japan) as further described in "—Collaboration Agreements—Celgene."

Mechanism of Action

Cells called cytotoxic T-lymphocytes, or CTLs, provide an important self-defense mechanism against cancer, patrolling the body, recognizing cancer cells due to immunogenic features that differ from normal cells, and killing cancer cells by injecting deleterious proteins into them. T-lymphocytes have various mechanisms that prevent them from damaging normal cells, among which is a protein called PD-1 receptor, which is expressed on the surface of T-lymphocytes. PD-L1 is an important signaling protein that can engage PD-1. PD-L1 binding to PD-1 sends an inhibitory signal inside the T-lymphocyte and abrogates its cytotoxic effects. Many types of cancer cells have hijacked the PD-L1 expression system that normally exists in healthy cells. By expressing PD-L1, cancer cells protect themselves from being killed by CTLs. Tislelizumab is a monoclonal antibody designed to specifically bind to PD-1, without activating the receptor, thereby blocking engagement of PD-1 by its ligands PD-L1 and PD-L2. Therefore, we believe tislelizumab has the potential to restore the ability of CTLs to kill cancer cells. In addition, tislelizumab was specifically engineered to minimize binding to FcγR on macrophages, thereby abrogating antibody-dependent phagocytosis, a potential mechanism of T-cell clearance.

Tislelizumab's Lack of FcγR Binding Prevents Macrophage-Mediated T-Cell Clearance



FcγRI=Fc gamma receptor-1, mAb=monoclonal antibody, MHC=major histocompatibility complex, NK=natural killer, PD-1=programmed cell death receptor-1, PD-L1=programmed cell death-ligand.

Arlauckas et al. SciTransl Med. 2017;9(389):eaal3604.

Market Opportunity and Competition

A number of PD-1 or PD-L1 antibody drugs have been approved by the FDA. These include Merck's KEYTRUDA® (pembrolizumab), Bristol-Myers Squibb's OPDIVO® (nivolumab), Roche's TECENTRIQ® (atezolizumab), AstraZeneca's IMFINZI® (durvalumab) and Pfizer and Merck Sereno's BAVENCIO® (avelumab). In the global setting, several PD-1 or PD-L1 antibody agents are in clinical development besides us, such as Regeneron's cemiplimab, Novartis' PDR-001, Tesaro's TSR042 and Pfizer's PF-06801591. According to the Frost & Sullivan Report, in 2017, global sales of the PD-1 class reached US$10.1 billion, which make some of these therapies among the best-selling and fastest launched oncology drugs in history.

We believe there is a large commercial opportunity in China for PD-1 or PD-L1 antibody drugs. Currently available clinical data suggest that some of the most prevalent cancers in China, such as lung, gastric, liver and esophageal cancers, are responsive to this class of agents. In 2012, 38%, 45%, 51% and 49% of the worldwide mortalities from lung, gastric, liver and esophageal cancers, respectively, occurred in China, according to the World Health Organization. Collectively, these four tumor types comprised over 2.3 million new cases in 2016 in China alone, according to Chen et al. 2016. In addition, China has a higher proportion of PD-1 responsive tumors in its total annual cancer incidence in comparison to other geographies like the United States and the European Union, or EU. According to Chen et al. 2016, the annual incidence of the top 10 PD-1 responsive tumors in China is estimated to be 3.0 million out of 4.3 million in total annual cancer incidence. In comparison, the

estimated annual incidence of the top 10 PD-1 responsive tumors is 0.9 million out of 1.7 million in total annual cancer incidence in the United States, and 0.9 million out of the 1.8 million total in the EU5 countries according to SEER program of the U.S. National Cancer Institute and the World Health Organization.

In China, there is only one approved PD-1 antibody agent, Bristol-Myers Squibb's OPDIVO® (nivolumab) and there are no approved PD-L1 antibody agents yet. The CDE, under the CDA, released guidance in February 2018 on the requirements for NDA submissions of PD-1/L1 agents, specifically for data from single-arm trials on refractory / recurrent advanced cancers without standard-of-care therapies. A pre-NDA meeting is required before NDA submission, and a rolling NDA submission will be accepted for PD-1/L1 therapies. On June 15, 2018, the CDA approved Bristol-Myers Squibb's OPDIVO® (nivolumab) for the treatment of locally advanced or metastatic NSCLC after platinum-based chemotherapy in adult patients without EGFR or ALK genomic tumor aberration. Merck submitted an NDA for pembrolizumab in February 2018. Among domestic Chinese companies, Junshi submitted an NDA for JS001 (trepinzumab) in March 2018, and Innovent submitted an NDA for IBI308 (sintilimab) and Hengrui submitted an NDA for SHR-1210 (camrelizumab) in April 2018. The table below summarizes the China competitive landscape of tislelizumab, according to the Frost & Sullivan Report.

PD-1/PD-L1 Competitive Landscape in China (Late-Stage)							
Binding of the PD-1 ligands, PD-L1 and PD-L2, to the PD-1 receptor found on T-cells, inhibits T-cell proliferation and cytokine production. Upregulation of PD-1 ligands occurs in some tumors and signaling through this pathway can contribute to inhibition of active T-cell immune surveillance of tumors. Thus, PD-1 or PD-L1 inhibitor antibodies could inhibit this pathway and reactivate the T-cell immune surveillance of tumors.							
Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indication	Reimbursement	U.S. Patent Exclusivity	Generic Versions
nivolumab	OPDIVO®	BMS	Approved in June 2018	2L NSCLC	NA	2027	NA
pembrolizumab	KEYTRUDA®	MSD	NDA review	melanoma	NA	2028	NA
trepinzumab (JS001)	NA	Junshi	NDA review	melanoma	NA	NA	NA
sintilimab (IBI308)	NA	Innovent	NDA review	cHL	NA	NA	NA
camrelizumab (SHR-1210)	NA	Hengrui	NDA review	cHL	NA	NA	NA
tislelizumab (BGB-A317)	**NA**	**BeiGene**	**NDA submission in 2018 for the treatment of cHL; currently also in other PhIII and pivotal PhII trials**	**cHL**	**NA**	**2033**	**NA**

Abbreviations: cHL = classical Hodgkin's lymphoma

Summary of Clinical Results

As of July 5, 2018, we have enrolled over an aggregate of 1,500 patients in clinical trials of tislelizumab, including combination trials. Preliminary data from our monotherapy Phase 1 trials suggested that tislelizumab was generally well-tolerated and exhibited anti-tumor activity in a variety of tumor types. There is no guarantee that these results will be reproduced in pivotal trials.

A multi-center, open-label Phase 1 trial of tislelizumab as monotherapy in advanced solid tumors is being conducted in Australia, New Zealand, the United States, Taiwan and South Korea and consists of dose escalation, schedule-expansion, fixed-dose expansion, and indication expansion in disease-specific cohorts. On November 11, 2016, we presented updated data from the dose escalation phase of our Phase 1 trial for a total of 103 patients with advanced solid tumors at the Society for Immunotherapy of Cancer, or SITC, 31st Annual Meeting.

A mixed patient population of 27 different tumor types was included in this data analyses, in which patients with melanoma, NSCLC or HNSCC were not enrolled, and patients with renal cell cancer and urothelial carcinoma together represented close to 15% of the enrolled patients. Among 99 patients evaluable for efficacy as of September 30, 2016, anti-tumor activities were observed in 15 patients with a PR and 23 patients with SD. The PRs include three PRs in nine renal cell carcinoma patients; three in six urothelial cancer patients; two in four gastric cancer patients; two in two Merkel cell carcinoma patients; one in four nasopharyngeal patients; one in one penis squamous cell carcinoma patient; one in one duodenal carcinoma patient; two in two MSI-high patients, one with colorectal cancer among a total of 13 colorectal cancer patients, and one with pancreatic cancer among a total of two pancreatic cancer patients. At the time of the data cutoff for the safety analysis, the most common treatment-related AEs (≥5%) were fatigue (19%), diarrhea (13%), rash (11%), pruritus (11%), nausea (8%), hypothyroidism (7%), and infusion related reactions (6%). Treatment-related SAEs included four cases of colitis, two cases of hypotension, and one case each of diarrhea, diabetes mellitus, diabetic ketoacidosis, dyspnea, hypoxia, infusion-related reaction, and pneumonitis. Among these, grade 3 or above treatment-related SAEs included the two cases of hypotension and one case each of colitis, diabetes mellitus, diabetic ketoacidosis, dyspnea, hypoxia, and pneumonitis. Other treatment-related grade 3 or above AEs included two cases each of fatigue and hyperglycemia, and one case each of back pain, elevated alanine aminotransferase, or ALT, and elevated gamma-glutamyl transferase, or GGT.

From 2017 to date, we have presented preliminary data from multiple disease-specific subgroups in the ongoing Phase 1 trial of tislelizumab in advanced solid tumors, including patients with HCC, GC, esophageal cancer, or EC, HNSCC, OC and UC.

Hepatocellular (Liver) Cancer

The data presented on HCC are from 40 patients treated with tislelizumab at a dose of 5 mg/kg every three weeks, or Q3W. The majority of the enrolled patients (34/40 patients) had a hepatitis B virus infection. At the time of the data cutoff on April 28, 2017, the median treatment duration was 64 days (range of 1 to 471 days).

AEs assessed by the investigator to be treatment-related occurred in 21 patients (53%). Of those, rash (20%), pruritus (13%), increased aspartate aminotransferase, or AST (8%), fatigue (5%), hypothyroidism (5%) and decreased appetite (5%) were reported in more than one patient. All of the treatment-related AEs were grades 1 or 2, with the exception of one grade 5 event of acute hepatitis assessed by the investigator to be related to tislelizumab. This patient had widely metastatic disease and died five weeks after receiving his first and only dose of tislelizumab and subsequently developing evidence of disease progression.

At the time of the data cutoff, the efficacy evaluation was early, and 27 patients were evaluable for response, defined as having measurable disease at baseline and at least one post-baseline tumor assessment, or progression or death. Twelve of the evaluable patients remained on treatment and seven of these had only one tumor assessment at the time of the data cutoff. Confirmed and unconfirmed PRs were observed in three patients, all with hepatitis-B-positive HCC. One PR was confirmed before the cutoff date, one was confirmed one day following the cutoff date, and one was unconfirmed and the patient remained on therapy. Nine patients achieved SD, some of whom also had significant reductions in Alpha-fetoprotein levels.

Gastric and Esophageal Cancers

The data presented on GC and EC were from 83 patients, 46 with advanced or metastatic GC and 37 with EC, treated with tislelizumab at 2 mg/kg or 5 mg/kg every two weeks, or Q2W, or Q3W. At the time of the data cutoff on June 8, 2017, median treatment duration was 45 days (range 4—457 days) for patients with GC and 50 days (range 1—246 days) for patients with EC.

AEs assessed by the investigator to be treatment-related occurred in 15 patients with GC (33%). Of those, abdominal pain (9%), decreased appetite (9%), fatigue (7%), nausea (7%) and pruritus (4%) were reported in more than one patient, and all of these cases were grades 1 or 2. AEs assessed to be treatment-related occurred in 15 patients with EC (41%). Of those, fatigue (16%), nausea (8%), decreased appetite (5%), infusion-related reaction (5%) and myalgia (5%) occurred in more than one patient, and all of these cases were grades 1 or 2. Only one patient in each cohort reported a treatment-related AE of grade 3 or higher: grade 3 proteinuria in one patient with GC and grade 3 dermatitis in one patient with EC. SAEs considered treatment-related included one case of diarrhea and one case of pyrexia, each occurring in patients with GC. Eight patients (two with GC, six with EC) had a treatment-emergent AE with a fatal outcome; none of which was assessed as treatment-related.

The efficacy-evaluable population included 34 GC patients and 31 EC patients. Despite the short median follow-up time, four achieved confirmed PRs and three achieved SD among GC patients. Among EC patients, two achieved a confirmed PR and nine achieved SD. Three of the nine patients with EC who achieved SD also achieved an unconfirmed PR, including one who awaits response confirmation. At the time of the data cutoff, 27 patients remained on treatment.

Head and Neck Squamous Cell Cancer

The HNSCC data presented were from 18 patients treated with tislelizumab at 5 mg/kg Q3W. At the time of the data cutoff on June 8, 2017, median treatment duration was 104 days (range 30—339 days).

AEs assessed by the investigator to be treatment-related occurred in seven patients (39%). Of those, only fatigue (11%, all grade 1 or 2) was reported in more than one patient. One case of grade 3 nausea was the only treatment-related AE of grade 3 or higher in severity. No patient discontinued treatment due to a treatment-related AE, and of the nine deaths reported, none were considered to be treatment-related.

The efficacy-evaluable population included 17 HNSCC patients. Despite short median follow-up time, three achieved a confirmed PR and six achieved SD. At the time of the data cutoff, three patients remained on treatment.

Ovarian Cancer

The OC dataset included 51 patients treated with tislelizumab at different dose levels (0.5 to 10 mg/kg Q2W in dose escalation, 2 or 5 mg/kg Q2W or Q3W or 200 mg Q3W in dose expansion, or 5 mg/kg Q3W in indication expansion). At the time of the data cutoff on June 8, 2017, median treatment duration was 71 days (range 29—540 days).

AEs assessed by the investigator to be treatment-related occurred in 28 patients (55%). Of those, fatigue (18%), pruritus (10%), rash (10%), diarrhea (10%), lethargy (6%), nausea (6%), abdominal pain (4%), dry eye (4%), dry skin (4%), onychoclasis (4%) and maculo-papular rash (4%) were reported in more than one patient, and all, except one case of grade 3 diarrhea, were grades 1 or 2. Two additional treatment-related AEs of grade 3 or higher included one case each of grade 3 pyrexia and stomatitis. SAEs considered to be treatment-related occurred in three patients and included one case each of pyrexia, colitis and mucosal inflammation.

The efficacy-evaluable population included 50 OC patients. Two achieved a confirmed PR and 20 achieved SD. At the time of the data cutoff, six patients remained on treatment.

Urothelial Cancer

The UC dataset included 16 patients. Of these, 12 had one or more prior systemic anticancer treatment for metastatic disease and the remaining four had progressed after receiving platinum-based regimen in the neoadjuvant or adjuvant setting. In addition, five patients had prior radiotherapy. At the time of the data cutoff on August 28, 2017, median treatment duration was 4.3 months (range of 0.7 to 18.3 months). A total of six patients remained on treatment.

AEs assessed by the investigator to be treatment-related occurred in 14 patients (88%). Of those, fatigue (31%), rash (19%), infusion-related reactions (13%), nausea (13%), pain in extremity (13%) and proteinuria (13%) occurred in more than one patient. All of the treatment-related AEs were grade 1 or 2 except one case each of fatigue, hyperglycemia and diabetes mellitus. One AE of muscle weakness, which was associated with disease progression and occurred more than one month after the last dose of tislelizumab, had a fatal outcome. This event was considered by the investigator not to be treatment-related.

The efficacy-evaluable population included 15 UC patients. One patient had a confirmed CR, four achieved a confirmed PR, and three achieved SD. Nine evaluable patients had PD-L1 status determined. There was one CR, two PR and one SD among six PD-L1 high patients, and one PR among three PD-L1 low or negative patients.

We expect to complete enrollment of patients in pivotal Phase 2 trial of urothelial cancer in China in 2018.

Hodgkin's Lymphoma

In June 2018, we received preliminary topline results from the independent review of response data from our Phase 2 single-arm pivotal trial of tislelizumab in Chinese patients with R/R cHL. This trial enrolled 70 patients with cHL who either failed autologous stem cell transplantation, or ASCT, or who were ineligible for ASCT. The primary endpoint was overall response rate as defined by the Lugano 2014 criteria. Secondary endpoints included progression-free survival, duration of response, complete response rate, time to response, safety, and tolerability. As of the data cutoff, the median follow-up time was approximately 6.0 months. The overall response rate was 73%, including 50% complete response, and the median duration of response had not been reached. Frequency and severity of adverse events was generally consistent with the previously reported Phase 1 safety and tolerability data for tislelizumab, or, in the case of certain immune-related events such as hypothyroidism and fever, consistent with previous reports of other PD-1 antibodies for the treatment of cHL. We expect to include these data, along with additional follow-up data from the study, in the NDA that we plan to file with the CDA in China later this year, and we also plan to present full results of the trial at an upcoming medical conference.

Combination with Pamiparib

On June 5, 2017, we presented initial data from the dose-escalation portion of the Phase 1 trial of tislelizumab in combination with our investigational PARP inhibitor, pamiparib, in patients with advanced solid tumors at the 2017 American Society for Clinical Oncology, or ASCO, Annual Meeting. We presented an updated dataset on January 25, 2018 at the 2018 ASCO-SITC Clinical Immuno-Oncology Symposium. The preliminary data suggested that the combination of tislelizumab and pamiparib was generally well-tolerated and showed anti-tumor activity in multiple solid tumor types.

At the data cutoff of July 31, 2017, 49 patients were enrolled in the dose-escalation portion of the trial. Cohorts of six to 13 patients each received treatments at five planned dose levels, or DLs. Tislelizumab was administered at 2 mg/kg Q3W with pamiparib at 20, 40, or 60 mg twice daily, or BID, in DLs 1, 2 and 3, respectively. Tislelizumab was also administered at a fixed dose of 200 mg Q3W with pamiparib at 40 or 60 mg twice daily in DLs 4 and 5, respectively. Duration of treatment was greater than 200 days for 10 patients, and a total of seven patients remained on treatment as of the data cutoff date.

Dose-limiting toxicities occurred in four patients; these included one patient with grade 2 nausea, one patient with grade 3 rash at DL 4, one patient with grade 2 nausea or vomiting and one patient with grade 4 autoimmune hepatitis at DL 5. The trial identified the recommended Phase 2 dose to be tislelizumab at 200 mg fixed dose Q3W and pamiparib at 40 mg BID.

Grade 3 or 4 non-immune AEs assessed by the investigator to be related to the treatment regimen and reported in more than one patient included anemia (12%), nausea (4%) and fatigue (4%). Immune-related AEs of any grade regardless of causality occurred in 23 patients (47%); those reported in at least two patients included elevated alanine aminotransferase, or ALT, elevated AST, hypothyroidism, auto-immune hepatitis / hepatitis, diarrhea, elevated gamma-glutamyl transferase, or GGT, hyperthyroidism and pruritus. Grade 3 and 4 liver-related AEs regardless of causality were reported in nine patients, including five patients with hepatitis and four patients with ALT, AST and/or GGT elevations. Together, liver-related AEs of any grade regardless of causality were observed in 13 patients; all events were manageable and reversible with corticosteroid treatment. The trial protocol was amended to increase real-time hepatic safety monitoring consistent with new European Society for Medical Oncology, or ESMO, guidance for immune-related treatment-emergent AEs. Certain IRAEs may be associated with checkpoint inhibition and the combination of checkpoint inhibitors with other drugs.

At the data cutoff of July 31, 2017, 49 patients were evaluable for efficacy. Best responses included two confirmed CRs, five confirmed PRs, and seven unconfirmed PRs. The clinical benefit rate including CRs, PRs and durable SDs with at least 24 weeks was 31%. With longer follow-up, as of January 4, 2018, among the 49 evaluable patients, best responses included two confirmed CRs, eight confirmed PRs, and four unconfirmed PRs. The clinical benefit rate was 39%. As of the July 31, 2017 cutoff, 11 patients remained on treatment, the median duration of response was 168.5 days (range: 64-508 days), and duration of treatment was over 200 days in 10 patients.

The trial is currently planned to further evaluate the combination's activity in expansion cohorts of patients with ovarian, triple-negative breast, castration-resistant prostate, lung, gastric or gastro-esophageal junction, urothelial and pancreatic cancers.

Clinical Development Plan

We are running a broad development program with Celgene including global pivotal trials in Asia-prevalent cancers, such as NSCLC, EC and HCC, which are intended to support regulatory submissions globally and in China. We have initiated Phase 3 trials to evaluate tislelizumab as a potential second- or third-line treatment compared to docetaxel in patients with NSCLC; as a potential first line treatment compared to sorafenib in patients with HCC; and as a potential second-line treatment compared to investigator-chosen chemotherapy in patients with ESCC. We have also recently initiated a global Phase 2 trial in patients with previously treated advanced HCC, as well as a global Phase 2 trial in patients with relapsed or refractory mature T- and NK-cell lymphomas, with the first patient in both trials dosed in April 2018. We and Celgene expect to commence additional pivotal trials in 2018 and 2019, such as a pivotal trial in gastric cancer.

We have three additional China pivotal trials ongoing, including two Phase 2 trials in patients with R/R cHL and in patients with PD-L1 positive urothelial cancer and a Phase 3 trial in combination with chemotherapy in patients with non-squamous NSCLC. We expect to file for regulatory approvals in China for tislelizumab in these indications based on the results of these Phase 2 trials. If we receive conditional approval instead of full approval, we will be required to conduct one or more confirmatory studies after such conditional approvals. We received preliminary topline results from the independent review of the Phase 2 pivotal trial in Chinese patients with R/R cHL. The overall response rate was

73%, including 50% complete response, and the frequency and severity of adverse events was generally consistent with the previously reported data for tislelizumab, or, in the case of certain immune-related events such as hypothyroidism and fever, consistent with previous reports of other PD-1 antibodies for the treatment of cHL. We expect to include these data, along with additional follow-up data from the study, in the NDA that we plan to file with the CDA in China later this year, subject to the successful completion and satisfactory results of the trials.

If approved, we plan to commercialize tislelizumab shortly after approval.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET TISLELIZUMAB SUCCESSFULLY.

Pamiparib (BGB-290), a PARP Inhibitor

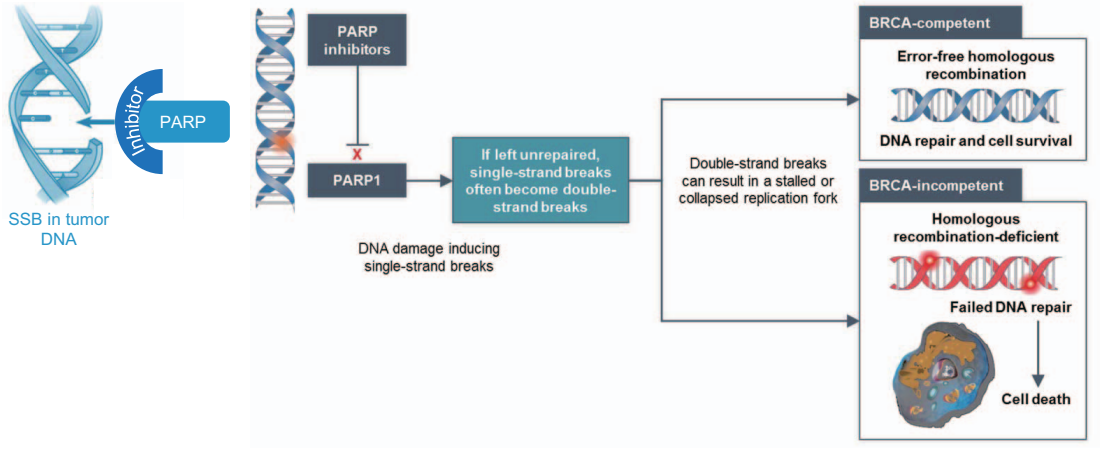
Pamiparib is an investigational small molecule inhibitor of PARP1 and PARP2 that is being evaluated as a potential monotherapy and in combinations for the treatment of various solid tumors. We believe pamiparib has the potential to be differentiated from other PARP inhibitors because of its potential brain penetration, greater selectivity, strong DNA-trapping activity, and good oral bioavailability. Pamiparib has demonstrated pharmacological properties such as brain penetration and PARP—DNA complex trapping in preclinical models.

Mechanism of Action

PARP family members PARP1 and PARP2 play essential roles in cell survival in response to DNA damage. PARP1 and PARP2 are key base-excision-repair proteins that function as DNA damage sensors by binding rapidly to the site of damaged DNA and modulating a variety of proteins in DNA repair processes. Inhibition of PARPs prevents the repair of common single-strand DNA breaks which leads to formation of double-strand breaks during DNA replication. Double-strand DNA breaks in normal cells are repaired by homologous recombination, and normal cells are relatively tolerant of PARP inhibition. On the other hand, cancer cells with mutations in breast cancer susceptibility gene, or BRCA1/2 genes, which are key players in homologous recombination, are highly sensitive to PARP inhibition. This phenomenon is called "synthetic lethality" and is the foundation of the therapeutic utility of PARP inhibitors as a monotherapy for BRCA mutant cancers. In addition to hereditary BRCA1/2 mutations, the synthetic lethality concept has been broadened to include sporadic tumors that display homologous recombination deficiency, or HRD, a gene expression profile that resembles that of a BRCA deficient tumor. HRD can stem from somatic mutation of BRCA1/2, epigenetic silencing of BRCA genes or genetic or epigenetic loss of function of other genes in homologous recombination DNA damage repair pathways. Third-party clinical studies have published results demonstrating that sensitivity to platinum-based chemotherapies confers sensitivity to PARP inhibitors in OC as well. Thus, the application of PARP inhibitors is likely broader than BRCA or HRD mutations, and there is additional possibility to identify and enrich patient populations for PARP inhibition.

Another potential therapeutic utility of PARP inhibitors is combination therapy that has strong scientific rational. PARP proteins are key factors in base-excision-repair, which is critical for the repair of DNA lesions caused by some chemotherapeutic agents and by radiation. PARP inhibitors are hypothesized to potentiate cytotoxicity of DNA-alkylating agents such as platinum compounds, temozolomide and ionizing radiation and may be used in combination with these agents in treating various cancers.

Role of PARP and BRCA in DNA Repair



SSB = single-strand DNA breaks, BRCA=breast cancer gene, PARPi=poly (ADP-ribose) polymerase inhibitor.
McLornan et al. N Engl J Med. 2014;371(18):1725-1735, 2. Hoeijm akers et al. Nature. 2001;411:366-374.

PARP inhibitors are also considered good potential combination partners with checkpoint inhibitors in part due to increased mutations in tumor cells as a result of the blockade of DNA repair by PARP inhibitors as a higher mutational load of cancers has been shown in clinical studies to correlate with improved response to checkpoint inhibitors. In addition, preclinical data suggest that BRCA mutant tumors which are sensitive to PARP inhibition are likely to be immunogenic and responsive to PD-1 or PD-L1 antibodies.

Market Opportunity and Competition

We believe that the market opportunity for PARP inhibitors is large and expanding in various tumor histologies, settings and patient segments. Many tumor types have been shown to be responsive to PARP inhibitors, including OC, breast cancer, prostate cancer and GC. PARP inhibitors have demonstrated encouraging activities both in relapsed and refractory patients as well as in the maintenance setting. In the United States, each year there are approximately 22,440 new cases of OC, 252,710 new cases of breast cancer, 161,360 new cases of prostate cancer, and 28,000 new cases of GC, according to the U.S. National Cancer Institute. In China, each year there are approximately 52,000 new cases of OC, 272,000 new cases of breast cancer, 60,000 new cases of prostate cancer, and 680,000 new cases of GC according to Chen et al. 2016.

A number of PARP inhibitors have been approved by the FDA. These include AstraZeneca's LYNPARZA® (olaparib), Clovis Oncology's RUBRACA® (rucaparib) and Tesaro's ZEJULA® (niraparib). Several PARP inhibitors are in late-stage clinical development besides pamiparib, including AbbVie's veliparib and Pfizer's talazoparib. In 2017, global sales of the PARP class exceeded US$461 million according to company reports. In China, there were no approved PARP inhibitors as of July 18, 2018. AstraZeneca has submitted an NDA for olaparib. In addition, Zai Lab obtained the development and commercial rights for niraparib in China, and is currently running a Phase 1 pharmacokinetics study, a Phase 3 trial as a maintenance treatment after two lines of platinum-containing therapy in patients with OC, a Phase 3 trial as a maintenance treatment after one line of platinum-containing therapy in patients with OC, and a Phase 3 trial as a maintenance treatment after one line of platinum-containing therapy in patients with small cell lung cancer. There are some other PARP inhibitors being developed by domestic Chinese companies, including fluzoparib from Hengrui and Hansoh. The table below summarizes the China competitive landscape of pamiparib, according to the Frost & Sullivan Report.

PARP Competitive Landscape in China (Late-Stage)

PARP inhibitors are involved in DNA transcription and repair. PARP can detect and initiate the immediate cellular response to chemical or radiation-induced single-strand DNA breaks by signaling the enzymatic machinery involved in the repair process. Cancer cells with mutations in breast cancer susceptibility gene, or BRCA1/2 genes, are highly sensitive to PARP inhibition. This phenomenon is called "synthetic lethality" and is the foundation of the therapeutic utility of PARP inhibition in cancer therapy.

Products (generic name)	Products (brand name)	Company	CDA Status	Lead Indications	Reimbursement	U.S. Patent Exclusivity	Generic Versions
olaparib	LYNPARZA®	AstraZeneca	NDA review	Ovarian cancer, Breast cancer	NA	2022	NA
ZL-2306	ZEJULA® (in the US)	Tesaro, Zai Lab	PhIII	Ovarian cancer, small cell lung cancer	NA	2030	NA
Pamiparib (BGB-290)	**NA**	**BeiGene**	**PhIII**	**Ovarian cancer**	**NA**	**2031**	**NA**

Summary of Clinical Data

As of July 5, 2018, we have enrolled over 350 patients in clinical trials of pamiparib, including combination trials.

A multi-center, open-label Phase 1/2 trial of pamiparib is being conducted in Australia in patients with advanced solid tumors. On September 8, 2017, we presented preliminary clinical data from the ongoing Phase 1/2 trial of pamiparib in patients with advanced solid tumors at the ESMO 2017 Congress. As of June 1, 2017, 68 patients were enrolled in the trial. The median duration of therapy for all patients was 79 days (range 1 to 926 days). At the time of the data cutoff, 20 patients remained on treatment.

The safety analysis suggested that pamiparib was generally well-tolerated in patients with advanced solid tumors. AEs assessed to be treatment-related occurred in 78% of patients and were all grade 3 or lower in severity. The most common treatment-related AEs (≥10% of patients) were nausea (56%), fatigue (40%), anemia (25%), vomiting (21%), diarrhea (21%), decreased appetite (15%), and neutropenia or neutrophil count decrease (12%). SAEs occurred in 46% of patients, and SAEs considered to be treatment-related and occurring in more than one patient included two cases each of nausea and anemia. Four patients reported dose-limiting toxicity, or DLT. Four patients had a treatment-emergent AE with a fatal outcome, none were assessed as being treatment-related and all of which were associated with disease progression.

At the time of the data cutoff, 39 patients with epithelial ovarian cancer, or EOC, or associated tumors such as fallopian tube or primary peritoneal cancers were evaluable for efficacy. Among this group, there were three confirmed CRs, 10 confirmed PRs, and 21 cases of SD. Of the 23 evaluable patients with EOC or other associated tumors known to be BRCA-mutated, there were three CRs, seven PRs, and 10 cases of SD. Of the 13 evaluable patients whose BRCA gene types are wild type, there were two PRs. Of the three evaluable patients whose BRCA gene types were unknown, there was one PR. Complete and partial responses were observed in patients known to be platinum-resistant as well as patients with platinum-sensitive disease. There is no guarantee that these results will be reproduced in pivotal trials.

On April 16, 2018, we presented the preliminary clinical data from the open-label, multi-center Phase 1 dose-escalation trial of pamiparib in Chinese patients with locally advanced or metastatic high-grade non-mucinous ovarian cancer, or HGOC, including fallopian cancer, or triple-negative breast cancer, or TNBC, who had disease progression following at least one line of chemotherapy at the 2018 American Association for Cancer Research Annual Meeting in Chicago, IL.

Patients were dosed at 20mg, 40mg, or 60mg BID. As of September 25, 2017, 15 female patients were enrolled, nine with HGOC and six with TNBC. Nine patients received four or more prior lines of therapies. All nine patients with HGOC were platinum-resistant (n=8) or refractory (n=1). Seven patients had a confirmed BRCA1/2 mutation (BRCAm), including five patients with HGOC and two patients with TNBC and the remaining patients had BRCA 1/2 wildtype (BRCA-WT). The median duration of treatment was 2.5 months (range: 8-260 days).

The safety analysis suggested that pamiparib was generally well-tolerated. No dose-limiting toxicities were reported across the dose range, with RP2D confirmed as 60mg BID. Asthenia (n=12) and nausea (n=12) were the most commonly reported treatment-emergent AE. Severity of all AEs was grade 3 or less. Overall, three patients experienced a serious AE (grade 2 abdominal infection, n=1; grade 3 pleural effusion, n=1; grade 3 ileus, n=1), none of which were considered related to treatment. Two of the SAEs led to treatment withdrawal (abdominal infection, n=1; pleural effusion, n=1).

As of September 25, 2017, 13 of the 15 patients were evaluable for antitumor activity; five patients remained on treatment. Two of the nine HGOC patients achieved a confirmed PR including one platinum-refractory patient with BRCA wildtype status and one platinum-resistant patient with BRCA1/2 mutation, six HGOC patients had SD (BRCAm, n=4 and BRCA-WT, n=2) and one patient discontinued before the first radiographic assessment. Of the six treated TNBC patients, five

(BRCAm, n=1, BRCA-WT, n=4) experienced disease progression and one patient (BRCAm) discontinued before the first radiographic assessment. Four of these evaluable TNBC patients were BRCA-WT and all experienced disease progression during the previous platinum-based chemotherapy.

Clinical Development Plan

In addition to the ongoing Phase 2 trial of pamiparib in combination with tislelizumab, we are currently conducting two other global combination trials: a Phase 1b/2 trial of pamiparib with radiation therapy and/or temozolomide in patients with glioblastoma and a Phase 1b/2 trial of pamiparib with temozolomide in patients with advanced tumors such as OC, TNBC, small cell lung cancer, prostate cancer and GC. We are also running a global Phase 3 maintenance trial in patients with platinum-sensitive GC.

In China, we are conducting a Phase 2 pivotal trial in patients with gBRCA-positive OC who have received at least two prior lines of therapy in advanced or metastatic setting and a Phase 3 trial as a maintenance therapy in patients with platinum-sensitive recurrent OC.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET PAMIPARIB SUCCESSFULLY.

Lifirafenib (BGB-283), a RAF Dimer Inhibitor

Lifirafenib is an investigational novel small molecule inhibitor with RAF monomer and dimer inhibition activities. Lifirafenib has shown antitumor activities in preclinical models and in cancer patients with tumors harbouring BRAF V600E mutations, non-V600E BRAF mutations or KRAS/NRAS mutations. We have been developing lifirafenib for the treatment of cancers with aberrations in the mitogen-activated protein kinase, or MAPK, pathway, including BRAF gene mutations and KRAS/NRAS gene mutations where first generation BRAF inhibitors are not effective. The MAPK pathway consists of proteins in the cell that transmit a signal from a receptor on the surface of the cell to the DNA in the nucleus of the cell. This pathway plays an essential role in regulating cell proliferation and survival. We believe that lifirafenib as monotherapy or in combination with other agents may have a potential for treating various malignancies, such as melanoma, NSCLC and endometrial cancer.

Roche's ZELBORAF® (vemurafenib) and Novartis' TAFINLAR® (dabrafenib) are two of the currently approved BRAF inhibitors for treating late-stage BRAF V600E/K mutant melanoma. In addition, the combination of dabrafenib and GSK's MEKINIST® (trametinib), an MEK inhibitor, as well as vemurafenib and COTELLIC® (cobimeditinib), another MEK inhibitor, are approved in patients with BRAF V600E/K mutation-positive metastatic melanoma. We are aware of several other BRAF inhibitors in clinical development targeting BRAF V600E/K mutated cancers including melanoma, NSCLC, hairy cell leukemia and thyroid cancer. These BRAF inhibitors include Array Biopharma's encorafenib, currently in Phase 3 trials, and Takeda's MLN-2480 (BIIB-024) and TAK-580, Daiichi Sankyo's PLX-8394, Roche's RG-6185, Genentech's HM95573 and Novartis' LXH254 in Phase 1 trials.

Currently approved first-generation BRAF inhibitors, vemurafenib and dabrafenib, are only active against the BRAF monomer. Because lifirafenib is designed to inhibit both the monomer and dimer forms of RAF, we believe lifirafenib has the potential to be a first-in-class RAF dimer inhibitor. Lifirafenib was evaluated in a multicenter, open-label Phase 1 trial conducted in Australia and New Zealand comprised of two parts — dose escalation and dose expansion — in patients with BRAF or KRAS/NRAS mutated solid tumors or patients with pancreatic cancer. Lifirafenib demonstrated antitumor activity in both BRAF and KRAS-mutated tumors in preclinical studies and in the dose-escalation portion of this Phase 1 trial.

We presented data from the dose-expansion portion of the trial at the 2017 American Association for Cancer Research Annual Meeting. The dose-expansion portion of the trial was designed to evaluate the safety and efficacy of lifirafenib at the recommended Phase 2 dose of 30 mg once daily established in the dose-escalation part of the trial. In the dose-expansion portion, lifirafenib was generally well-tolerated at a dose of 30 mg once daily and continued to show antitumor activity in patients with BRAF V600-mutated solid tumors and patients with KRAS-mutated solid tumors. The safety analysis, which included 96 patients as of the September 12, 2016 cutoff, suggested that lifirafenib was generally well-tolerated at 30 mg once daily, with most drug-related AEs being grades 1 or 2 in severity. The most frequent drug-related AEs (≥10%) of any grade were fatigue (38.5%), dysphonia (26.0%), decreased appetite (21.9%), palmar-plantar erythrodysaesthesia syndrome (21.9%), thrombocytopenia (19.8%), dermatitis acneiform (17.7%), diarrhea (16.7%), rash (16.7%), nausea (15.6%), hypertension (11.5%) and glossodynia (10.4%). The most frequent drug-related grade 3 and 4 AEs (≥ 2%, two patients or more) included fatigue (7.3%), hypertension (6.3%), thrombocytopenia (6.3%), pyrexia (3.1%), hyponatremia (2.1%), anemia (2.1%), neutropenia (2.1%), febrile neutropenia (2.1%), decreased platelet count (2.1%), increased alanine aminotransferase (2.1%), increased GGT (2.1%) and sepsis (2.1%).

The cutoff for the efficacy analysis was September 17, 2016. In seven patients with BRAF V600-mutated melanoma (including one V600K and one V600R) who were naïve to BRAF or MEK inhibitors, there were three PRs and three cases of SD. In three patients with BRAF V600-mutated PTC, there was one PR and two cases of SD. In six patients with KRAS-mutated NSCLC, there was one PR and two cases of SD. In ten patients with solid tumors with BRAF non-V600 mutations or solid tumors with BRAF V600 mutations that are not included in other cohorts, there were two PRs, in one patient with BRAF V600E-mutated melanoma and one with BRAF V600E-mutated OC, and three cases of SD. In two patients with BRAF V600-mutated NSCLC, there was one unconfirmed PR and one case of SD. Additional cases of SD were observed in four of six melanoma patients with BRAF V600-mutated melanoma who had responses to but developed resistance against BRAF or MEK inhibitors, nine of 13 patients with BRAF V600-mutated CRC, five of five patients with KRAS-mutated endometrial cancer, 12 of 20 patients with KRAS/NRAS-mutated CRC, and 10 of 21 patients with other KRAS/NRAS-mutated solid tumors or pancreatic cancer. In the Phase 1a portion of the trial, confirmed objective responses included a CR in a patient with BRAF V600E-mutated melanoma and two PRs, one in a patient with BRAF V600E-mutated thyroid cancer and one in a patient with KRAS-mutated endometrial cancer.

BGB-A333, a PD-L1 Inhibitor

BGB-A333 is an investigational humanized IgG1-variant monoclonal antibody against PD-L1, the ligand of PD-1. We intend to develop BGB-A333 either as a monotherapy or in combination with other cancer therapies, such as tislelizumab, to treat various cancers and potentially other indications. BGB-A333 is currently being evaluated in a Phase 1 clinical trial in Australia to test the safety and anti-tumor effect of BGB-A333 alone and in combination with tislelizumab in patients with advanced solid tumors.

BGB-A425, a TIM-3 Inhibitor

BGB-A425 is an investigational humanized IgG1-variant monoclonal antibody against T-cell immunoglobulin and mucin-domain containing-3, or TIM-3. We received the investigational new drug clearance in the U.S., and we plan to develop BGB-A425 either as a monotherapy or in combination with other cancer therapies to treat various cancers.

Sitravatinib (MGCD-0516), a Multi-Kinase Inhibitor

In January 2018, we entered into an exclusive license agreement with Mirati for the development, manufacturing and commercialization of Mirati's sitravatinib in Asia (excluding Japan and certain other countries), Australia and New Zealand. Sitravatinib is an investigational spectrum-selective kinase inhibitor which potently inhibits receptor tyrosine kinases, including RET, TAM family receptors (TYRO3, Axl, MER), and split family receptors (VEGFR2, KIT). Sitravatinib is being evaluated by Mirati as a single agent in a dose-expansion trial in patients whose tumors harbor specific genetic alterations in NSCLC and other tumors. Sitravatinib has shown encouraging interim results in an ongoing Phase 2 trial in combination with nivolumab in NSCLC patients who have progressed after prior treatment with a checkpoint inhibitor. We plan to investigate sitravatinib in combination with tislelizumab in China and the licensed territory.

Under the license agreement, Mirati retains exclusive rights for the development, manufacturing and commercialization of sitravatinib outside of the licensed territory. We made an upfront cash payment of US$10 million to Mirati and agreed to pay up to US$123 million based upon the achievement of certain development, regulatory and sales milestones, as well as royalties at tiered percentage rates ranging from mid-single digits to twenty percent on annual net sales of sitravatinib in the licensed territory, subject to reduction under specified circumstances.

Avadomide (CC-122), a Cereblon Modulator

Avadomide (CC-122) is an investigational next-generation Cereblon modulator currently in clinical development by Celgene. It is in multiple Phase 1 and Phase 1/2 clinical trials, both as a single agent and in combination, for hematological and solid tumor cancers outside of China. Avadomide (CC-122) has been differentiated from previous compounds (such as thalidomide, lenalidomide and pomalidomide) and has been developed based on the scientific understanding of Cereblon-mediated protein homeostasis.

In August 2017, we entered into a license and supply agreement with Celgene, pursuant to which we were granted a license to develop and commercialize avadomide (CC-122) in China. See "—Collaboration Agreements—Celgene Corporation."

Our Commercial Products

We commercialize the following cancer drugs in China under an exclusive license from Celgene.

ABRAXANE®

ABRAXANE® (paclitaxel albumin-bound particles for injectable suspension) is a solvent-free chemotherapy product which was developed using Celgene's proprietary nab® technology platform. This protein-bound chemotherapy agent combines paclitaxel with albumin. Globally, ABRAXANE® is approved for uses in breast cancer, NSCLC, pancreatic cancer and GC with geographic differences in labeling. In China, ABRAXANE® is approved for metastatic breast cancer after failure of combination chemotherapy for metastatic disease or relapse within six months of adjuvant chemotherapy. Prior therapy should have included an anthracycline unless clinically contraindicated.

According to Chen et al. 2016, there were approximately 4.3 million new cancer cases and 2.8 million cancer deaths in China in 2015, with breast cancer as the most common tumor type in Chinese women. It is estimated that in 2015 breast cancer affected 268,600 women and resulted in 69,500 deaths. Targeted therapy, hormone therapy and chemotherapy are three main strategies to treat different types of breast cancer.

Taxane is the backbone chemotherapy to treat triple negative breast cancer, Her2+ or aggressive estrogen-receptor-positive and/or progesterone-receptor-positive breast cancer patients. ABRAXANE® is the only currently approved taxane that does not need pre-medication of dexamethasone to prevent hypersensitivity reactions, and several Phase 3 trials have demonstrated its efficacy and safety compared to solvent-based taxanes in both metastatic breast cancer and neo-adjuvant settings. Unlike other taxanes, ABRAXANE® has demonstrated unique and strong efficacy in pancreatic cancer and has become the backbone of first line standard of care for metastatic pancreatic cancer globally.

The taxanes marketed in China include two branded solvent-based paclitaxel (TAXOL® and ANZATAX), one branded docetaxel (TAXOTERE®), one lipsome-paclitaxel (LIPUSU), one albumin-bound paclitaxel (ABRAXANE®) and dozens of generic taxanes. LIPUSU is currently the market leader with approximately one-third of the value share.

In 2017, ABRAXANE® held an estimated 5.4% value share in the taxane market in China. In February 2018, a albumin-bound paclitaxel from CSPC Pharmaceutical Group was approved by the CDA. Another form of albumin-bound paclitaxel from Hengrui is under review by the CDA.

In 2018, we plan to seek to differentiate and defend ABRAXANE® against generic competition in China, expand our sales force footprint and hospital coverage, and improve patient access through critical illness insurance negotiations and provincial reimbursement listings. As of July 18, 2018, ABRAXANE® is listed on provincial reimbursement drug lists of Fujian, Hubei, Ningxia, and Jiangsu, as well as in critical illness insurance program in Zhejiang and Shandong. ABRAXANE® has recently been added to the PRDL in Hunan, effective September 1, 2018.

REVLIMID®

REVLIMID® (lenalidomide) is an oral immunomodulatory drug that was approved by the CDA in China in 2013 for the treatment of multiple myeloma, or MM, in combination with dexamethasone in adult patients who have received at least one prior therapy. On February 2, 2018, REVLIMID® received CDA approval of a new indication for the treatment of MM in combination with dexamethasone in adult patients with previously untreated MM who are not eligible for transplant.

MM is a malignant plasma cell disease whose tumor cells originate in plasma cells in the bone marrow, which are cells in which B-lymphocytes develop to the final functional phase. The current World Health Organization classifies it as a B-cell lymphoma, also known as plasma cell myeloma / plasmacytoma. MM is characterized by abnormal proliferation of bone marrow plasma cells accompanied by overproduction of monoclonal immunoglobulin. MM is often accompanied by multiple osteolytic lesions, hypercalcemia, anemia, and kidney damage. Due to the inhibition of normal immunoglobulin production, patients are prone to a variety of bacterial infections.

At present, MM is one of the most common malignant tumors in the blood system and occurs frequently in the elderly. The actual incidence increases with age, peaking from 60 to 70 years of age. Men suffer slightly more than women. Globally, the incidence was estimated at 2 to 3 per 100,000, with a male-to-female ratio of 1.6:1, and most patients are over 40 years old, according to Siegel et al., 2011 and IMS analysis. It is estimated that the incidence rate of MM is approximately 1-2 per 100,000 people in China, or approximately 18,000 new patients in 2017, out of which 10,000 are in urban populations, according to Lu et al., 2014, IMS analysis, and local market research. With a growing aging population and improving diagnosis, China has seen a steady increase in MM incidence.

Although MM cannot be cured, the progression of the disease can be controlled. The purpose of treatment is to extend patients' survival and improve quality of life. The main treatments for MM in China include VELCADE®, which is a proteasome inhibitor marketed by Johnson and Johnson in China since 2006, generic thalidomide and REVLIMID®. VELCADE® currently dominates the market in first-line MM treatment in China, while VELCADE® and REVLIMID® share the market in the second line. Chinese guidelines recommend lenalidomide as a standard of care for the treatment of R/R and newly diagnosed MM as well as in the maintenance setting. The first lenalidomide generic and first bortezomib generic in China were approved in November 2017. Another new agent for R/R MM, ixazomib, an oral proteasome inhibitor developed by Takeda, received marketing approval from the CDA on April 12, 2018. In February 2018, generic lenalidomide from Shuanglu Pharmaceutical Company was approved by the CDA.

In 2017, the patient share for REVLIMID® in second-line MM in the top 30 hospitals in China rose from an estimated 36% to 47%. REVLIMID® achieved national reimbursement drug listing through a successful price negotiation with the Ministry of Human Resources and Social Security in June 2017.

VIDAZA®

VIDAZA® (azacitidine for injection) is a pyrimidine nucleoside analog that has been shown to reverse the effects of DNA hypermethylation and promote subsequent gene re-expression. VIDAZA was approved in China in April 2017 for the treatment of intermediate-2 and high-risk myelodysplastic syndromes, or MDS, chronic myelomonocyte leukemia, or CMML, and acute myeloid leukemia, or AML, with 20% to 30% blasts and multi-lineage dysplasia. In January 2018, VIDAZA® became commercially available in China.

MDS are a group of cancers in which immature blood cells in the bone marrow do not mature and therefore do not become healthy blood cells. Approximately seven per 100,000 people are affected with approximately four per 100,000 people newly acquiring the condition each year globally according to Germing et al., 2013. The typical age of onset is 70 years. The higher-risk MDS (intermediate-2 and high-risk MDS) is fatal because the median overall survival rate is only 0.4-1.1 years and nearly 30% of these patients progress to AML, according to the U.S. National Comprehensive Cancer network, or NCCN, MDS guideline 2013 and MDS Foundation. DNA methylation is an important mechanism of epigenetic gene regulation, but aberrant DNA hypermethylation can result in gene silencing. Silencing of tumor suppressor genes promotes cancer development and progression. MDS patients display aberrant DNA methylation of thousands of genes, which increases with advanced disease and is a poor prognostic factor.

In China, the main treatments for intermediate-2 and high-risk MDS are conventional care regimen, or CCR (best supportive care, low-dose cytarabine and intensive chemotherapy), and hypomethylating agents, or HMAs. DACOGEN® (decitabine) marketed by Johnson and Johnson was the first HMA agent approved in China in 2009. In the past several years, at least six decitabine generics have become available. In 2017, decitabine was listed in the NRDL. Nevertheless, there are still over 50% of higher-risk MDS patients treated by CCR and the unmet need remains large.

VIDAZA® is the only approved HMA shown to prolong survival for patients with MDS. Besides reversing the effects of DNA hypermethylation, VIDAZA® inhibits protein synthesis via RNA incorporation. VIDAZA® is a Category 1 recommended treatment for patients with intermediate-2 and high-risk MDS, according to the U.S. NCCN guideline. It is also a first-line recommended treatment for patients with intermediate-2 and high-risk MDS, according to the Chinese MDS treatment guidelines.

Our Preclinical Programs

We have a proprietary cancer biology platform that has also allowed us to develop our clinical-stage drug candidates and several additional preclinical-stage drug candidates in potentially important areas. These currently consist of targeted therapies and immuno-oncology agents, including an additional RAF dimer inhibitor and a BTK inhibitor for non-oncology indications. We anticipate

advancing one or more of our preclinical assets into the clinic in the next 12 months. We believe we have the opportunity to combine tislelizumab with our preclinical candidates to target multiple points in the cancer immunity cycle. We also may seek to develop companion diagnostics that will help identify patients who are most likely to benefit from the use of our drug candidates.

Collaboration Agreements

Celgene Corporation

Exclusive License and Collaboration Agreement

On July 5, 2017, we entered into an Exclusive License and Collaboration Agreement, as amended and restated, with Celgene and its wholly-owned subsidiary, Celgene Switzerland LLC, or Celgene Switzerland, which became effective on August 31, 2017, pursuant to which we granted the Celgene parties an exclusive right to develop and commercialize tislelizumab in all fields of treatment, other than hematology, in the United States, Europe, Japan and the rest of world other than Asia, which we refer to as the PD-1 License Agreement.

Pursuant to the terms of the PD-1 License Agreement, the Celgene parties made upfront payments of US$263 million to us. In addition, pursuant to a share subscription agreement with Celgene Switzerland dated July 5, 2017, or the Share Subscription Agreement, we issued approximately 32.7 million of our ordinary shares on August 31, 2017 for an aggregate purchase price of US$150 million at $4.58 per ordinary share, or $59.55 per ADS, representing a 35% premium to an 11-day volume-weighted average price of our ADSs. We may also receive up to US$980 million in potential development, regulatory and sales milestone payments and tiered royalties based on percentages of annual net sales, depending on specified terms, in the low double digit to mid-twenties, with customary reductions in specified circumstances. Royalties are payable on a licensed product-by-product and country-by-country basis until the latest of the expiration of the last valid patent claim, the expiration of regulatory exclusivity, or 12 years after the first commercial sale of such licensed product in the country of sale.

Each party has the right to develop and commercialize tislelizumab in its respective field and territory, and has also agreed to collaborate through a joint steering committee comprised of an equal number of representatives from each party on, among other things, the conduct of up to eight global pivotal clinical trials, or the Basket Studies. Each Basket Study will be conducted and funded by either us or Celgene in accordance with a mutually agreed development plan and study design. For any Basket Studies conducted and funded by us, Celgene has the right to opt into such program, at which time it will reimburse us for agreed upon development costs based on a multiple of such costs that varies according to the stage of development at which Celgene opts into the program. Celgene has committed to use commercially reasonable efforts to develop at least one licensed product, to seek specified regulatory approvals and to spend at least US$100 million on development for the Basket Studies led by Celgene, subject to specified conditions. In addition, we retain the right to develop tislelizumab in combination therapies with our portfolio compounds, and Celgene has a right of first negotiation for tislelizumab in the hematology field and in our territory, subject to specified conditions.

The PD-1 License Agreement contains customary representations, warranties and covenants by us and Celgene. Unless earlier terminated, the agreement will expire on a licensed product-by-product and country-by-country basis upon the expiration of the royalty term in such country for such licensed product. The agreement may be terminated by Celgene upon 30 days' prior written notice, or by either party upon the other party's bankruptcy or uncured material breach.

Celgene China Agreement

On July 5, 2017, we and a wholly-owned subsidiary of Celgene, Celgene Logistics Sàrl, or Celgene Logistics, entered into a License and Supply Agreement, which we refer to as the China License Agreement and which became effective on August 31, 2017, pursuant to which we were granted the right to exclusively distribute and promote Celgene's approved cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®, and its investigational agent avadomide (CC-122) in clinical development in China, excluding Hong Kong, Macau and Taiwan. In addition, if Celgene decides to commercialize a new oncology product through a third-party in the licensed territory during the first five years of the term, we have a right of first negotiation to obtain the right to commercialize the product, subject to certain conditions. We paid an aggregate of US$4.5 million in cash for the license and our acquisition of Celgene Shanghai, as described below. Subsequent to the closing of the arrangements and through the Latest Practicable Date, we had paid Celgene US$17.7 million in total for inventory purchases.

The term of the China License Agreement is 10 years and may be terminated by either party upon written notice in the event of uncured material breach or bankruptcy of the other party, or if the underlying regulatory approvals for the covered products are revoked. Celgene Logistics also has the right to terminate the agreement with respect to REVLIMID® at any time upon written notice to the Company.

The China License Agreement contains customary representations and warranties and confidentiality and mutual indemnification provisions.

On August 31, 2017, our wholly owned subsidiary, BeiGene (Hong Kong) Co., Ltd., acquired 100% of the equity interests of Celgene Pharmaceutical (Shanghai) Co., Ltd., or Celgene Shanghai, a wholly-owned subsidiary of Celgene Holdings East Corporation established under the laws of China. The purchase price of Celgene Shanghai was determined to be approximately US$28.1 million from an accounting perspective, and comprised of a cash consideration of US$4.5 million and non-cash consideration of US$23.6 million. The amount allocated to non-cash consideration, related to the discount on ordinary shares issued to Celgene in connection with the Share Subscription Agreement and was a result of the increase in fair value of our shares between the fixed price of US$59.55 per ADS specified in the Share Subscription Agreement and the fair value per ADS on August 31, 2017, the date the transaction closed. This company, which we subsequently renamed BeiGene Pharmaceutical (Shanghai) Co., Ltd., is in the business of, among other things, providing marketing and promotional services for the pharmaceutical products that we license from Celgene. Prior to closing, Celgene separated out certain business functions, including regulatory and drug safety, that continue to support the business acquired by us.

Merck KGaA, Darmstadt Germany

Pamiparib

On October 28, 2013, we entered into license agreements with Merck KGaA, Darmstadt Germany, which we refer to respectively as the Ex-PRC PARP Agreement and the PRC PARP Agreement, pursuant to which (a) we granted to Merck KGaA, Darmstadt Germany an exclusive license under certain of our intellectual property rights to develop and manufacture, and, if Merck KGaA, Darmstadt Germany exercised a continuation option, to commercialize and manufacture pamiparib and any other compound covered by the same existing patent rights with primary activity to inhibit PARP 1, 2 or 3 enzymes, or the Licensed PARP Inhibitors, in the Ex-PRC (worldwide except PRC) territory, and (b) Merck KGaA, Darmstadt Germany granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the Licensed PARP Inhibitors in the People's Republic of China, or the PRC, which we refer to as the PRC Territory.

On October 1, 2015, pursuant to a purchase of rights agreement, we repurchased all of Merck KGaA, Darmstadt Germany's rights under the Ex-PRC PARP Agreement, in consideration for, among other things, a one-time payment of US$10 million, which payment has been made, and reduction of future milestone payments we were eligible for under the PRC PARP Agreement. In connection with that repurchase, we also agreed to provide Merck KGaA, Darmstadt Germany with global access to our clinical PARP supplies, including pamiparib, for its combination trials, during the option period. The Ex-PRC PARP Agreement was terminated, except for certain provisions that are needed to effectuate the continuation of the PRC PARP Agreement, including those provisions that were required in the event that Merck KGaA, Darmstadt Germany exercised its PRC Commercialization Option (described below). We repurchased all of Merck KGaA, Darmstadt Germany's rights under the Ex-PRC PARP Agreement and terminated the Ex-PRC PARP Agreement in order to reacquire the rights to pursue both monotherapy and combination therapy.

Pursuant to the PRC PARP Agreement, if we failed to achieve national priority project status in the PRC Territory under its 12th or 13th five-year plan with respect to our pamiparib program in the PRC Territory by July 28, 2017, Merck KGaA, Darmstadt Germany has an option to acquire exclusive commercialization rights under the pamiparib program in the PRC Territory, which we refer to as the PRC Commercialization Option. If, however, we achieved national priority by July 28, 2017, Merck KGaA, Darmstadt Germany only has a right of first negotiation to acquire exclusive commercialization rights under the pamiparib program in the PRC Territory in the event we seek to license our intellectual property rights to a third party. We applied for national priority project status for pamiparib to be effective from the beginning of 2017, and our application is in process and we believe that it will be approved. However, there have been unanticipated governmental delays that have impacted the 2017 applicant pool for national project priority status and we expect that we will now receive formal notification in 2018. As such, we intend to discuss with Merck KGaA, Darmstadt Germany the impact of this delay on the PRC Commercialization Option. If Merck KGaA, Darmstadt Germany exercises the PRC Commercialization Option, it is required to pay us a US$50 million non-refundable payment upon such exercise, and we are eligible for a US$12.5 million milestone payment upon the successful achievement of a certain additional regulatory event in the PRC Territory.

Under these agreements, we received US$6 million in non-refundable upfront payments in December 2013 in connection with the signing of the agreements, including US$5 million under the PRC PARP Agreement and US$1 million under the Ex-PRC PARP Agreement. We had also received US$10 million in milestone payments as of March 31, 2018, including US$1 million under the PRC PARP Agreement upon dosing of the first patient in the first Phase 2 trial in the PRC Territory, and US$9 million under the Ex-PRC PARP Agreement upon dosing of the fifth patient in the first Phase 1 trial in the Ex-PRC territory. Pursuant to the terms of the agreements, we are eligible to receive an additional US$6 million and US$2.5 million, respectively, in payments upon the successful achievement of pre-specified clinical and regulatory milestones in the PRC Territory. Also, in consideration for the licenses granted to us, we are required to pay Merck KGaA, Darmstadt Germany a high single-digit royalty on aggregate net sales of Licensed PARP Inhibitors in the PRC Territory.

The PRC PARP Agreement continues unless terminated as permitted by either party. Merck KGaA, Darmstadt Germany has the right to terminate due to our uncured breach or for convenience upon prior written notice. We have the right to terminate these agreements due to Merck KGaA, Darmstadt Germany's uncured breach or for any challenge brought against our licensed patent rights.

Lifirafenib

On May 24, 2013, we entered into license agreements with Merck KGaA, Darmstadt Germany for lifirafenib, which were amended in 2013 and 2015 and which we refer to respectively as the Ex-PRC BRAF Agreement and PRC BRAF Agreement. In March 2017, Merck KGaA, Darmstadt Germany informed us that it would not exercise a continuation option in the ex-PRC territory, and thus, the ex-PRC BRAF Agreement terminated in its entirety, except for certain provisions that survive termination. Under the PRC BRAF Agreement, Merck KGaA, Darmstadt Germany granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the RAF dimer inhibitor in the PRC, which we refer to as the PRC Territory, subject to certain non-compete restrictions. Further, pursuant to the PRC BRAF Agreement, Merck KGaA, Darmstadt Germany has an exclusive right of first negotiation to acquire exclusive commercialization rights under the lifirafenib BRAF program in the PRC Territory on terms to be mutually agreed in the event we seek to license our intellectual property rights to a third party in the territory.

Under these agreements, in December 2013, we received US$13 million in non-refundable payments, including US$10 million under the PRC BRAF Agreement and US$3 million under the Ex-PRC BRAF Agreement. As of March 31, 2018, we had received US$9 million in milestone payments, including US$4 million under the PRC BRAF Agreement upon dosing of the fifth patient in the first Phase 1 trial in the PRC Territory, and US$5 million under the Ex-PRC BRAF Agreement upon dosing of the fifth patient in the first Phase 1 trial in the Ex-PRC territory. We are eligible to receive an additional US$14 million in payments upon the successful achievement of pre-specified clinical milestones in the PRC Territory. We are required to pay Merck KGaA, Darmstadt Germany a high single-digit royalty on aggregate net sales of the licensed compounds in the PRC Territory.

The term of the PRC BRAF Agreement continues unless terminated as permitted by either party. Under the PRC BRAF Agreement, Merck KGaA has the right to terminate due to our uncured breach or voluntarily upon prior written notice. We have the right to terminate the PRC BRAF Agreement due to Merck KGaA's uncured breach or for any challenge brought against our licensed patent rights.

Intellectual Property

The proprietary nature of, and protection for, our drug candidates and their methods of use are an important part of our strategy to develop and commercialize novel medicines, as described in more detail below. We have obtained patents and filed patent applications in the United States and other countries, such as China, relating to certain of our drug candidates, and are pursuing additional patent protection for them and for other of our drug candidates and technologies. We rely on trade secrets to protect aspects of our business that are not amenable to, or that we do not consider appropriate for, patent protection including our manufacturing processes. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and support our development programs.

As of July 18, 2018, we owned 17 issued U.S. patents, seven issued China patents, nine pending U.S. patent applications, 11 pending China patent applications, and corresponding patents and patent applications internationally. In addition, we owned 12 pending international patent applications under the Patent Cooperation Treaty, or PCT, which we plan to file nationally in the United States and other jurisdictions, as well as additional priority PCT applications. With respect to any issued patents in the United States and Europe, we may be entitled to obtain a patent term extension to extend the patent expiration date provided we meet the applicable requirements for obtaining such patent term extensions. For example, in the United States, we can apply for a patent term extension of up to five years for one of the patents covering a product once the product is approved by the FDA. The exact

duration of the extension depends on the time we spend in clinical studies as well as getting an NDA approval from the FDA. Summaries of patents of our Core Product Candidates and marketed products as of July 18, 2018 are set forth below:

Summary of U.S. Patents of Our Core Product Candidates

Product	Scope of patent protection	Patent Expiration	Market commercial rights of BeiGene	Eligibility for patent extension
Zanubrutinib	Directed to zanubrutinib, a small molecule BTK inhibitor, combinations of zanubrutinib with other therapeutic agents, and its use for the treatment of hematological malignancies	2034	All rights in the U.S.	Yes
Tislelizumab	Directed to tislelizumab, a humanized monoclonal antibody against PD-1, and its use for the treatment of cancer	2033	All rights in the field of hematology in the U.S., and rights to combine with our products in all indications	Yes
Pamiparib	Directed to pamiparib, a small molecule PARP1/2 inhibitor, and its use for the treatment of cancer, including glioblastomas and breast cancer	2031	All rights in the U.S.	Yes
Lifirafenib	Directed to lifirafenib, a small molecule BRAF inhibitor, and its use for the treatment of cancer, including BRAF mutated cancers	2031	All rights in the U.S.	Yes

Summary of China Patents for Our Core Product Candidates and Marketed Products

Product	Scope of patent protection	Patent Expiration	Market commercial rights of BeiGene	Eligibility for patent extension
Zanubrutinib	Directed to zanubrutinib, a small molecule BTK inhibitor, combinations of zanubrutinib with other therapeutic agents, and its use for the treatment of hematological malignancies	2034	All rights in China	N/A
Tislelizumab	Directed to tislelizumab, a humanized monoclonal antibody against PD-1, and its use for the treatment of cancer	2033	All rights in China	N/A
Pamiparib	Directed to pamiparib, a small molecule PARP1/2 inhibitor, and its use for the treatment of cancer, including glioblastomas and breast cancer	2031	All rights in China, subject to Merck KGaA's PRC Commercialization Option	N/A
Lifirafenib	Directed to lifirafenib, a small molecule BRAF inhibitor, and its use for the treatment of cancer, including BRAF mutated cancers	2031	All rights in China, subject to certain rights of Merck KGaA	N/A
ABRAXANE®	Directed to ABRAXANE®, a nanoparticle albumin-bound paclitaxel, covering its composition, liquid formulation, and use for the treatment of cancer	2018, 2021, 2026, 2031, respectively	Marketing and sales in China	N/A
REVLIMID®	Directed to REVLIMID®, covering its use for the treatment of cancer, including MM	2023, 2027, respectively	Marketing and sales in China	N/A
VIDAZA®	N/A	N/A	Marketing and sales in China	N/A

The patent portfolios for our four lead product candidates as of July 18, 2018 are summarized below:

Zanubrutinib. We own two issued U.S. patents, one pending U.S. patent application, one issued China patent, two pending PCT applications, and corresponding patent applications in other jurisdictions directed to zanubrutinib, a small molecule BTK inhibitor, combinations of zanubrutinib with other therapeutic agents, and its use for the treatment of hematological malignancies. The expected expiration for the issued U.S. patent is 2034, excluding any additional term for patent term extensions. Any patents that may issue from the currently pending U.S. patent applications would be expected to expire in 2034, not including any patent term adjustments. If a U.S. application is filed based on the pending PCT applications, a patent issuing from these applications, if any, would be expected to expire in 2037. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

Tislelizumab. We are the owner of three issued U.S. patents, one pending U.S. application, one pending PCT application, four pending China patent applications, and corresponding pending patent applications in other jurisdictions directed to tislelizumab, a humanized monoclonal antibody against PD-1, and its use for the treatment of cancer. The expected expiration for the issued U.S. patents is 2033, excluding any additional term for patent term extensions. Any patent that may issue from the currently pending U.S. patent application would be expected to expire in 2033, not including any patent term adjustments. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

Pamiparib. We own two issued U.S. patents, two pending U.S. patent applications, three pending PCT applications, one issued China patent, two pending China patent applications, and corresponding pending patent applications in other jurisdictions directed to pamiparib, a small molecule PARP1/2 inhibitor, and its use for the treatment of cancer, including glioblastomas and breast cancer. We also own the corresponding pending patent applications in other jurisdictions. The expected expiration for the issued U.S. patents is 2031, excluding any additional term for patent term extensions. Any patent that may issue from the currently pending U.S. patent applications would be expected to expire in 2031 and 2036, not including any patent term adjustments. If a U.S. application is filed based on the pending PCT applications, patents issuing from these applications, if any, would be expected to expire in 2037 and 2038. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

Lifirafenib. We own two issued U.S. patents, two pending U.S. patent applications, one pending PCT application, two issued China patents, one pending China patent application, and corresponding pending patent applications in other jurisdictions directed to lifirafenib, a small molecule BRAF inhibitor, and its use for the treatment of cancer, including BRAF mutated cancers. We also own pending patent applications in other jurisdictions corresponding to the U.S. patent applications. In addition, we plan to file nationally in the U.S. and other jurisdictions based on the pending PCT application. The expected expiration for the issued U.S. patents are 2031, excluding any additional term for patent term extensions. Any patents that may issue from the currently pending U.S. patent

applications would be expected to expire in 2031 and 2036, not including any patent term adjustments. If a U.S. application is filed based on the pending PCT application, a patent issuing from this application, if any, would be expected to expire in 2037. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

The patent portfolios for our three in-licensed commercial products in China are summarized below:

ABRAXANE®. We are the exclusive licensor of five issued Chinese patents and four pending Chinese patent applications directed to ABRAXANE®, a nanoparticle albumin—bound paclitaxel, covering its composition, liquid formulation, and use for the treatment of cancer. The expected expirations for the issued Chinese patents are 2018, 2021, 2026 and 2031, respectively, excluding any additional term for patent term extensions. Any patent that may issue from the currently pending Chinese patent applications would be expected to expire in 2023, 2026 or 2034. In February 2018, a generic version of albumin-bound palclitaxel was approved in China and another is currently under regulatory review.

REVLIMID®. We are the exclusive licensor of seven issued Chinese patents directed to REVLIMID®, covering its use for the treatment of cancer, including MM. The expected expirations for the issued Chinese patents are 2023 and 2027 respectively, excluding any additional term for patent term extensions. The first lenalidomide generic in China was approved in November 2017.

VIDAZA®. We do not have any rights in any issued China patent or pending China patent applications directed to VIDAZA®, a chemical analog of cytidine, and its use for the treatment of cancer. We are aware of third parties who are seeking to develop and obtain approval for generic forms of this drug.

Furthermore, although various extensions may be available, the life of a patent and the protection it affords, is limited. As noted above, ABRAXANE®, REVLIMID®, and VIDAZA® face or are expected to face competition from generic medications, and we may face similar competition for any approved drug candidates even if we successfully obtain patent protection once the patent life has expired for the drug. Manufacturers of generic drugs may challenge the scope, validity or enforceability of our patents in court, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would have a material adverse effect on any potential sales of that product. Under our license agreement with Celgene, Celgene retains the responsibility for, but is not obligated, to prosecute, defend and enforce the patents for these in-licensed products. As such, any issued patents may not protect us from generic competition for these drugs.

The term of individual patents may vary based on the countries in which they are obtained. In most countries in which we file, including the United States and China, the term of an issued patent is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. In the United States, a patent's term may be lengthened in some cases by a patent term adjustment, which extends the term of a patent to account for administrative delays by the USPTO in excess of a patent applicant's own delays during the prosecution process, or may be shortened if a patent is terminally disclaimed over a commonly owned patent having an earlier

expiration date. In addition, in certain instances, a patent term can be extended to recapture a portion of the term effectively lost as a result of the FDA regulatory review period. However, the restoration period cannot be longer than five years and the total patent term including the restoration period must not exceed 14 years following FDA approval.

In certain foreign jurisdictions similar extensions as compensation for regulatory delays are also available. The actual protection afforded by a patent varies on a claim by claim and country by country basis and depends upon many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular country and the validity and enforceability of the patent.

We may rely, in some circumstances, on trade secrets and unpatented know-how to protect aspects of our technology. We seek to protect our proprietary technology and processes, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors and invention assignment agreements with our employees. 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.

Additionally, we currently own a number of registered trademarks and pending trademark applications. We currently have registered trademarks for BeiGene and our corporate logo in China, the European Union and other jurisdictions and are seeking trademark protection for BeiGene and our corporate logo in the United States and other countries where available and appropriate.

Research and Development

We are a leader in the research and development of innovative molecularly targeted and immuno-oncology drugs for the treatment of cancer. We have made significant investments identifying, developing and commercializing biologic drug product candidates with significant market potential. Our current research and development activities mainly relate to the clinical advancement of our six internally-developed drug candidates: (1) zanubrutinib, an investigational small molecule inhibitor of BTK; (2) tislelizumab, an investigational humanized monoclonal antibody against PD-1; (3) pamiparib, an investigational small molecule inhibitor of PARP1 and PARP2; (4) lifirafenib, a novel small molecule inhibitor of both the monomer and dimer forms of BRAF; (5) BGB-A333, an investigational humanized monoclonal antibody against PD-L1; and (6) BGB-A425, an investigational humanized monoclonal antibody against TIM-3. In July 2017, we entered into an Exclusive License and Collaboration Agreement, as amended and restated, with Celgene and Celgene Switzerland, pursuant to which we agreed to collaborate to develop and commercialize tiselizumab. For more details see "— Collaboration Agreements — Celgene Corporation — Exclusive License and Collaboration Agreement."

We had over 500 clinical development staff and approximately 200 research staff as of July 20, 2018. We designate employees in our business units to our research and development projects based on their credentials, areas of expertise and capacity.

Recruiting and retaining qualified scientific personnel is critical to our success. We have entered into formal employment agreement with each member of our scientific team. The agreements provide for at-will employment and base salary, cash incentives and equity compensation of various amounts depending on the position of the employee. We also enter into non-disclosure and confidentiality agreements with our scientific personnel. An employment agreement can be terminated by us or the employee in accordance with local employment regulations. While we believe we don't rely on any single key scientific personnel, replacing key scientific personnel may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. The loss of the services of our key research and development personnel could impede the achievement of our research and development objectives. We have our internal succession plan on each critical position in the research team, which helps ensure the continuity of product development. Therefore, in the event of the departure of any of our scientific personnel, we believe his or her duties and responsibilities can easily be shifted to other scientific personnel in similar positions.

Customers

During the Track Record Period, we derived revenues only from the product distributor in China in connection with our product sales, from Celgene in connection with our strategic collaboration for tislelizumab entered into in 2017 and from Merck KGaA, Darmstadt Germany in connection with our collaboration for pamiparib and lifirafenib. During the year ended December 31, 2017, we had only three customers. We generated 90.0% of our revenues from upfront license fees, reimbursed research and development expenses and milestone payments from our strategic collaboration with Celgene, 9.6% from our product distributor in China in connection with the sales of our drugs licensed from Celgene and 0.4% from Merck KGaA, Darmstadt Germany in connection with our collaboration for pamiparib and lifirafenib. During the year ended December 31, 2016, 100% of our revenues were generated in connection with our collaboration agreements with Merck KGaA, Darmstadt Germany for pamiparib and lifirafenib. See "—Collaboration Agreements" for further details of our collaborations with Celgene and Merck KGaA, Darmstadt Germany.

As of the Latest Practicable Date, none of our Directors or any Shareholder, who, to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following completion of the Global Offering (but without taking into account the exercise of the Over-allotment Option) nor any of their respective associates had any interest in any of our five largest customers.

Raw Materials and Suppliers

Raw materials

We currently have a facility that may be used as our clinical-scale manufacturing and processing facility. We are also building manufacturing facilities in China. We obtain raw materials for our manufacturing activities from multiple suppliers who we believe have sufficient capacity to meet our demands. We have not yet caused our drug candidates to be manufactured or processed on a commercial scale.

Raw materials/starting materials used in manufacturing at our facilities in Suzhou include active pharmaceutical ingredients custom-made by our CROs and excipients, which are commercially available from well-known vendors that meet the requirements of the relevant regulatory agencies. The core raw material to be used in manufacturing at our Guangzhou facility under construction is expected to be a genetically modified cell line that we co-developed and licensed from Boehringer Ingelheim.

We typically order raw materials on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements. We pay for our purchases of raw materials on credit. Credit periods granted to us by our suppliers generally range from 30 to 60 days. Our suppliers are generally not responsible for the defects of our finished products.

CROs

In line with industry practice, we also engaged certain CROs to conduct preclinical and clinical research as well as clinical trials during the two years ended December 31, 2016 and 2017. We select CROs based on various factors, including their quality, reputation and research experience. Our largest five CROs are all leading global or Chinese CROs. They provide drug discovery and development services to pharmaceutical, biotechnology, medical device, government and academic organizations in China or throughout the world. We generally enter into master contract services agreements with the CROs we engage, which include a statement of work specifying the terms of services provided by CROs.

Key terms of an agreement that we typically enter into with a CRO are summarized as follows:

- *Services*. The CRO provides preclinical and clinical research services or clinical trial services as specified in the statement of work.

- *Term*. The CRO is required to provide the services within the prescribed time limit.

- *Payments*. We are required to make payments to the CRO in accordance with the payment schedule set forth in the statement of work.

- *Intellectual property rights*. All intellectual property rights arising from or made in the performance of the services will generally be owned by us.

- *Audit*. The service provider shall allow us to inspect their facilities.

- *Insurance*. During the term of the agreement and for a period of at least two (2) years after termination or expiration of the agreement, the service provider will maintain certain minimum insurance and name us as an additional insured.

For the years ended December 31, 2016 and 2017, purchases from our five largest suppliers were approximately US$50.3 million and US$113.6 million in terms of expenses, accounting for approximately 73% and 62% of our total purchases, respectively. During the same period, purchases from our largest supplier were approximately US$14.9 million and US$35.1 million, respectively, in terms of expenses, accounting for approximately 22% and 19% of our total purchases, respectively.

As of the Latest Practicable Date, none of our Directors or any Shareholder, who to the knowledge of our Directors, owns more than 5% of our issued share capital immediately following completion of the Global Offering (but without taking into account the exercise of the Over-allotment Option) nor any of their respective associates had any interest in any of our five largest suppliers.

Production

We have an approximately 11,000 square meter manufacturing facility in Suzhou, China, where we produce small molecule and biologics drug candidates for clinical supply and which we plan to use for commercial supply of our small molecule drug candidates, if approved. This facility consists of one oral-solid-dosage production line for small molecule drug products and one pilot plant for monoclonal antibody drug substances. In January 2018, the facility received a manufacturing license from Jiangsu Food and Drug Administration, which is required for the commercial manufacture of zanubrutinib in China following NDA approval.

In addition, we have formed a joint venture with Guangzhou GET Technology Development Co., Ltd., an affiliate of Guangzhou Development District, to build a 24,000-liter commercial-scale biologics manufacturing facility in Guangzhou, China. Over US$300 million in funding has been committed for the construction of the 100,000 square meter manufacturing site. We have contracted with General Electric for the purchase of its state-of-the-art KuBio™ prefabricated biomanufacturing equipment and commenced construction in 2017. We expect the first phase of the facility to be completed in 2019.

We also have an approximately 140 square meter manufacturing facility at our research and development facilities in Beijing, China, which produces preclinical and clinical trial materials for some of our small molecule drug candidates.

Manufacturing is subject to extensive regulations that impose various procedural and documentation requirements governing recordkeeping, manufacturing processes and controls, personnel, quality control and quality assurance, among others. Our manufacturing facilities and the contract manufacturing organizations we use to manufacture our drugs and drug candidates operate under cGMP conditions. cGMP are regulatory requirements for the production of pharmaceuticals that will be used in humans.

CMOs

We outsource to a limited number of external contract manufacturers the production of some drug substances and drug products, and we expect to continue to do so to meet the preclinical, clinical and potential commercial requirements of our drugs and drug candidates. By outsourcing our manufacturing activities, we can increase our focus on core areas of competence such as drug candidate development, commercialization and research. We have adopted procedures to ensure that the production qualifications, facilities and processes of our third-party outsourced suppliers comply with the relevant regulatory requirements and our internal guidelines. We select our third-party suppliers carefully by taking into account a number of factors, including their qualifications, relevant expertise, production capacity, geographic proximity, reputation, track record, product quality, reliability in meeting delivery schedules, and terms offered by such third-party outsourced suppliers. As of the Latest Practicable Date, we had engaged approximately 30 outsourced suppliers, who are Independent Third Parties and most of them had established business relationships with us for more than three years.

We have framework agreements with most of our external service providers, under which they generally provide services to us on a short-term and project-by-project basis. For example, we have an agreement with a contract manufacturer for clinical supply of zanubrutinib and expect to enter into a commercial supply agreement for zanubrutinib in the future. In addition, in January 2018, we entered into a commercial supply agreement with Boehringer Ingelheim Biopharmaceuticals (China) Ltd., or Boehringer Ingelheim, for our investigational anti-PD-1 antibody therapy, tislelizumab, which will be manufactured at Boehringer Ingelheim's facility in Shanghai, China as part of a MAH trial project pioneered by us and Boehringer Ingelheim. We believe the MAH status will be maintained after the expiration of the MAH pilot program in November 2018, based on confirmation from the relevant governmental authority, and therefore we believe that the expiration of the MAH pilot program will not impact our drug candidates. Under the terms of the commercial supply agreement, Boehringer Ingelheim will manufacture tislelizumab in China under an exclusive multi-year arrangement, with contract extension possible. In addition, we also obtained certain preferred rights for future capacity expansion by Boehringer Ingelheim in China. For our commercial products licensed from Celgene, we rely on Celgene and its contract manufacturers outside of China for the supply of these drugs.

Agreements with outsourced suppliers generally set out terms, including product quality or service details, technical standards or methods, delivery terms, agreed price and payment, and product inspection and acceptance criteria. We are general allowed to return any products that fail to meet our quality standards. Our outsourced suppliers procure raw materials themselves. Typically, outsourced suppliers request settlement of payment within 30 days from the date of invoice. Either party may terminate the agreements by serving notice to the other party under certain circumstances.

Sales and Marketing

As of the Latest Practicable Date, we had no internally-developed products approved for commercial sale. In connection with our strategic collaboration with Celgene, we were granted an exclusive license in China, excluding Hong Kong, Macau and Taiwan, to commercialize Celgene's approved cancer therapies, ABRAXANE®, REVLIMID® and VIDAZA®, and Celgene's investigational

agent avadomide (CC-122) in clinical development. We rely on an independent third-party distributor to sell these drugs. As of the Latest Practicable Date, we had sold our products to one distributor in China. See "Risk Factors—If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected."

We selected our distributor based on its business qualifications and marketing capabilities, such as distribution network coverage, quality, number of personnel, cash flow conditions, creditworthiness, logistics, compliance standard and past performance, and its capacities in customer management. As of the Latest Practicable Date, we were not aware of any potential abuses or improper use of our name by our distributor which could adversely affect our reputation, business operation or financial condition.

We have entered into a written distribution agreement with our distributor. The principal terms are as follows:

Duration	The distribution agreement will remain effective unless terminated by either party upon six months' prior written notice.
Geographic or other exclusivity	Our distributor shall not sell or otherwise distribute the products outside the PRC, unless otherwise agreed by us in writing. We grant our distributor a non-sublicensable, non-transferable and non-assignable: • non-exclusive limited right to use the know-how and other confidential information in the PRC. • exclusive right to sell the commercial pack in the PRC.
The rights and obligations of parties involved	We offer rebates to our distributor, consistent with pharmaceutical industry practice. We retain no ownership control over the products sold to our distributor, and all significant risks and rewards associated with the products are generally transferred to the distributor upon delivery to and acceptance by the distributor.
Sales and pricing policies	Our distributor retains the discretion to determine the retail prices with reference to local market conditions, competition and customer demand in the regions where it operates, whether greater or lesser than any prices listed, referred or charged by us.
Obsolete stock arrangements	There is no obsolete stock arrangements condition.
Goods return arrangements	There is no goods return arrangements condition.

Sales and expansion targets	Based on sale forecasts we provide, our distributor shall provide its required amounts of the products to us.
Sales and inventory reports and estimates	Our distributor shall provide to us daily and monthly reports containing full details about the inventory, forecasts, shipping and, returns of the products. Our distributor shall also provide to us daily and monthly reports containing full details about the local sales of the products.
Any minimum purchase amounts	There is no binding minimum purchase condition.
Payment and credit terms	Credit term is generally 90 days following the invoice date.
Conditions for terminating and renewing the agreements	Either party has the right to terminate the agreement on a product-by-product basis with immediate effect upon written notice, if the other party breaches any of the material provisions in the agreement applicable to it and fails to rectify such breach within 30 days of written notice from the other party.
Use of the trademark	Our distributor shall have a non-sublicensable, non-transferable, non-assignable and non-exclusive right to use our trademark for selling our products in the PRC. The use of trademark shall be subject to our prior written approval. Our distributor shall not use the trademark within the PRC for any other product and shall use the trademark only for the purpose of selling our products in the PRC under the agreement.

We rely on our internal sales team for the sales and marketing of our products. As of July 20, 2018, our commercial team consisted of 285 sales and marketing personnel. In anticipation of our business expansion and as our internally-developed drugs become available for sale, if approved, we plan to further expand our sales and marketing force in the next few years.

We also actively attend trade shows, symposia, conventions, seminars and other notable events to promote our brand at the forefront of the industry. We frequently conduct technical seminars at well-recognized academic institutes and pharmaceutical companies to promote our products.

In China, prices of pharmaceutical products are regulated by the government to ensure that drugs are offered at affordable prices. In June 2015, the Chinese government abolished the 15-year-old government-led pricing system for drugs, and lifted the maximum retail price requirement for most drugs, including drugs reimbursed by government medical insurance funds, patented drugs, and some other drugs. The government regulates prices mainly by establishing a consolidated procurement mechanism, restructuring medical insurance reimbursement standards and strengthening regulation of medical and pricing practices. See the section titled "Regulations—PRC Regulation—PRC Drug Regulation—Post-Marketing Surveillance—Government price controls" for further details on pricing regulations.

Our commercial products need to go through the centralized procurement process in the form of public tenders operated by provincial-level government agencies, in order to be commercially available at public medical institutions owned by the government or owned by state-owned or controlled enterprises. Assessment of the bids takes a number of factors into consideration, including but not limited to bid price, product quality, clinical effectiveness, product safety, level of technology, qualifications and reputation of the manufacturer, after-sale services and innovation. As a result, the prices of our commercial products are affected by the bidding process. In addition, in order for our commercial products to be included in the NDRL and critical illness insurance reimbursement listings, we are subject to price negotiation with the Ministry of Human Resources and Social Security and the relevant authorities at provincial level. As of July 18, 2018, REVLIMID® is included in the NDRL and ABRAXANE® is included in various provincial drug or critical illness insurance reimbursement listings.

Employees

As of July 20, 2018, we had a total of 1,335 full-time employees, which increased from 321 full-time employees as of December 31, 2016. Approximately 1,000 of our employees are based in China, and approximately 300 employees are based in the United States. The remaining employees are based in Australia and Switzerland.

The following table sets out the breakdown of our full-time employees by function as of July 20, 2018:

Function	Number of employees
Clinical development	533
Manufacturing	115
Others	203
Research	199
Commercial	285
Total	1,335

We primarily recruit our employees through recruitment agencies, on-campus job fairs and online channels including our corporate website and social networking platforms, as well as industry referrals. We have adopted a training policy, pursuant to which management, technology and other training are regularly provided to our employees by internally sourced speakers or externally hired consultants. Our employees may also attend external trainings upon their supervisors' approvals.

As required under PRC regulations, we participate in housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work-related injury and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. We also purchase

commercial health and accidental insurance for our employees. We have granted performance-based cash bonuses to our executive officers. In addition, we have granted and plan to continue to grant share-based incentive awards to our employees in the future to incentivize their contributions to our growth and development.

None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have never experienced any employment-related work stoppages, and we consider our relations with our employees to be good.

Insurance

We maintain property damage and business interruption insurance coverage on our corporate, development, research and manufacturing facilities in amounts we believe are reasonable. We hold product liability coverage for our internally-develop drugs as well as public liability, and products and completed operations liability coverage for our commercial products. In addition, we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of or exposure to hazardous materials. We do not maintain key-man life insurance, or insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage, use or disposal of biological or hazardous. We believe the coverage of the insurance obtained by us is adequate and consistent with market practice in China and in the United States for our business and operations.

During the Track Record Period, we did not make any material insurance claims in relation to our business. See "Risk Factors — Risks Related to Our Industry, Business and Operations — Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses."

Properties

As of the Latest Practicable Date, through BeiGene Guangzhou Manufacturing, which is a wholly owned subsidiary of our joint venture with Guangzhou Development District and its affiliate, GET, we jointly owned one property in Guangzhou. The property is being used for the construction of a 24,000 liter commercial-scale biologics manufacturing facility with a total of gross floor area of approximately 100,000 square meters.

As of the Latest Practicable Date, we operated our businesses through 19 leased properties in Beijing, Shanghai, Guangzhou and Suzhou, China, and in Emeryville and San Mateo, California, Cambridge, Massachusetts, Fort Lee and Ridgefield, New Jersey and Basel, Switzerland. These properties are used for non-property activities as defined under Rule 5.01(2) of the Listing Rules and are principally used as office and manufacturing premises and for our business operations. We believe that there is sufficient supply of properties in China. Furthermore, even if we experience temporary interruption to our usage of any of our leased office, laboratory or manufacturing space, we believe that our employees can continue to perform the material aspects of their duties remotely given that our offices in other locations can adequately support the functioning of our business operations in areas where we experience temporary office space interruptions. Therefore, we do not rely on the existing leases for our business operations, and we do not believe a contingency relocation plan is required.

As of the Latest Practicable Date, our leased properties have a total gross floor area of approximately 44,789 square meters, and each leased property ranges from a gross floor area of approximately 48 square meters to 11,290 square meters. The relevant lease agreements have lease expiration dates ranging from August 21, 2018 to January 31, 2024.

As of the Latest Practicable Date, the lessor of two of our leased properties in China had not provided us with valid title certificate, valid title certificate for commercial purpose or relevant authorization documents evidencing its rights to lease the property to us. As a result, this lease may not be valid, and there are risks that we may not be able to continue to use such property.

Pursuant to the applicable PRC laws and regulations, property lease contracts must be registered with the local branch of the Ministry of Housing and Urban-Rural Development of the PRC. As of the Latest Practicable Date, except for one lease is (located in Room 1506, Tower A, NO. 33, Zhongshan No.3 Road, Yuexiu District, Guangzhou) renewing the lease registration, we had not obtained any lease registration for the rest of the properties we leased in China, primarily due to the difficulty of procuring our lessors' cooperation to register such leases. The registration of such leases will require the cooperation of our lessors. We will take all practicable and reasonable steps to ensure that the unregistered leases are registered. Our PRC Legal Advisor has advised us that the lack of registration of the lease contracts will not affect the validity of the lease agreements under PRC laws.

Health, Safety and Environmental Matters

We and third parties, such as our CROs and CMOs, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. Our operations involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We generally contract with third parties for the disposal of these materials and wastes. During the Track Record Period and up to the Latest Practicable Date, we had not been subject to any fines or other penalties due to material non-compliance with health, safety or environmental regulations.

Legal Proceedings and Compliance

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. As of the Latest Practicable Date, we were not aware of any current, pending or threatened material litigation arbitration proceedings or administrative proceedings against us that could have a material adverse effect on our business, results of operations, financial condition or cash flows.

On June 8, 2017, Nasdaq notified us that the resignation from our Board of Ke Tang, one of our audit committee members caused us to no longer comply with Nasdaq's audit committee requirements in Nasdaq listing rule 5605, which require that audit committees have at least three members. Ke Tang had served as a member of the Board since October 2014, and his resignation was due to his decision not to stand for re-election to the Board when his term expired at our annual general meeting of

shareholders held in June 2017. This decision not to stand for re-election did not involve any disagreement with us on any matter relating to our operations, policies or practices. Under the Nasdaq rules, we had a cure period in order to regain compliance with this rule until the earlier of our next annual general shareholders' meeting or June 1, 2018.

Effective April 1, 2018, our Board appointed Mr. Timothy Chen, one of our existing independent directors, to serve as a member of the audit committee, resulting in us regaining compliance with the Nasdaq's audit committee requirements in the Nasdaq listing rule 5605.

Risk Management and Internal Control

We have devoted ourselves to establishing and maintaining risk management and internal control systems consisting of policies and procedures that we consider to be appropriate for our business operations, and we are dedicated to continuously improving these systems.

We have adopted and implemented comprehensive risk management policies in various aspects.

Financial Reporting Risk Management

As a public company in the United States, we are subject to the Sarbanes-Oxley Act, together with rules implemented by the U.S. Securities and Exchange Commission, or the SEC, and applicable market regulators. The Sarbanes-Oxley Act requires, among other things, that we maintain effective internal control for financial reporting and disclosure controls and procedures. 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 U.S. generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal control over our financial reporting process, and the audit committee oversees our financial reporting process on behalf of the Board. We perform system and process evaluations and testing of our internal control over financial reporting based on the framework in Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, in order to allow management to report on the effectiveness of our internal control over financial reporting and describe any material weakness in internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act. The effectiveness of our internal control over financial reporting is also tested by our independent registered public accounting firm on an annual basis.

Information System Risk Management

In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property, and proprietary business information. We manage and maintain our applications and data utilizing on-site systems and outsourced vendors. These applications and data encompass a wide variety of business critical information including research and development information, commercial information and business and financial information. We have implemented

relevant internal procedures and controls to ensure that such sensitive data is protected and that leakage and loss of such data is avoided. During the Track Record Period and up to the Latest Practicable Date, we do not believe that we have experienced any material information leakage or loss of sensitive data.

Human Resources Risk Management

We provide regular and specialized training tailored to the needs of our employees in different departments. We regularly organize internal training sessions conducted by senior employees or outside consultants on topics of interest. The human resources team, run by senior leaders and experienced human resource professionals, create, schedule and deliver the training. The long term goal is to further increase the number of trainings available to all employees as well as measure the success of the trainings.

In China, we have in place an employee handbook approved by our management and distributed to all our employees, which contains internal rules and guidelines regarding best commercial practice, work ethics, fraud prevention mechanism, negligence and corruption. A similar handbook for the U.S. employee base is in production.

We also have in place an FCPA Policy to safeguard against any corruption within our company. The policy explains potential corruption conducts and our anti-corruption measures. We make our internal reporting channel open and available for our staff to report any corruption acts, and our staff can also make anonymous reports to our internal audit department. Our internal audit department is responsible for investigating the reported incidents and taking appropriate measures.

Investment Risk Management and Treasury Policy

With our surplus cash on hand, we make short-term investments comprised primarily of U.S. treasury securities, U.S. agency securities and time deposits with original maturities between three and twelve months. The primary objective of short-term investments is to preserve principle, provide liquidity and maximize income without significant increasing risk. Our investment decisions are made on a case-by-case basis and after due and carefully consideration of a number of factors, including but not limited to the market conditions, the anticipated investment conditions, the investment costs, the duration of the investment and expected benefit and potential loss of the investment.

Our finance department, under the supervision of our Chief Financial Officer, is responsible for managing our short-term investment activities. Before making a proposal to invest in wealth management products, our financial department must assess our cash flow and operational needs and capital expenditures. We operate under a Board approved investment policy which governs the investment of our funds. The investment policy is reviewed annually by the Board and is circulated to the investment advisors to ensure compliance of investments. Our investments to date have been limited to U.S. Treasury securities, U.S. agency securities, and time deposits at reputable banks. Any deviations from the investment policy, would require consent by the Board. There have been no cases of deviation from our investment policy to date.

In assessing a proposal to invest in wealth management products, a number of criteria must be met, including but not limited to:

- investments in high risk products being prohibited;
- the primary objectives of investment activities are safety, liquidity and reasonable yield;
- the proposed investment must not interfere with our business operation or capital expenditures; and
- the wealth management products should be issued by a reputable bank.

We believe that our internal policies regarding investment in wealth management products and the related risk management mechanism are adequate. We may make investments in wealth management products that meet the above criteria, after consultation and approval by our Board, as part of our treasury management where we believe it is prudent to do so after the Listing.

Audit Committee Experience and Qualification and Board Oversight

We have established an audit committee to review the adequacy of our internal control over financial reporting to ensure that our internal control system is effective in identifying, managing and mitigating risks involved in our business operations. The audit committee consists of three members, namely Thomas Malley, Qingqing Yi and Timothy Chen. Each of our audit committee members is an independent non-executive director. Thomas Malley is the chairman of the audit committee. For the professional qualifications and experiences of the members of our audit committee, see "Directors and Senior Management" in this prospectus. We also maintain an internal audit department which is responsible for reviewing the effectiveness of internal control and reporting to the audit committee on any issues identified.

Ongoing Measures to Monitor the Implementation of Risk Management Policies

Our audit committee, internal audit department and management together monitor the implementation of our risk management policies on an ongoing basis to ensure our policies and implementation are effective and sufficient.

Licenses and Permits

As of the Latest Practicable Date, we believe that we have obtained all requisite licenses, approvals and permits from relevant authorities that are material to our operations.

The following table sets out a list of material licenses and permits currently held by us:

No.	Entity	Name of the License	Expiry Date
1.	BeiGene (Suzhou) Co., Ltd.	Drug Production License	2020/12/31

Awards and Recognition

We have received recognition for our research and development achievements and our global collaborations. Some of the significant awards and recognition we have received are set forth below.

Award/Recognition	Award Year	Awarding Institution/Authority
Deal of the Year: BeiGene/Celgene collaboration.....	2017	The BayHelix Group
Leading Innovative Enterprise - Beijing Bio-pharmaceutical Industry Leaping Development Project (G20 Project)	2016	Beijing Municipal Science and Technology Commission
Alliance of the Year: BeiGene Ltd./Merck KGaA, for a global licensing, co-development and commercialization agreement for BeiGene-283, a second-generation BRAF inhibitor for the treatment of cancer.....	2013	The BayHelix Group and Elsevier Business Intelligence

You should read the following discussion and analysis with our audited consolidated financial information, including the notes thereto, included in the Accountant's Report in Appendix I to this prospectus. The following discussion and analysis contain forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this prospectus, including those set forth under "Risk Factors" and under "Forward-Looking Statements" in this prospectus.

Pursuant to Rule 19.18 of the Listing Rules, the Stock Exchange has allowed us to prepare the Accountants' Report set out in Appendix I in conformity with U.S. GAAP, provided that a reconciliation of such financial information in accordance with IFRS, is included in this prospectus. In addition, the Stock Exchange has allowed us to prepare our accounts in accordance with U.S. GAAP after listing for the purposes of our financial reporting required under the Listing Rules, subject to the condition that our annual accounts should include a reconciliation of our financial statements in accordance with IFRS in the form and substance adopted in Appendix I to this prospectus. In addition, the Stock Exchange has imposed the condition that we will be required to revert to Hong Kong Financial Reporting Standards or IFRS should we no longer maintain a listing on the Nasdaq.

Overview

We are a commercial-stage biotechnology company focused on developing and commercializing innovative molecularly-targeted and immuno-oncology drugs for the treatment of cancer. Our internally-developed lead drug candidates are currently in late-stage clinical trials, and we are marketing three in-licensed drugs in China from which we have been generating product revenue since September 2017. Our mission is to become a global leader in the discovery, development and commercialization of innovative therapies.

We started as a research and development company in Beijing in 2010 focusing on developing best-in-class oncology therapeutics. Over the last eight years, we have developed into a fully-integrated global biotechnology company with a broad portfolio consisting of six internally-developed, clinical-stage drug candidates, including three late-stage clinical drug candidates. We also have five in-licensed drugs and drug candidates, including three marketed drugs in China and two clinical-stage drug candidates to which we have obtained development and commercialization rights in China and other selected countries in the Asia-Pacific region.

Since inception, we have incurred significant operating losses. Our net losses were US$105.1 million and US$50.6 million for the three months ended March 31, 2018 and 2017, respectively, and US$95.9 million and US$119.2 million for the years ended December 31, 2017 and 2016, respectively. As of March 31, 2018 and December 31, 2017, we had an accumulated deficit of US$438.0 million and US$333.4 million, respectively. During the three months ended March 31, 2018 and 2017, we generated US$32.5 million and nil of revenue, respectively. Our revenue during the three months ended March 31, 2018 consisted of product sales, reimbursed research and development expenses and research and development service revenue. During the years ended December 31, 2017 and 2016, we

generated US$254.7 million and US$1.1 million of revenue, respectively, consisting of product sales revenue since September 2017, upfront license fees, reimbursed research and development expenses, research and development service revenue and milestone payments from our strategic collaboration with Celgene for tislelizumab entered in 2017 and our collaboration agreements with Merck KGaA, Darmstadt Germany for pamiparib and lifirafenib entered in 2013.

Recent Developments

In April 2018, we announced the initiation of a global Phase 2 trial of tislelizumab in patients with previously treated HCC, and a global Phase 2 trial of tislelizumab in patients with relapsed or refractory mature T- and NK-cell lymphomas.

Major Factors Affecting our Results of Operations

Our results of operations, financial condition and the period-to-period comparability of our financial results are principally affected by the following factors:

Revenue

To date, our revenue has consisted of product sales revenue since September 2017, upfront license fees, reimbursed research and development expenses, research and development service revenue and milestone payments from our strategic collaboration with Celgene for tislelizumab entered in 2017 and our collaboration agreements with Merck KGaA, Darmstadt Germany for pamiparib and lifirafenib entered in 2013. We do not expect to generate significant revenue from internally-developed drug candidates unless and until we successfully complete development and obtain regulatory approval for one or more of our drug candidates, which is subject to significant uncertainty.

Revenues from product sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred and title of the product and associated risk of loss has transferred to the customer, the price is fixed or determinable, collection from the customer has been reasonably assured, and returns and allowances can be reasonably estimated. Product sales are typically recognized at a point in time upon the delivery and transfer of the title of the product and associated risk of loss to the customer. Product sales are recorded net of estimated rebates, estimated product returns and other deductions. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on the sales terms, historical experience and trend analysis. We expect revenue from product sales to increase in 2018 as we expand our efforts to promote and obtain reimbursement for ABRAXANE®, REVLIMID® and VIDAZA® in China.

We also record revenue from our collaboration and license agreements with Celgene and Merck KGaA, Darmstadt Germany. Under each agreement, we received upfront payments related to the license fee. The portion of the upfront fee that was allocated to the value of the license right was recognized at a point in time, upon the delivery of the license. The portion of the upfront fee associated with the remaining deliverables in the arrangement are deferred and recognized as revenue over time as those services are provided. Additionally, the reimbursement of remaining undelivered research and development services is recognized over the performance periods of the collaboration

arrangement. In the case of the Celgene arrangement, we also receive research and development reimbursement revenue for the clinical trials that Celgene opts into, which are recognized as revenue over time, as the related research and development services are performed. See Note 3 to the Accountant's Report in Appendix I to this prospectus for a description of these agreements.

Expenses

Cost of Revenue

Cost of revenue includes the acquisition costs of our commercial products.

Research and Development Expenses

Research and development expenses consist of the costs associated with our research and development activities, conducting preclinical studies and clinical trials and activities related to regulatory filings. Our research and development expenses consist of:

- expenses incurred under agreements with CROs, contract manufacturing organizations, and consultants that conduct and support clinical trials and preclinical studies;
- costs of comparator drugs in certain of our clinical trials;
- costs associated with preclinical activities and development activities;
- costs associated with regulatory operations;
- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel; and
- other expenses, which include direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies used in research and development activities.

Our current research and development activities mainly relate to the clinical advancement of our six internally-developed drug candidates mentioned below:

- zanubrutinib, an investigational small molecule inhibitor of BTK;
- tislelizumab, an investigational humanized monoclonal antibody against PD-1;
- pamiparib, an investigational small molecule inhibitor of PARP1 and PARP2;
- lifirafenib, a novel small molecule inhibitor of both the monomer and dimer forms of BRAF;
- BGB-A333, an investigational humanized monoclonal antibody against PD-L1; and

- BGB—A425, an investigational humanized monoclonal antibody against TIM-3.

We expense research and development costs in the period incurred. We record costs for certain development activities, such as clinical trials, based on an evaluation of the progress to completion of specific tasks using data such as subject enrollment, clinical site activations or information our vendors provide to us. We expense the manufacturing costs of our internally-developed products that are used in clinical trials as they are incurred. We do not allocate employee-related costs, depreciation, rental and other indirect costs to specific research and development programs because these costs are deployed across multiple product programs under research and development and, as such, are separately classified as unallocated research and development expenses.

At this time, it is difficult to estimate or know for certain, the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our internally-developed drug candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our internally-developed drug candidates. This is due to the numerous risks and uncertainties associated with developing and commercializing such drug candidates, including the uncertainty of:

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

A change in the outcome of any of these variables with respect to the development and commercialization of any of our drug candidates could significantly affect the costs, timing and viability associated with the development and commercialization of respective drug candidate.

Research and development activities are central to our business model. We expect research and development costs to increase significantly for the foreseeable future as our development programs progress, as we continue to support the clinical trials of our drug candidates as treatments for various

cancers and as we move these drug candidates into additional clinical trials. There are numerous factors associated with the successful commercialization of any of our drug candidates, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development. Additionally, future commercial and regulatory factors beyond our control may impact our clinical development programs and plans.

Selling, General and Administrative Expenses

Selling, general and administrative expenses consist primarily of product promotion costs, distribution costs, salaries and related benefit costs, including share-based compensation for selling, general and administrative personnel. Other selling, general and administrative expenses include professional fees for legal, consulting, auditing and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, travel costs, insurance and other supplies used in selling, general and administrative activities. We anticipate that our selling, general and administrative expenses will increase in future periods to support planned increases in commercialization activities with respect to ABRAXANE® (nanoparticle albumin—bound paclitaxel), REVLIMID® (lenalidomide) and VIDAZA® (azaciditine) in China and the preparation for launch and potential commercialization of our internally-developed drug candidates, if approved. We also expect selling, general and administrative expenses to increase in future periods to support our research and development efforts, including the continuation of the clinical trials of our drug candidates as treatments for various cancers and the initiation of clinical trials for potential new drug candidates. These cost increases will likely be due to increased promotional costs, increased headcount, increased share-based compensation expenses, expanded infrastructure and increased costs for insurance. We also anticipate increased legal, compliance, accounting, insurance and investor and public relations expenses associated with being a public company.

Interest Income (Expense), Net

Interest Income

Interest income consists primarily of interest generated from our cash and short-term investments in money market funds, time deposits, U.S. Treasury securities and U.S. agency securities.

Interest Expense

Interest expense consists primarily of interest on our long-term bank loan and shareholder loan.

Other Income (Expense), Net

Other income consists primarily of government grants and subsidies received that involve no conditions or continuing performance obligations by us. Other expense consists primarily of loss from property and equipment disposals and donations made to sponsor certain events. Other income (expense) also consists of unrealized gains and losses related to changes in foreign currency exchange rates and realized gains and losses on the sale of investments.

Results of Operations

Explanation on the Results of Operations for the Year Ended December 31, 2017 in this Prospectus Compared to Those Presented in our Annual Report on Form 10-K, filed with the SEC on February 27, 2018

For U.S. GAAP purposes, the Company elected to implement two new accounting pronouncements related to revenue recognition and the intra-entity transfers of assets on January 1, 2018 and as such, our annual report for the year ended December 31, 2017, as filed with the SEC, does not reflect the impact of adoption. For purposes of this prospectus, the Company has adjusted its financial statements as if it had implemented the new accounting pronouncements as of January 1, 2017, the earliest potential date of adoption.

New Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), or ASU 2014-09. Subsequently, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606), which adjusted the effective date of ASU 2014-09; ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which amends the principal-versus-agent implementation guidance and illustrations in ASU 2014-09; ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, which clarifies identifying performance obligations and licensing implementation guidance and illustrations in ASU 2014-09; ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, which addresses implementation issues and is intended to reduce the cost and complexity of applying the new revenue standard in ASU 2014-09; ASU No. 2017-13, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update), which codifies recent announcements by the SEC, staff; and ASU No. 2017-14, Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606) (SEC Update), which adds ASC 606-10-S25-1 as a result of SEC Release 33-10403, or collectively, the Revenue ASUs. The Revenue ASUs provide an accounting standard for a single comprehensive model for use in accounting for revenue arising from contracts with customers, and supersedes the most current revenue recognition guidance.

The Revenue ASUs apply to all contracts with customers, except for contracts that are within the scope of other standards, such as leases, insurance, collaboration arrangements and financial instruments. Under the Revenue ASUs, an entity recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of the Revenue ASUs, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance

obligation. The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. At contract inception, once the contract is determined to be within the scope the Revenue ASUs, the Company assesses the goods or services promised within each contract and determines those that are performance obligations, and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when (or as) the performance obligation is satisfied. The impact to the Company on adoption of the Revenue ASUs related primarily to variable consideration related to its collaboration agreement with Celgene and the anticipated opt-in to certain clinical trials that are to be run by the Company, and funded by Celgene.

The Company has accounted for the variable consideration under the Celgene collaboration in accordance with the Revenue ASUs. For the year ended December 31, 2017, under the Revenue ASUs, the variable consideration related to Celgene's opt-in to certain clinical trials was not constrained, and therefore the related research and development reimbursement revenue of $16.3 million is reflected in the period in this prospectus.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): *Intra-Entity Transfers of Assets Other Than Inventory*, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. In 2017, BeiGene HK's contribution of BeiGene Shanghai to BeiGene Biologics (and subsequent receipt of a related government grant) resulted in tax expenses of US$26.1 million. Subsequently, a government subsidy of US$10.0 million related to the tax expenses was received and partially offset by the relevant income tax expense of US$2.5 million. Assuming early adoption of ASU 2016-16, both intra-entity transfers are recognized in the statement of operating for the year ended December 31, 2017 and are therefore reflected accordingly in this prospectus.

The following tables summarize the impact of early adoption of the new accounting pronouncements compared to our reported results in our annual report for the year ended December 31, 2017:

	Year Ended December 31, 2017				
Consolidated Statement of Operations	**As reported in Annual Report**	**Adjustments Due to Revenue ASUs**	**Adjustments of Withholding Tax Due to ASU2016-16**	**Adjustments of Government Subsidy Due to ASU2016-16**	**As reported in this prospectus**
	(US dollars in thousands)				
Revenues:					
Product revenue, net	24,428				24,428
Collaboration revenue	213,959	16,307			230,266
Total revenues	238,387	16,307			254,694
Expenses:					
Cost of sales - product	(4,974)				(4,974)
Research and development	(269,018)				(269,018)
Selling, general and administrative	(62,602)				(62,602)
Amortization of intangible assets	(250)				(250)
Total expenses	(336,844)				(336,844)
Loss from operations	(98,457)				(82,150)
Interest (expense) income, net	(4,108)				(4,108)
Gain (loss) on sale of available-for-sale securities	44				44
Other income, net	11,457			9,620	21,077
Loss before income tax expense	(91,064)	16,307		9,620	(65,137)
Income tax expense	(2,235)		(26,090)	(2,405)	(30,730)
Net loss	(93,299)	16,307	(26,090)	7,215	(95,867)
Less: net loss attributable to non-controlling interests	(194)			361	167
Net loss attributable to BeiGene, Ltd.	(93,105)	16,307	(26,090)	6,854	(96,034)

Consolidated Statement of Operations	Year Ended December 31, 2017				
	As reported in Annual Report	Adjustments Due to Revenue ASUs	Adjustments of Withholding Tax Due to ASU2016-16	Adjustments of Government Subsidy Due to ASU2016-16	As reported in this prospectus
Net loss per share attributable to BeiGene, Ltd.					
Basic and diluted (in dollars)	$(0.17)				$(0.18)
Weighted-average shares used in net loss per share calculation					
Basic and diluted (in shares)	543,185,460				543,185,460
Net loss per ADS - Basic and diluted (in dollars)	$(2.23)				$(2.30)

Consolidated Balance Sheet Data	As of December 31, 2017				
	As reported in Annual Report	Adjustments Due to Revenue ASUs	Adjustments of Withholding Tax Due to ASU2016-16	Adjustments of Government Subsidy Due to ASU2016-16	As reported in this prospectus
	(US dollars in thousands)				
Unbilled receivables	—	16,307	—	—	16,307
Other non-current assets	42,915	—	(26,090)	(2,498)	14,327
Total assets	1,046,479	16,307	(26,090)	(2,498)	1,034,198
Other long-term liabilities	31,959	—	—	(9,990)	21,969
Accumulated other comprehensive loss	(480)	—	—	263	(217)
Accumulated deficit	(330,517)	16,307	(26,090)	6,854	(333,446)
Non-controlling interest	14,422	—	—	375	14,797
Total liabilities and equity	1,046,479	16,307	(26,090)	(2,498)	1,034,198

Results of Operations

The following table summarizes our results of operations for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017 and 2016, respectively:

	Three Months Ended March 31,		Change		Year Ended December 31,		Change	
	2018	2017	$	%	2017	2016	$	%
	(US dollars in thousands)							
Revenues								
Product revenue, net	$ 23,250	$ —	$ 23,250	—	$ 24,428	$ —	$ 24,428	—
Collaboration revenue	9,294	—	9,294	—	230,266	1,070	229,196	21,420
Total revenues	32,544	—	32,544	—	254,694	1,070	253,624	23,703
Expenses								
Cost of sales - product	(4,550)	—	(4,550)	—	(4,974)	—	(4,974)	—
Research and development	(109,700)	(42,773)	(66,927)	156	(269,018)	(98,033)	(170,985)	174
Selling, general and administrative	(28,915)	(8,769)	(20,146)	230	(62,602)	(20,097)	(42,505)	211
Amortization of intangible assets	(188)	—	(188)	—	(250)	—	(250)	—
Total expenses	(143,353)	(51,542)	(91,811)	178	(336,844)	(118,130)	(218,714)	185
Loss from operations	(110,809)	(51,542)	(59,267)	115	(82,150)	(117,060)	34,910	(30)
Interest (expense) income, net	1,552	186	1,366	734	(4,108)	383	(4,491)	(1,173)
Changes in fair value of financial instruments	—	—	—	—	—	(1,514)	1,514	(100)
Gain (loss) on sale of available-for-sale securities	(85)	8	(93)	(1,163)	44	(1,415)	1,459	(103)
Other income, net	814	905	(91)	(10)	21,077	443	20,634	4,658
Loss before income tax expense	(108,528)	(50,443)	(58,085)	115	(65,137)	(119,163)	54,026	(45)
Income tax expense	3,412	(180)	3,592	(1,996)	(30,730)	(54)	(30,676)	56,807
Net loss	(105,116)	(50,623)	(54,493)	108	(95,867)	(119,217)	(23,350)	(20)
Less: net profit attributable to noncontrolling interest	(520)	—	(520)	—	167	—	167	—
Net loss attributable to BeiGene, Ltd.	$(104,596)	$(50,623)	$(53,973)	107	$ (96,034)	$(119,217)	$ 23,183	(19)

Comparison of the Three Months Ended March 31, 2018 and 2017

Revenue

Total revenue increased to US$32.5 million for the three months ended March 31, 2018, from nil for the three months ended March 31, 2017. The following table summarizes the components of revenue for the three months ended March 31, 2018 and 2017, respectively:

	Three Months Ended March 31,		Change	
	2018	2017	$	%
	(US dollars in thousands)			
Product revenue	$ 23,250	$ —	$ 23,250	—
Collaboration revenue				
Reimbursement of research and development costs	7,555	—	7,555	—
Research and development service revenue	1,739	—	1,739	—
Total	$ 32,544	$ —	$ 32,544	—

Net product revenue was US$23.3 million for the three months ended March 31, 2018, which related to sales of ABRAXANE®, REVLIMID® and VIDAZA® in China. We began recognizing product revenue with sales to our distributor in China in September 2017 following the closing of our strategic collaboration with Celgene. VIDAZA® was launched in China in February 2018. We had no product revenue for the three months ended March 31, 2017.

Collaboration revenue from the Celgene collaboration totaled US$9.3 million for the three months ended March 31, 2018, and was comprised of US$7.6 million for the reimbursement of research and development costs for the clinical trials that Celgene has opted into and US$1.7 million related to the recognition of deferred revenue for upfront fees allocated to undelivered research and development services. There was no collaboration revenue for the three months ended March 31, 2017.

Cost of Sales

Cost of sales increased to US$4.6 million for the three months ended March 31, 2018 from nil for the three months ended March 31, 2017. Cost of sales for the three months ended March 31, 2018 consisted entirely of the cost of products purchased from Celgene and distributed in the PRC. We had no product sales for the three months ended March 31, 2017.

Research and Development Expense

Research and development expense increased by US$66.9 million, or 156%, to US$109.7 million for the three months ended March 31, 2018 from US$42.8 million for the three months ended March 31, 2017. The following table summarizes external clinical, external preclinical and internal research and development expense for the three months ended March 31, 2018 and 2017, respectively:

	Three Months Ended March 31,		Change	
	2018	2017	$	%
	(US dollars in thousands)			
External cost of clinical-stage programs	$ 53,169	$ 24,580	$ 28,589	116%
External cost of preclinical-stage programs	9,786	1,135	8,651	762%
Internal research and development expenses	46,745	17,058	29,687	174%
Total research and development expenses	$ 109,700	$ 42,773	$ 66,927	156%

The increase in external research and development expense was primarily attributable to the advancement of our clinical and preclinical pipeline, and included the following:

- Increases of approximately US$0.7 million, US$9.8 million and US$8.5 million, respectively, for zanubrutinib, tislelizumab and pamiparib, partially offset by a decrease of approximately US$0.4 million for lifirafenib. The expense increases were primarily due to the expansion of clinical trials for these candidates, including the initiation or continuation of pivotal trials. In addition, external costs of clinical-stage programs include US$10 million of in-process research and development expense related to our in-license of sitravitinib for the Asia (excluding Japan), Australia and New Zealand territories.

- An increase of approximately US$8.7 million in external spending for our preclinical-stage programs, primarily related to costs associated with advancing our preclinical candidates toward clinical trials.

The increase in internal research and development expense was primarily attributable to the expansion of our global development organization and our clinical and preclinical pipeline, and included the following:

- US$12.3 million increase of employee salary and benefits, which was primarily attributable to hiring more research and development personnel to support our expanding research and clinical activities;

- US$7.5 million increase of share-based compensation expense, primarily attributable to our increased headcount and higher share price;

- US$3.2 million increase of materials and reagent expenses, mainly in connection with the in-house manufacturing of drug candidates used for clinical purposes, that were previously outsourced and recorded as external cost;

- US$4.1 million increase of consulting fees, which was mainly attributable to increased scientific, regulatory and development consulting activities, in connection with the advancement of our pipeline; and

- US$2.6 million increase of facilities, office expense, rental fee and other expenses to support the growth of our organization.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by US$20.1 million, or 230%, to US$28.9 million for the three months ended March 31, 2018, from US$8.8 million for the three months ended March 31, 2017. The increase was primarily attributable to the following:

- US$8.9 million increase of employee salary and benefits, which was primarily attributable to the hiring of more personnel to support our growing organization, including the acquired workforce in the acquisition of Celgene's China operations;

- US$3.9 million increase of share-based compensation expense, primarily attributable to our increased headcount and higher share price;

- US$1.5 million increase of professional fees for legal, consulting, recruiting, accounting and audit services to support our growing business; and

- US$5.8 million increase of selling, facility, conference fees, travel expenses, rental fees and other administrative expenses, primarily attributable to the global expansion of our business, including the post-combination cost of our commercial operations in China.

Interest Income, Net

Interest income (net) increased by US$1.4 million for the three months ended March 31, 2018, as compared to the three months ended March 31, 2017. The increase in interest income was primarily attributable to interest income on our larger cash and short-term investment balances.

Other Income, Net

Other income, net, decreased by US$0.2 million to US$0.7 million for the three months ended March 31, 2018, from US$0.9 million for the three months ended March 31, 2017. The decrease was mainly attributable to the impact of foreign currency exchange and related net gains.

Income Tax Benefit/(Expense)

Income tax benefit was US$3.4 million for the three months ended March 31, 2018 compared with income tax expense of US$0.2 million for the three months ended March 31, 2017. The income tax benefit as of March 31, 2018 was primarily attributable to income tax benefit due to the discrete tax benefit on employee stock option exercises and the generation of research and development tax credits and the U.S. Orphan Drug Credit for our U.S. operating subsidiary, partially offset by income tax expense from commercial operations in China.

Comparison of the Years Ended December 31, 2017 and 2016

The following table summarizes our results of operations for the years ended December 31, 2017 and 2016:

	Year Ended December 31,		Change	
	2017	2016	US$	%
	(US dollars in thousands)			
Product revenue, net	$ 24,428	$ —	$ 24,428	—
Collaboration revenue	230,266	1,070	229,196	21,420%
Total revenues	254,694	1,070	253,624	23,703%
Expenses				
Cost of sales — product	(4,974)	—	(4,974)	—
Research and development	(269,018)	(98,033)	(170,985)	174%
Selling, general and administrative	(62,602)	(20,097)	(42,505)	211%
Amortization of intangible assets	(250)	—	(250)	—
Total expenses	(336,844)	(118,130)	(218,714)	185%
Loss from operations	(82,150)	(117,060)	34,910	(30)%
Interest (expense) income, net	(4,108)	383	(4,491)	(1,173)%
Changes in fair value of financial instruments	—	(1,514)	1,514	(100)%
Gain (loss) on sale of available-for-sale securities	44	(1,415)	1,459	(103)%
Other income, net	21,077	443	20,634	4,658%
Loss before income tax expense	(65,137)	(119,163)	54,026	(45)%
Income tax expense	(30,730)	(54)	(30,676)	56,807%
Net loss	(95,867)	(119,217)	23,350	(20)%
Less: Net loss attributable to noncontrolling interest	167	—	167	—
Net loss attributable to BeiGene, Ltd.	$ (96,034)	$ (119,217)	$ 23,183	(19)%

Revenue

Total revenue increased by US$253.6 million to US$254.7 million for the year ended December 31, 2017, from US$1.1 million for the year ended December 31, 2016. The following table summarizes our components of revenue for the year ended December 31, 2017 and 2016, respectively:

	Year Ended December 31,		Changes	
	2017	2016	US$	%
	(US dollars in thousands)			
Product revenue	$ 24,428	$ —	$ 24,428	—
Collaboration revenue:				
License revenue	211,391	—	211,391	—
Research and development reimbursement revenue	16,307	—	16,307	—
Research and development service revenue	2,568	1,070	1,498	140%
Total collaboration revenue	230,266	1,070	229,196	21,420%
Total	$ 254,694	$ 1,070	$ 253,624	23,703%

Net product revenue was US$24.4 million for the year ended December 31, 2017, which related to sales of ABRAXANE® and REVLIMID® in China. We began recognizing product revenue with sales to our distributors in China, beginning in September 2017 following the closing of our strategic collaboration with Celgene. VIDAZA® was not launched in China until early 2018. We had no product revenue for the year ended December 31, 2016.

Collaboration revenue was US$230.3 million for the year ended December 31, 2017, of which US$229.3 million was due to revenue recognition related to the Celgene collaboration, including recognition of the value allocated to the upfront license fees, research and development reimbursement revenue for the clinical trials that Celgene opted into and recognition of deferred revenue for upfront fees allocated to the undelivered research and development services. Collaboration revenue was US$1.1 million for the year ended December 31, 2016, which was due to research and development revenue recognition related to collaboration agreement with Merck KGaA, Darmstadt Germany.

Research and Development Expense

Research and development expense increased by US$171.0 million, or 174.4%, to US$269.0 million for the year ended December 31, 2017, from US$98.0 million for the year ended December 31, 2016. The following table summarizes external clinical, external preclinical and internal research and development expense for the year ended December 31, 2017 and 2016:

	Year Ended December 31,		Changes	
	2017	2016	US$	%
	(US dollars in thousands)			
External cost of clinical-stage programs...	$ 131,485	$ 54,373	$ 77,112	142%
External cost of preclinical-stage programs	9,244	6,068	3,176	52%
Internal research and development expenses	128,289	37,592	90,697	241%
Total research and development expenses.	$ 269,018	$ 98,033	$ 170,985	174%

The increase in external research and development expense was primarily attributable to the advancement of our clinical and preclinical drug candidates, and included the following:

- Increases of approximately US$40.1 million, US$27.1 million and US$12.9 million, respectively, for zanubrutinib, tislelizumab and pamiparib, partially offset by a decrease of approximately US$3.0 million for lifirafenib. The expense increases were primarily due to the expansion of clinical trials for these candidates, including the initiation or continuation of pivotal trials; and

- Approximately US$3.2 million increase in external spending for our preclinical-stage programs, primarily related to costs associated with advancing our preclinical candidates toward clinical trials.

The increase in internal research and development expense was primarily attributable to the expansion of our development organization and our clinical and preclinical pipeline, and included the following:

- US$33.8 million increase of employee salary and benefits, which was primarily attributable to hiring more research and development personnel to support our expanding research and clinical activities;

- US$22.5 million increase of share-based compensation expense, primarily attributable to our increased headcount, as well as the increased valuation of non-employee equity compensation grants due to a higher share price;

- US$15.3 million increase of materials and reagent expenses, mainly in connection with the in-house manufacture of drug candidates used for clinical purposes, that were previously outsourced and recorded as external cost;

- US$9.8 million increase of consulting fees, which was mainly attributable to increased scientific, regulatory and development consulting activities, in connection with the advancement of our pipeline; and

- US$9.3 million increase of facilities, office expense, rental fee and other expenses to support the growth of our organization.

Selling, General and Administrative Expense

Selling, general and administrative expense increased by US$42.5 million, or 211.5%, to US$62.6 million for the year ended December 31, 2017, from US$20.1 million for the year ended December 31, 2016. The increase was primarily attributable to the following:

- US$12.6 million increase of employee salary and benefits, which was primarily attributable to the hiring of more personnel to support our growing organization, including the acquired workforce in the acquisition of Celgene's China operations;

- US$9.7 million increase of share-based compensation expense, primarily attributable to our increased headcount;

- US$8.7 million increase of professional fees for legal, consulting, recruiting and audit services, mainly in connection with our patent prosecution activities, consulting services, business development activities, including the Celgene transactions, recruiting services and the preparation of periodic reports; and

- US$11.5 million increase of selling, facility, travel expenses, rental fees and other administrative expenses, primarily attributable to the global expansion of our business, including the post-combination operating costs of our commercial operations in China.

Interest Income (Expense), Net

Interest expense (net) increased by US$4.5 million to US$4.1 million of expense for the year ended December 31, 2017, from US$0.4 million of income for the year ended December 31, 2016. The increase in interest expense was primarily attributable to interest accrued for our long-term bank loan and shareholder loan, partially offset by increased interest income from higher returns on short-term investments.

Gain on Sale of Available-for-sale Securities

The gain on sale of available-for-sale securities was less than US$0.1 million for the year ended December 31, 2017, compared to a loss of US$1.4 million for the year ended December 31, 2016.

Other Income(Expense), Net

Other income (expense), net increased by US$20.7 million to US$21.1 million for the year ended December 31, 2017, from US$0.4 million for the year ended December 31, 2016. The increase was mainly attributable to government grants and subsidies received and recognized.

Income Tax Expense

Income tax expense was US$30.7 million for the year ended December 31, 2017 compared with US$0.1 million for the year ended December 31, 2016. In the year ended December 31, 2017, the income tax expense was mainly attributable to income tax expense associated with BeiGene HK's contribution of BeiGene Shanghai to BeiGene Biologics and the tax due on the receipt of a related government grant. These expense increases were partially offset by income tax benefit due to the effect of estimated realized research and development tax credits and the U.S. Orphan Drug Credit for our U.S. operating subsidiary.

Taxation

Cayman Islands

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to income tax for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017 and 2016.

United States

BeiGene (USA), which was incorporated in Delaware, United States on July 8, 2015, is subject to statutory U.S. federal corporate income tax at a rate of 21% for the three months ended March 31, 2018 and 35% for the three months ended March 31, 2017 and for the years ended December 31, 2017 and 2016. BeiGene (USA) is also subject to the state income tax in New Jersey, California and Massachusetts, at a rate of 9.0%, 8.8% and 8.0%, respectively, for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017 and 2016. The corporate tax rate in the United States changed to 21% for purposes of calculating the estimated tax expense for the twelve months ended December 31, 2018.

Hong Kong

BeiGene HK is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. The Company did not make any provisions for Hong Kong profit tax as there were no assessable profits derived from or earned in Hong Kong for any of the periods presented. Under the Hong Kong tax law, BeiGene HK is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

China

BeiGene Beijing, BeiGene Suzhou, BeiGene Shanghai, BeiGene Biologics, BeiGene Guangzhou, BeiGene Guangzhou Manufacturing and BeiGene Pharmaceutical (Shanghai) are subject to the statutory tax rate of 25% in accordance with the EIT Law, which was effective since January 1, 2008 and was amended on February 24, 2017. Under the EIT Law, all enterprises are subject to the 25% enterprise income tax rate, except for certain entities that enjoyed the tax holidays or preferential tax treatments. Under the EIT Law and its relevant regulations, dividends paid by China enterprises out of profits earned post-2007 to non-China tax resident investors are subject to China withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain jurisdictions.

Australia

BeiGene AUS is incorporated in Australia and is subject to corporate income tax at a rate of 30%. BeiGene AUS had no taxable income for all periods presented and therefore, no provision for income taxes is required.

Switzerland

BeiGene Switzerland, incorporated in Switzerland on September 1, 2017, is subject to corporate income tax at a rate of 10.0%. BeiGene Switzerland had no taxable income for the three months ended March 31, 2018 and 2017 and for the years ended December 31, 2017 and 2016, and therefore, no provision for income taxes is required.

Discussion of Certain Key Balance Sheet Items

The table below sets forth selected information from our consolidated balance sheets as of the dates indicated, which have been extracted from our audited consolidated financial statements included in Appendix I to this prospectus:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Total current assets	$ 1,585,702	$ 929,804	$ 374,399
Total non-current assets	123,225	104,394	31,414
Total assets	$ 1,708,927	$ 1,034,198	$ 405,813
Total current liabilities	141,896	149,988	35,058
Total non-current liabilities	208,309	202,270	17,848
Total liabilities	$ 350,205	$ 352,258	$ 52,906
Ordinary shares	70	59	52
Additional paid-in capital	1,782,033	1,000,747	591,213
Accumulated other comprehensive loss	320	(217)	(946)
Accumulated deficit	(438,042)	(333,446)	(237,412)
Total shareholders' equity	1,344,381	667,143	352,907
Non-controlling interest	14,341	14,797	—
Total equity	$ 1,358,722	$ 681,940	$ 352,907

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Current assets			
Cash, cash equivalents and restricted cash	$ 508,094	$ 239,602	$ 87,514
Short-term investments	973,381	597,914	280,660
Accounts receivable	23,485	29,428	—
Unbilled receivable	23,862	16,307	—
Inventories	7,498	10,930	—
Prepaid expenses and other current assets	49,382	35,623	6,225
Total current assets	$ 1,585,702	$ 929,804	$ 374,399
Current liabilities			
Accounts payable	$ 52,719	$ 69,779	$ 11,957
Accrued expenses and other payables	55,712	49,598	22,297
Deferred revenue, current portion	14,011	12,233	—
Tax payable	9,889	9,156	804
Current portion of long-term bank loan	9,565	9,222	—
Total current liabilities	$ 141,896	$ 149,988	$ 35,058

As of May 31, 2018, the Group's estimated balance of unaudited net current asset was between US$1.31 billion to US$1.38 billion and was mainly comprised of unaudited cash and cash equivalents (include restricted cash) and short-term investments, the estimated balance of which was between US$1.35 billion to US$1.42 billion. The decrease in net current assets over March 31, 2018 is primarily the result of the continued investment in the Group's late-stage clinical programs and related activities.

Short-term investments

Short-term investments as of March 31, 2018 indicated below consisted of the following available-for-sale debt securities and time deposits:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
		(US dollars in thousands)		
U.S. Treasury securities	$ 963,447	$ —	$ 66	$ 963,381
Time deposits	10,000	—	—	10,000
Total	$ 973,447	$ —	$ 66	$ 973,381

The Company does not consider the investments in U.S. Treasury securities or U.S. agency securities to be other-than-temporarily impaired as of March 31, 2018.

Short-term investments as of December 31, 2017 indicated below consisted of the following available-for-sale debt securities and time deposits:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
		(US dollars in thousands)		
U.S. Treasury securities	$ 561,733	$ —	$ 406	$ 561,327
U.S. agency securities	17,651	12	—	17,663
Time deposits	18,924	—	—	18,924
Total	$ 598,308	$ 12	$ 406	$ 597,914

The Company does not consider the investments in U.S. Treasury securities or U.S. agency securities to be other-than-temporarily impaired at December 31, 2017.

Short-term investments as of December 31, 2016 indicated below consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	(US dollars in thousands)			
U.S. Treasury securities.....	$ 280,757	$ —	$ 97	$ 280,660

Accounts receivable

Trade accounts receivable are recorded at their invoiced amounts, net of allowances for doubtful accounts. An allowance for doubtful accounts is recorded when the collection of the full amount is no longer probable. In evaluating the collectability of receivable balances, the Company considers specific evidence including aging of the receivable, the customer's payment history, its current creditworthiness and current economic trends. Accounts receivable are written off after all collection efforts have ceased. The Company regularly reviews the adequacy and appropriateness of any allowance for doubtful accounts. No allowance for doubtful accounts was recorded as of March 31, 2018 and December 31, 2017 and 2016.

The Company's accounts receivable balance totaled US$23.5 million and US$29.4 million as of March 31, 2018 and December 31, 2017 and related entirely to trade receivables from sales of Celgene branded products in the PRC. The Company had no accounts receivable as of December 31, 2016.

The following table sets forth an aging analysis of our accounts receivable as of the dates indicated:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Within 3 months	$ 23,485	$ 18,907	$ —
3 months to 6 months	—	10,521	—
Total	$ 23,485	$ 29,428	$ —

As at the Latest Practicable Date, the accounts receivable as of December 31, 2017 and March 31, 2018 were fully settled.

Unbilled receivable

The Company's unbilled receivable balance of US$23.9 million as of March 31, 2018 and US$16.3 million as of December 31, 2017 related entirely to reimbursement revenue on research and development costs of clinical trials that Celgene opted into. The Company had no unbilled receivable as of December 31, 2016.

As at the Latest Practicable Date, the unbilled receivable as of December 31, 2017 and March 31, 2018 were fully billed.

Inventories

The Company's inventory balance of US$7.5 million as of March 31, 2018 and US$10.9 million as of December 31, 2017 consisted entirely of finished goods purchased from Celgene for distribution in the PRC. The Company had no inventories as of December 31, 2016.

As at the Latest Practicable Date, the inventory as of December 31, 2017 and March 31, 2018 were fully sold.

Prepaid expenses and other current assets

The Company's prepaid expenses and other current assets are primarily comprised of prepayments to CROs for clinical trials, prepayments to external CMOs, prepaid taxes and other current assets.

The following table sets forth our prepaid expenses and other current assets as of the date indicated:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Prepaid research and development costs	$ 30,879	$ 21,156	$ 475
Prepaid taxes	10,117	9,894	3,692
Interest receivable	2,623	1,557	872
Other	5,763	3,016	1,186
Total prepaid expenses and other current assets	$ 49,382	$ 35,623	$ 6,225

Prepaid expenses and other current assets increased by 38.6% from US$35.6 million as of December 31, 2017 to US$49.4 million as of March 31, 2018. The increase was primarily due to a ramp up in costs related to our ongoing clinical trials. Prepaid expenses and other current assets increased by 474.2% from US$6.2 million as of December 31, 2016 to US$35.6 million as of December 31, 2017. The increase was primarily due to the initiation of several late-stage clinical trials and related prepaid fees made to CROs.

Accounts payable

Accounts payable includes amounts due to third parties and totaled US$52.7 million as of March 31, 2018 and US$69.8 million and US$12.0 million as of December 31, 2017 and 2016, respectively. The increase was primarily due to increased research and development activities, higher external costs and activities and accounts payable related to the purchase of inventory.

The following table sets forth an aging analysis of our accounts payable as of the dates indicated:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Within 1 month	$ 43,808	$ 65,626	$ 8,962
1 to 3 months	5,389	3,170	2,725
3 to 6 months	3,083	725	226
6 months to 1 year	418	189	41
Over 1 year	21	69	3
Total accounts payable	$ 52,719	$ 69,779	$ 11,957

Accrued expenses and other payables

Accrued expenses and other payables consisted of the following:

	As of March 31,	As of December 31,	
	2018	2017	2016
	(US dollars in thousands)		
Compensation related	$ 12,425	$ 17,051	$ 3,980
External research and development activities related	26,892	18,721	14,198
Sales rebates and returns related	4,231	3,997	—
Professional fees and other	12,164	9,829	4,119
Total accrued expenses and other payables	$ 55,712	$ 49,598	$ 22,297

The following table presents the roll-forward of accrued sales rebates and returns for the relevant periods.

Sales Rebates and Returns ($)	
(US dollars in thousands)	
Balance as of December 31, 2016	$ —
Accrual	4,000
Payment	(3)
Balance as of December 31, 2017	$ 3,997
Accrual	$ 235
Payment	(1)
Balance as of March 31, 2018	$ 4,231

Deferred revenue, current portion

The Company's current deferred revenue balance was US$14.0 million and US$12.2 million as of March 31, 2018 and December 31, 2017, respectively, and represents the amount of upfront fees from the Celgene collaboration agreement that were allocated to the research and development services to be provided by the Company under the collaboration, that are expected to be performed over the next twelve months. The Company had no current deferred revenue as of December 31, 2016

Tax payable

The Company's taxes payable balances of US$9.9 million as of March 31, 2018 and US$9.2 million and US$0.8 million as of December 31, 2017 and 2016, respectively, represent corporate cash income taxes owed to authorities in the U.S. and China.

Key Financial Ratios

The following table sets forth our key financial ratios for the periods indicated:

	As of March 31,	As of December 31,	
	2018	2017	2016
Gross margin — products [(1)]	80.4%	79.6%	—
Current ratio [(2)]	11.2	6.2	10.7
Gearing ratio [(3)]	12.8%	24.2%	4.9%

Notes:

(1) Gross margin on our products equals gross profit divided by revenue for the period. In 2016, we had no product sales.

(2) Current ratio equals current assets divided by current liabilities as of the end of the period.

(3) Gearing ratio equals total interest-bearing loans divided by total equity as of the end of the period.

See the paragraphs headed "— Results of Operations — Comparison of the Three Months Ended March 31, 2018 and 2017" and "— Comparison of the Years Ended December 31, 2017 and 2016" in this section for a discussion of the factors affecting our results of operations during the respective periods.

Liquidity and Capital Resources

Since inception, we have incurred annual net losses from our operations. Substantially all of our losses have resulted from the funding of our research and development programs and selling, general and administrative expenses associated with our operations. We incurred net losses of US$105.1 million and US$50.6 million for the three months ended March 31, 2018 and 2017, respectively, and US$95.9 million and US$119.2 million for the years ended December 31, 2017 and 2016, respectively. As of March 31, 2018 and December 31, 2017, we had an accumulated deficit of US$438.0 million and US$333.4 million, respectively. Our operating activities used US$104.5 million and US$35.7 million for the three months ended March 31, 2018 and 2017 and provided US$12.8 million for the

year ended December 31, 2017 and used US$89.5 million for the years ended December 31, 2016, respectively. We have financed our operations principally through proceeds from public and private offerings of our securities and proceeds from our collaboration agreements with Celgene and Merck KGaA, Darmstadt Germany. During the three months ended March 31, 2018, we raised an aggregate of US$757.6 million, consisting of net proceeds from a public offering of ADSs. During the year ended December 31, 2017, we raised an aggregate of US$601.4 million, consisting of US$188.5 million in net proceeds from a public offering of ADSs, US$149.9 million in net proceeds from the sale of ordinary shares to Celgene in connection with our collaboration agreement, and US$263.0 million in up-front fees under our collaboration agreement with Celgene. During the year ended December 31, 2016, we raised an aggregate of US$366.7 million, consisting of net proceeds from our initial public offering and a subsequent follow-on offering of ADSs.

As of March 31, 2018, we had cash, cash equivalents, restricted cash and short-term investment of US$1,481.5 million, including US$131.0 million held by our joint venture, BeiGene Biologics, to build a commercial biologics facility in Guangzhou, China and to fund research and development of biologics drug candidates in China. As of December 31, 2017, we had cash, cash equivalents and short-term investments of US$837.5 million, including approximately US$139.5 million of cash and cash equivalents and short-term investments held by our joint venture, BeiGene Biologics.

The following table provides information regarding our cash flows for relevant periods:

	Three Month Ended March 31,		Year Ended December 31,	
	2018	2017	2017	2016
	(US dollars in thousands)			
Net cash (used in) provided by operating activities	$ (104,501)	$ (35,711)	$ 12,752	$ (89,513)
Net cash (used in) provided by investing activities	(394,352)	43,543	(356,319)	(221,848)
Net cash provided by financing activities	763,901	2,533	490,356	380,902
Net effect of foreign exchange rate changes	3,444	(129)	5,299	104
Net increase in cash and cash equivalents	$ 268,492	$ 10,236	$ 152,088	$ 69,645

Use of Funds

Our primary use of our cash, cash equivalents and short-term investments in all periods presented was to fund our research and development, regulatory and other clinical trial costs, and related supporting administration, and since September 2017, to fund our commercial operations in China. Our prepaid expenses and other current assets, accounts payable and accrued expense balances in all periods presented were affected by the timing of vendor invoicing and payments, and impacted the cash provided by, or used in operations. We expect to incur capital expenditures of approximately US$170 million in 2018 and 2019, to be paid out of existing cash and short-term investments, in connection with the construction of its biologics manufacturing facility in Guangzhou, Guangdong Province, PRC.

Operating Activities

Operating activities used US$104.5 million of cash in the three months ended March 31, 2018, which resulted principally from our net loss of US$105.1 million and an increase in our net operating assets and liabilities of US$26.5 million, offset by non-cash charges of US$27.1 million. The overall increase in our net operating assets was primarily due to an increase in unbilled receivables of US$7.6 million related to the Celgene collaboration, an increase of US$13.8 million in prepaid expenses and other current assets primarily related to prepayments to CROs for clinical trials, an increase of US$2.1 million in other non-current assets primarily related to rental deposits and other, a decrease of US$12.4 million in accounts payable and accrued expenses related to payments for external research and development costs, payroll-related costs and selling, general and administrative expenses to support our growing business, offset by an decrease in accounts receivable of US$5.9 million related to collections on product sales from our collaboration with Celgene, and a decrease of US$3.4 million in inventories. Our non-cash charges and other adjustments to our net loss during the three months ended March 31, 2018 primarily consisted of US$17.4 million of share-based compensation expense, US$10.0 million of acquired in-process research and development related to the license agreement with Mirati, US$2.0 million of non-cash interest expense and US$2.2 million of depreciation expense, offset by US$4.1 million related to deferred tax benefits.

Operating activities used US$35.7 million of cash in the three months ended March 31, 2017, which resulted principally from our net loss of US$50.6 million, offset by non-cash charges of US$4.7 million and by a decrease in our net operating assets and liabilities of US$10.2 million. Our net non-cash charges during the three months ended March 31, 2017 primarily consisted of US$6.0 million of share-based compensation expense and US$0.9 million of depreciation expense, partially offset by $2.2 million of deferred income tax benefits.

During the year ended December 31, 2017, operating activities provided US$12.8 million of cash, due to cash inflows of US$250.0 million from upfront license fees received from Celgene, and decreases in net working capital offsetting significantly increased total expenses, adjusted for non-cash expenses. The overall decrease in our net operating assets was primarily due to an increase in deferred revenue of US$37.0 million related to the Celgene collaboration, an increase of US$80.3 million due to increased accounts payable and accrued expenses related to higher external research and development costs, increased payroll-related costs and selling, general and administrative expenses to support our growing business, an increase in other long-term liabilities of US$21.8 million mainly related to government grants received, offset by an increase in accounts receivable of US$29.4 million related to product sales and collaboration with Merck KGaA, Darmstadt Germany, an increase of US$16.3 million related to reimbursement revenue on research and development costs of clinical trials that Celgene opted into, an increase of US$28.9 million in prepaid expenses and other current assets, an increase of US$10.9 million in inventories and a US$1.2 million increase in other non-current assets. Our non-cash charges during the year ended December 31, 2017 primarily consisted of US$42.9 million of share-based compensation expense, US$7.0 million of non-cash interest expense and US$4.8 million of depreciation expense, offset by US$5.8 million related to deferred tax benefits.

During the year ended December 31, 2016, operating activities used US$89.5 million of cash, which resulted principally from our net loss of US$119.2 million, adjusting for non-cash charges of US$15.5 million and interest expense of US$0.1 million, and by cash provided in our operating assets

and liabilities of US$14.1 million. Our net non-cash charges during the year ended December 31, 2016 primarily consisted of US$1.9 million of depreciation expense, US$10.6 million of share-based compensation expense, a US$1.4 million loss on sale of available-for-sale securities and a US$1.5 million loss from changes in the fair value of financial instruments related to the valuation changes of warrants and option liabilities that were exercised during the year.

Investing Activities

Net cash used in investing activities was US$394.4 million for the three months ended March 31, 2018, which consisted of purchases of investment securities of US$632.2 million, a purchase of US$10.0 million of in-process research and development related to the license agreement with Mirati and capital expenditures of US$9.7 million primarily related to our Guangzhou and Suzhou manufacturing facilities, partially offset by sales and maturities of investment securities of US$257.6 million.

Net cash provided by investing activities was US$43.5 million for the three months ended March 31, 2017, which consisted of sales and maturities of investment securities of US$65.6 million, partially offset by purchases of investment securities of US$14.7 million, capital expenditures of US$5.1 million and a US$2.3 million payment related to the Guangzhou land auction deposit.

Net cash used in investing activities was US$356.3 million for the year ended December 31, 2017, which was primarily due to the purchase of investment securities of US$741.3 million, capital expenditures of US$46.4 million primarily related to our Guangzhou and Suzhou manufacturing facilities and US$12.4 million paid to acquire land use rights in Guangzhou, China, partially offset by US$423.8 million of proceeds from sale or maturity of investment securities and US$19.9 million of cash acquired in the acquisition of BeiGene Pharmaceutical (Shanghai), net of cash paid.

Net cash used in investing activities was US$221.8 million for the year ended December 31, 2016, which was primarily due to the purchase of investment securities of US$382.1 million and capital expenditures of US$23.5 million, partially offset by US$183.7 million of proceeds from sales of investment securities.

Financing Activities

Net cash provided by financing activities was US$763.9 million for the three months ended March 31, 2018, which consisted of US$758.0 million of proceeds, net of underwriter discounts, from our follow-on public offering of ADSs and US$6.3 million from the exercise of employee stock options, offset by the payment of US$0.4 million of follow-on public offering costs.

Net cash provided by financing activities was US$2.5 million for the three months ended March 31, 2017, which related to proceeds from a short-term loan to BeiGene Biologics from GET.

Net cash provided by financing activities was US$490.4 million for the year ended December 31, 2017, which was primarily due to US$188.5 million of net proceeds from our follow-on public offering, net of underwriters' discounts and offering costs, US$149.9 million in proceeds from the sales of our ordinary shares to Celgene Switzerland, net of costs, US$132.8 million of proceeds from

the shareholder loan, US$14.5 million from the capital contribution in BeiGene Biologics by our joint venture collaborator Guangzhou GET Technology Development Co., Ltd., or GET, and US$4.6 million in proceeds from the exercise of employee share options.

Net cash provided by financing activities was US$380.9 million for the year ended December 31, 2016, which was due to proceeds of US$366.7 million from our initial and follow-on public offerings, net of offering costs, US$12.0 million of long-term loan proceeds and US$2.2 million of proceeds from the exercise of warrants and employee share options.

Cash Operating Costs

The following table provides information regarding our cash operating costs for the relevant periods:

	Three Months Ended March 31,		Year Ended December 31,		Changes	
	2018	2017	2017	2016	US$	%
			(US dollars in thousands)			
Compensation related	$ 36,257	$ 11,337	$ 55,882	$ 20,197	$ 35,685	177%
Direct production costs	15,832	—	—	—	—	—
Research and development	67,849	17,344	155,256	59,407	95,849	161%
Product marketing	1,186	—	1,706	—	1,706	—
Other	15,526	8,288	42,567	12,561	30,006	239%
Total cash operating costs	$136,650	$ 36,969	$255,411	$ 92,165	$163,246	177%

Operating Capital Requirements

We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval for and commercialize one of our current or future drug candidates. We have exclusive rights to distribute and promote Celgene's approved cancer therapies in China, for which we began recognizing revenue in the third quarter of 2017. We anticipate that we will continue to generate losses for the foreseeable future, and we expect our losses to increase as we continue the development of, and seek regulatory approvals for, our drug candidates, and prepare for commercialization and begin to commercialize any approved products. As a growing public company, we will continue to incur additional costs associated with our operations. In addition, we expect to incur significant commercialization expenses for product sales, marketing and manufacturing of our in-licensed drug products in China and, subject to obtaining regulatory approval, our drug candidates. Accordingly, we anticipate that we will need substantial additional funding in connection with our continuing operations.

Based on our current operating plan, we expect that our existing cash, cash equivalents and short-term investments as of March 31, 2018, will enable us to fund our operating expenses and capital expenditures requirements for at least the next 12 months after the date that the financial statements included in this prospectus are issued. We expect that our expenses will continue to increase substantially as we fund our ongoing research and clinical development efforts, including our ongoing and planned pivotal trials for zanubrutinib, tislelizumab and pamiparib, both in China and globally; our other ongoing and planned clinical trials; regulatory filing and registration of our late-stage drug candidates; expansion of commercial operations in China and preparation for launch of our drug candidates globally; business development and manufacturing activities; and working capital and other general corporate purposes. We have based our estimates on assumptions that may prove to be wrong, and we may use our available capital resources sooner than we currently expect. Because of the numerous risks and uncertainties associated with the development and commercialization of our drug candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures necessary to complete the development and commercialization of our drug candidates.

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

- the costs, timing and outcome of regulatory reviews and approvals;
- the ability of our drug candidates to progress through clinical development successfully;
- the initiation, progress, timing, costs and results of nonclinical studies and clinical trials for our other programs and potential drug candidates;
- the number and characteristics of the drug candidates we pursue;
- the costs of establishing commercial manufacturing capabilities or securing necessary supplies from third-party manufacturers;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- the costs of establishing and expanding our commercial operations and the success of those operations;
- the extent to which we acquire or in-license other products and technologies; and
- our ability to maintain and establish collaboration arrangements on favorable terms, if at all.

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings, collaboration agreements, strategic alliances, licensing arrangements, government grants and other available sources. Under SEC rules, we currently qualify as a "well-known seasoned issuer," which allows us to file shelf registration statements to register an unspecified amount of securities that are effective upon filing.

On May 26, 2017, we filed such a shelf registration statement with the SEC for the issuance of an unspecified amount of ordinary shares (including in the form of ADSs), preferred shares, various series of debt securities and/or warrants to purchase any of such securities, either individually or in units, from time to time at prices and on terms to be determined at the time of any such offering. This registration statement was effective upon filing and will remain in effect for up to three years from filing. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our shareholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of ADSs or ordinary shares. Debt financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends and may require the issuance of warrants, which could potentially dilute your ownership interest. If we raise additional funds through collaboration agreements, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings, collaborations or other sources when needed, we may be required to delay, limit, reduce or terminate our product development or commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

Indebtedness

The following table sets forth the breakdown of our indebtedness of the dates indicated.

			(note 2)
	As of May 31,	As of December 31,	
	2018	2017	2016
	Unaudited		
	(US dollars in thousands)		
Current bank loan, secured (note 1)	$ 9,361	$ 9,222	$ —
Long-term bank loan, secured (note 1)	9,361	9,222	17,284
Shareholder loan	153,125	146,271	—
Total	$ 171,847	$ 164,715	$ 17,284

As of May 31, 2018, the outstanding balance of our bank loan was US$18.7 million with a 7% fixed annual interest rate, and the outstanding balance of our shareholder loan was US$153.1 million with an 8% fixed annual interest rate.

The following table provides information regarding amounts repayable by due date as of May 31, 2018, December 31, 2017 and December 31, 2016:

		(note 2)	
	As of May 31,	As of December 31,	
	2018	2017	2016
	Unaudited		
	(US dollars in thousand)		
Secured bank loans repayable (note 1):			
Within 1 year	$ 9,361	$ 9,222	$ —
1-2 years	9,361	9,222	8,642
3-5 years, inclusive	—	—	8,642
	18,722	18,444	17,284
Shareholder loan repayable:			
4-5 years	153,125	—	—
Over 5 years	—	146,271	—
	$ 171,847	$ 164,715	$ 17,284

Note 1: These bank loans are secured by our property, plant, equipment and rights to a PRC patent on a drug candidate.

Note 2: The amounts as at May 31, 2018, December 31, 2017 and 2016 are translated into US dollars based on the closing exchange rates as at May 31, 2018, December 31, 2017 and 2016, respectively.

During the Track Record Period and up to the Latest Practicable Date, we had not been in violation of any of the covenants pursuant to the applicable agreement we entered with each of the lenders mentioned above. Our Directors confirm that we are not subject to other material covenants under any agreements with respect to any bank loans or other borrowings. Our Directors also confirm that there was no delay or default in the repayment of borrowings during the Track Record Period. Taking into consideration our financial position, our Directors are of the opinion that we are able to abide by these covenants amid current market conditions and that our capital raising abilities were not materially affected as of May 31, 2018.

Except as discussed above, we did not have any material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as at close of business on May 31, 2018.

As at the Latest Practicable Date, we had unutilized bank loan facilities of RMB300 million.

Working Capital confirmation

The Directors are of the opinion that, taking into account the financial resources available to the Group, including internally generated funds and the estimated net proceeds from the Listing (after a possible Downward Offer Price Adjustment setting the final Offer Price up to 10% below HK$94.40, being the low end of the Offer Price range), the Group has sufficient working capital to cover at least 125% of our costs, including general, administrative and operating costs (including any production costs) and research and development costs for at least the next 12 months from the expected date of this prospectus.

Contractual Obligations and Commitments

The following table summarizes our significant contractual obligations as of payment due date by period at March 31, 2018.

	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(US dollars in thousands)				
Contractual obligations					
Operating lease commitments	$ 32,879	$ 8,987	$ 16,384	$ 6,463	$ 1,045
Debt obligations	173,681	9,565	9,565	—	154,551
Capital commitments	41,941	41,941	—	—	—
Total	$ 248,501	$ 60,493	$ 25,949	$ 6,463	$ 155,596

The following table summarizes our significant contractual obligations as of payment due date by period at December 31, 2017:

	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(US dollars in thousands)				
Contractual obligations					
Operating lease commitments	$ 33,179	$ 7,346	$ 17,000	$ 7,422	$ 1,411
Debt obligations	164,715	9,222	9,222	—	146,271
Capital commitments	43,175	43,175	—	—	—
Total	$ 241,069	$ 59,743	$ 26,222	$ 7,422	$ 147,682

The following table summarizes our significant contractual obligations as of payment due date by period at December 31 2016:

	Payments Due by Period				
	Total	Less Than 1 Year	1-3 Years	3-5 Years	More Than 5 Years
	(US dollars in thousands)				
Contractual obligations					
Operating lease commitments	$ 9,515	$ 2,931	$ 4,527	$ 2,057	$ —
Debt obligations	17,284	—	17,284	—	—
Capital commitments	4,527	4,527	—	—	—
Total	$ 31,326	$ 7,458	$ 21,811	$ 2,057	$ —

Operating Lease Commitments

We lease office or manufacturing facilities in Beijing, Shanghai, Suzhou and Guangzhou, China, and office facilities in the United States in California, Massachusetts and New Jersey under non-cancelable operating leases expiring on different dates. Payments under operating leases are expensed on a straight-line basis over the periods of the respective leases. The aggregate future minimum payments under these non-cancelable operating leases are summarized in the table above.

Debt Obligations

Long-term Bank Loan

On September 2, 2015, BeiGene (Suzhou) Co., Ltd. entered into a loan agreement with Suzhou Industrial Park Biotech Development Co., Ltd. and China Construction Bank, to borrow US$18.4 million at a 7% fixed annual interest rate. As of December 31, 2017, we had drawn down US$18.4 million, which is secured by BeiGene (Suzhou) Co., Ltd.'s equipment with a carrying amount of US$23.8 million and our rights to a PRC patent on a drug candidate. The loan amounts of US$9.2 million and US$9.2 million are repayable on September 30, 2018 and 2019, respectively.

On April 4, 2018, BeiGene Guangzhou Biologics Manufacturing Co., Ltd. entered into a nine-year loan agreement with China Construction Bank, which bears the relevant benchmark interest published by PBOC. This loan facility is secured and grants us a line of credit up to RMB580 million. Draw-downs on the facility will be repaid according to a repayment schedule. As at the Latest Practicable Date, the unutilized principal balance of this loan facility was RMB300 million.

Shareholder Loan

On March 7, 2017, BeiGene Biologics Co., Ltd. entered into a Shareholder Loan Contract with GET, pursuant to which, GET provided a shareholder loan to BeiGene Biologics Co., Ltd. with the principal of RMB900 million at an 8% fixed annual interest rate. The term of the shareholder loan is 72 months, commencing from the actual drawdown date of April 14, 2017 and ending on April 13, 2023, unless converted earlier. On April 14, 2017, we drew down the entire RMB900 million from GET.

Capital Commitments

We had capital commitments amounting to US$41.9 million for the acquisition of property, plant and equipment as of March 31, 2018, which was primarily for BeiGene Guangzhou Manufacturing's manufacturing facility in Guangzhou, China. We had capital commitments amounting to US$43.2 million for the acquisition of property, plant and equipment as of December 31, 2017, which was primarily for BeiGene Guangzhou Manufacturing's manufacturing facility in Guangzhou, China. We had capital commitments amounting to US$4.5 million for the acquisition of property, plant and equipment as of December 31, 2016, which was primarily for building BeiGene Suzhou's manufacturing facility in Suzhou, China.

Other Business Agreements

We enter into agreements in the normal course of business with CROs and institutions to license intellectual property. We have not included these future payments in the table of contractual obligations above since the contracts are cancelable at any time by us with prior written notice or the licensing fees are currently not determinable.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, such as relationships with unconsolidated entities or financial partnerships, which are often referred to as structured finance or special purpose entities, established for the purpose of facilitating financing transactions that are not required to be reflected on our balance sheets.

Quantitative and Qualitative Disclosure about Market Risk

Interest and Credit Risk

Financial instruments that are potentially subject to credit risk consist of cash and cash equivalents and short-term investments. The carrying amounts of cash and cash equivalents, restricted cash and short-term investments represent the maximum amount of loss due to credit risk. We had cash and cash equivalents of US$490.6 million, US$239.6 million and US$87.5 million, restricted cash of US$17.5 million, nil and nil and short-term investments of US$973.4 million, US$597.9 million and US$280.7 million at March 31, 2018, December 31, 2017 and 2016, respectively, most of which are deposited in financial institutions outside of the PRC. Our cash and cash equivalents in the PRC are deposited with various major reputable financial institutions. The deposits placed with these financial

institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our deposits back in full. We believe that these financial institutions are of high credit quality, and we continually monitor the credit worthiness of these financial institutions. At March 31, 2018 and December 31, 2017, our short-term investments consisted primarily of U.S. Treasury securities, U.S. agency securities and time deposits. We believe that the U.S. Treasury securities, U.S. agency securities and time deposits are of high credit quality and continually monitor the credit worthiness of these institutions.

The primary objectives of our investment activities are to preserve principle, provide liquidity and maximize income without significantly increasing risk. Our primary exposure to market risk relates to fluctuations in the interest rates which are affected by changes in the general level of PRC and U.S. interest rates. Given the short-term nature of our cash equivalents, we believe that a sudden change in market interest rates would not be expected to have a material impact on our financial condition and/or results of operations. We estimate that a hypothetical 100-basis point change in market interest rates would impact the fair value of our investment portfolio as of March 31, 2018, December 31, 2017 and 2016 by US$3.1 million, US$2.3 million and US$1.6 million respectively.

We do not believe that our cash, cash equivalents and short-term investments have significant risk of default or illiquidity. While we believe our cash, cash equivalents and short-term investments do not contain excessive risk, we cannot provide absolute assurance that in the future investments will not be subject to adverse changes in market value.

Foreign Currency Exchange Rate Risk

We are exposed to foreign exchange risk arising from various currency exposures. Our functional currency is the U.S. dollar, but a portion of our operating transactions and assets and liabilities are in other currencies, such as RMB, Australian dollar and Euro. We do not believe that we currently have any significant direct foreign exchange risk and have not used any derivative financial instruments to hedge exposure to such risk.

RMB is not freely convertible into foreign currencies for capital account transactions. The value of RMB against the U.S. dollar and other currencies is affected by, among other things, changes in China's political and economic conditions and China's foreign exchange prices. From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. For the RMB against U.S. dollars, there were appreciation of approximately 3.6% and 1.1% in the three months ended March 31, 2018 and 2017, and there were appreciation of approximately 6.5% and depreciation of approximately 6.3% in the year ended December 31, 2017 and 2016. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that we need to convert U.S. dollars into RMB for capital expenditures and working capital and other business purposes, appreciation of RMB against the U.S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert RMB into U.S. dollars for the purpose of making payments for dividends on our ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against RMB would have a negative effect on the U.S. dollar amount available to us.

In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of our earnings or losses.

Currency Convertibility Risk

A significant portion of our expenses, assets and liabilities are denominated in RMB. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the PBOC. However, the unification of exchange rates does not imply that the RMB may be readily convertible into U.S. dollars or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Effects of Inflation

Inflation generally affects us by increasing our cost of labor and clinical trial costs. We do not believe that inflation has had a material effect on our results of operations during the three months ended March 31, 2018 and 2017 and the years ended December 31, 2017 and 2016.

Critical Accounting Policies

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues, costs and expenses. We evaluate our estimates and judgments on an ongoing basis, and our actual results may differ from these estimates. We base our estimates on historical experience, known trends and events, contractual milestones and other various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

Our most critical accounting policies are summarized below. See Note 2 to the Accountant's Report in Appendix I to this prospectus for a description of our other significant accounting policies.

Revenue Recognition

Product Revenue

We recognize revenue when our customers obtain control of promised goods or services, in an amount that reflects the consideration that the entity expects to receive in exchange for those goods or services. Product sales are typically recognized at a point in time upon the delivery and transfer of the title of the product and associated risk of loss to the customer. Product sales are recorded net of estimated rebates, estimated product returns and other deductions. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on the sales terms, historical experience and trend analysis.

Rebates are offered to distributors, consistent with pharmaceutical industry practices. We record a provision for rebates at the time of sale based on contracted rates and historical redemption rates. Assumptions used to establish the provision include the level of distributor inventories, sales volumes and contract pricing and estimated acceptance of government pricing or reimbursement amounts (such as provincial acceptance of the NRDL pricing in the PRC). We regularly review the information related to these estimates and adjust the provision accordingly.

We base our sales returns allowance on estimated distributor inventories, customer demand as reported by third-party sources, and actual returns history, as well as other factors, as appropriate. If the historical data we use to calculate these estimates do not properly reflect future returns, then a change in the allowance would be made in the period in which such a determination is made and revenues in that period could be materially affected. Any changes from the historical trend rates are considered in determining the current sales return allowance.

Collaboration Revenue

We recognize revenue from collaboration arrangements in accordance with ASC 606: Revenue from Contracts with Customers, which require us to perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Once the contract is determined to be within the scope of ASC 606 at inception, we assesses the goods or services promised within each contract and determines those that are separate and distinct, and therefore represent a separate performance obligation. We allocate the non-contingent arrangement consideration to each identified performance obligation based on the relative standalone selling price of each performance obligation. We then recognize as revenue the amount of the arrangement consideration allocated to the respective performance obligation when (or as) the performance obligation is satisfied, either at a point in time or over time depending on how the respective performance obligation is satisfied. Typically, our collaboration agreements consist of two performance obligations, which are license and research and development services. Upfront fee allocated to the license is recognized at a point in time, upon the transfer of license, and upfront fee

allocated to the research and development services is deferred and recognized over time, as the related services are performed. Research and development service reimbursement revenue for the clinical trials that Celgene opts into under the collaboration arrangement with Celgene are recognized over time, as the related research and development services are performed.

In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under our collaboration agreements, we use judgement to determine : (a) whether the promised goods and services are performance obligations, including whether they are distinct in the context of the contracts; (b) the measurement of the transaction price, including the constraint on variable consideration; (c) the estimate of the best selling price of each performance obligation; and (d) the recognition of revenue when (or as) we satisfy each performance obligation.

Our collaboration agreements may entitle us to additional payments upon the achievement of certain milestones, including development milestones based on the advancement of clinical trials; regulatory milestones based on approval from relevant regulatory agencies, and sales-based milestones based on meeting specific thresholds of sales in certain geographic areas. We evaluate whether it is probable that the consideration associated with each milestone will not be subject to a significant reversal in the cumulative amount of revenue recognized. Amounts that meet this threshold are included in the transaction price using the most likely amount method, which is the single most likely outcome of the contract (we either achieve a milestone or do not), whereas amounts that do not meet this threshold are considered constrained and excluded from the transaction price until they meet this threshold. We re-evaluate the probability of a significant reversal of the cumulative revenue recognized for our milestones at each reporting period, and, if necessary, adjust our estimate of the overall arrangement consideration. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues from collaborators and loss in the period of adjustment.

Research and Development Expenses

Research and development expenses represent costs associated with the collaborative arrangements, which primarily include (1) payroll and related costs (including share-based compensation) associated with research and development personnel; (2) costs related to clinical trials and preclinical testing of our technologies under development; (3) costs to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses; (4) expenses for research services provided by universities and contract laboratories, including sponsored research funding; and (5) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to our research and development services and have no alternative future uses.

Clinical trial costs are a significant component of our research and development expenses. We have a history of contracting with third parties that perform various clinical trial activities on behalf of us in the ongoing development of our product candidates. Expenses related to clinical trials are accrued based on our estimates of the actual services performed by the third parties for the respective period. If the contracted amounts are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), we will modify the related accruals accordingly on a prospective basis. Revisions in the scope of a contract are charged to expense in the period in which the facts that give rise to the revision become reasonably certain.

The process of estimating our research and development expenses involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre-determined schedule or when contractual milestones are met; however, some require advanced payments. We make estimates of our expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting expenses that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of research and development expenses.

Share-Based Compensation

Awards Granted to Employees

We apply ASC 718, Compensation—Stock Compensation, or ASC 718, to account for our employee share-based payments. In accordance with ASC 718, we determine whether an award should be classified and accounted for as a liability award or equity award. All our grants of share-based awards to employees were classified as equity awards and are recognized in the financial statements based on their grant date fair values. We have elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. We use the accelerated method for all awards granted with graded vesting based on performance conditions. To the extent the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent we revise these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. We, with the assistance of an independent third-party valuation firm, determined the estimated fair value of the share options granted to employees using a binomial option pricing model.

Awards Granted to Non-employees

We have accounted for equity instruments issued to non-employees in accordance with the provisions of ASC 718, *Share-based payments*, and ASC 505, Equity. All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more

reliably measurable. The measurement date of the fair value of the equity instrument issued is the date on which the counterparty's performance is completed as there is no associated performance commitment. The expense is recognized in the same manner as if we had paid cash for the services provided by the non-employees in accordance with ASC 505-50, Equity-based payments to non-employees. We estimate the fair value of share options granted to non-employees using the same method as employees.

Modification of Awards

A change in any of the terms or conditions of the awards is accounted for as a modification of the award. Incremental compensation cost is measured as the excess, if any, of the fair value of the modified award over the fair value of the original award immediately before its terms are modified, measured based on the fair value of the awards and other pertinent factors at the modification date. For vested awards, we recognize incremental compensation cost in the period the modification occurs. For unvested awards, we recognize over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date. If the fair value of the modified award is lower than the fair value of the original award immediately before modification, the minimum compensation cost we recognize is the cost of the original award.

Significant Factors, Assumptions and Methodologies Used in Determining Fair Value

The fair value of each share option grant is estimated using the binomial option-pricing model. The model requires the input of highly subjective assumptions including the estimated expected share price volatility and, the share price upon which (i.e. the exercise multiple) the employees are likely to exercise share options. The trading history and observation period of our own share price movement has not been long enough to match the life of the share option. Therefore, we estimate our expected share price volatility based on the historical volatility of a group of similar companies, which are publicly-traded. We selected companies with characteristics similar to us, including the invested capital's value, business model, development stage, risk profiles, position within the industry, and with historical share price information sufficient to meet the contractual life of our share-based awards. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own share price becomes available. For the exercise multiple, we were not able to develop an exercise pattern as reference, thus the exercise multiple is based on management's estimation, which we believe is representative of the future exercise pattern of the options. The risk-free interest rates for the periods within the contractual life of the option are based on the U.S. Treasury yield curve in effect during the period the options were granted. Expected dividend yield is based on the fact that we have never paid, and do not expect to pay cash dividends in the foreseeable future.

The assumptions adopted to estimate the fair value of share options using the binomial option pricing model were as follows:

	Three Months Ended March 31,		Year Ended December 31,	
	2018	2017	2017	2016
Risk-free interest rate	2.5%-2.9%	2.3%-2.6%	2.2%-2.6%	1.5%-2.6%
Expected exercise multiple	2.8	2.2-2.8	2.2-2.8	2.2-2.8
Expected volatility	60%-63%	99%-100%	99%-100%	98%-102%
Expected dividend yield	0%	0%	0%	0%
Contractual life	10 years	10 years	10 years	10 years

We are also required to estimate forfeitures at the time of grant and revise those estimates in subsequent periods if actual forfeitures differ from our estimates. We use historical data to estimate pre-vesting option forfeitures and record share-based compensation expense only for those awards that are expected to vest. To the extent that actual forfeitures differ from our estimates, the difference is recorded as a cumulative adjustment in the period the estimates were revised.

These assumptions represented our best estimates, but the estimates involve inherent uncertainties and the application of our judgment. As a result, if factors change and we use significantly different assumptions or estimates when valuing our share options, our share-based compensation expense could be materially different.

The fair value of restricted shares and restricted share units are based on the closing market price of our ADSs on the Nasdaq on the date of grant.

The following table summarizes total share-based compensation cost recognized for the relevant periods:

	Three Months Ended March 31		Year Ended December 31,	
	2018	2017	2017	2016
	(US dollars in thousands)			
Research and development	$ 12,052	$ 4,529	$ 30,610	$ 8,076
Selling, general and administration	5,344	1,463	12,253	2,549
Total	$ 17,396	$ 5,992	$ 42,863	$ 10,625

As of March 31, 2018, there was US$179.0 million of total unrecognized share based compensation expense, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighed-average period of 3.1 years.

As of December 31, 2017, there was US$178.2 million of total unrecognized share-based compensation expense, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 3.4 years. As of December 31, 2016,

there was US$63.2 million of total unrecognized share-based compensation expense, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 3.43 years. In future periods, our share-based compensation expense is expected to increase as a result of recognizing our existing unrecognized share-based compensation for awards that will vest and as we issue additional share-based awards to attract and retain our employees.

Income Taxes

We use the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

In accordance with ASU 2015-17, all deferred income tax assets and liabilities are classified as non-current on the consolidated balance sheets.

We evaluate our uncertain tax positions using the provisions of ASC 740, Income Taxes, which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements. We recognize in the financial statements the benefit of a tax position which is "more likely than not" to be sustained under examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. It is our policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense.

We recognize income tax consequences of intra-entity transfers of assets, other than inventory, when the transfers occur. BeiGene HK's contribution of BeiGene Shanghai to BeiGene Biologics (and subsequent receipt of a related government grant) resulted in tax expenses of US$28.6 million. The related government subsidy of $10.0 million, which was received in 2017, was reflected as other non-operating income. Additionally, we established a deferred tax asset resulting from a previous transfer of intellectual property to one of its wholly-owned subsidiaries. This deferred tax asset is entirely offset by a corresponding valuation allowance.

Goodwill and other intangible assets

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. We allocate the cost of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price for acquisitions over the fair value of the net assets acquired, including other intangible assets, is recorded as goodwill. Goodwill is not amortized, but is tested for impairment at least annually or more frequently if events or changes in circumstances would indicate a potential impairment.

We have elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill. The qualitative assessment includes the evaluation of relevant events and circumstances affecting the single reporting unit, including macroeconomic, industry, and market conditions, the overall financial performance, and trends in the market price of the common stock. If qualitative factors indicate that it is more likely than not that the reporting unit's fair value is less than its carrying amount, then the Group will perform the quantitative impairment test by comparing the reporting unit's carrying amount, including goodwill, to its fair value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess. For the year ended December 31, 2017 and the three months ended March 31, 2018, we determined that there was no material impairment of the goodwill.

Intangible assets acquired through business acquisitions are recognized as assets separate from goodwill and are measured at fair value upon acquisition. Acquired identifiable intangible assets consist of the distribution rights with respect to approved cancer therapies licensed from Celgene, ABRAXANE®, REVLIMID® and VIDAZA®, and its investigational agent avadomide (CC-122) and are amortized on a straight-line basis over the estimated useful lives of the assets, which are 10 years. Such estimated period based on the contractual life of the distribution right. Actual useful lives may differ from our estimate and additional amortization may be recognized if our estimate of the sale period is shorter than the contractual life. We review the useful lives of intangible assets periodically, as part of our impairment assessment.

Intangible assets with finite useful lives are tested for impairment when events or circumstances occur that could indicate that the carrying amount of an asset may not be recoverable. When these events occur, we evaluate the recoverability of the intangible assets by comparing the carrying amount of the assets to the future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, we recognize an impairment loss based on the excess of the carrying amount of the assets over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available. For the year ended December 31, 2017 and the three months ended March 31, 2018, we determined that there were no indicators of impairment of the other intangible assets.

Recent Accounting Pronouncements

See Note 2 to the Accountant's Report in Appendix I to this prospectus for information regarding recent accounting pronouncements.

Material Related Party Transactions

We entered into the following related party transactions during the Track Record Period.

Purchases of Securities

In our initial public offering in February 2016, certain of our directors, executive officers and 5% shareholders and their affiliates purchased an aggregate of 2,627,680 ADSs. Each of those purchases was made through the underwriters at the initial public offering price of US$24.00 per ADS. Certain purchases were made at the public offering price through a directed share program offered to our Directors, officers, employees and business associated in connection with our initial public offering, or the Directed Share Program. The following table sets forth the aggregate number of ADSs that these Directors, executive officers and 5% shareholders and their affiliates purchased in our initial public offering:

Purchaser [(1)]	**Number of ADSs**	**Total Purchase Price (US dollars)**
Entities affiliated with Baker Bros. Advisors LP[(2)]	1,912,680	$45,904,320
Entities affiliated with Hillhouse Capital Management, Ltd.[(3)]	700,000	$16,800,000
Howard Liang[(4)]	5,000	$ 120,000
RuiRong Yuan[(5)]	10,000	$ 240,000

(1) See the sections headed "Substantial Shareholders" and "Appendix IV — Statutory and General Information" for more information about the shares held by the above identified shareholders, Directors and executive officers.

(2) Michael Goller and Ranjeev Krishana, members of our Board, are, respectively, a Managing Director and Head of International Investments of Baker Bros. Advisors LP, affiliates of which collectively hold more than 5% of our voting securities.

(3) Qingqing Yi, a member of our Board, is a Partner at Hillhouse Capital Management, Ltd., affiliates of which collectively hold more than 5% of our voting securities.

(4) Dr. Liang, our Chief Financial Officer and Chief Strategy Officer, purchased the ADSs through the Directed Share Program.

(5) Dr. Yuan, our former Chief Medical Officer and President of Global Clinical Research and Development, purchased the ADSs through the Directed Share Program.

Since November 2016, certain of our Directors, 5% shareholders and their affiliates purchased ADSs in our public offerings, as listed in the following table. Each of those purchases was made through the underwriters at the public offering price.

Purchaser[1]	Offering Date	Number of ADSs	Public Offering Price per ADS (US dollars)	Total Purchase Price (US dollars)
Entities affiliated with Baker Bros. Advisors LP[2]	November 2016	1,760,495	$32.00	$56,335,840
	August 2017	176,056	$71.00	$12,499,976
	January 2018	1,980,198	$101.00	$199,999,998
Entities affiliated with Hillhouse Capital Management, Ltd.[3]	November 2016	664,820	$32.00	$21,274,240
	August 2017	176,056	$71.00	$12,499,976
	January 2018	1,575,477	$101.00	$159,123,177
Thomas Malley[4]	November 2016	30,000	$32.00	$960,000

(1) See the sections headed "Substantial Shareholders" and "Appendix IV — Statutory and General Information" for more information about the shares held by the above identified shareholders, Directors and executive officers.

(2) Michael Goller and Ranjeev Krishana, members of our Board, are, respectively, a Partner and Head of International Investments of Baker Bros. Advisors LP, affiliates of which collectively hold more than 5% of our voting securities.

(3) Qingqing Yi, a member of our Board, is a Partner at Hillhouse Capital Management, Ltd., affiliates of which collectively hold more than 5% of our voting securities.

(4) Mr. Malley, a member of our Board, purchased the ADSs in the follow-on public offering.

Consulting Arrangement

Dr. Xiaodong Wang, our Co-Founder, Chairman of our Scientific Advisory Board and director, has been providing scientific and strategic advisory services to us. Dr. Wang currently receives an annual fixed consulting fee of US$100,000. In March 2016, we granted him a cash bonus in the amount of US$86,176. In November 2016, we granted him an option to purchase 1,613,430 ordinary shares that option had fair value on the grant date of US$3,123,600. In April 2017, we granted him a cash bonus in the amount of US$86,176. In September 2017, we granted him an option to purchase 750,000 ordinary shares that had a grant date fair value of US$4,133,325 and 410,000 restricted share units that had a grant date fair market value of US$3,155,114. As of December 31, 2017, the aggregate number of shares subject to options held by Dr. Wang was 7,631,099 and subject to restricted share units held by Dr. Wang was 410,000. In February 2018, we granted him a cash bonus in the amount of US$150,000.

Note Exchange

On February 2, 2011, we issued an 8% senior note for an aggregate principal amount of US$10 million to Merck Sharp & Dohme Research GmbH. On January 26, 2016, the parties entered into a note amendment and exchange agreement. On February 8, 2016, the entire outstanding unpaid principal and interest of the note as of February 2, 2016 in the amount of US$14,693,281 was automatically exchanged for 7,942,314 of our ordinary shares at US$1.85 per share, the initial offering price per ordinary share calculated based on the initial public offering price per ADS divided by 13, the ordinary share-to-ADS ratio.

Warrant Exercises

On February 8, 2016, in connection with the closing of our initial public offering, entities affiliated with Baker Bros. Advisors LP exercised warrants previously granted to them to purchase 2,592,593 ordinary shares at an exercise price of US$0.675 per share.

On February 8, 2016, in connection with the closing of our initial public offering, John V. Oyler exercised warrants previously granted to him to purchase 57,777 Series A preferred shares at an exercise price of US$0.675 per share, which were converted into 57,777 ordinary shares.

Employment Agreements

For more information regarding employment agreements with our senior management, see "Directors and Senior Management."

Indemnification Agreements

Cayman Islands law does not limit the extent to which a company's Articles of Association may provide 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 providing indemnification against civil fraud or the consequences of committing a crime. Our Articles provide that each officer or Director shall be indemnified out of assets of our Company against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such Directors 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 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.

In addition, we entered into indemnification agreements with our Directors and executive officers that will provide such persons with additional indemnification beyond that provided in our Articles. These agreements, among other things, 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 executive officer.

Registration Rights

In connection with our preferred share financings, we entered into (1) an investors' rights agreement, (2) a right of first refusal and co-sale agreement and (3) a voting agreement, in each case, with the purchasers of our preferred shares and certain holders of our ordinary shares. The primary rights under each of these terminated upon the closing of our initial public offering, other than certain registration rights for certain holders of our ordinary shares.

On November 16, 2016, we entered into an additional registration rights agreement with 667, L.P., Baker Brothers Life Sciences, L.P. and 14159, L.P., or collectively, the "Baker Entities," Hillhouse BGN Holdings Limited, Gaoling Fund, L.P. and YHG Investment, L.P., or collectively, the "Hillhouse Entities" (each an "Investor" and collectively, the "Investors"), all of which are existing shareholders of our company. The Baker Entities are affiliated with two of our Directors, Michael Goller and Ranjeev Krishana. The Hillhouse Entities are affiliated with one of our Directors, Qingqing Yi. The registration rights agreement provides that, subject to certain limitations, if at any time and from time to time, the Investors demand that we register our ordinary shares and any other securities held by the Investors at the time any such demand is made on a registration statement on Form S-3 for resale under the U.S. Securities Act, we would be obligated to effect such registration. Our registration obligations under the registration rights agreement will continue in effect for up to four years and include our obligation to facilitate certain underwritten public offerings of our ordinary shares or ADSs by the Investors in the future. The registration rights agreement also requires us to pay expenses relating to such registrations and indemnify the Investors against certain liabilities.

Pursuant to the aforementioned investors' rights agreement and registration rights agreement, on May 26, 2017, we filed a registration statement on Form S-3 on behalf of certain shareholders, registering 299,279,370 ordinary shares in the form of 23,021,490 ADSs to be resold by the selling shareholders identified therein and in any related prospectus supplement from time to time.

For more details about our related party transactions, see Note 34 to the Accountant's Report included in Appendix I to this prospectus.

Our Directors confirm that our transactions with related parties during the Track Record Period were conducted on an arm's length basis, and they did not distort our results of operations or make our historical results not reflective of our future performance.

Dividends

We have never declared or paid any dividends on our ordinary shares or any other securities. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Investors should not purchase our ordinary shares with the expectation of receiving cash dividends.

Any future determination to pay dividends will be made at the discretion of our Board and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Board may deem relevant. If we pay any dividends, we will pay our ordinary shareholders to the same extent as holders of ADSs, subject to the terms of the deposit agreement, as amended, including the fees and expenses payable thereunder. Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

If we pay dividends in the future, in order for us to distribute dividends to our shareholders and ADS holders, we will rely to some extent on any dividends distributed by our PRC subsidiaries. Any dividend distributions from our PRC subsidiaries to us will be subject to PRC withholding tax. In addition, regulations in the PRC currently permit payment of dividends of a PRC company only out of accumulated distributable after-tax profits as determined in accordance with its articles of association and the accounting standards and regulations in China. See the section of this prospectus titled "Risk Factors—Risks Related to Our Doing Business in the PRC—We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business."

Distributable Reserves

As of March 31, 2018, the Company had distributable reserves of US$1,423 million.

Listing Expenses

The total listing expenses (including underwriting commissions) payable by our Company are estimated to be approximately HK$280.3 million, assuming the Over-allotment Option is not exercised and based on an Offer Price of HK$103.00 per Offer Share (being the mid-point of our Offer Price range of HK$94.40 to HK$111.60 per Offer Share). These listing expenses mainly comprise professional fees paid and payable to the professional parties, and commissions payable to the Underwriters, for their services rendered in relation to the Listing and the Global Offering.

As of March 31, 2018, there were no listing expenses incurred by us in relation to the Listing. We estimate that listing expenses of approximately HK$280.3 million will be incurred by the company, of which HK$5.5 million will be charged to the income statement and HK$274.8 million will be capitalized as contra-equity.

Unaudited Pro Forma Adjusted Consolidated Net Tangible Assets

The following unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on our consolidated net tangible assets attributable to our equity holders as of March 31, 2018 as if the Global Offering had taken place on that date.

The unaudited pro forma adjusted net tangible assets have been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets had the Global Offering been completed as of March 31, 2018 or at any future dates.

	Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of March 31, 2018[1]	Estimated net proceeds from the Global Offering[2]	Unaudited pro forma adjusted net tangible assets of the Group attributable to the equity holders of the Company	Unaudited pro forma adjusted net tangible assets per Share[3][4]	
	USD'000	USD'000	USD'000	USD	HK$
Based on an offer price HK$85.00 per Share, after a Downward Offer Price Adjustment of 10% ..	1,337,210	680,004	2,017,214	2.64	20.71
Based on an Offer Price of HK$94.40 per Share.....	1,337,210	755,969	2,093,179	2.74	21.49
Based on an Offer Price of HK$111.60 per Share.....	1,337,210	894,605	2,231,815	2.92	22.91

Note:

(1) The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of March 31, 2018 is extracted from the Accountant's Report set out in Appendix I of this prospectus, which is based on the audited consolidated net assets of the Group attributable to our equity holders as of March 31, 2018 of approximately US$1,344,381,000 with adjustments for the intangible assets and goodwill as of March 31, 2018 of approximately US$7,062,000 and $109,000 thereto respectively.

(2) The estimated net proceeds to be received by the Company from the Global Offering are based on the indicative Offer Price of HK$94.40 and HK$111.60 per Share, respectively, and also based on an offer price of HK$85.00 per Share, after making a downward offer price adjustment of 10%, after deduction of the underwriting fees and other related expenses payable by the Company, and assuming the Over-allotment Option is not exercised.

(3) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 767,163,184 shares were in issue assuming that the Global Offering has been completed on March 31, 2018 and assuming the Over-allotment Option is not exercised.

For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in USD are converted into Hong Kong dollars at a rate of US$1.00 to HK$7.8491. No representation is made that USD amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to March 31, 2018.

No Material Adverse Change

Our Directors confirm that, up to the date of this prospectus, there has been no material adverse change in our financial or trading position since March 31, 2018 (being the date on which the latest audited consolidated financial information of our Group was prepared) and there is no event since March 31, 2018 which would materially affect the information shown in our consolidated financial statements included in the Accountant's Report in Appendix I.

Disclosure Under Rules 13.13 to 13.19 of The Listing Rules

Our Directors confirm that, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTION

Consulting agreement with Dr. Xiaodong Wang

Dr. Xiaodong Wang, our Co-Founder, Chairman of our Scientific Advisory Board and Director, will become our connected person upon the Listing.

Dr. Wang has been providing scientific and strategic consulting services to us. During the Track Record Period, Dr. Wang received the following compensation for the provision of such services: (a) an annual fixed fee of US$100,000 for 2016; (b) a cash bonus in the amount of US$86,176 granted in March 2016; (c) an option to purchase 1,613,430 ordinary shares granted in November 2016 that had a fair value on the grant date of US$3,123,600; (d) an annual fixed consulting fee of US$100,000 for 2017; (e) a cash bonus in the amount of US$86,176 paid in April 2017; (f) an option to purchase 750,000 Shares granted in September 2017 that had a grant date fair value of US$4,133,325; (g) 410,000 restricted share units granted in September 2017 that had a grant date fair value of US$3,155,114; (h) 94,133 restricted share units granted in June 2018 that had a grant date fair value of US$1,161,500; and (i) an option to purchase 655,044 Shares granted in June 2018 that had a grant date fair value of US$4,646,000.

Following the Listing, we expect that Dr. Wang will continue to provide scientific and strategic consulting services to us. We have entered into a consulting agreement with Dr. Wang for a term of three years commencing from July 24, 2018. Under the consulting agreement, Dr. Wang is entitled to an annual fixed consulting fee of US$100,000 (subject to review and adjustments by our Board from time to time) and such additional compensation, which, if any, shall be determined in our sole discretion upon consultation with Dr. Wang.

As our Company is eligible for listing on the Stock Exchange under Chapter 18A of the Listing Rules as a pre-revenue biotech company, the revenue ratio under Rule 14.07 of the Listing Rules would not be an appropriate measure of the size of the transaction under the consulting agreement relative to our Group. As an alternative, we have applied a percentage ratio test based on the total expenses of our Group (the "**Expense Ratio**").

The consulting agreement with Dr. Wang is conducted in the ordinary and usual course of our business on normal commercial terms, and our Directors currently expect that each of the applicable percentage ratios calculated under Chapter 14A of the Listing Rules and the Expense Ratio with respect to the cash component payable to Dr. Wang will not exceed 0.1%. Pursuant to Rule 14A.76(1)(a) of the Listing Rules, the cash component payable to Dr. Wang under the consulting agreement will be a fully-exempt continuing connected transaction exempt from the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Furthermore, with respect to the grant of compensation in the form of share-based incentive awards to Dr. Wang, if any, we will comply with the applicable requirements under Chapter 14A of the Listing Rules or the rules of the relevant share option scheme that is subject to Chapter 17 of the Listing Rules, as appropriate.

AUTHORIZED AND ISSUED SHARE CAPITAL

The following is a description of the authorized and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately following the completion of the Global Offering:

Authorized Share Capital

Number of Shares	Description of Shares	Aggregate nominal value of Shares (US$)
9,500,000,000	ordinary shares of a par value of US$0.0001 each	950,000
500,000,000	undesignated shares of a par value of US$0.0001 each	50,000
10,000,000,000	Shares in total	1,000,000

Issued Share Capital

The issued share capital of our Company immediately following the completion of the Global Offering will be as follows:

Number of Shares	Description of Shares	Aggregate nominal value of Shares (US$)	% of the issued share Capital
701,563,184	Shares in issue as at the date of this prospectus	70,156.32	91.45%
65,600,000	Shares to be issued under the Global Offering	6,560.00	8.55%
767,163,184	Shares in total	76,716.32	100%

ASSUMPTIONS

The above table assume that (i) the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering and (ii) assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans. The above tables also do not take into account any Shares which may be issued or repurchased by the Company under the general mandates granted to our Directors as referred to below.

RANKING

The Offer Shares will rank *pari passu* in all respects with all Shares currently in issue or to be issued as mentioned in this prospectus, and will qualify and rank equally for all dividends or other distributions declared, made or paid on the Shares on a record date which falls after the date of this prospectus.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Our Company has one class of Shares currently in issue, namely ordinary shares, and each ranks *pari passu* with the other Shares in that class.

Pursuant to the Cayman Companies Law and the terms of the Articles of Association, our Company may from time to time by ordinary resolution of shareholders (i) increase its capital; (ii) consolidate and divide its capital into shares of larger amount; (iii) divide its shares into several classes; (iv) subdivide its shares into shares of smaller amount; and (v) cancel any shares which have not been taken. In addition, our Company may subject to the provisions of the Cayman Companies Law reduce its share capital or capital redemption reserve by its shareholders passing a special resolution. See the section headed "Summary of the Constitution of our Company and Cayman Companies Law — Summary of the Constitution of the Company — Memorandum and Articles of Association — Changes in of capital" in Appendix III for further details.

SHARE OPTION AND AWARD SCHEMES

We adopted the 2011 Share Option Plan, the 2016 Share Option and Incentive Plan, the 2018 ESPP and the 2018 Inducement Equity Plan. For further details, please see the section "Statutory and General Information — Share Option and Award Schemes" in Appendix IV.

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the Global Offering and assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans, the following persons are expected to have interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group:

(a) **Interest in the Shares of our Company**

Name of substantial shareholder	Number of Shares/ underlying shares	Nature of interest	Approximate percentage of interest in our Company after completion of the Global Offering
Julian C. Baker	161,666,260	Beneficial interest; Interest in controlled corporations	21.07%
Felix J. Baker	161,666,260	Beneficial interest; Interest in controlled corporations	21.07%
Baker Bros. Advisors (GP) LLC.	161,573,934	Interest in controlled corporations	21.06%
Baker Bros. Advisors LP	161,573,934	Interest in controlled corporations	21.06%
Baker Brothers Life Sciences, L.P.	145,226,074	Beneficial interest	18.93%
Hillhouse Capital Management Ltd. (note 2)	76,563,367	Interest in controlled corporations	9.98%
Gaoling Fund, L.P. (note 2)	58,995,800	Beneficial interest	7.69%
FMR LLC (note 3)	58,611,644	Beneficial interest	7.64%
Wellington Management Group LLP (note 4)	49,576,878	Interest in controlled corporations	6.46%
Wellington Investment Advisors Holdings LLP (note 4)	49,576,878	Interest in controlled corporations	6.46%
Wellington Management Global Holdings, Ltd. (note 4)	49,576,878	Interest in controlled corporations	6.46%
Wellington Group Holdings LLP (note 4)	49,576,878	Interest in controlled corporations	6.46%
John V. Oyler (note 5)	83,188,108	Beneficial interest; Settlor of trusts; Beneficiary of trusts	10.84%

Notes:

(1) Julian C. Baker and Felix J. Baker are the managing members of Baker Bros. Advisors (GP) LLC. Baker Bros. Advisors (GP) LLC is the sole general partner of Baker Bros. Advisors LP, which is the investment advisor with sole voting and

investment power to 667, L.P. and Baker Brothers Life Sciences, L.P. For the purposes of the SFO, Julian C. Baker, Felix J. Baker, Baker Bros. Advisors (GP) LLC and Baker Bros. Advisors LP are deemed to be interested in the 16,347,860 Shares held by 667, L.P. and the 145,226,074 Shares held by Baker Brothers Life Sciences, L.P. Each of Julian C. Baker and Felix J. Baker further holds 92,326 Shares. These shareholdings take into account 667, L.P.'s subscription for an additional 610,400 Shares and Baker Brothers Life Sciences, L.P.'s subscription for an additional 5,485,800 Shares pursuant to the cornerstone investment agreement as further described under the section headed "Cornerstone Investors" in this prospectus, assuming that the Offer Price is fixed at the mid-point of HK$103.00 per Offer Share.

(2) (i) 58,995,800 Shares are held by Gaoling Fund, L.P.; (ii) 4,121,589 Shares are held by YHG Investment, L.P.; and (iii) 13,445,978 Shares are held by Hillhouse BGN Holdings Limited. Hillhouse Capital Management, Ltd. acts as the sole general partner of YHG Investment, L.P. and the sole management company of Gaoling Fund, L.P. and Hillhouse Fund II, L.P., which owns Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Capital Management, Ltd. is deemed to be interested in the 58,995,800 Shares held by Gaoling Fund, L.P., the 4,121,589 Shares held by YHG Investment, L.P. and the 13,445,978 Shares held by Hillhouse BGN Holdings Limited. Under the SFO, Hillhouse Fund II, L.P. is deemed to be interested in the 13,445,978 Shares held by Hillhouse BGN Holdings Limited. These shareholdings take into account Gaoling Fund, L.P.'s subscription for an additional 5,142,000 Shares and YHG Investment, L.P.'s subscription for an additional 282,000 Shares pursuant to the cornerstone investment agreement as further described under the section headed "Cornerstone Investors" in this prospectus.

(3) Members of the Johnson family including Abigail P. Johnson, are the predominant owners, directly or through trusts, of series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares.

(4) The interests of Wellington Management Group LLP consist of shared voting power over the 36,105,654 Shares and shared dispositive power over the 49,576,878 Shares, which are owned of record by clients of the one or more investment advisers including Wellington Management Company LLP, Wellington Management Canada LLC, Wellington Management Singapore Pte Ltd, Wellington Management Hong Kong Ltd, Wellington Management International Ltd, Wellington Management Japan Pte Ltd and Wellington Management Australia Pty Ltd. (the "Wellington Investment Advisers"). Wellington Investment Advisors Holdings LLP controls directly or indirectly through Wellington Management Global Holdings, Ltd., the Wellington Investment Advisers. Wellington Investment Advisors Holdings LLP is owned by Wellington Group Holdings LLP. Wellington Group Holdings LLP is owned by Wellington Management Group LLP. Under the SFO, Wellington Management Group (LLP), Wellington Investment Advisors Holdings LLP, Wellington Management Global Holdings, Ltd. and Wellington Group Holdings LLP are deemed to be interested in the 49,576,878 Shares owned by clients of the Wellington Investment Advisers.

(5) Mr. Oyler's interests consist of (i) 16,270,707 Shares held directly by Mr. Oyler; (ii) 16,689,898 Shares issuable to Mr. Oyler upon exercise of share options granted to him; (iii) Mr. Oyler's entitlement to restricted share units equivalent to 1,278,204 shares, subject to vesting conditions; (iv) 10,000,000 Shares held for the benefit of Mr. Oyler in a Roth IRA PENSCO trust account; (v) 102,188 Shares held by The John Oyler Legacy Trust, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor, for the benefit of his minor child; (vi) 7,952,787 Shares held for the benefit of Mr. Oyler in a grantor retained annuity trust, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor; (vii) 29,872,444 Shares held by Oyler Investment LLC, 99% of the limited liability company interest owned by a grantor retain annuity trust, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor; and (viii) 1,021,880 Shares held by The Oyler Family Legacy Trust for the benefit of Mr. Oyler's family members, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

Except as disclosed above, our Directors are not aware of any other person who will, immediately following the completion of the Global Offering, have any interest and/or short positions in the Shares or underlying shares of our Company which would fall to be disclosed to us pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of our share capital carrying rights to vote in all circumstances at general meetings of our Company. Our Directors are not aware of any arrangement which may at a subsequent date result in a change of control of our Company.

THE CORNERSTONE PLACING

We have entered into cornerstone investment agreements (each a "**Cornerstone Investment Agreement**", and together the "**Cornerstone Investment Agreements**") with the cornerstone investors described below (each a "**Cornerstone Investor**", and together, the "**Cornerstone Investors**"), pursuant to which the Cornerstone Investors have agreed to, subject to certain conditions, acquire at the Offer Price a certain number of our Offer Shares, being 5,424,000 Offer Shares to be purchased by the Hillhouse Funds (as defined below) and the Offer Shares that may be purchased with an aggregate investment amount of US$205,000,000 (approximately HK$1,609,065,500) by the remaining Cornerstone Investors (the "**Cornerstone Placing**").

Assuming an Offer Price of HK$94.40, being the low-end of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be acquired by the Cornerstone Investors would be 22,469,000 Offer Shares, representing approximately 34.25% of the Offer Shares and approximately 2.93% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and no Shares are issued pursuant to the Equity Plans).

Assuming an Offer Price of HK$103.00, being the mid-point of the indicative Offer Price range set out in this prospectus, the total number of Offer Shares to be acquired by the Cornerstone Investors would be 21,045,800 Offer Shares, representing approximately 32.08% of the Offer Shares and approximately 2.74% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and no Shares are issued pursuant to the Equity Plans).

Assuming an Offer Price of HK$111.60, being the high-end of the indicative Offer Price range set out in this prospectus, the total number of Shares to be acquired by the Cornerstone Investors would be 19,842,000 Offer Shares, representing approximately 30.25% of the Offer Shares and approximately 2.59% of our total issued share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option and no Shares are issued pursuant to the Equity Plans).

The Cornerstone Placing will form part of the International Placing and the Cornerstone Investors will not acquire any Offer Shares under the Global Offering (other than pursuant to the Cornerstone Investment Agreements). The Offer Shares to be acquired by the Cornerstone Investors will rank *parri passu* in all respect with the fully paid Shares in issue and will not count towards the public float of our Company under Rule 18A.07 of the Listing Rules. Immediately following the completion of the Global Offering, save for the Baker Bros. Entities (as defined below) and the Hillhouse Funds, the Cornerstone Investors will not have any Board representation in our Company, nor will they become a substantial shareholder of the Company. To the best knowledge of our Company, except for the Baker Bros. Entities and the Hillhouse Funds, each of the Cornerstone Investors is an Independent Third Party and is not our connected person (as defined in the Listing Rules).

Two of the Cornerstone Investors, namely the Baker Bros. Entities and the Hillhouse Funds, who are existing Shareholders of our Company have been permitted to participate in the Cornerstone Placing pursuant to paragraph 5.2 of Stock Exchange Guidance letter HKEX-GL92-18 and the waiver from Rule 9.09(b) of the Listing Rules as further described in the section headed "Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance".

Details of allocation to the Cornerstone Investors will be disclosed in the announcement of allotment results of our Company to be published on or about August 7, 2018.

THE CORNERSTONE INVESTORS

The information about our Cornerstone Investors set forth below has been provided by the Cornerstone Investors in connection with the Cornerstone Placing.

1. Baker Bros. Entities

667, L.P. and Baker Brothers Life Sciences, L.P. (the "**Baker Bros. Entities**") are long-term investment partnerships investing in life sciences companies and advised by Baker Bros. Advisors LP. Baker Bros. Advisors LP is an investment advisor located in New York, New York, which has been providing investment advisory services since January 2000. The partnerships invest primarily in public and private securities and related assets of life sciences companies on behalf of their limited partners, who are predominantly charitable foundations and university endowments.

The Baker Bros. Entities have agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased for an aggregate amount of US$80,000,000 (or approximately HK$627,928,000) at the Offer Price.

Assuming the Offer Price of HK$94.40 (being the low-end of the Offer Price range set out in this Prospectus), the total aggregate number of Shares to be subscribed for by the Baker Bros. Entities will be 6,651,700 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491, representing approximately 10.14% of the Offer Shares and approximately 0.87% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$103.00 (being the mid-point of the Offer Price range set out in this Prospectus), the total aggregate number of Shares to be subscribed for by the Baker Bros. Entities will be 6,096,300 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491, representing approximately 9.29% of the Offer Shares and approximately 0.79% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$111.60 (being the high-end of the Offer Price range set out in this Prospectus), the total aggregate number of Shares to be subscribed for by the Baker Bros. Entities will be 5,626,500 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 8.58% of the Offer Shares and approximately 0.73% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

2. **Hillhouse Funds**

Gaoling Fund, L.P. ("**Gaoling**") and YHG Investment, L.P. ("**YHG**", and together with Gaoling, the "**Hillhouse Funds**") are limited partnerships formed under the laws of the Cayman Islands. Hillhouse Capital Management, Ltd. ("**Hillhouse Capital**") serves as the sole investment manager of Gaoling and the sole general partner of YHG.

Founded in 2005, Hillhouse Capital is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse Capital's investment approach. Hillhouse Capital partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse Capital invests in the healthcare, consumer, TMT, advanced manufacturing, financials and business services sectors in companies across all equity stages. Hillhouse Capital and its group members manage more than US$50 billion in assets on behalf of institutional clients such as university endowments, foundations, sovereign wealth funds, and family offices.

Gaoling has agreed to subscribe, at the Offer Price, for 5,142,000 Offer Shares. It is expected that at the Offer Price of HK$94.40, HK$103.00 and HK$111.60 (being the low-end, mid-point and the high-point of the Offer Price range set out in this Prospectus, respectively), the investment amount payable by Gaoling for the said Offer Shares will be approximately HK$485,404,800, HK$529,626,000 and HK$573,847,200 respectively. Such Offer Shares represents (A) approximately 7.84% of the Offer Shares; and (B) approximately 0.67% of the Shares in issue of the Company immediately upon completion of the Global Offering, assuming that Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

YHG has agreed to subscribe, at the Offer Price, for 282,000 Offer Shares. It is expected that at the Offer Price of HK$94.40, HK$103.00 and HK$111.60 (being the low-end, mid-point and the high-end of the Offer Price range set out in this Prospectus, respectively), the investment amount payable by YHG for the said Offer Shares will be HK$26,620,800, HK$29,046,000 and HK$31,471,200 respectively. Such Offer Shares represents (A) approximately 0.43% of the Offer Shares; and (B) approximately 0.04% of the Shares in issue of the Company immediately upon completion of the Global Offering, assuming that Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

3. **GIC Private Limited**

GIC Private Limited ("**GIC**") is a global investment management company established in 1981 to manage Singapore's foreign reserves. GIC invests internationally in equities, fixed income, foreign exchange, commodities, money markets, alternative investments, real estate and private equity. With its current portfolio size of more than US$100 billion, GIC is amongst the world's largest fund management companies.

GIC has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased for an aggregate amount of US$100,000,000 (or approximately HK$784,910,000) at the Offer Price.

Assuming the Offer Price of HK$94.40 (being the low-end of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by GIC will be 8,314,700 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 12.67% of the Offer Shares and approximately 1.08% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$103.00 (being the mid-point of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by GIC will be 7,620,400 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 11.62% of the Offer Shares and approximately 0.99% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$111.60 (being the high-end of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by GIC will be 7,033,200 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 10.72% of the Offer Shares and approximately 0.92% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

4. **Ally Bridge LB Healthcare Master Fund Limited**

Ally Bridge LB Healthcare Master Fund Limited ("**Ally Bridge LB**"), an exempted Company incorporated in the Cayman Islands on March 19, 2015, is managed by Ally Bridge LB Management Limited. Ally Bridge LB is a long-bias public equity fund focusing in Asia/Greater China healthcare. The fund primarily invests in public equities, but also selectively participates in high-quality pre-IPO deals. The fund invests across the entire healthcare value chain, in pharmaceuticals, biotech, medical devices, distribution, hospitals and mobile health.

Ally Bridge LB has agreed to subscribe for such number of Offer Shares (rounded down to the nearest whole board lot) that may be purchased for an aggregate amount of US$25,000,000 (or approximately HK$196,227,500) at the Offer Price.

Assuming the Offer Price of HK$94.40 (being the low-end of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by Ally Bridge LB will be 2,078,600 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 3.17% of the Offer Shares and approximately 0.27% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$103.00 (being the mid-point of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by Ally Bridge LB will be 1,905,100 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of theinvestment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 2.90% of the Offer Shares and approximately 0.25% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

Assuming the Offer Price of HK$111.60 (being the high-end of the Offer Price range set out in this Prospectus), the total number of Shares to be subscribed for by Ally Bridge LB will be 1,758,300 Shares (rounded down to the nearest whole board lot and calculated based on the conversion of the investment amount made in US$ being converted at the rate of US$1.000 to HK$7.8491), representing approximately 2.68% of the Offer Shares and approximately 0.23% of the Shares in issue immediately upon completion of the Global Offering, assuming the Over-allotment Option is not exercised and no Shares are issued under the Equity Plans.

CLOSING CONDITIONS

The obligation of each Cornerstone Investors to acquire the Offer Shares under the respective Cornerstone Investment Agreement is subject to, among other things, the following closing conditions:

(i) the Hong Kong Underwriting Agreement and the International Underwriting Agreement being entered into and having become effective and unconditional (in accordance with their respective original terms or as subsequently waived or varied by agreement of the parties thereto) by no later than the time and date as specified in the Hong Kong Underwriting Agreement and the International Underwriting Agreement, and neither the Hong Kong Underwriting Agreement nor the International Underwriting Agreement having been terminated;

(ii) the Offer Price having been agreed upon between the Company and the Joint Global Coordinators (on behalf of the underwriters of the Global Offering);

(iii) the Listing Committee having granted the approval for the listing of, and permission to deal in, the Shares (including the Shares under the Cornerstone Placing) as well as other applicable waivers and approvals and such approval, permission or waiver having not been revoked prior to the commencement of dealings in the Shares on the Stock Exchange;

(iv) no laws shall have been enacted or promulgated by any Governmental Authority (as defined in the relevant Cornerstone Investment Agreement) which prohibits the consummation of the transactions contemplated in the Global Offering or the Cornerstone Investment Agreement, and there shall be no orders or injunctions from a court of competent jurisdiction in effect precluding or prohibiting consummation of such transactions; and

(v) the representations, warranties, undertakings and confirmations of the Cornerstone Investor under the Cornerstone Investment Agreement are and will be (as of the closing of the Cornerstone Investment Agreement) accurate and true in all respects and not misleading and that there is no breach of the Cornerstone Investment Agreement.

RESTRICTIONS ON THE CORNERSTONE INVESTORS

Each of the Cornerstone Investors has agreed that it will not, whether directly or indirectly, at any time during the period of six months following the Listing Date (the "**Lock-up Period**"), dispose of any of the Offer Shares they have purchased pursuant to the relevant cornerstone investor agreements, save for certain limited circumstances, such as transfers to any of its wholly-owned subsidiaries who will be bound by the same obligations of such Cornerstone Investor, including the Lock-up Period restriction.

DIRECTORS AND SENIOR MANAGEMENT

Our Board consists of nine Directors, comprising one executive Director, one non-executive Director and seven independent non-executive Directors. The following table provides certain information about our Directors:

Name	Age	Position	Date of joining our Group	Date of appointment as a Director	Roles and responsibilities
Mr. John V. Oyler	50	Executive Director, Chairman and Chief Executive Officer	Co-Founder	October 28, 2010	Overall strategic planning and business direction
Dr. Xiaodong Wang.....	55	Non-executive Director	Co-Founder	February 8, 2016	Overall strategic planning and business direction
Mr. Timothy Chen.....	61	Independent non-executive Director	February 2016	February 8, 2016	Member of the Audit Committee and member of the Compensation Committee; supervising and providing independent judgment to our Board
Mr. Donald W. Glazer	73	Independent non-executive Director	February 2013	February 10, 2013	Chairman of the Nominating and Corporate Governance Committee; supervising and providing independent judgment to our Board
Mr. Michael Goller	43	Independent non-executive Director	April 2015	April 21, 2015	Member of the Nominating and Corporate Governance Committee; supervising and providing independent judgment to our Board
Mr. Ranjeev Krishana	44	Independent non-executive Director	October 2014	October 7, 2014	Member of the Compensation Committee; supervising and providing independent judgment to our Board
Mr. Thomas Malley.....	49	Independent non-executive Director	January 2016	January 25, 2016	Chairman of the Audit Committee; supervising and providing independent judgment to our Board
Mr. Jing-Shyh (Sam) Su.....	66	Independent non-executive Director	April 2018	April 1, 2018	Supervising and providing independent judgment to our Board
Mr. Qingqing Yi.....	46	Independent non-executive Director	October 2014	October 7, 2014	Chairman of the Compensation Committee and member of the Audit Committee; supervising and providing independent judgment to our Board

Executive Director

Mr. John V. Oyler, aged 50, is our Co-Founder, Chief Executive Officer and Chairman of our Board. He has served as a member of our Board since October 2010. From 2005 to 2009, Mr. Oyler served as President and Chief Executive Officer of BioDuro, LLC, a drug discovery outsourcing company, which was acquired by Pharmaceutical Product Development Inc. From 2002 to 2004, Mr. Oyler served as Chief Executive Officer of Galenea Corp., a biopharmaceutical company dedicated to the discovery of novel therapies for central nervous system diseases, which initially were developed at Massachusetts Institute of Technology. From 1998 to 2002, Mr. Oyler was a Founder and the President of Telephia, Inc. which was bought by The Nielsen Company in 2007. From 1997 to 1998, Mr. Oyler served as Co-Chief Executive Officer of Genta Incorporated, an oncology-focused biopharmaceutical company listed on the Nasdaq under ticker symbol "GNTA". Mr. Oyler began his career as a management consultant at McKinsey & Company.

Mr. Oyler received his B.S. from the Massachusetts Institute of Technology in June, 1990 and an MBA from Stanford University in January, 1996.

Non-Executive Director

Dr. Xiaodong Wang, Ph.D., aged 55, is our Co-Founder and has served as a member of our Board since February 2016. He has also served as the Chairman of our Scientific Advisory Board since 2011. Dr. Wang has served as the founding Director of the National Institute of Biological Sciences in Beijing since 2003 and became its Director and Investigator in 2010. Previously, he was a Howard Hughes Medical Institute Investigator from 1997 to 2010 and held the position of the George L. MacGregor Distinguished Chair Professor in Biomedical Sciences at the University of Texas Southwestern Medical Center in Dallas, Texas from 2001 to 2010. In 2004, Dr. Wang founded Joyant Pharmaceuticals, Inc., a venture capital-backed biotechnology company focused on the development of small molecule therapeutics for cancer.

Dr. Wang received his B.S. in Biology from Beijing Normal University in July, 1984 and his Ph.D. in Biochemistry from the University of Texas Southwestern Medical Center in May, 1991. Dr. Wang has been a member of the National Academy of Science, USA since 2004 and a foreign associate of the Chinese Academy of Sciences since 2013.

Independent Non-Executive Directors

Mr. Timothy Chen, aged 61, has served as a member of our Board since February 2016. Since January 2018, Mr. Chen has served as the Chairman of Foxconn Industrial Internet Company, a company listed on the Shanghai Stock Exchange since June 2018. From January 2016 to March 2018, he served as the President and Chief Executive Officer of Asia Pacific Telecom and as the Corporate Vice President of Hon Hai Technology Group. He served as the President of Telstra International Group and Advisor to Telstra Chief Executive Officer from November 2012 to December 2015. He was also the Chairman of Autohome, a company listed on the Nasdaq and a director of Qingdao Haier Co., Ltd., a company listed on the Shanghai Stock Exchange. He was a Non-Executive Director on the Board of Telstra Corporation Limited, a company listed on the Australian Securities Exchange between April 2012 and November 2012. Previously, Mr. Chen was a partner of a China Opportunities

Fund within GL Capital Group. He was the Chief Executive Officer of National Basketball Association China from 2007 to 2010; the Corporate Vice President of Microsoft and the Chief Executive Officer of its Greater China Region from 2003 to 2007; and the Corporate Vice President of Motorola and the Chairman and President of Motorola (China) Electronics from 2001 to 2003. Before Motorola, he was the Chief Executive Officer of 21CN Cybernet, a company listed on the Stock Exchange from 2000 to 2001. Prior to 2000, Mr. Chen spent eight years in China with Motorola, including serving as the General Manager responsible for the sales and marketing for the Greater China Cellular Infrastructure Division. He also spent nine years with AT&T Bell Laboratories in the United States.

Mr. Chen earned an MBA Degree from the University of Chicago in August, 1991 and a Master's Degree in both computer science and mathematics from Ohio State University in June, 1982.

Mr. Donald W. Glazer, aged 73, has served as a member of our Board since February 2013. Mr. Glazer has served as a member of the Board of Trustees of GMO Trust, a mutual fund group, since 2000 and as the Chairman of the Board of GMO Trust since 2005. Mr. Glazer was a Co-Founder and Secretary, and from 2002 until 2010, Vice Chairman, of Provant, Inc., a provider of performance improvement training solutions. From 1992 to 1995 Mr. Glazer was President of Mugar/Glazer Holdings and from 1992 to 1993 served as Vice Chairman—Finance of New England Television Corp and WHDH-TV, Inc. From 1997 to the present, Mr. Glazer has served as Advisory Counsel to Goodwin Procter LLP. From 1970 to 1978 Mr. Glazer was an associate and from 1978 to 1992 a partner at Ropes & Gray LLP, a Boston law firm. At Ropes & Gray, Mr. Glazer chaired the firm's Emerging Companies Group. Mr. Glazer was also a Lecturer in Law at Harvard Law School from 1978 to 1991, teaching a course called The Business Lawyer. Mr. Glazer is a former member of the boards of directors of Environics Inc.; Kronos Incorporated; Reflective Technologies, Inc.; and Teleco Oilfield Services Inc.

Mr. Glazer received his A.B. from Dartmouth College in June, 1966; J.D. from Harvard Law School in June, 1969, where he was an editor of the Harvard Law Review; and L.L.M. from the University of Pennsylvania Law School in May, 1970. Additionally, Mr. Glazer is a co-author of both Glazer and FitzGibbon on Legal Opinions, Third Edition (Aspen Publishers) and Massachusetts Corporation Law & Practice, Second Edition (Aspen Publishers).

Mr. Michael Goller, aged 43, has served as a member of our Board since April 2015. Mr. Goller has been with Baker Bros. Advisors LP since 2005 and currently serves as a Partner. Prior to joining Baker Bros., Mr. Goller served as an Associate of JPMorgan Partners, LLC where he focused on venture investments in the life sciences sector from 1999 to 2003. Mr. Goller began his career as an investment banker with Merrill Lynch and Co. from 1997 to 1999. Mr. Goller received a B.S. in Molecular and Cell Biology from The Pennsylvania State University in May, 1997 and Master's degrees in each of Biotechnology (School of Engineered and Applied Sciences) and Business Administration (Wharton School) from the University of Pennsylvania in May, 2005.

Mr. Goller has served as a director at DBV Technologies SA, a company listed on the Nasdaq and on Euronext Paris, since 2015.

Mr. Ranjeev Krishana, aged 44, has served as a member of our Board since October 2014. Mr. Krishana has worked at Baker Bros. Advisors LP from 2011 to the present and currently serves as Head of International Investments. Prior to joining Baker Bros., Mr. Krishana held a series of commercial,

strategy, and business development leadership roles for Pfizer, Inc.'s pharmaceutical business across a variety of international regions and markets, including Asia, Eastern Europe, and Latin America. Mr. Krishana was at Pfizer from 2003 to 2007 and from 2008 to 2011. From 2008 to 2010, Mr. Krishana was based in Beijing, China, where he served as a Senior Director and a member of the Pfizer China Leadership Team. Mr. Krishana began his career as a strategy consultant at Accenture plc.

Mr. Krishana received a B.A. in Economics and Political Science from Brown University in May, 1995, and a Masters of Public Policy from Harvard University in June, 2011.

Mr. Thomas Malley, aged 49, has served as a member of our Board since January 2016. Mr. Malley has served as a director of BeiGene Beijing since 2016. Mr. Malley has served as president of Mossrock Capital, LLC, a private investment firm, since May 2007. Mr. Malley worked for Janus Mutual Funds in positions of increasing responsibility from April 1991 to May 2007. From January 1999 to May 2007, Mr. Malley served as the portfolio manager of the Janus Global Life Sciences Fund and also led the Janus healthcare team of analysts. From 1991 to 1998, Mr. Malley served as an equity analyst for Janus covering, among others, healthcare and biotechnology stocks. Mr. Malley received a B.S. in Biology from Stanford University in January 1991.

Mr. Malley has held directorships in the following listed companies:

- Kura Oncology, Inc., a company listed on the Nasdaq, as a director since 2015;
- Kiniksa Pharmaceuticals, a company listed on the Nasdaq, as a director since 2016;
- OvaScience, Inc., a company listed on the Nasdaq, as a director from 2012 to 2017;
- Synageva BioPharma Corp., a Company listed on the Nasdaq prior to its delisting in May 2015 in connection with the sale of the company, as a director from 2006 to 2015;
- Puma Biotechnology, Inc., a company listed on the Nasdaq, as a director from 2011 to 2015; and
- Cougar Biotechnology, Inc., a company listed on the Nasdaq prior to its delisting in July 2009 in connection with the sale of the company, as a director from 2007 to 2009.

Mr. Jing-Shyh (Sam) Su, aged 66, has served as a member of our Board since April 2018. Mr. Su retired from Yum! Brands, Inc., a company listed on the New York Stock Exchange ("**Yum! Brands**"), in May 2016, where he served as Vice Chairman of the Board, and was the Chairman and CEO of the company's China division. During Mr. Su's 26 years with Yum! Brands, its China division grew from just four restaurants to over 7,000 to become the largest multinational restaurant chain in China, contributing more than half of Yum! Brands' world-wide revenues in 2015. Mr. Su started his career with Yum! Brands in 1989 as KFC International's director of marketing for the North Pacific region. In 1993, he became vice president of North Asia for both KFC and Pizza Hut. Mr. Su was named president of Greater China for Tricon Global Restaurants International upon Pepsi's spin-off of the restaurant business in 1997. Before joining Yum! Brands, Mr. Su worked with Procter & Gamble in Germany and Taiwan.

Mr. Su earned his undergraduate degree at the National Taiwan University in June, 1974, an M.Sc. degree in Chemical Engineering at Pennsylvania State University in May, 1978, and an MBA at the Wharton School of the University of Pennsylvania in May, 1983.

Mr. Su currently serves as a director of Li Ning Company Limited, a company listed on the Main Board of the Stock Exchange (stock code: 2331), and of Peet's Coffee China.

Mr. Qingqing Yi, aged 46, has served as a member of our Board since October 2014. Mr. Yi is a Partner at Hillhouse Capital. He has worked with Hillhouse since the inception of the firm in 2005. Prior to joining Hillhouse, Mr. Yi was an Equity Research Analyst at China International Capital Corporation. Mr. Yi's work at Hillhouse includes investments in the healthcare and consumer sectors in both its public and private equity portfolios.

Mr. Yi received a B.S. degree in Engineering from Shanghai Maritime University in July, 1995 and an MBA from University of Southern California in May, 2003.

Except as disclosed above (and our Directors' interests or short positions (if any) as set out in the section headed "Appendix IV — Statutory and General Information — Further Information About our Directors"), to the best of the knowledge, information and belief of our Directors having made all reasonable inquiries, there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of the Shareholders and the Stock Exchange.

Except as disclosed above, each Director had not held any other directorships in listed companies during the three years immediately prior to the Latest Practicable Date.

SENIOR MANAGEMENT

The following table provides information about members of our senior management:

Name	Age	Position	Date of joining our Group	Roles and responsibilities
Mr. John V. Oyler	50	Executive Director, Chairman and Chief Executive Officer	Co-Founder	Overall strategic planning and business direction
Dr. Howard Liang, Ph.D.	55	Chief Financial Officer and Chief Strategy Officer	July 2015	Overall strategic planning and financial strategy
Dr. Amy Peterson, M.D..	51	Chief Medical Officer, Immuno-oncology	August 2016	Clinical development
Dr. Jane Huang, M.D.	45	Chief Medical Officer, Hematology	September 2016	Clinical development
Dr. Xiaobin Wu, Ph.D. ...	57	General Manager, China and President	April 2018	Strategic planning and business direction in China

Dr. Howard Liang, Ph.D., aged 55, has served as our Chief Financial Officer and Chief Strategy Officer since July 2015. Prior to joining us, from 2005 to 2015, Dr. Liang was at Leerink Partners LLC, a leading investment bank specializing in the healthcare industry, where he served as a Managing Director and Head of Biotechnology Equity Research. Dr. Liang served as a Senior Biotechnology Analyst at two full-service investment banks: A.G. Edwards Inc., from 2004 to 2005, and JMP Securities, from 2003 to 2004. From 2000 to 2003, Dr. Liang served as an Associate Analyst at Prudential Securities, where he covered major and specialty pharmaceuticals. Before Wall Street, from 1992 to 2000, Dr. Liang was with Abbott Laboratories, where he was a Senior Scientist and a member of one of the pharmaceutical industry's leading structure-based discovery teams. During his career as a scientist, Dr. Liang authored a review and 13 papers including six in Nature, Science, and Proceedings of the National Academy of Sciences.

Dr. Liang received his B.S. in Chemistry from Peking University in July, 1985, and both his MBA and Ph.D. in Biochemistry and Molecular Biology from the University of Chicago in June, 2001 and March, 1992 respectively.

Dr. Amy Peterson, M.D., aged 51, joined our Company in August 2016 as our Chief Medical Officer, Immuno-Oncology. Prior to joining us, Dr. Peterson served as Vice President of Clinical Development at Medivation, Inc. from December 2012 to July 2016 and as Senior Medical Director from August 2011 to December 2012. At Medivation, she was primarily responsible for the development of enzalutamide and talazoparib in breast and prostate cancers and of pidilizumab in diffuse large B-cell lymphoma. Dr. Peterson began her career in Industry when she joined the Exploratory Clinical Development group at Genentech, Inc in 2005. She ultimately served as Associate Group Medical Director reporting into the Vice President of Genentech Research and Early Development, and was responsible for the development of many early stage molecules targeting multiple major pathways in oncology. Prior to joining Genentech, Dr. Peterson was a Clinical and Research Fellow (2000-2004), and subsequently an Instructor of Medicine (2004-2005) in the Hematology/Oncology Division at the University of Chicago, where she conducted translational research in tumor immunology in conjunction with Dr. Thomas F. Gajewski.

Dr. Peterson received her M.D. from Thomas Jefferson University in May, 1998, and completed her residency in Internal Medicine at Northwestern Memorial Hospital. She earned a Bachelor of Arts degree from Wesleyan University in May, 1989.

Dr. Jane Huang, M.D., aged 45, joined our Company in September 2016 as our Chief Medical Officer, Hematology. Prior to joining us, Dr. Huang served as the Vice President, Clinical Development at Acerta Pharma from April 2015 to September 2016, where she oversaw global clinical development of the BTK inhibitor, acalabrutinib. Previously, she worked at Genentech, Inc from 2005 to March 2015, serving most recently as Group Medical Director, where she played a leading role in drug development programs for several molecules at all stages of development, including venetoclax and obinutuzumab. She is also an Adjunct Clinical Assistant Professor in Oncology at Stanford University, specializing in Thoracic Oncology.

Dr. Huang received her Bachelor of Science degree in Biological Sciences from Stanford University in June, 1998 and her M.D. from University of Washington School of Medicine in June, 1998. She is board certified in hematology, oncology, and internal medicine, and she completed her residency in Internal Medicine and fellowships in Hematology and Oncology at Stanford University.

Dr. Xiaobin Wu, Ph.D., aged 57, joined our Company in April 2018 as our General Manager, China and President. He has more than 25 years of experience in the pharmaceutical industry, including 17 years leading China operations of multinational companies, with expertise in research and development, strategy, commercialization and general management. Before joining the Company in April 2018, Dr. Wu served as the Country Manager of Pfizer China from 2009 to April 2018 and Regional President of Pfizer Essential Health in the Greater China Region from 2017 to April 2018. Under his leadership, Pfizer China experienced significant growth to become a leading multinational pharmaceutical company in China. Prior to Pfizer, Dr. Wu served as President and Managing Director of Wyeth China and Hong Kong from 2004 to 2009. Before joining Wyeth, Dr. Wu served as the General Manager of Bayer Healthcare in China from 2001 to 2004. He started his career in 1992 in sales and marketing with Bayer in Germany. Dr. Wu has served as a Vice Chairman of the R&D Based Pharmaceutical Association Committee (RDPAC) in China since 2008. He also serves as Vice Chairman of the Pharmaceutical Chamber of Commerce of China's National Association of Industry & Commerce, and Executive Vice Chairman of the Chinese Pharmaceutical Enterprise Association. He is also a research fellow at the Research Center of National Drug Policy and Ecosystem (NDPE) of China Pharmaceutical University in Nanjing, China.

In addition to his duties in industry associations, Dr. Wu has received numerous industry awards, including most recently "Person of the Year" in Healthy China Awards 2017, "2017 Top 10 Most Influential Persons in the Chinese Healthcare Industry" and the "2017 Social Responsibility Eminent Person Award."

Dr. Wu earned a Ph.D. in Biochemistry and Pharmacology and a Diploma in Biology in April, 1993 and January, 1990, respectively, from the University of Konstanz in Germany.

Save as disclosed above, each member of our senior management had not held any other directorships in listed companies during the three years immediately prior to the Latest Practicable Date.

Employment Agreements of Senior Management and Technical Staff

Mr. John V. Oyler and our Company and certain of our subsidiaries entered into employment agreements with John V. Oyler on April 25, 2017, pursuant to which Mr. Oyler serves as our Chief Executive Officer. Mr. Oyler currently receives a base salary of US$650,000, which is subject to review and adjustment in accordance with our Company's policy. Mr. Oyler's base salary is allocated between us and certain of our subsidiaries. Mr. Oyler's employment agreements also provide for certain transportation and international travel benefits and tax equalization payments. His employment agreements have an initial three-year term and automatically renew for additional one-year terms unless either party provides written notice of nonrenewal. Mr. Oyler's employment can be terminated at will by either party. Upon termination of Mr. Oyler's employment for any reason, we will pay (i) accrued but unpaid base salary during the final payroll period of employment; (ii) unpaid vacation

time; (iii) unpaid annual bonus from the previous calendar year; and (iv) any business expenses incurred, documented and substantiated but not yet reimbursed (collectively, the "Final Compensation"). If Mr. Oyler's employment is terminated by us other than for "cause" (as defined in his employment agreements) or if Mr. Oyler terminates his employment for "good reason" (as defined in his employment agreements), Mr. Oyler is entitled to (i) the Final Compensation, (ii) a lump sum equal to the base salary divided by 12, then multiplied by the Severance Period (as defined below), (iii) the post-termination bonus calculated based on the target bonus for the year and the number of days passed through the date of termination, (iv) a US$20,000 one-time bonus and (v) acceleration of the vesting schedule of his equity grants by 20 months. The "Severance Period" is 20 months; provided that if Mr. Oyler's employment is terminated without cause or for good reason during the initial three-year term, the Severance Period will be the greater of 20 months or the number of the months remaining in the initial three-year term; provided further that if Mr. Oyler's employment terminates during the 12-month period following a "change in control" (as defined in his employment agreements), then the Severance Period will be 24 months. His employment agreement provides that all unvested equity awards will immediately vest upon a "change in control." Mr. Oyler's employment agreements also prohibit Mr. Oyler from engaging in certain competitive and solicitation activities during his employment and for 18 months after the termination of his employment.

Dr. Howard Liang, Ph.D. and our Company entered into an employment agreement on July 13, 2015 for the position of Chief Financial Officer and Chief Strategy Officer. Dr. Liang currently receives a base salary of US$425,000, which is subject to review and adjustment in accordance with our Company's policy. Dr. Liang's current annual merit bonus target is 50% of his base salary, based on performance as determined by our compensation committee. Dr. Liang was granted an initial option to purchase up to 4,900,000 ordinary shares, which vests over four years. Dr. Liang's employment has no specified term, but can be terminated at will by either party. Dr. Liang's employment may be terminated by us without "cause" (as defined in his employment agreement), and if so he would receive his base salary and health and dental insurance payments during a nine-month severance period and other benefits including acceleration of the vesting schedule of his initial option grant by six months, unless Dr. Liang breaches his confidentiality obligations. Dr. Liang may terminate his employment with "good reason" (as defined in his employment agreement) upon 30 days' written notice received within 60 days of the occurrence of the event. If we do not cure the action identified in Dr. Liang's notice, he is entitled to the same benefits as if we terminated his employment without cause, subject to his execution of a release of claims and unless he breaches his confidentiality obligations. We may also terminate Dr. Liang's employment for cause, in certain cases upon 30 days' written notice, and Dr. Liang may also terminate his employment without good reason upon 90 days' written notice, in either case, in which he would then only be entitled to receive certain accrued obligations. In the event of a "sale event" (as defined in his employment agreement), 100% of Dr. Liang's unvested options and other equity awards granted to him during his employment with us will accelerate and vest in full.

Dr. Amy Peterson, M.D. and our Company entered into an employment agreement on August 8, 2016 for the position of Chief Medical Officer, Immuno-Oncology. Dr. Peterson currently receives a base salary of US$425,000, which is subject to review and adjustment in accordance with our Company's policy. Dr. Peterson's annual merit bonus target is currently 50% of her base salary, based on performance as determined by our compensation committee. Dr. Peterson was granted an initial option to purchase up to 1,600,000 ordinary shares, which vests over four years. In connection with

her commencement of employment, Dr. Peterson was also granted 300,000 restricted shares, which vest in equal installments annually over a four-year period. Dr. Peterson's employment has no specified term, but can be terminated at will by either party. Dr. Peterson's employment may be terminated by us without "cause" (as defined in her employment agreement), and if so she would receive her base salary and health and dental insurance payments during a 12-month severance period and other benefits including acceleration of the vesting schedule of her initial option grant by 24 months (or full acceleration of the vesting schedules of her initial and any subsequent option and restricted share grants if such termination occurs within 12 months following a "change in control" (as defined in her employment agreement)), unless Dr. Peterson breaches her confidentiality obligations. Dr. Peterson may terminate her employment with "good reason" (as defined in her employment agreement) upon 30 days' written notice received within 60 days of the occurrence of the event. If we do not cure the action identified in Dr. Peterson's notice, she is entitled to the same benefits as if we terminated her employment without cause, subject to her execution of a release of claims and unless she breaches her confidentiality obligations. We may also terminate Dr. Peterson's employment for cause, in certain cases upon 30 days' written notice, and Dr. Peterson may also terminate her employment without good reason upon 90 days' written notice, in either case, in which she would then only be entitled to receive certain accrued obligations.

Dr. Jane Huang, M.D. and our Company entered into an employment agreement on August 19, 2016 for the position of Chief Medical Officer, Hematology. Dr. Huang currently receives a base salary of US$425,000, which is subject to review and adjustment in accordance with our Company's policy. Dr. Huang's current annual merit bonus target is 50% of her base salary, based on performance as determined by our compensation committee. Dr. Huang was granted an initial option to purchase up to 1,400,000 ordinary shares, which vests over four years. In connection with the commencement of her employment, Dr. Huang was also granted 300,000 restricted shares, which vest in equal installments annually over a four-year period. Dr. Huang's employment has no specified term, but can be terminated at will by either party. Dr. Huang's employment may be terminated by us without "cause" (as defined in her employment agreement), and if so she would receive her base salary and health and dental insurance payments during a 12-month severance period and other benefits including acceleration of the vesting schedule of her initial option grant by 24 months (or full acceleration of the vesting schedules of her initial and any subsequent option and restricted share grants if such termination occurs within 12 months following a "change in control" (as defined in her employment agreement)), unless Dr. Huang breaches her confidentiality obligations. Dr. Huang may terminate her employment with "good reason" (as defined in her employment agreement) upon 30 days' written notice received within 60 days of the occurrence of the event. If we do not cure the action identified in Dr. Huang's notice, she is entitled to the same benefits as if we terminated her employment without cause, subject to her execution of a release of claims and unless she breaches her confidentiality obligations. We may also terminate Dr. Huang's employment for cause, in certain cases upon 30 days' written notice, and Dr. Huang may also terminate her employment without good reason upon 90 days' written notice, in either case, in which she would then only be entitled to receive certain accrued obligations.

Dr. Xiaobin Wu, Ph.D. and BeiGene Beijing entered into an Executive Employment Agreement (the "Employment Agreement"), effective as of April 30, 2018 (the "Effective Date"). Under the Employment Agreement, Dr. Wu will receive a base salary of RMB3,750,000, subject to regular review and adjustment by compensation committee of our Board. Dr. Wu will be eligible for an annual cash merit bonus, with a current target level of 50% of his base salary, based on performance as determined by our compensation committee. In addition, Dr. Wu's Employment Agreement provides for reimbursement of tax advisory and preparation services and an annual allowance of RMB 950,000 to cover the leasing of an automobile and the costs of housing in the PRC.

In connection with the commencement of his employment, Dr. Wu received an initial option to purchase 766,599 ordinary shares of the Company, equivalent to 58,969 ADSs, at an exercise price of US$13.05 per ordinary share, equivalent to US$169.58 per ADS, which was the closing price of our ADSs on the Nasdaq on the date of grant. The option will vest over a five-year period, with 20% of the shares subject to the option becoming exercisable on the first anniversary of the Effective Date, and the balance becoming exercisable in 48 successive equal monthly installments, subject to Dr. Wu's continued service. Dr. Wu also received an initial award of restricted share units for 1,149,899 ordinary shares of the Company, equivalent to 88,453 ADSs, vesting in equal installments over five years from the Effective Date, subject to Dr. Wu's continued service. In addition, Dr. Wu is eligible to receive an annual grant of equity targeted at US$1,000,000 each year, subject to vesting over five years, consisting of share options, restricted share units or such other form of grant as provided to (and in the same proportion as) Mr. John V. Oyler.

Dr. Wu's employment has no specified term and can be terminated at will by either party. Dr. Wu's employment may be terminated by the Company without "cause" (as defined in the Employment Agreement), and if so he would receive his base salary and health and dental insurance payments during a 18-month severance period and other benefits including acceleration of the vesting of his initial option grant and initial restricted share units award by 18 months (or full acceleration of the vesting schedules of his initial option grant and initial restricted share units award and any subsequent option and restricted share units awards if such termination occurs within 12 months following a "change in control" (as defined in the Employment Agreement)), unless Dr. Wu breaches his confidentiality, non-competition and non-solicitation obligations. Dr. Wu may terminate his employment with "good reason" (as defined in the Employment Agreement) upon 30 days' written notice received within 60 days of the occurrence of the event. If the Company does not cure the action identified in Dr. Wu's notice, he is entitled to the same benefits as if the Company terminated his employment without cause, subject to his execution of a release of claims and unless he breaches his confidentiality, non-competition and non-solicitation obligations. To the fullest extent permitted by PRC law, the Company may also terminate Dr. Wu's employment for cause in certain cases upon 30 days' written notice. Dr. Wu may also terminate his employment without good reason upon 90 days' written notice, in either case, in which he would then only be entitled to receive certain accrued obligations.

COMPANY SECRETARY

Ms. Chau Hing Ling Anita, who was appointed as our company secretary on May 17, 2018, joined Vistra Corporate Services (HK) Limited in June 2013 and now serves as a director of Corporate Services, where she leads a team of professional staff to provide a full range of corporate services and listed company secretary services. Prior to joining Vistra Corporate Services (HK) Limited, she was an associate director of Corporate Secretarial of an international corporate services provider.

Ms. Chau has over 15 years of experience in the corporate services industry. She is currently the company secretary of Keen Ocean International Holding Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8070), Rici Healthcare Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1526), Persta Resources Inc., (stock code: 3395), a company listed on the Main Board of the Stock Exchange and Sheung Moon Holdings Limited, a company listed on the GEM Board of the Stock Exchange (stock code: 8523) and the joint company secretary of COFCO Meat Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1610) and Guangdong Kanghua Healthcare Co., Ltd. a company listed on the Main Board of the Stock Exchange (stock code: 3689) respectively.

Ms. Chau received a master of laws majoring in corporate and financial law from The University of Hong Kong in November 2007. She has been a fellow member of the Institute of Chartered Secretaries and Administrators and the Hong Kong Institute of Chartered Secretaries since May 2013.

DIRECTORS' REMUNERATION

Mr. John V. Oyler, our Co-Founder, Chief Executive Officer and Chairman, receives no compensation for his service as a Director. Dr. Xiaodong Wang, Chairman of our Scientific Advisory Board, also receives no compensation for his service as a Director.

We have adopted an independent director compensation policy that is part of a total compensation package designed to enable us to attract and retain, on a long-term basis, high caliber independent Directors. Under the policy, all independent Directors are paid cash compensation as set forth below:

	Annual Retainer (US$)
Board of Directors:	
All independent directors	50,000
Audit Committee:	
Chairperson	22,500
Non-Chairperson members	10,000
Compensation Committee:	
Chairperson	17,500
Non-Chairperson members	7,500
Nominating and Corporate Governance Committee:	
Chairperson	12,500
Non-Chairperson members	5,000

Under our independent director compensation policy, upon initial election or appointment to the Board each independent Director will receive an initial equity grant (the "Initial Grant") with an initial value of US$300,000 on the grant date, pro-rated based on the number of calendar days to be served from the grant date until the first anniversary of the most recent annual general meeting.

In addition, on the date of the Company's annual general meeting, each continuing independent Director who is eligible to receive awards will receive an annual equity grant (the "Annual Grant") with an initial value of US$300,000 on the date of grant.

Each of the Initial Grant and the Annual Grant (together, the "Equity Awards") shall consist of 50% restricted share units ("RSUs") and 50% share options ("Options"). The number of RSUs awarded with respect to an Initial Grant or Annual Grant will be 50% of the applicable grant value divided by the fair market value per share of the Company's shares on the date of grant, and the number of Options will be 50% of the applicable grant value divided by the per share option value on the date of grant determined in accordance with the Company's standard option valuation practices. The Options will have an exercise price equal to the fair market value per share of the Company's shares on the date of grant. The Equity Awards shall be governed by, and subject to the terms and conditions of, the Company's 2016 Share Option and Incentive Plan (as may be amended from time to time) and standard form of grant agreements in effect on the date of grant. In addition, the Equity Awards shall vest in full upon the earlier to occur of the first anniversary of the date of grant or the date of the next annual general meeting; provided, however, that all vesting shall cease if the Director resigns from the Board or otherwise ceases to serve as a Director other than as set forth below or the Board determines that the circumstances warrant continuation of vesting. In addition, all Options shall be exercisable for three years following cessation of service, and all Equity Awards shall accelerate in full upon (i) death, (ii) disability, (iii) termination of service in connection with a change of control of the Company, or (iv) upon a change of control of the Company if the director's service continues and the awards are not assumed by the acquiror at the time of the change of control.

The value of all Equity Awards and other cash compensation paid to each independent Director for their service as an independent Director may not exceed US$500,000 in any calendar year.

The foregoing Equity Awards shall be subject to the terms of the 2016 Share Option and Incentive Plan.

We also reimburse all reasonable out-of-pocket expenses incurred by independent directors in attending Board and committee meetings.

The aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) for our Directors for the financial years ended December 31, 2016 and 2017 was approximately US$2 million and US$5.68 million, respectively. Further information on the remuneration of each Director and chief executive during the Track Record Period is set out in Appendix I.

Except as disclosed above, during the Track Record Period, no remuneration was paid to our Directors as an inducement to join or upon joining our Group. Except for Mr. Qingqing Yi who waived the receipt of director compensation in 2016, none of our Directors waived any emoluments during the Track Record Period.

The five highest paid individuals of our Group for the financial years ended December 31, 2016 and 2017, included two Directors, respectively, whose remunerations are included in the aggregate amount of fees, salaries, allowances and retirement benefits scheme contributions we paid to the relevant Directors set out above.

For the financial years ended December 31, 2016 and 2017, the aggregate amount of remuneration (including basic salaries, housing allowances, other allowances and benefits in kind, contributions to pension plans and discretionary bonuses) for the remaining three highest paid individuals who are neither a Director nor chief executive of our Group were US$2.56 million and US$6.10 million, respectively.

During the Track Record Period, except for the payments described in the section headed "Employment Agreements of Senior Management and Technical Staff" and a one-off payment of US$100,000 to Dr. Jane Huang, M.D., no remuneration was paid to the five highest paid individuals of our Group as an inducement to join or upon joining our Group. Our Group made severance payments in the aggregate amount of US$714,231 during the period from May 2016 to December 2017 to RuiRong Yuan, our former Chief Medical Officer and President of Global Clinical Research, whose employment with our Group was terminated on April 11, 2016. Except as disclosed above, no compensation was paid to or receivable by any Directors or past Directors during the Track Record Period for the loss of any office in connection with the management of the affairs of any member of our Group.

Except as disclosed above, no other payments have been paid or are payable in respect of the Track Record Period to our Directors by our Group.

Under the arrangements currently in force, our Directors will be entitled to receive remuneration and benefits in kind for their service as a director which, for the year ending December 31, 2018, is expected to be approximately US$3.5 million in aggregate.

CORPORATE GOVERNANCE

Audit Committee

Our audit committee is in compliance with Rule 3.21 of the Listing Rules and the Corporate Governance Code set out in Appendix 14 to the Listing Rules, except for the terms of reference required by paragraphs C.3.3 and C.3.7 of the Corporate Governance Code. However, the charter of our audit committee complies with the rules of Nasdaq and the rules of the SEC. The primary duties of the audit committee are, among other things, to monitor the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters, review the adequacy of our internal control over financial reporting, and review all related party transactions for potential conflict of interest situations and approving all such

transactions. The audit committee comprises three independent non-executive Directors, namely Mr. Thomas Malley, Mr. Qingqing Yi and Mr. Timothy Chen. Mr. Thomas Malley, being the chairman of the committee, is appropriately qualified as required under Rules 3.10(2) and 3.21 of the Listing Rules.

Compensation Committee

Our compensation committee is in compliance with Rule 3.25 of the Listing Rules and the Corporate Governance Code set out in Appendix 14 to the Listing Rules, except for the terms of reference required by paragraph B.1.2 of the Corporate Governance Code. However, the charter of our compensation committee complies with the rules of Nasdaq. The primary duties of the compensation committee are to review and make recommendations to the Board of Directors with respect to director compensation, evaluate the performance of our Chief Executive Officer and Chief Financial Officer and review and make recommendations to the Board regarding the terms of their compensation, and review and approve the compensation of our other executive officers and senior management. The compensation committee comprises Mr. Qingqing Yi, Mr. Ranjeev Krishana and Mr. Timothy Chen. Mr. Qingqing Yi is the chairman of the committee.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee complies with the Corporate Governance Code set out in Appendix 14 to the Listing Rules, except for the terms of reference required by paragraph A.5.2 of the Corporate Governance Code. However, the charter of our nominating and corporate governance committee complies with the rules of the Nasdaq. The primary duties of the nominating and corporate governance committee are among other things, to develop and recommend to the Board criteria for board and committee membership, recommend to the Board the persons to be nominated for election as Directors and to each of the Board's committees, and develop and recommend to the Board a set of corporate governance guidelines. The nominating and corporate governance committee comprises Mr. Donald W. Glazer and Mr. Michael Goller. Mr. Donald W. Glazer is the chairman of the committee.

Corporate Governance Code

Pursuant to code provision A.2.1 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from the requirement that the responsibilities between the chairman and the chief executive officer should be segregated and should not be performed by the same individual. We do not have a separate chairman and chief executive officer and Mr. John V. Oyler currently performs these two roles. Our Board believes that Mr. Oyler is the Director best suited to identify strategic opportunities and focus of the Board due to his extensive understanding of our business as a Co-Founder and our Chief Executive Officer. Our Board also believes that the combined role of Chairman and Chief Executive Officer can promote the effective execution of strategic initiatives and facilitate the flow of information between management and the Board. Our Board will continue to review and consider splitting the roles of chairman of our Board and the chief executive officer of our Company at a time when it is appropriate by taking into account the circumstances of our Group as a whole.

We aim to implement a high standard of corporate governance, which is crucial to safeguard the interests of our Shareholders. To accomplish this, we expect to comply with the Corporate Governance Code after the Listing save for matters disclosed above.

COMPLIANCE ADVISER

We have appointed Somerley Capital Limited as our compliance adviser (the "**Compliance Adviser**") pursuant to Rule 3A.19 of the Listing Rules. Our Compliance Adviser will provide us with guidance and advice as to compliance with the Listing Rules and applicable Hong Kong laws. Pursuant to Rule 3A.23 of the Listing Rules, our Compliance Adviser will advise our Company in certain circumstances including:

(a) before the publication of any regulatory announcement, circular, or financial report;

(b) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues and share repurchases;

(c) where we propose to use the proceeds of the Global Offering in a manner different from that detailed in this prospectus or where the business activities, development or results of our Group deviate from any forecast, estimate or other information in this prospectus; and

(d) where the Stock Exchange makes an inquiry to our Company regarding unusual movements in the price or trading volume of its listed securities or any other matters in accordance with Rule 13.10 of the Listing Rules.

The term of appointment of our Compliance Adviser shall commence on the Listing Date and is expected to end on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the Listing Date.

COMPETITION

Each of our Directors confirms that as of the Latest Practicable Date, he did not have any interest in a business which competes or is likely to compete, directly or indirectly, with our business, and requires disclosure under Rule 8.10 of the Listing Rules.

From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare and biotechnology industries, including companies whose products may directly or indirectly compete with ours. However, as these non-executive Directors are neither our controlling shareholders nor members of our executive management team, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from the other companies in which they may hold directorships from time to time.

FUTURE PLANS

See the section headed "Business — Our Strategies" for a detailed description of our future plans.

USE OF PROCEEDS

We estimate that we will receive net proceeds of approximately HK$6,476.5 million after deducting the underwriting fees and expenses payable by us in the Global Offering, assuming no Over-allotment Option is exercised and assuming an Offer Price of HK$103.00 per Offer Share, being the mid-point of the indicative Offer Price range of HK$94.40 to HK$111.60 per Offer Share in this prospectus. We intend to use the net proceeds we will receive from this offering for the following purposes:

- 75% of net proceeds, or HK$4,857.4 million allocated to our core programs as follows:
  - 32.5% of net proceeds, or HK$2,104.9 million for zanubrutinib, out of which
    - 17.9% of net proceeds, or HK$1,159.3 million, for ongoing and planned clinical trials of zanubrutinib, as further described in the "Business" section of this prospectus,
    - 4.9% of net proceeds, or HK$317.3 million, in preparation for registration filings of zanubrutinib in China, estimated to be in 2018, and in the United States, estimated to be in 2019, and
    - 9.7% of net proceeds, or HK$628.2 million, for preparation for launch and, subject to regulatory approval, commercialization of zanubrutinib in China and the United States,
  - 32.5% of net proceeds, or HK$2,104.9 million for tislelizumab, out of which
    - 24.4% of net proceeds, or HK$1.580.3 million, for ongoing and planned clinical trials of tislelizumab, as further described in the "Business" section of this prospectus,
    - 4.9% of net proceeds, or HK$317.3 million, in preparation for registration filings of tislelizumab, the first of which is anticipated in China in 2018 in r/r HL, and
    - 3.2% of net proceeds, or HK$207.2 million, for preparation for launch and, subject to regulatory approval, commercialization of tislelizumab in China,
  - 10% of net proceeds, or HK$647.6 million for pamiparib, out of which
    - 6.5% of net proceeds, or HK$421.0 million, for ongoing and planned clinical trials of pamiparib, as further described in the "Business" section of this prospectus,
    - 1.5% of net proceeds, or HK$97.1 million, in preparation for registration filings of pamiparib, and
    - 2.0% of net proceeds, or HK$129.5 million, for preparation for launch, and subject to regulatory approval, commercialization of pamiparib in China and the United States.

- 15% of net proceeds, or HK$971.5 million, to fund continued expansion of our product portfolio in cancer and potentially other therapeutic areas through internal research and external licenses and business development collaborations, including the development cost of internal early clinical and preclinical-stage pipeline agents and in-licensed pipeline agents;
- 10% of net proceeds, or HK$647.6 million, for working capital, expanding internal capabilities and general corporate purposes.

In the event that we receive net proceeds from the Global Offering higher or lower than the estimated amount stated above (including where we make a Downward Offer Price Adjustment to set the final Offer Price at HK$85.00 per Offer Share), we will increase or decrease the intended use of the net proceeds for the above purposes on a pro rata basis (other than the costs associated with the registration filings, which we expect to remain relatively fixed). In addition, the funds estimated to be allocated to our clinical programs may differ from what is provided above, based on actual results from ongoing clinical trials. We expect to incur capital expenditures of approximately US$170.0 million in 2018 and 2019 related to completing our biologics manufacturing facility in Guangzhou. We currently plan to use our existing cash and short-term investments to fund this project.

To the extent that the net proceeds of the Global Offering are not immediately required for the above purposes or if we are unable to put into effect any part of our development plan as intended, we may hold such funds in short-term deposits so long as it is deemed to be in the best interests of the Company. In such event, we will comply with the appropriate disclosure requirements under the Listing Rules.

Since we are an offshore holding company, we will need to make capital contributions and loans to our PRC subsidiaries such that the net proceeds of this offering can be used in the manner described above. Such capital contributions and loans are subject to a number of limitations and approval processes under PRC laws and regulations. There are no costs associated with registering loans or capital contributions with relevant PRC authorities, other than nominal processing charges. Under PRC laws and regulations, the PRC governmental authorities or designated banks are required to process such approvals or registrations or deny our application within a prescribed period, which are usually less than 90 days. The actual time taken, however, may be longer due to administrative delay. We cannot assure you that we can obtain the approvals from the relevant governmental authorities, or complete the registration and filing procedures required to use our net proceeds as described above, in each case on a timely basis, or at all. This is because PRC regulation of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the proceeds of this offering to make loans or additional capital contributions to our PRC operating subsidiaries, which could materially and adversely affect our liquidity and our ability to fund and expand our business. See the section headed "Risk Factors — Risk Related to Our Doing Business in the PRC — Restrictions on currency exchange may limit our ability to utilize our revenue effectively."

HONG KONG UNDERWRITERS

Morgan Stanley Asia Limited
Goldman Sachs (Asia) L.L.C.
Credit Suisse (Hong Kong) Limited
CLSA Limited
China International Capital Corporation Hong Kong Securities Limited
Deutsche Bank AG, Hong Kong Branch
UBS AG Hong Kong Branch
China Renaissance Securities (Hong Kong) Limited

UNDERWRITING

This prospectus is published solely in connection with the Hong Kong Public Offering. The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters on a conditional basis. The International Placing is expected to be fully underwritten by the International Underwriters. If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company, the Global Offering will not proceed and will lapse.

The Global Offering comprises the Hong Kong Public Offering of initially 5,904,000 Hong Kong Offer Shares and the International Placing of initially 59,696,000 International Placing Shares, subject, in each case, to reallocation on the basis as described in the section headed "Structure of the Global Offering" in this prospectus as well as to the Over-allotment Option (in the case of the International Placing).

UNDERWRITING ARRANGEMENTS AND EXPENSES

Hong Kong Public Offering

Hong Kong Underwriting Agreement

The Hong Kong Underwriting Agreement was entered into on July 27, 2018. Pursuant to the Hong Kong Underwriting Agreement, the Company is offering the Hong Kong Offer Shares for subscription on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement at the Offer Price.

Subject to (a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares on the Main Board of the Stock Exchange and such approval not having been subsequently revoked prior to the commencement of trading of the Shares on the Stock Exchange and (b) certain other conditions set out in the Hong Kong Underwriting Agreement, the Hong Kong Underwriters have agreed severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the Hong Kong Offer Shares being offered which are not taken up under the Hong Kong Public Offering on the terms and conditions set out in this prospectus, the Application Forms and the Hong Kong Underwriting Agreement.

The Hong Kong Underwriting Agreement is conditional on, among other things, the International Underwriting Agreement having been executed and becoming unconditional and not having been terminated in accordance with its terms.

Grounds for termination

If any of the events set out below occur at any time prior to 8:00 a.m. on the Listing Date, the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters) shall be entitled by written notice to the Company to terminate the Hong Kong Underwriting Agreement with immediate effect:

(a) there shall develop, occur, exist or come into effect:

(i) any event, or series of events, in the nature of force majeure (including, without limitation, any acts of government, declaration of a national or international emergency or war, calamity, crisis, epidemic, pandemic, large scale outbreaks of diseases (including, without limitation, SARS, swine or avian flu, H5N1, H1N1, H7N9 and such related/mutated forms), economic sanctions, strikes, labour disputes, lock-outs, fire, explosion, flooding, earthquake, civil commotion, riots, public disorder, acts of war, outbreak or escalation of hostilities (whether or not war is declared), acts of God or acts of terrorism (whether or not responsibility has been claimed)) in or affecting Hong Kong, Singapore, Japan, the PRC, the Cayman Islands, the United States, Ireland, the United Kingdom or the European Union (or any member thereof) ("**Relevant Jurisdiction**");

(ii) any material change in short or long term debt of the Company or any of its subsidiaries, or any development involving a prospective change, in or affecting the general affairs, management, financial position, shareholders' equity or results of operations of the Company and its subsidiaries, otherwise than as set forth or contemplated in this prospectus;

(iii) a suspension or material limitation in trading in securities generally on the Nasdaq or the New York Stock Exchange, The Stock Exchange of Hong Kong Limited, the Shenzhen Stock Exchange, the London Stock Exchange or Tokyo Stock Exchange;

(iv) a suspension or material limitation in trading in the Company's securities on the Nasdaq;

(v) a general moratorium on commercial banking activities in New York (imposed at the U.S. Federal or New York State level or by any other competent authority), Hong Kong (imposed by the Financial Secretary or the Hong Kong Monetary Authority or other competent authority), the PRC, the Cayman Islands, London, the PRC, the European Union (or any member thereof), Japan or Singapore declared by the relevant authorities, or a material disruption in commercial banking or securities settlement or clearance services in the United States, Hong Kong, the PRC or the Cayman Islands;

(vi) a change or development involving a prospective change in taxation affecting the Company, any of its subsidiaries or the Shares or the transfer thereof;

(vii) the enactment, publication, decree or other promulgation of any statute, regulation, rule or order of any Governmental Agency materially affecting the business or operations of the Company or its subsidiaries;

(viii) the outbreak or escalation of hostilities or act of terrorism involving the United States, Hong Kong, the PRC or the Cayman Islands or the declaration by the United States, Hong Kong, the PRC or the Cayman Islands of a national emergency or war;

(ix) any change or development involving a prospective change, or any event or circumstances or series of events likely to result in any change or development involving a prospective change, in any local, national, regional or international financial, economic, political, military, industrial, legal, fiscal, regulatory, currency, credit or market matters or conditions, equity securities or exchange control or any monetary or trading settlement system or other financial markets (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, the interbank markets and credit markets), in or affecting any of the Relevant Jurisdictions or elsewhere;

(x) any litigation, proceedings, investigations, processes for administrative sanctions or other actions initiated or threatened by any Authority before any Authority, in each case with due authority, against or involving any party hereto, in the PRC or elsewhere, that seeks to declare non-compliance, unlawful or illegal, under PRC laws, rules and regulations, the issuance and sales of the Shares, the listing and the trading of the Shares on the Main Board of the Stock Exchange and Hong Kong Underwriting Agreement and the transactions contemplated thereby or hereby;

(xi) any adverse legislative or regulatory developments related to the State Administration of Foreign Exchange of the PRC on August 8, 2006 and as amended on June 22, 2009 (the "**M&A Rules**") and Related Clarifications which in the sole judgment of the Joint Sponsors (after consultation with the Company if practicable) would make it inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such time of delivery on the terms and in the manner contemplated in the Hong Kong Underwriting Agreement (including any such development that results in either PRC counsel to the Company or PRC counsel to the Underwriters not being able to confirm, on the date of this prospectus at a time prior to the execution of the Hong Kong Underwriting Agreement and the Listing Date, the respective opinions of such counsel, dated on or about the Listing Date);

(xii) the enactment, publication, decree or other promulgation of any new statute, regulation, rule, order or any change or development involving a prospective change in existing laws or regulations or materially affecting the business or operations of the Company or member of the Group or any change or development involving a prospective change in the interpretation or application thereof by any court or any governmental authority in or affecting any of the Relevant Jurisdictions;

(xiii) the imposition of economic sanctions, in whatever form, directly or indirectly, by, or for, any of the Relevant Jurisdictions;

(xiv) any change or development involving a prospective change or amendment in or affecting taxation or foreign exchange control, currency exchange rates or foreign investment regulations (including, without limitation, a material devaluation of the Hong Kong dollar or RMB against any foreign currencies, a change in the system under which the value of the Hong Kong dollar is linked to that of the United States dollar or RMB is linked to any foreign currency or currencies), or the implementation of any exchange control, in any of the Relevant Jurisdictions or adversely affecting an investment in the Offer Shares;

(xv) other than with the prior written consent of the Joint Global Coordinators , the issue or requirement to issue by the Company of a supplement or amendment to this prospectus, any Application Forms or other documents in connection with the offer and sale of the Offer Shares pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance or the Listing Rules or upon any requirement or request of the Stock Exchange and/or the SFC;

(xvi) the Chief Executive Officer or any executive directors is vacating his office;

(xvii) any director being charged with an indictable offence or prohibited by operation of Law or otherwise disqualified from taking part in the management of a company;

(xviii) a valid demand by any creditor for repayment or payment of any material indebtedness of any member of the Group or in respect of which any member of the Group is liable prior to its stated maturity;

(xix) any prohibition on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares (including any additional Shares to be issued pursuant to the Over-allotment Option) pursuant to the terms of the Global Offering;

(xx) any order or petition for the involuntary winding-up or liquidation of any member of the Group or any composition or arrangement made by any member of the Group with its creditors or a scheme of arrangement entered into by any member of the Group or any resolution for the voluntary winding-up of any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous thereto occurring in respect of any member of the Group;

(xxi) any litigation, dispute, legal action or claim being threatened or instigated against any member of the Group;

(xxii) any contravention by the Company or any member of the Group of any applicable laws and regulations including the Listing Rules; or

(xxiii) any non-compliance of this Prospectus (or any other documents used in connection with the contemplated subscription and sale of the Offer Shares) or any aspect of the Global Offering with the Listing Rules or any other applicable laws and regulations.

which, individually or in the aggregate, in the sole and absolute opinion of the Joint Global Coordinators (for themselves and on behalf of the Hong Kong Underwriters):

(1) has or will or is likely to have a material adverse effect on the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profit, losses, earnings, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole;

(2) has or will have or is likely to have a material adverse effect on the success or marketability of the Global Offering or the level of applications or the distribution of the Offer Shares under the Hong Kong Public Offering or the level of interest under the International Placing;

(3) makes or will make or is likely to make it inadvisable, inexpedient, impracticable or incapable for the Hong Kong Public Offering and/or the International Placing to proceed or to market the Global Offering or the delivery or distribution of the Offer Shares on the terms and in the manner contemplated by this prospectus; or

(4) has or will or is likely to have the effect of making any material part of the Hong Kong Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or preventing the processing of applications and/or payments pursuant to the Global Offering or pursuant to the underwriting thereof; or

(b) there has come to the notice of the Joint Global Coordinators that:

(i) any statement contained in this prospectus, the Application Forms, the Formal Notice and/or any notices, announcements, advertisements, communications or other documents (including any announcement, circular, document or other communication pursuant to the Hong Kong Underwriting Agreement) issued or used by or on behalf of the Company in connection with the Hong Kong Public Offering and the Global Offering (including any supplement or amendment thereto (the "**Offer-Related Documents**") but excluding information relating to the Underwriters) was, when it was issued, or has become, untrue, incorrect, inaccurate, or incomplete in any material respect or misleading or deceptive, in light of circumstances under which it was made, or that any estimate, forecast, expression of opinion, intention or expectation contained in any of such documents is not fair and honest and based on reasonable grounds or reasonable assumptions;

(ii) any matter has arisen or has been discovered which would, had it arisen or been discovered immediately before the date of this prospectus, constitute a material omission from, or misstatement in, any of the Offer-Related Documents;

(iii) there is a material breach of any of the obligations imposed upon the Company under the Hong Kong Underwriting Agreement;

(iv) there is an event, act or omission which gives or is likely to give rise to any material liability of the Company pursuant to the indemnities given by any of them under the Hong Kong Underwriting Agreement or the International Underwriting Agreement;

(v) there is any material adverse change or development or likely to be any prospective material adverse change or development in the assets, liabilities, general affairs, business, management, prospects, shareholders' equity, profits, losses, earnings, solvency, liquidity position, funding, results of operations, performance, position or condition, financial or otherwise, of the Group as a whole;

(vi) there is a breach of, or any event or circumstance rendering untrue, incorrect, incomplete or misleading in any respect, any of the warranties given by the Company in the Hong Kong Underwriting Agreement or the International Underwriting Agreement, as applicable;

(vii) the approval of the Listing Committee of the listing of, and permission to deal in, the Shares in issue and the Shares to be issued pursuant to the Global Offering (including the additional Shares which may be issued upon the exercise of the Over-Allotment Option) is refused or not granted, other than subject to customary conditions, on or before the date of the Listing, or if granted, the approval is subsequently withdrawn, cancelled, qualified (other than by customary conditions), revoked or withheld;

(viii) any person has withdrawn its consent to the issue of this prospectus with the inclusion of its reports, letters and/or legal opinions (as the case may be) and references to its name included in the form and context in which it respectively appears;

(ix) the Company withdraws this prospectus (and/or any other documents issued or used in connection with the Global Offering) or the Global Offering; or

(x) there is a prohibition by a competent Authority on the Company for whatever reason from offering, allotting, issuing or selling any of the Offer Shares pursuant to the terms of the Global Offering.

Undertakings to the Stock Exchange pursuant to the Listing Rules

(A) *Undertakings by the Company*

Pursuant to Rule 10.08 of the Listing Rules, the Company has undertaken to the Stock Exchange that it will not exercise its power to issue any further Shares, or securities convertible into equity securities of the Company (whether or not of a class already listed) or enter into any agreement to such an issue within six months from the Listing Date (whether or not such issue of Shares or securities will be completed within six months from the Listing Date), except (a) pursuant to the Global Offering and the Over-allotment Option or (b) under any of the circumstances provided under Rule 10.08 of the Listing Rules.

Undertakings pursuant to the Hong Kong Underwriting Agreement

Undertakings by the Company

The Company has undertaken to each of the Joint Global Coordinators, the Joint Sponsors and the Hong Kong Underwriters, subject to certain exceptions, not to (save for the issue, offer or sale of the Offer Shares by the Company pursuant to the Global Offering (including pursuant to the Over-allotment Option), without the prior written consent of the Joint Global Coordinators (on behalf of the Hong Kong Underwriters) and unless in compliance with the requirements of the Listing Rules, at any time during the period commencing on the date of the Hong Kong Underwriting Agreement and ending on, and including, the date that is six months after the Listing Date (the "**Six-Month Period**"):

(i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our securities that are substantially similar to the ADSs or ordinary shares, including but not limited to any options or warrants to purchase ADSs or ordinary shares or any securities that are convertible into or exchangeable for, or that represent the right to receive, ADSs or ordinary shares or any such substantially similar securities; or

(ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of subscription or ownership (legal or beneficial) of any ADSs or ordinary shares or other securities of the Company, or any interest therein (including, without limitation, any securities of which are convertible into or exchangeable or exercisable for, or represent the right to receive, or any warrants or other rights to purchase, any ADSs or ordinary shares or other of our securities);

(iii) enter into any transaction with the same economic effect as any transaction described in the first two bullet points above; or

(iv) offer to or contract to or agree to announce, or publicly disclose that we will or may enter into any of the foregoing transactions,

in each case, whether any of the foregoing transactions is to be settled by delivery of ordinary shares or such other equity securities, in cash or otherwise (whether or not the issue of such ordinary shares or other securities convertible into equity securities will be completed within the Six-Month Period).

Lock-up

Undertakings by our Directors and Senior Management

Certain of our Directors and senior management and certain trusts and parties affiliated with such directors and senior management and certain other holders of our ordinary shares, who collectively held 140,120,987 ordinary shares as of July 26, 2018 have agreed that, subject to certain exceptions, they will not, from the date of the applicable lock-up agreement until the 90th day after the Listing Date (the "**Lock-Up Period**"), offer, sell, contract to sell, pledge, grant any option to purchase, purchase any option or contract to sell, make any short sale or otherwise dispose of any of the ADSs or ordinary shares or any of our securities that are substantially similar to the ADSs or ordinary shares, or any options or warrants to purchase any ADSs or ordinary shares, or any securities convertible into, exchangeable for or that represent the right to receive the ADSs or ordinary shares, whether now owned or hereinafter acquired, owned directly by these persons (including holding as a custodian) or with respect to which such persons have beneficial ownership within the rules and regulations of the SEC, without the prior consent of the Joint Global Coordinators on behalf of the Hong Kong Underwriters and International Underwriters. We and such other persons have agreed that these restrictions expressly preclude such persons from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of our or such other persons' ordinary shares, ADSs or other securities even if such ordinary shares, ADSs or other securities would be disposed of by someone other than such persons. Prohibited hedging or other transactions includes without limitation any short sale or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of our or such persons' ordinary shares, ADSs or other securities or with respect to any security that includes, relates to, or derives any significant part of its value from such securities.

The restrictions described in the immediately preceding paragraph do not apply to transfers of such ordinary shares, ADSs or other securities:

(a) acquired in the offering, or transactions relating to the ordinary shares, ADSs or other securities acquired in open market transactions after the date of the offering;

(b) as a bona fide gift or gifts;

(c) to any member of the immediate family of the locked-up person or any trust or other legal entity for the direct or indirect benefit of the locked-up person or the immediate family of the locked-up person, or if the locked-up person is a trust, to any beneficiary (including such beneficiary's estate) of the locked-up person, provided that any such transfer will not involve a disposition for value;

(d) by will or intestate succession upon the death of the locked-up person;

(e) by operation of law or by order of a court of competent jurisdiction pursuant to a qualified domestic order or in connection with a divorce settlement;

(f) by surrender or forfeiture of ordinary shares, ADSs or other securities to us to satisfy (x) tax withholding obligations upon exercise or vesting or (y) the exercise price upon a cashless net exercise, in each case, of share options, equity awards, warrants or other right to acquire ordinary shares or ADSs pursuant to our equity incentive plans described in or incorporated by reference into this prospectus supplement and the accompanying prospectus;

(g) pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction occurring after the completion of the offering, in each case made to all holders of our ordinary shares, including in the form of ADSs, involving a change of control, provided that (x) in the event that the tender offer, merger, consolidation or other such transaction is not completed, the ordinary shares, ADSs or other securities will remain subject to the terms of the lock-up agreement and (y) no such transfer of ordinary shares, ADS or any such warrant or other security will be permitted pursuant to this provision if such bona fide third-party tender offer, merger, consolidated or other similar transaction is not approved by our board of directors, unless either (A) such transfer is required pursuant to mandatory take-over or squeeze-out provisions under applicable law or (B) the failure to transfer such ordinary shares, ADSs or other securities would result in such securities being extinguished without value being received by the locked-up person;

(h) to us arising as a result of the termination of employment of the locked-up person and pursuant to employment agreements under which we have the option to repurchase such ordinary shares, ADSs or other securities or a right of first refusal with respect to transfers of such Undersigned's Shares, provided that any filing made pursuant to Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and the Securities and Futures Ordinance (Chapter 571 of The Laws of Hong Kong), will include a footnote noting the circumstances described in this clause;

(i) pursuant to sales of the ordinary shares, ADSs or other securities pursuant to a trading plan adopted pursuant to Rule 10b5-1 under the Exchange Act in effect as of the earlier of (x) the date of the lockup agreement and (y) the date of listing hearing of the SEHK in connection with the Global Offering, and, in either case, disclosed to the Joint Global Coordinators; provided any filing under Section 16(a) of the Exchange Act and the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) as a result of such sales will contain a footnote disclosing that such sales were pursuant to a trading plan pursuant to Rule 10b5-1; or

(j) if the locked-up person is a corporation, partnership, limited liability company, trust or other business entity, (x) to another corporation, partnership, limited liability company, trust or other affiliates (as defined in Rule 405 promulgated under the Securities Act) of the locked-up person (including, for the avoidance of doubt, a fund managed by the same manager or managing member or general partner or management company or by an entity controlling, controlled by, or under common control with such manager or managing

member or general partner or management company as the locked-up person or who shares a common investment advisor with the locked-up person) or (y) as part of a distribution without consideration by the locked-up person to its stockholders, partners, members or other equity holders; provided, however, that in any such case, it will be a condition to the transfer that the transferee execute an agreement stating that the transferee is receiving and holding such Undersigned's Shares subject to the provisions of the lock-up agreement and there will be no further transfer of such Undersigned's Shares except in accordance with the lock-up agreement, and provided further that any such transfer will not involve a disposition for value.

Provided that, with respect to clauses (a) through (f) above, it will be a condition to such transfer that no filing under the Exchange Act nor any other public filing or disclosure of such transfer by or on behalf of the locked-up person will be required or voluntarily made during the Lock-Up Period and, with respect to clauses (b) through (e) and (g), prior to such transfer or distribution, the transferee, donee, trustee or distributee agrees to be bound in writing by the restrictions set forth in the lock-up agreement. For purposes of the lock-up agreements, "immediate family" means any relationship by blood, domestic partnership, marriage or adoption, not more remote than first cousin. Further, the foregoing lock-up restrictions do not apply to (1) an aggregate of 350,000 ordinary shares (or the equivalent in ADSs) that may be sold by our executive officers or directors or (2) the stock borrowing arrangement described below with respect to the delivery of ordinary shares overalloted in this offering.

Hong Kong Underwriters' interests in the Company

Save for their respective obligations under the Hong Kong Underwriting Agreement, as of the Latest Practicable Date, none of the Hong Kong Underwriters was interested, legally or beneficially, directly or indirectly, in any Shares or any securities of any member of the Group or had any right or option (whether legally enforceable or not) to subscribe for or purchase, or to nominate persons to subscribe for or purchase, any Shares or any securities of any member of the Group.

Following the completion of the Global Offering, the Hong Kong Underwriters and their affiliated companies may hold a certain portion of the Shares as a result of fulfilling their respective obligations under the Hong Kong Underwriting Agreement.

International Placing

International Underwriting Agreement

In connection with the International Placing, the Company and the Covenantors expect to enter into the International Underwriting Agreement with the International Underwriters on the Price Determination Date. Under the International Underwriting Agreement and subject to the Over-allotment Option, the International Underwriters would, subject to certain conditions set out therein, agree severally but not jointly to procure subscribers for, or themselves to subscribe for, their respective applicable proportions of the International Placing Shares initially being offered pursuant

to the International Placing. It is expected that the International Underwriting Agreement may be terminated on similar grounds as the Hong Kong Underwriting Agreement. Potential investors should note that in the event that the International Underwriting Agreement is not entered into, the Global Offering will not proceed. See "Structure of the Global Offering — The International Placing."

Over-allotment Option

The Company is expected to grant to the International Underwriters the Over-allotment Option, exercisable by the Joint Global Coordinators on behalf of the International Underwriters at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong Public Offering, pursuant to which the Company may be required to issue up to an aggregate of 9,840,000 Shares, representing not more than 15% of the number of Offer Shares initially available under the Global Offering, at the Offer Price, to cover over-allocations in the International Placing, if any. See "Structure of the Global Offering — Over-allotment Option."

Commissions and Expenses

The Underwriters will receive an underwriting commission of 2.5% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option), out of which they will pay any sub-underwriting commissions and other fees.

The Underwriters may receive a discretionary incentive fee of up to 1% of the aggregate Offer Price of all the Offer Shares (including any Offer Shares to be issued pursuant to the exercise of the Over-allotment Option).

For any unsubscribed Hong Kong Offer Shares reallocated to the International Placing, the underwriting commission will not be paid to the Hong Kong Underwriters but will instead be paid, at the rate applicable to the International Placing, to the relevant International Underwriters.

The aggregate underwriting commissions and fees together with the Stock Exchange listing fees, the SFC transaction levy and the Stock Exchange trading fee, legal and other professional fees and printing and all other expenses relating to the Global Offering are estimated to be approximately HK$280.3 million (assuming an Offer Price of HK$103.00 per Offer Share (which is the mid-point of the Offer Price range), the full payment of the discretionary incentive fee and the exercise of the Over-allotment Option in full) and will be paid by our Company.

Indemnity

The Company has agreed to indemnify the Hong Kong Underwriters for certain losses which they may suffer or incur, including losses arising from their performance of their obligations under the Hong Kong Underwriting Agreement and any breach by any of the Company and the Covenantors of the Hong Kong Underwriting Agreement.

ACTIVITIES BY SYNDICATE MEMBERS

The underwriters of the Hong Kong Public Offering and the International Placing (together, the "**Syndicate Members**") and their affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting or stabilizing process.

The Syndicate Members and their affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Syndicate Members and their respective affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's loans and other debt.

In relation to the Shares, the activities of the Syndicate Members and their affiliates could include acting as agent for buyers and sellers of the Shares, entering into transactions with those buyers and sellers in a principal capacity, including as a lender to initial purchasers of the Shares (which financing may be secured by the Shares) in the Global Offering, proprietary trading in the Shares, and entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets, assets including the Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. Those activities may require hedging activity by those entities involving, directly or indirectly, the buying and selling of the Shares, which may have a negative impact on the trading price of the Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Syndicate Members and their affiliates holding long and/or short positions in the Shares, in baskets of securities or indices including the Shares, in units of funds that may purchase the Shares, or in derivatives related to any of the foregoing.

In relation to issues by Syndicate Members or their affiliates of any listed securities having the Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in the Shares in most cases.

All such activities may occur both during and after the end of the stabilizing period described in the section headed "Structure of the Global Offering" in this prospectus. Such activities may affect the market price or value of the Shares, the liquidity or trading volume in the Shares and the volatility of the price of the Shares, and the extent to which this occurs from day to day cannot be estimated.

It should be noted that when engaging in any of these activities, the Syndicate Members will be subject to certain restrictions, including the following:

(a) the Syndicate Members (other than the Stabilizing Manager or any person acting for it) must not, in connection with the distribution of the Offer Shares, effect any transactions (including issuing or entering into any option or other derivative transactions relating to the Offer Shares), whether in the open market or otherwise, with a view to stabilizing or maintaining the market price of any of the Offer Shares at levels other than those which might otherwise prevail in the open market; and

(b) the Syndicate Members must comply with all applicable laws and regulations, including the market misconduct provisions of the SFO, including the provisions prohibiting insider dealing, false trading, price rigging and stock market manipulation.

Certain of the Syndicate Members or their respective affiliates have provided from time to time, and expect to provide in the future, investment banking and other services to the Company and each of its affiliates for which such Syndicate Members or their respective affiliates have received or will receive customary fees and commissions.

In addition, the Syndicate Members or their respective affiliates may provide financing to investors to finance their subscriptions of Offer Shares in the Global Offering.

THE GLOBAL OFFERING

This prospectus is published in connection with the Hong Kong Public Offering as part of the Global Offering. Morgan Stanley Asia Limited, Goldman Sachs (Asia) L.L.C., Credit Suisse (Hong Kong) Limited and CLSA Limited are the Joint Global Coordinators of the Global Offering.

The listing of the Shares on the Stock Exchange is sponsored by the Joint Sponsors. The Joint Sponsors have made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus.

65,600,000 Offer Shares will initially be made available under the Global Offering comprising:

(a) the Hong Kong Public Offering of initially 5,904,000 Shares (subject to reallocation) in Hong Kong as described in the sub-section "The Hong Kong Public Offering" in this section below; and

(b) the International Placing of an aggregate of initially 59,696,000 Shares (subject to adjustment and the Over-allotment Option) pursuant to the shelf registration statement on Form S-3ASR that was filed with the SEC and became effective on May 26, 2017, and the preliminary prospectus supplement filed with the SEC on July 27, 2018 and the final prospectus supplement to be filed with SEC on or about August 3, 2018.

Investors may either:

(i) apply for Hong Kong Offer Shares under the Hong Kong Public Offering; or

(ii) apply for or indicate an interest for International Placing Shares under the International Placing,

but may not do both.

The Offer Shares will represent approximately 8.55% of the total Shares in issue immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised. If the Over-allotment Option is exercised in full, the Offer Shares will represent approximately 9.71% of the total Shares in issue immediately following the completion of the Global Offering and the full exercise of the Over-allotment Option.

References in this prospectus to applications, Application Forms, application monies or the procedure for applications relate solely to the Hong Kong Public Offering.

THE HONG KONG PUBLIC OFFERING

Number of Offer Shares initially offered

The Company is initially offering 5,904,000 Shares for subscription by the public in Hong Kong at the Offer Price, representing approximately 9% of the total number of Offer Shares initially available under the Global Offering. The number of Offer Shares initially offered under the Hong Kong Public Offering, subject to any reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, will represent approximately 0.77% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities.

Completion of the Hong Kong Public Offering is subject to the conditions set out in the sub-section headed "Conditions of the Global Offering" in this section.

Allocation

Allocation of Offer Shares to investors under the Hong Kong Public Offering will be based solely on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary, depending on the number of Hong Kong Offer Shares validly applied for by applicants. Such allocation could, where appropriate, consist of balloting, which could mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares, and those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.

For allocation purposes only, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering (after taking into account any reallocation referred to below) will be divided equally (to the nearest board lot) into two pools: pool A and pool B. The Hong Kong Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) or less. The Hong Kong Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate price of more than HK$5 million (excluding the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable) and up to the total value in pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If any Hong Kong Offer Shares in one (but not both) of the pools are unsubscribed, such unsubscribed Hong Kong Offer Shares will be transferred to the other pool to satisfy demand in that other pool and be allocated accordingly. For the purpose of the immediately preceding paragraph only, the "price" for Hong Kong Offer Shares means the price payable on

application therefor (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B and not from both pools. Multiple or suspected multiple applications under the Hong Kong Public Offering and any application for more than 2,952,000 Hong Kong Offer Shares is liable to be rejected.

Reallocation and Clawback

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Placing is subject to reallocation. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Paragraph 4.2 of Practice Note 18 to the Listing Rules such that, in the event of over-subscription, the alternative clawback mechanism shall be subscription tranche depending on the demand for those shares as set out in the paragraph. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Paragraph 4.2 of Practice Note 18 to the Listing Rules such that, in the event of over-subscription, the alternative clawback mechanism shall be applied

The allocation of Shares between the Hong Kong Public Offering and the International Placing is subject to adjustment. If the number of Shares validly applied for in the Hong Kong Public Offering represents (i) 12 times or more but less than 40 times, (ii) 40 times or more but less than 85 times, and (iii) 85 times or more, of the number of Hong Kong Offer Shares initially available under the Hong Kong Public Offering, the total number of Hong Kong Offer Shares available under the Hong Kong Public Offering will be increased to 8,528,000, 11,152,000 and 21,648,000 Shares, respectively, representing approximately 13% (in the case of (i)), 17% (in the case of (ii)) and 33% (in the case of (iii)), respectively, of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), reallocation being referred to in this prospectus as "Mandatory Reallocation". In such cases, the number of Offer Shares allocated in the International Placing will be correspondingly reduced, in such manner as the Joint Global Coordinators and the Joint Sponsors deem appropriate, and such additional Offer Shares will be reallocated to Pool A and Pool B. If the Hong Kong Offer Shares are not fully subscribed, the Joint Global Coordinators have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Placing, in such proportions as the Joint Global Coordinators and the Joint Sponsors deem appropriate. In addition to any Mandatory Reallocation which may be required, the Joint Global Coordinators and the Joint Sponsors may, at their discretion, reallocate Shares initially allocated for the International Placing to the Hong Kong Public Offering to satisfy valid applications in Pool A and Pool B under the Hong Kong Public Offering, regardless of whether the Mandatory Reallocation is triggered.

The Offer Shares to be offered in the Hong Kong Public Offering and the International Placing may, in certain circumstances, be allocated as between these offerings at the sole discretion of the

Joint Global Coordinators. If the Hong Kong Offer Shares are notfully subscribed, the Joint Global Coordinators have the authority to re-allocate all or any of the unsubscribed Hong Kong Offer Shares to the International Placing in such number as it deems appropriate to satisfy the demand under the International Placing. In addition to the allocation mentioned in the foregoing paragraph which may be required, in the event (i) the International Placing is not fully subscribed; or (ii) the International Placing is fully subscribed or oversubscribed and the Hong Kong Public Offering is fully subscribed or oversubscribed with the number of Offer Shares validly applied for in the Hong Kong Public Offering representing less than 12 times of the number of Offer Shares initially allocated for subscription under the Hong Kong Public Offering, the Joint Global Coordinators have the authority to re-allocate Offer Shares initially allocated for the International Offering to the Hong Kong Public Offering in such number as it deems appropriate, provided that in accordance with Guidance Letter HKEx-GL91-18 issued by the Hong Kong Stock Exchange, (i) the total number of Offer Shares available under the Hong Kong Public Offering following such reallocation will be increased to 11,808,000 Shares, representing 18% of the total number of Offer Shares initially available under the Global Offering (before any exercise of the Over-allotment Option), and the final Offer Price shall be fixed at the low-end of the indicative Offer Price range (i.e. HK$94.40 per Offer Share) stated in this prospectus. Details of any re-allocation of Offer Shares between the Hong Kong Public Offering and the International Offering will be disclosed in the results announcement of the Hong Kong Public Offering, which is expected to be published on Tuesday, August 7, 2018.

Applications

Each applicant under the Hong Kong Public Offering will be required to give an undertaking and confirmation in the application submitted by him that he and any person(s) for whose benefit he is making the application has not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any International Placing Shares under the International Placing. Such applicant's application is liable to be rejected if such undertaking and/or confirmation is/are breached and/or untrue (as the case may be) or if he has been or will be placed or allocated International Placing Shares under the International Placing.

Applicants under the Hong Kong Public Offering are required to pay, on application, the Maximum Offer Price of HK$111.60 per Offer Share in addition to the brokerage, the SFC transaction levy and the Stock Exchange trading fee payable on each Offer Share, amounting to a total of HK$11,272.46 for one board lot of 100 Shares. If the Offer Price, as finally determined in the manner described in the sub-section headed "Pricing and Allocation" in this section below, is less than the Maximum Offer Price of HK$111.60 per Offer Share, appropriate refund payments (including the brokerage, the SFC transaction levy and the Stock Exchange trading fee attributable to the surplus application monies) will be made to successful applicants, without interest. Further details are set out in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus.

THE INTERNATIONAL PLACING

Number of Offer Shares initially offered

The International Placing will consist of an offering of initially 59,696,000 Shares, representing approximately 91% of the total number of Offer Shares initially available under the Global Offering

(subject to reallocation and the Over-allotment Option). The number of Offer Shares initially offered under the International Placing, subject to any reallocation of Offer Shares between the International Placing and the Hong Kong Public Offering, will represent approximately 8.55% of the total Shares in issue immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised).

Allocation

The International Placing will include marketing of Offer Shares in the United States as well as institutional and professional investors and other investors anticipated to have a sizeable demand for such Offer Shares in Hong Kong and other jurisdictions outside the United States. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities that regularly invest in shares and other securities. Allocation of Offer Shares pursuant to the International Placing will be effected in accordance with the "book-building" process described in sub-section headed "Pricing and Allocation" in this section and based on a number of factors, including the level and timing of demand, the total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not it is expected that the relevant investor is likely to buy further Shares and/or hold or sell its Shares after the Listing. Such allocation is intended to result in a distribution of the Shares on a basis which would lead to the establishment of a solid professional and institutional shareholder base to the benefit of the Group and the Shareholders as a whole.

The Joint Global Coordinators (on behalf of the Underwriters) may require any investor who has been offered Offer Shares under the International Placing and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Joint Global Coordinators so as to allow it to identify the relevant applications under the Hong Kong Public Offering and to ensure that they are excluded from any allocation of Offer Shares under the Hong Kong Public Offering.

Reallocation

The total number of Offer Shares to be issued or sold pursuant to the International Placing may change as a result of the clawback arrangement described in the subsection "The Hong Kong Public Offering — Reallocation" in this section above, the exercise of the Over-allotment Option in whole or in part and/or any reallocation of unsubscribed Offer Shares originally included in the Hong Kong Public Offering.

OVER-ALLOTMENT OPTION

In connection with the Global Offering, the Company is expected to grant the Over-allotment Option to the International Underwriters, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters).

Pursuant to the Over-allotment Option, the International Underwriters will have the right, exercisable by the Joint Global Coordinators (on behalf of the International Underwriters) at any time from the Listing Date until 30 days after the last day for lodging applications under the Hong Kong

Public Offering, to require the Company to issue up to an aggregate of 9,840,000 additional Shares, representing not more than 15% of the total number of Offer Shares initially available under the Global Offering, at the Offer Price under the International Placing to cover over-allocations in the International Placing, if any.

If the Over-allotment Option is exercised in full, the additional Offer Shares to be issued pursuant thereto will represent approximately 1.27% of the total Shares in issue immediately following the completion of the Global Offering. If the Over-allotment Option is exercised, an announcement will be made.

STABILIZATION

Stabilization is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilize, the underwriters may bid for, or purchase, the securities in the secondary market during a specified period of time, to retard and, if possible, prevent a decline in the initial public market price of the securities below the offer price. Such transactions may be effected in all jurisdictions where it is permissible to do so, in each case in compliance with all applicable laws and regulatory requirements, including those of Hong Kong. In Hong Kong, the price at which stabilization is effected is not permitted to exceed the offer price.

In connection with the Global Offering, the Stabilizing Manager (or any person acting for it), on behalf of the Underwriters, may over-allocate or effect transactions with a view to stabilizing or supporting the market price of the Shares at a level higher than that which might otherwise prevail for a limited period after the Listing Date. However, there is no obligation on the Stabilizing Manager (or any person acting for it) to conduct any such stabilizing action. Such stabilizing action, if taken, (a) will be conducted at the absolute discretion of the Stabilizing Manager (or any person acting for it) and in what the Stabilizing Manager reasonably regards as the best interest of the Company, (b) may be discontinued at any time and (c) is required to be brought to an end within 30 days of the last day for lodging applications under the Hong Kong Public Offering.

In addtion, stabilization transactions with respect to the ADSs may be effected by one of the Underwriters or its affiliates before and after the listing of the Shares on the Stock Exchange in accordance with applicable laws and regulations.

STRUCTURE OF THE GLOBAL OFFERING

Stabilization action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilizing) Rules of the SFO includes (a) over-allocating for the purpose of preventing or minimizing any reduction in the market price of the Shares, (b) selling or agreeing to sell the Shares so as to establish a short position in them for the purpose of preventing or minimizing any reduction in the market price of the Shares, (c) purchasing, or agreeing to purchase, the Shares pursuant to the Over-allotment Option in order to close out any position established under paragraph (a) or (b) above, (d) purchasing, or agreeing to purchase, any of the Shares for the sole purpose of preventing or minimizing any reduction in the market price of the Shares, (e) selling or agreeing to sell any Shares in order to liquidate any position established as a result of those purchases and (f) offering or attempting to do anything as described in paragraph (b), (c), (d) or (e) above.

Specifically, prospective applicants for and investors in the Offer Shares should note that:

(a) the Stabilizing Manager (or any person acting for it) may, in connection with the stabilizing action, maintain a long position in the Shares;

(b) there is no certainty as to the extent to which and the time or period for which the Stabilizing Manager (or any person acting for it) will maintain such a long position;

(c) liquidation of any such long position by the Stabilizing Manager (or any person acting for it) and selling in the open market may have an adverse impact on the market price of the Shares;

(d) no stabilizing action can be taken to support the price of the Shares for longer than the stabilization period, which will begin on the Listing Date, and is expected to expire on September 1, 2018, being the 30th day after the last day for lodging applications under the Hong Kong Public Offering. After this date, when no further stabilizing action may be taken, demand for the Shares, and therefore the price of the Shares, could fall;

(e) the price of the Shares cannot be assured to stay at or above the Offer Price by the taking of any stabilizing action; and

(f) stabilizing bids or transactions effected in the course of the stabilizing action may be made at any price at or below the Offer Price and can, therefore, be done at a price below the price paid by applicants for, or investors in, the Offer Shares.

The Company will ensure or procure that an announcement in compliance with the Securities and Futures (Price Stabilizing) Rules of the SFO will be made within seven days of the expiration of the stabilization period.

Over-Allocation

Following any over-allocation of Shares in connection with the Global Offering, the Stabilizing Manager (or any person acting for it) may cover such over-allocations by, among other methods, exercising the Over-allotment Option in full or in part, by using Shares purchased by the Stabilizing Manager (or any person acting for it) in the secondary market at prices that do not exceed the Offer Price.

PRICING AND ALLOCATION

Pricing for the Offer Shares for the purpose of the various offerings under the Global Offering will be fixed on the Price Determination Date, which is expected to be on or about Thursday, August 2, 2018 and, in any event, no later than Tuesday, August 7, 2018, by agreement between the Joint Global Coordinators (on behalf of the Underwriters) and the Company, and the number of Offer Shares to be allocated under the various offerings will be determined shortly thereafter.

The Offer Price will not be more than HK$111.60 per Offer Share and is expected to be not less than HK$94.40 per Offer Share, unless otherwise announced, as further explained below. Applicants under the Hong Kong Public Offering must pay, on application, the Maximum Offer Price of HK$111.60 per Offer Share plus brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%, amounting to a total of HK$11,272.46 for one board lot of 100 Shares. **Prospective investors should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the minimum Offer Price stated in this prospectus (subject to a Downward Offer Price Adjustment).**

Announcement of Offer Price Reduction

The Joint Global Coordinators (for themselves and on behalf of the Underwriters) may, where considered appropriate, based on the level of interest expressed by prospective investors during the book-building process, and with the consent of the Company, determine the final Offer Price to be no more than 10% below the bottom end of the indicative Offer Price range, at any time on or prior to the Price Determination Date.In such situation, the Company will, as soon as practicable following the decision to set the final Offer Price below the bottom end of the indicative Offer Price range, publish on the website of the Company and the Stock Exchange at **www.beigene.com** and **www.hkexnews.hk** an announcement of the final Offer Price after making a Downward Offer Price Adjustment. Such announcement will be issued before and separate from the announcement of the results of allocations expected to be announced on Tuesday, August 7, 2018. The Offer Price announced following making of a Downward Offer Price Adjustment shall be the final Offer Price and shall not be subsequently changed.

In the absence of an announcement that a Downward Offer Price Adjustment has been made, the final Offer Price will not be outside the indicative Offer Price range as disclosed in this prospectus unless the Withdrawal Mechanism is utilized.

STRUCTURE OF THE GLOBAL OFFERING

The International Underwriters will be soliciting from prospective investors indications of interest in acquiring Offer Shares in the International Placing. Prospective professional and institutional investors will be required to specify the number of Offer Shares under the International Placing they would be prepared to acquire either at different prices or at a particular price. This process, known as "book-building," is expected to continue up to, and to cease on or about, the last day for lodging applications under the Hong Kong Public Offering.

The Joint Global Coordinators (on behalf of the Underwriters) may, where they deem appropriate, based on the level of interest expressed by prospective investors during the book-building process in respect of the International Placing, and with the consent of the Company, reduce the number of Offer Shares offered and/or the Offer Price Range below that stated in this prospectus at any time on or prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, the Company will, as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering, cause to be published in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the

Company and the Stock Exchange at www.beigene.com and www.hkexnews.hk, respectively, notices of the reduction. Upon the issue of such a notice, the revised number of Offer Shares and/or the Offer Price range will be final and conclusive and the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and the Company, will be fixed within such revised Offer Price Range. If the number of Offer Shares and/or the Offer Price range is so reduced, all applicants who have already submitted an application will need to confirm their applications in accordance with the procedures set out in the supplemental prospectus and all unconfirmed applications will not be valid.

Before submitting applications for the Hong Kong Offer Shares, applicants should have regard to the possibility that any announcement of a reduction in the number of Offer Shares and/or the Offer Price range may not be made until the last day for lodging applications under the Hong Kong Public Offering. Such notice will also include confirmation or revision, as appropriate, of the working capital statement and the Global Offering statistics as currently set out in this prospectus, and any other financial information which may change as a result of any such reduction. In the absence of any such notice so published, the number of Offer Shares will not be reduced and/or the Offer Price, if agreed upon by the Joint Global Coordinators (on behalf of the Underwriters) and the Company, will under no circumstances be set outside the Offer Price Range as stated in this prospectus.

The final Offer Price, the level of indications of interest in the International Placing, the level of applications in the Hong Kong Public Offering, the basis of allocations of the Hong Kong Offer Shares and the results of allocations in the Hong Kong Public Offering are expected to be made available through a variety of channels in the manner described in the section headed "How to Apply for Hong Kong Offer Shares — Publication of Results" in this prospectus.

UNDERWRITING

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters under the terms and conditions of the Hong Kong Underwriting Agreement and is subject to, among other things, the Joint Global Coordinators (on behalf of the Underwriters) and the Company agreeing on the Offer Price.

The Company expects to enter into the International Underwriting Agreement relating to the International Placing on the Price Determination Date.

These underwriting arrangements, including the Underwriting Agreements, are summarized in the section headed "Underwriting" in this prospectus.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for Offer Shares will be conditional on:

(a) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares in issue and to be issued pursuant to the Global Offering on the Main Board of the Stock Exchange and such approval not subsequently having been withdrawn or revoked prior to the Listing Date;

(b) the Offer Price having been agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company;

(c) the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and

(d) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the obligations of the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements,

in each case on or before the dates and times specified in the respective Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and, in any event, not later than the date which is 30 days after the date of this prospectus.

If, for any reason, the Offer Price is not agreed between the Joint Global Coordinators (on behalf of the Underwriters) and the Company on or before Tuesday, August 7, 2018, the Global Offering will not proceed and will lapse.

The consummation of each of the Hong Kong Public Offering and the International Placing is conditional upon, among other things, the other offering becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the dates and times specified, the Global Offering will lapse and the Stock Exchange will be notified immediately. Notice of the lapse of the Hong Kong Public Offering will be published by the Company in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) and on the websites of the Company and the Stock Exchange at www.beigene.com and www.hkexnews.hk, respectively, on the next day following such lapse. In such a situation, all application monies will be returned, without interest, on the terms set out in the section headed "How to Apply for Hong Kong Offer Shares — Refund of Application Monies" in this prospectus. In the meantime, all application monies will be held in separate bank account(s) with the receiving banks or other bank(s) in Hong Kong licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

Share certificates for the Offer Shares will only become valid at 8:00 a.m. on Wednesday, August 8, 2018, provided that the Global Offering has become unconditional in all respects at or before that time.

DEALINGS IN THE SHARES

Assuming that the Hong Kong Public Offering becomes unconditional at or before 8:00 a.m. in Hong Kong on Wednesday, August 8, 2018, it is expected that dealings in the Shares on the Stock Exchange will commence at 9:00 a.m. on Wednesday, August 8, 2018.

The Shares will be traded in board lots of 100 Shares each and the stock code of the Shares will be 6160.

1. HOW TO APPLY

If you apply for Hong Kong Offer Shares, then you may not apply for or indicate an interest for International Placing Shares.

To apply for Hong Kong Offer Shares, you may:

- use a **WHITE** or **YELLOW** Application Form;
- apply online via the **White Form eIPO** service at **www.eipo.com.hk**; or
- electronically cause HKSCC Nominees to apply on your behalf.

None of you or your joint applicant(s) may make more than one application, except where you are a nominee and provide the required information in your application.

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents may reject or accept any application in full or in part for any reason at their discretion.

2. WHO CAN APPLY

You can apply for Hong Kong Offer Shares on a **WHITE** or **YELLOW** Application Form if you or the person(s) for whose benefit you are applying:

- are 18 years of age or older;
- have a Hong Kong address; and
- are not a legal or natural person of the PRC.

If you apply online through the **White Form eIPO** service, in addition to the above, you must also: (i) have a valid Hong Kong identity card number and (ii) provide a valid e-mail address and a contact telephone number.

If you are a firm, the application must be in the individual members' names. If you are a body corporate, the application form must be signed by a duly authorised officer, who must state his representative capacity, and stamped with your corporation's chop.

If an application is made by a person under a power of attorney, the Joint Global Coordinators may accept it at their discretion and on any conditions they think fit, including evidence of the attorney's authority.

The number of joint applicants may not exceed four and they may not apply by means of **White Form eIPO** service for the Hong Kong Offer Shares.

Unless permitted by the Listing Rules, you cannot apply for any Hong Kong Offer Shares if you are:

- an existing beneficial owner of Shares in the Company and/ or any its subsidiaries;
- a Director or chief executive officer of the Company and/ or any of its subsidiaries;
- an associate (as defined in the Listing Rules) of any of the above;
- a connected person (as defined in the Listing Rules) of the Company or will become a connected person of the Company immediately upon completion of the Global Offering; and
- have been allocated or have applied for any International Placing Shares or otherwise participate in the International Placing.

3. APPLYING FOR HONG KONG OFFER SHARES

Which Application Channel to Use

For Hong Kong Offer Shares to be issued in your own name, use a **WHITE** Application Form or apply online through the **White Form eIPO** service at **www.eipo.com.hk**.

For Hong Kong Offer Shares to be issued in the name of HKSCC Nominees and deposited directly into CCASS to be credited to your or a designated CCASS Participant's stock account, use a **YELLOW** Application Form or electronically instruct HKSCC via CCASS to cause HKSCC Nominees to apply for you.

Where to Collect the Application Forms

You can collect a **WHITE** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, July 30, 2018 until 12:00 noon on Thursday, August 2, 2018 from:

(i) any of the following offices of the Joint Bookrunners:

Morgan Stanley Asia Limited
46/F, International Commerce Centre
1 Austin Road West, Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
59th Floor, Cheung Kong Center
2 Queen's Road Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

CLSA Limited
18/F One Pacific Place
88 Queensway
Hong Kong

China International Capital Corporation Hong Kong Securities Limited
29/F, One International Finance Centre
1 Harbour View Street
Central, Hong Kong

Deutsche Bank AG, Hong Kong Branch
52/F, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

UBS AG Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

China Renaissance Securities (Hong Kong) Limited
Units 8107-08, International Commerce Center
No. 1 Austin Road West, Kowloon
Hong Kong

(ii) any of the branches of the following receiving banks:

Standard Chartered Bank (Hong Kong) Limited

	Branch Name	**Address**
Hong Kong Island	Central Branch	G/F, 1/F, 2/F and 27/F, Two Chinachem Central, 26 Des Voeux Road Central
	Wanchai Southorn Branch	Shop C2 on G/F and 1/F to 2/F, Lee Wing Building, No. 156-162 Hennessy Road, Wanchai

	North Point Centre Branch	Shop G, G/F, North Point Centre, 284 King′s Road, North Point
Kowloon	Mongkok Branch	Shop B, G/F, 1/F & 2/F, 617-623 Nathan Road, Mongkok
New Territories	Metroplaza Branch	Shop 473B, Level 4, Metroplaza, 223 Hing Fong Road, Kwai Chung
	Shatin Plaza Branch	Shop No. 8, Shatin Plaza, 21-27 Shatin Centre Street, Shatin

You can collect a **YELLOW** Application Form and a prospectus during normal business hours from 9:00 a.m. on Monday, July 30, 2018 until 12:00 noon on Thursday, August 2, 2018 from the Depository Counter of HKSCC at 1/F, One & Two Exchange Square, 8 Connaught Place, Central, Hong Kong or from your stockbroker.

Time for Lodging Application Forms

Your completed **WHITE** or **YELLOW** Application Form, together with a cheque or a banker's cashier order attached and marked payable to "**HORSFORD NOMINEES LIMITED-BEIGENE PUBLIC OFFER**" for the payment, should be deposited in the special collection boxes provided at any of the branches of the receiving banks listed above, at the following times:

- Monday, July 30, 2018 — 9:00 a.m. to 5:00 p.m.
- Tuesday, July 31, 2018 — 9:00 a.m. to 5:00 p.m.
- Wednesday, August 1, 2018 — 9:00 a.m. to 5:00 p.m.
- Thursday, August 2, 2018 — 9:00 a.m. to 12:00 noon

The application lists will be open from 11:45 a.m. to 12:00 noon on Thursday, August 2, 2018, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Applications Lists" in this section.

4. TERMS AND CONDITIONS OF AN APPLICATION

Follow the detailed instructions in the Application Form carefully; otherwise, your application may be rejected.

By submitting an Application Form or applying through the **WHITE Form eIPO** service, among other things, you:

(i) undertake to execute all relevant documents and instruct and authorise the Company and/ or the Joint Global Coordinators (or their agents or nominees), as agents of the Company, to execute any documents for you and to do on your behalf all things necessary to register any Hong Kong Offer Shares allocated to you in your name or in the name of HKSCC Nominees as required by the Articles of Association;

(ii) agree to comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association;

(iii) confirm that you have read the terms and conditions and application procedures set out in this prospectus and in the Application Form and agree to be bound by them;

(iv) confirm that you have received and read this prospectus and have only relied on the information and representations contained in this prospectus in making your application and will not rely on any other information or representations except those in any supplement to this prospectus;

(v) confirm that you are aware of the restrictions on the Global Offering in this prospectus;

(vi) agree that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering is or will be liable for any information and representations not in this prospectus (and any supplement to it);

(vii) undertake and confirm that you or the person(s) for whose benefit you have made the application have not applied for or taken up, or indicated an interest for, and will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing nor participated in the International Placing;

(viii) agree to disclose to the Company, our Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Underwriters and/ or their respective advisers and agents any personal data which they may require about you and the person(s) for whose benefit you have made the application;

(ix) if the laws of any place outside Hong Kong apply to your application, agree and warrant that you have complied with all such laws and none of the Company, the Joint Global Coordinators and the Underwriters nor any of their respective officers or advisers will breach any law outside Hong Kong as a result of the acceptance of your offer to purchase, or any action arising from your rights and obligations under the terms and conditions contained in this prospectus and the Application Form;

(x) agree that once your application has been accepted, you may not rescind it because of an innocent misrepresentation;

(xi) agree that your application will be governed by the laws of Hong Kong;

(xii) warrant that the information you have provided is true and accurate;

(xiii) agree to accept the Hong Kong Offer Shares applied for, or any lesser number allocated to you under the application;

(xiv) authorise the Company to place your name(s) or the name of the HKSCC Nominees, on the Company's register of members as the holder(s) of any Hong Kong Offer Shares allocated to you, and the Company and/ or its agents to send any share certificate(s) and/ or any e-Refund payment instructions and/ or any refund cheque(s) to you or the firstnamed applicant for joint application by ordinary post at your own risk to the address stated on the application, unless you are eligible to collect the share certificate(s) and/or refund cheque(s) in person;

(xv) declare and represent that this is the only application made and the only application intended by you to be made to benefit you or the person for whose benefit you are applying;

(xvi) understand that the Company and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted for making a false declaration;

(xvii) (if the application is made for your own benefit) warrant that no other application has been or will be made for your benefit on a **WHITE** or **YELLOW** Application Form or by giving electronic application instructions to HKSCC or to the **WHITE Form eIPO** Service Provider by you or by any one as your agent or by any other person; and

(xiii) (if you are making the application as an agent for the benefit of another person) warrant that (i) no other application has been or will be made by you as agent for or for the benefit of that person or by that person or by any other person as agent for that person on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC; and (ii) you have due authority to sign the Application Form or give **electronic application instructions** on behalf of that other person as their agent.

Additional Instructions for YELLOW Application Forms

You may refer to the **YELLOW** Application Form for details.

5. APPLYING THROUGH THE WHITE FORM eIPO SERVICE

General

Individuals who meet the criteria in "Who can apply" section, may apply through the **WHITE Form eIPO** service for the Offer Shares to be allotted and registered in their own names through the designated website at **www.eipo.com.hk**.

Detailed instructions for application through the **WHITE Form eIPO** service are on the designated website. If you do not follow the instructions, your application may be rejected and may not be submitted to the Company. If you apply through the designated website. you authorise the **WHITE Form eIPO** Service Provider to apply on the terms and conditions in this prospectus, as supplemented and amended by the terms and conditions of the **WHITE Form eIPO** service.

Time for Submitting Applications under the WHITE Form eIPO

You may submit your application to the **WHITE Form eIPO** Service Provider at **www.eipo.com.hk** (24 hours daily, except on the last application day) from 9:00 a.m. on Monday, July 30, 2018 until 11:30 a.m. on Thursday, August 2, 2018 and the latest time for completing full payment of application monies in respect of such applications will be 12:00 noon on Thursday, August 2, 2018 or such later time under the "Effects of Bad Weather on the Opening of the Applications Lists" in this section.

No Multiple Applications

If you apply by means of **WHITE Form eIPO** service, once you complete payment in respect of any electronic application instruction given by you or for your benefit through the **WHITE Form eIPO** service to make an application for Hong Kong Offer Shares, an actual application shall be deemed to have been made. For the avoidance of doubt, giving an electronic application instruction under **WHITE Form eIPO** service more than once and obtaining different application reference numbers without effecting full payment in respect of a particular reference number will not constitute an actual application.

If you are suspected of submitting more than one application through the **WHITE Form eIPO** service or by any other means, all of your applications are liable to be rejected.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each applicant who gives or causes to give electronic application instructions is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Environmental Protection

The obvious advantage of **WHITE Form eIPO** service is to save the use of paper via the self-serviced and electronic application process. Computershare Hong Kong Investor Services Limited, being the designated **WHITE Form eIPO** Service Provider, will contribute HK$2 for each "BeiGene, Ltd." **WHITE Form eIPO** application submitted via the **www.eipo.com.hk** to support the funding of "Dongjiang River Source Tree Planting" project initiated by Friends of the Earth (HK).

6. APPLYING BY GIVING ELECTRONIC APPLICATION INSTRUCTIONS TO HKSCC VIA CCASS

General

CCASS Participants may give **electronic application instructions** to apply for the Hong Kong Offer Shares and to arrange payment of the money due on application and payment of refunds under their participant agreements with HKSCC and the General Rules of CCASS and the CCASS Operational Procedures.

If you are a **CCASS Investor Participant**, you may give these **electronic application instructions** through the CCASS Phone System by calling +852 2979 7888 or through the CCASS Internet System (**https://ip.ccass.com**) (using the procedures in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time).

HKSCC can also input **electronic application instructions** for you if you go to:

Hong Kong Securities Clearing Company Limited
Customer Service Center
1/F, One & Two Exchange Square,
8 Connaught Place, Central
Hong Kong

and complete an input request form.

You can also collect a prospectus from this address.

If you are not a **CCASS Investor Participant**, you may instruct your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give electronic application instructions via CCASS terminals to apply for the Hong Kong Offer Shares on your behalf.

You will be deemed to have authorised HKSCC and/ or HKSCC Nominees to transfer the details of your application to the Company, the Joint Global Coordinators and our Hong Kong Share Registrar.

Giving Electronic Application Instructions to HKSCC via CCASS

Where you have given **electronic application instructions** to apply for the Hong Kong Offer Shares and a **WHITE** Application Form is signed by HKSCC Nominees on your behalf:

(i) HKSCC Nominees will only be acting as a nominee for you and is not liable for any breach of the terms and conditions of the **WHITE** Application Form or this prospectus;

(ii) HKSCC Nominees will do the following things on your behalf:

- agree that the Hong Kong Offer Shares to be allotted shall be issued in the name of HKSCC Nominees and deposited directly into CCASS for the credit of the CCASS Participant's stock account on your behalf or your CCASS Investor Participant's stock account;

- agree to accept the Hong Kong Offer Shares applied for or any lesser number allocated;

- undertake and confirm that you have not applied for or taken up, will not apply for or take up, or indicate an interest for, any Offer Shares under the International Placing;

- (if the electronic application instructions are given for your benefit) declare that only one set of **electronic application instructions** has been given for your benefit;

- (if you are an agent for another person) declare that you have only given one set of **electronic application instructions** for the other person's benefit and are duly authorised to give those instructions as their agent;

- confirm that you understand that the Company, the Directors and the Joint Global Coordinators will rely on your declarations and representations in deciding whether or not to make any allotment of any of the Hong Kong Offer Shares to you and that you may be prosecuted if you make a false declaration;

- authorise the Company to place HKSCC Nominees' name on the Company's register of members as the holder of the Hong Kong Offer Shares allocated to you and to send share certificate(s) and/ or refund monies under the arrangements separately agreed between us and HKSCC;

- confirm that you have read the terms and conditions and application procedures set out in this prospectus and agree to be bound by them;

- confirm that you have received and/ or read a copy of this prospectus and have relied only on the information and representations in this prospectus in causing the application to be made, save as set out in any supplement to this prospectus;

- agree that none of the Company, the Joint Global Coordinators, the Underwriters, their respective directors, officers, employees, partners, agents, advisers and any other parties involved in the Global Offering, is or will be liable for any information and representations not contained in this prospectus (and any supplement to it);

- agree to disclose your personal data to the Company, our Hong Kong Share Registrar, receiving banks, the Joint Global Coordinators, the Underwriters and/ or its respective advisers and agents;

- agree (without prejudice to any other rights which you may have) that once HKSCC Nominees' application has been accepted, it cannot be rescinded for innocent misrepresentation;

- agree that any application made by HKSCC Nominees on your behalf is irrevocable before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), such agreement to take effect as a collateral contract with us and to become binding when you give the instructions and such collateral contract to be in consideration of the Company agreeing that it will not offer any Hong Kong Offer Shares to any person before the fifth day after the time of the opening of the application lists (excluding any day which is Saturday, Sunday or public holiday in Hong Kong), except by means of one of the procedures referred to in this prospectus. However, HKSCC Nominees may

revoke the application before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is a Saturday, Sunday or public holiday in Hong Kong) if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus;

- agree that once HKSCC Nominees' application is accepted, neither that application nor your **electronic application instructions** can be revoked, and that acceptance of that application will be evidenced by the Company's announcement of the Hong Kong Public Offering results;

- agree to the arrangements, undertakings and warranties under the participant agreement between you and HKSCC, read with the General Rules of CCASS and the CCASS Operational Procedures, for the giving electronic application instructions to apply for Hong Kong Offer Shares;

- agree with the Company, for itself and for the benefit of each Shareholder (and so that the Company will be deemed by its acceptance in whole or in part of the application by HKSCC Nominees to have agreed, for itself and on behalf of each of the Shareholders, with each CCASS Participant giving electronic application instructions) to observe and comply with the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Articles of Association; and

- agree that your application, any acceptance of it and the resulting contract will be governed by the Laws of Hong Kong.

Effect of Giving Electronic Application Instructions to HKSCC via CCASS

By giving **electronic application instructions** to HKSCC or instructing your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give such instructions to HKSCC, you (and, if you are joint applicants, each of you jointly and severally) are deemed to have done the following things. Neither HKSCC nor HKSCC Nominees shall be liable to the Company or any other person in respect of the things mentioned below:

- instructed and authorised HKSCC to cause HKSCC Nominees (acting as nominee for the relevant CCASS Participants) to apply for the Hong Kong Offer Shares on your behalf;

- instructed and authorised HKSCC to arrange payment of the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee by debiting your designated bank account and, in the case of a wholly or partially unsuccessful application and/ or if the Offer Price is less than the maximum Offer Price per Offer Share initially paid on application, refund of the application monies(including brokerage, SFC transaction levy and the Stock Exchange trading fee) by crediting your designated bank account; and

- instructed and authorised HKSCC to cause HKSCC Nominees to do on your behalf all the things stated in the **WHITE** Application Form and in this prospectus.

Minimum Purchase Amount and Permitted Numbers

You may give or cause your broker or custodian who is a CCASS Clearing Participant or a CCASS Custodian Participant to give **electronic application instructions** for a minimum of 100 Hong Kong Offer Shares. Instructions for more than 100 Hong Kong Offer Shares must be in one of the numbers set out in the table in the Application Forms. No application for any other number of Hong Kong Offer Shares will be considered and any such application is liable to be rejected.

Time for Inputting Electronic Application Instructions(1)

CCASS Clearing/ Custodian Participants can input **electronic application instructions** at the following times on the following dates:

• Monday, July 30, 2018	9:00 a.m. to 8:30 p.m.
• Tuesday, July 31, 2018	8:00 a.m. to 8:30 p.m.
• Wednesday, August 1, 2018	8:00 a.m. to 8:30 p.m.
• Thursday, August 2, 2018	8:00 a.m. to 12:00 noon

CCASS Investor Participants can input **electronic application instructions** from 9:00 a.m. on Monday, July 30, 2018 until 12:00 noon on Thursday, August 2, 2018 (24 hours daily, except on Thursday, August 2, 2018 the last application day).

The latest time for inputting your **electronic application instructions** will be 12:00 noon on Thursday, August 2, 2018, the last application day or such later time as described in "Effect of Bad Weather on the Opening of the Application Lists" in this section.

Note:

(1) The times in this sub-section are subject to change as HKSCC may determine from time to time with prior notification to CCASS Clearing/Custodian Participants and/or CCASS Investor Participants.

No Multiple Applications

If you are suspected of having made multiple applications or if more than one application is made for your benefit, the number of Hong Kong Offer Shares applied for by HKSCC Nominees will be automatically reduced by the number of Hong Kong Offer Shares for which you have given such instructions and/ or for which such instructions have been given for your benefit. Any **electronic application instructions** to make an application for the Hong Kong Offer Shares given by you or for your benefit to HKSCC shall be deemed to be an actual application for the purposes of considering whether multiple applications have been made.

Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance

For the avoidance of doubt, the Company and all other parties involved in the preparation of this prospectus acknowledge that each CCASS Participant who gives or causes to give **electronic application instructions** is a person who may be entitled to compensation under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Personal Data

The section of the Application Form headed "Personal Data" applies to any personal data held by the Company, the Hong Kong Share Registrar, the receiving bankers, the Joint Global Coordinators, the Underwriters and any of their respective advisers and agents about you in the same way as it applies to personal data about applicants other than HKSCC Nominees.

7. WARNING FOR ELECTRONIC APPLICATIONS

The subscription of the Hong Kong Offer Shares by giving **electronic application instructions** to HKSCC is only a facility provided to CCASS Participants. Similarly, the application for Hong Kong Offer Shares through the **White Form eIPO** service is also only a facility provided by the White Form eIPO Service Provider to public investors. Such facilities are subject to capacity limitations and potential service interruptions and you are advised not to wait until the last application day in making your electronic applications. The Company, the Directors, the Joint Bookrunners, the Joint Sponsors, the Joint Global Coordinators and the Underwriters take no responsibility for such applications and provide no assurance that any CCASS Participant or person applying through the **White Form eIPO** service will be allotted any Hong Kong Offer Shares.

To ensure that CCASS Investor Participants can give their **electronic application instructions**, they are advised not to wait until the last minute to input their instructions to the systems. In the event that CCASS Investor Participants have problems in the connection to CCASS Phone System/ CCASS Internet System for submission of **electronic application instructions**, they should either (i) submit a **WHITE** or **YELLOW** Application Form, or (ii) go to HKSCC's Customer Service Centre to complete an input request form for **electronic application instructions** before 12:00 noon on Thursday, August 2, 2018, the last day for applications, or such later time as described in "Effect of Bad Weather on the Opening of the Application Lists" below.

8. HOW MANY APPLICATIONS CAN YOU MAKE

Multiple applications for the Hong Kong Offer Shares are not allowed except by nominees. If you are a nominee, in the box on the Application Form marked "For nominees" you must include:

- an account number; or
- some other identification code,

for each beneficial owner or, in the case of joint beneficial owners, for each joint beneficial owner. If you do not include this information, the application will be treated as being made for your benefit.

All of your applications will be rejected if more than one application on a **WHITE** or **YELLOW** Application Form or by giving **electronic application instructions** to HKSCC or through the **White Form eIPO** service, is made for your benefit (including the part of the application made by HKSCC Nominees acting on electronic application instructions). If an application is made by an unlisted company and:

- the principal business of that company is dealing in securities; and
- you exercise statutory control over that company,

then the application will be treated as being for your benefit.

"Unlisted company" means a company with no equity securities listed on the Stock Exchange.

"Statutory control" means you:

- control the composition of the Board of the company;
- control more than half of the voting power of the company; or
- hold more than half of the issued share capital of the company (not counting any part of it which carries no right to participate beyond a specified amount in a distribution of either profits or capital).

9. HOW MUCH ARE THE HONG KONG OFFER SHARES

The **WHITE** and **YELLOW** Application Forms have tables showing the exact amount payable for Shares.

You must pay the maximum Offer Price, brokerage, SFC transaction levy and the Stock Exchange trading fee in full upon application for Shares under the terms set out in the Application Forms.

You may submit an application using a **WHITE** or **YELLOW** Application Form or through the **White Form eIPO** service in respect of a minimum of 100 Hong Kong Public Offer Shares. Each application or electronic application instruction in respect of more than 100 Hong Kong Public Offer Shares must be in one of the numbers set out in the table in the Application Form, or as otherwise specified on the designated website at **www.eipo.com.hk**.

If your application is successful, brokerage will be paid to the Exchange Participants, and the SFC transaction levy and the Stock Exchange trading fee are paid to the Stock Exchange (in the case of the SFC transaction levy, collected by the Stock Exchange on behalf of the SFC).

For further details on the Offer Price, see the section headed "Structure of the Global Offering — Pricing and Allocation".

10. EFFECT OF BAD WEATHER ON THE OPENING OF THE APPLICATION LISTS

The application lists will not open if there is:

- a tropical cyclone warning signal number 8 or above; or
- a "black" rainstorm warning,

in force in Hong Kong at any time between 9:00 a.m. and 12:00 noon on Thursday, August 2, 2018. Instead they will open between 11:45 a.m. and 12:00 noon on the next business day which does not have either of those warnings in Hong Kong in force at any time between 9:00 a.m. and 12:00 noon.

If the application lists do not open and close on Thursday, August 2, 2018 or if there is a tropical cyclone warning signal number 8 or above or a "black" rainstorm warning signal in force in Hong Kong that may affect the dates mentioned in the section headed "Expected Timetable", an announcement will be made in such event.

11. PUBLICATION OF RESULTS

The Company expects to announce the final Offer Price, the level of indication of interest in the International Placing, the level of applications in the Hong Kong Public Offering and the basis of allocation of the Hong Kong Offer Shares on Tuesday, August 7, 2018 in the South China Morning Post (in English) and Hong Kong Economic Times (in Chinese) on the Company's website at **www.beigene.com** and the website of the Stock Exchange at **www.hkexnews.hk**.

The results of allocations and the Hong Kong identity card/ passport/ Hong Kong business registration numbers of successful applicants under the Hong Kong Public Offering will be available at the times and date and in the manner specified below:

- in the announcement to be posted on the Company's website at **www.beigene.com** and the Stock Exchange's website at **www.hkexnews.hk** by no later than Tuesday, August 7, 2018;

- from the designated results of allocations website at **www.iporesults.com.hk** (alternatively: English **https://www.eipo.com.hk/en/Allotment**; Chinese **https://www.eipo.com.hk/zh-hk/Allotment**) with a "search by ID" function on a 24-hour basis from 8:00 a.m. on Tuesday, August 7, 2018 to 12:00 midnight on Monday, August 13, 2018;

- by telephone enquiry line by calling 28628669 between 9:00 a.m. and 10:00 p.m. from Tuesday, August 7, 2018 to Friday, August 10, 2018;

- in the special allocation results booklets which will be available for inspection during opening hours from Tuesday, August 7, 2018 to Thursday, August 9, 2018 at all the receiving bank branches and sub-branches referred to above.

If the Company accepts your offer to purchase (in whole or in part), which it may do by announcing the basis of allocations and/ or making available the results of allocations publicly, there will be a binding contract under which you will be required to purchase the Hong Kong Offer Shares if the conditions of the Global Offering are satisfied and the Global Offering is not otherwise terminated. Further details are contained in the section headed "Structure of the Global Offering".

You will not be entitled to exercise any remedy of rescission for innocent misrepresentation at any time after acceptance of your application. This does not affect any other right you may have.

12. CIRCUMSTANCES IN WHICH YOU WILL NOT BE ALLOTTED OFFER SHARES

You should note the following situations in which the Hong Kong Offer shares will not be allotted to you:

(i) If your application is revoked:

By completing and submitting an Application Form or giving **electronic application instructions** to HKSCC or to the **White Form eIPO** Service Provider, you agree that your application or the application made by HKSCC Nominees on your behalf cannot be revoked on or before the fifth day after the time of the opening of the application lists (excluding for this purpose any day which is Saturday, Sunday or public holiday in Hong Kong). This agreement will take effect as a collateral contract with the Company.

Your application or the application made by HKSCC Nominees on your behalf may only be revoked on or before such fifth day if a person responsible for this prospectus under Section 40 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance gives a public notice under that section which excludes or limits that person's responsibility for this prospectus.

If any supplement to this prospectus is issued, applicants who have already submitted an application will be notified that they are required to confirm their applications. If applicants have been so notified but have not confirmed their applications in accordance with the procedure to be notified, all unconfirmed applications will be deemed revoked.

If your application or the application made by HKSCC Nominees on your behalf has been accepted, it cannot be revoked. For this purpose, acceptance of applications which are not rejected will be constituted by notification in the press of the results of allocation, and where such basis of allocation is subject to certain conditions or provides for allocation by ballot, such acceptance will be subject to the satisfaction of such conditions or results of the ballot respectively.

(ii) **If the Company or its agents exercise their discretion to reject your application:**

The Company, the Joint Global Coordinators, the **White Form eIPO** Service Provider and their respective agents and nominees have full discretion to reject or accept any application, or to accept only part of any application, without giving any reasons.

(iii) **If the allotment of Hong Kong Offer Shares is void:**

The allotment of Hong Kong Offer Shares will be void if the Listing Committee of the Stock Exchange does not grant permission to list the Shares either:

- within three weeks from the closing date of the application lists; or
- within a longer period of up to six weeks if the Listing Committee notifies the Company of that longer period within three weeks of the closing date of the application lists.

(iv) **If:**

- you make multiple applications or suspected multiple applications;
- you or the person for whose benefit you are applying have applied for or taken up, or indicated an interest for, or have been or will be placed or allocated (including conditionally and/ or provisionally) Hong Kong Offer Shares and International Placing Shares;
- your Application Form is not completed in accordance with the stated instructions;
- your **electronic application instructions** through the **White Form eIPO** service are not completed in accordance with the instructions, terms and conditions on the designated website;
- your payment is not made correctly or the cheque or banker's cashier order paid by you is dishonoured upon its first presentation;
- the Underwriting Agreements do not become unconditional or are terminated;
- the Company or the Joint Global Coordinators believe that by accepting your application, it or they would violate applicable securities or other laws, rules or regulations; or

- your application is for more than 50% of the Hong Kong Offer Shares initially offered under the Hong Kong Public Offering.

13. REFUND OF APPLICATION MONIES

If an application is rejected, not accepted or accepted in part only, or if the Offer Price as finally determined is less than the Maximum Offer Price of HK$111.60 per Offer Share (excluding brokerage, SFC transaction levy and the Stock Exchange trading fee thereon), or if the conditions of the Hong Kong Public Offering are not fulfilled in accordance with "Structure of the Global Offering — Conditions of the Hong Kong Public Offering" in this prospectus or if any application is revoked, the application monies, or the appropriate portion thereof, together with the related brokerage, SFC transaction levy and the Stock Exchange trading fee, will be refunded, without interest or the cheque or banker's cashier order will not be cleared.

Any refund of your application monies will be made on or before Tuesday, August 7, 2018.

14. DESPATCH/ COLLECTION OF SHARE CERTIFICATES AND REFUND MONIES

You will receive one share certificate for all Hong Kong Offer Shares allotted to you under the Hong Kong Public Offering (except pursuant to applications made on **YELLOW** Application Forms or by **electronic application instructions** to HKSCC via CCASS where the share certificates will be deposited into CCASS as described below).

No temporary document of title will be issued in respect of the Shares. No receipt will be issued for sums paid on application. If you apply by **WHITE** or **YELLOW** Application Form, subject to personal collection as mentioned below, the following will be sent to you (or, in the case of joint applicants, to the first-named applicant) by ordinary post, at your own risk, to the address specified on the Application Form:

- share certificate(s) for all the Hong Kong Offer Shares allotted to you (for **YELLOW** Application Forms, share certificates will be deposited into CCASS as described below); and

- refund cheque(s) crossed "Account Payee Only" in favour of the applicant (or, in the case of joint applicants, the first-named applicant) for (i) all or the surplus application monies for the Hong Kong Offer Shares, wholly or partially unsuccessfully applied for; and/ or (ii) the difference between the Offer Price and the Maximum Offer Price per Offer Share paid on application in the event that the Offer Price is less than the Maximum Offer Price (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest). Part of the Hong Kong identity card number/ passport number, provided by you or the first-named applicant (if you are joint applicants), may be printed on your refund cheque, if any. Your banker may require verification of your Hong Kong identity card number/ passport number before encashment of your refund cheque(s). Inaccurate completion of your Hong Kong identity card number/ passport number may invalidate or delay encashment of your refund cheque(s).

Subject to arrangement on dispatch/ collection of share certificates and refund monies as mentioned below, any refund cheques and share certificates are expected to be posted on or before Tuesday, August 7, 2018. The right is reserved to retain any share certificate(s) and any surplus application monies pending clearance of cheque(s) or banker's cashier's order(s).

Share certificates will only become valid at 8:00 a.m. Wednesday, August 8, 2018, provided that the Global Offering has become unconditional and the right of termination described in the "Underwriting" section in this prospectus has not been exercised. Investors who trade shares prior to the receipt of Share certificates or the Share certificates becoming valid do so at their own risk.

Personal Collection

(i) ***If you apply using a WHITE Application Form***

If you apply for 1,000,000 or more Hong Kong Offer Shares and have provided all information required by your Application Form, you may collect your refund cheque(s) and/ or share certificate(s) from the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, August 7, 2018 or such other date as notified by us in the newspapers.

If you are an individual who is eligible for personal collection, you must not authorise any other person to collect for you. If you are a corporate applicant which is eligible for personal collection, your authorised representative must bear a letter of authorisation from your corporation stamped with your corporation's chop. Both individuals and authorised representatives must produce, at the time of collection, evidence of identity acceptable to the Hong Kong Share Registrar.

If you do not collect your refund cheque(s) and/ or share certificate(s) personally within the time specified for collection, they will be despatched promptly to the address specified in your Application Form by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) and/ or share certificate(s) will be sent to the address on the relevant Application Form on or before Tuesday, August 7, 2018, by ordinary post and at your own risk.

(ii) ***If you apply using a YELLOW Application Form***

If you apply for 1,000,000 Hong Kong Offer Shares or more, please follow the same instructions as described above. If you have applied for less than 1,000,000 Hong Kong Offer Shares, your refund cheque(s) will be sent to the address on the relevant Application Form on or before Tuesday, August 7, 2018, by ordinary post and at your own risk.

If you apply by using a **YELLOW** Application Form and your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for credit to your or the designated CCASS Participant's stock account as stated in your Application Form on Tuesday, August 7, 2018, or upon contingency, on any other date determined by HKSCC or HKSCC Nominees.

- *If you apply through a designated CCASS participant (other than a CCASS investor participant)*

For Hong Kong Public Offering shares credited to your designated CCASS participant's stock account (other than CCASS Investor Participant), you can check the number of Hong Kong Public Offering shares allotted to you with that CCASS participant.

- *If you are applying as a CCASS investor participant*

The Company will publish the results of CCASS Investor Participants' applications together with the results of the Hong Kong Public Offering in the manner described in "Publication of Results" above. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m., Tuesday, August 7, 2018 or any other date as determined by HKSCC or HKSCC Nominees. Immediately after the credit of the Hong Kong Offer Shares to your stock account, you can check your new account balance via the CCASS Phone System and CCASS Internet System.

(iii) ***If you apply through the White Form eIPO service***

If you apply for 1,000,000 Hong Kong Offer Shares or more and your application is wholly or partially successful, you may collect your Share certificate(s) from Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, from 9:00 a.m. to 1:00 p.m. on Tuesday, August 7, 2018, or such other date as notified by the Company in the newspapers as the date of despatch/ collection of Share certificates/e-Refund payment instructions/ refund cheques.

If you do not collect your Share certificate(s) personally within the time specified for collection, they will be sent to the address specified in your application instructions by ordinary post at your own risk.

If you apply for less than 1,000,000 Hong Kong Offer Shares, your Share certificate(s) (where applicable) will be sent to the address specified in your application instructions on or before Tuesday, August 7, 2018 by ordinary post at your own risk.

If you apply and pay the application monies from a single bank account, any refund monies will be despatched to that bank account in the form of e-Refund payment instructions. If you apply and pay the application monies from multiple bank accounts, any refund monies will be despatched to the address as specified in your application instructions in the form of refund cheque(s) by ordinary post at your own risk.

(iv) ***If you apply via Electronic Application Instructions to HKSCC***

Allocation of Hong Kong Offer Shares

For the purposes of allocating Hong Kong Offer Shares, HKSCC Nominees will not be treated as an applicant. Instead, each CCASS Participant who gives electronic application instructions or each person for whose benefit instructions are given will be treated as an applicant.

Deposit of Share Certificates into CCASS and Refund of Application Monies

- If your application is wholly or partially successful, your share certificate(s) will be issued in the name of HKSCC Nominees and deposited into CCASS for the credit of your designated CCASS Participant's stock account or your CCASS Investor Participant stock account on Tuesday, August 7, 2018, or, on any other date determined by HKSCC or HKSCC Nominees.

- The Company expects to publish the application results of CCASS Participants (and where the CCASS Participant is a broker or custodian, the Company will include information relating to the relevant beneficial owner), your Hong Kong identity card number/ passport number or other identification code (Hong Kong business registration number for corporations) and the basis of allotment of the Hong Kong Public Offering in the manner specified in "Publication of Results" above on Tuesday, August 7, 2018. You should check the announcement published by the Company and report any discrepancies to HKSCC before 5:00 p.m. Tuesday, August 7, 2018 or such other date as determined by HKSCC or HKSCC Nominees.

- If you have instructed your broker or custodian to give **electronic application instructions** on your behalf, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you with that broker or custodian.

- If you have applied as a CCASS Investor Participant, you can also check the number of Hong Kong Offer Shares allotted to you and the amount of refund monies (if any) payable to you via the CCASS Phone System and the CCASS Internet System (under the procedures contained in HKSCC's "An Operating Guide for Investor Participants" in effect from time to time) on Tuesday, August 7, 2018. Immediately following the credit of the Hong Kong Offer Shares to your stock account and the credit of refund monies to your bank account, HKSCC will also make available to you an activity statement showing the number of Hong Kong Offer Shares credited to your CCASS Investor Participant stock account and the amount of refund monies (if any) credited to your designated bank account.

- Refund of your application monies (if any) in respect of wholly and partially unsuccessful applications and/ or difference between the Offer Price and the maximum Offer Price per Offer Share initially paid on application (including brokerage, SFC transaction levy and the Stock Exchange trading fee but without interest) will be credited to your designated bank account or the designated bank account of your broker or custodian on Tuesday, August 7, 2018.

15. ADMISSION OF THE SHARES INTO CCASS

If the Stock Exchange grants the listing of, and permission to deal in, the Shares and we comply with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the date of commencement of dealings in the Shares or any other date HKSCC chooses. Settlement of transactions between Exchange Participants (as defined in the Listing Rules) is required to take place in CCASS on the second Business Day after any trading day.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Investors should seek the advice of their stockbroker or other professional adviser for details of the settlement arrangement as such arrangements may affect their rights and interests.

All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

The following is the text of a report received from the Company's reporting accountant, Ernst & Young, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.

22nd Floor
CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

The Directors
BeiGene, Ltd.
Morgan Stanley Asia Limited
Goldman Sachs (Asia) L.L.C.

Dear Sirs,

We report on the historical financial information of BeiGene, Ltd. (the "Company") and its subsidiaries (together, the "Group") set out on pages I-4 to I-96, which comprises the consolidated balance sheets of the Group and the balance sheets of the Company as at December 31, 2016 and 2017 and March 31, 2018, and the consolidated statements of operations, statements of comprehensive loss, statements of cash flows and statements of shareholders' equity (deficit) of the Group for each of the years ended December 31, 2016 and 2017, and the three months ended March 31, 2018 (the "Relevant Periods"), and a summary of significant accounting policies and other explanatory information (together, the "Historical Financial Information"). The Historical Financial Information set out on pages I-4 to I-96 forms an integral part of this report, which has been prepared for inclusion in the prospectus of the Company dated July 30, 2018 (the "Prospectus") in connection with the initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Directors' responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of the Historical Financial Information that gives a true and fair view in accordance with basis of presentation and preparation set out in note II.2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of the Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 *Accountants' Reports on Historical Financial Information in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants' judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity's preparation of the Historical Financial Information that gives a true and fair view in accordance with the basis of presentation and preparation set out in note II.2 to the Historical Financial Information, in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants' report, a true and fair view of the financial position of the Group and the Company as at December 31, 2016 and 2017 and March 31, 2018 and of the financial performance and cash flows of the Group for each of the Relevant Periods in accordance with the basis of presentation and preparation set out in note II.2 to the Historical Financial Information.

Review of interim comparative financial information

We have reviewed the interim comparative financial information of the Group which comprises the consolidated statements of operations, statements of comprehensive loss, statements of cash flows and statements of shareholders' equity (deficit) for the three months ended March 31, 2017 and other explanatory information (the "Interim Comparative Financial Information"). The directors of the Company are responsible for the preparation and presentation of the Interim Comparative Financial Information in accordance with the basis of presentation and preparation set out in note II.2 to the Historical Financial Information, respectively. Our responsibility is to express a conclusion on the Interim Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the HKICPA. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Interim Comparative Financial Information, for the purposes of the accountants' report, is not prepared, in all material respects, in accordance with the basis of presentation and preparation set out in note II.2 to the Historical Financial Information, respectively.

Report on matters under the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

The Historical Financial Information is stated after making such adjustments to the Historical Financial Statements as defined on page I-4 as were considered necessary to take into account the effect of early adoption of applicable new or revised accounting standards which are effective for the accounting period commencing from January 1, 2018, together with the relevant transitional provisions throughout the Relevant Periods.

Dividends

No dividends were declared or paid by the Company during the Relevant Periods.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong
July 30, 2018

I HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

The Historical Financial Information in this report was prepared based on previously issued financial statements of the Group for the Relevant Periods after making such adjustments as appropriate and additional disclosures for the purpose of this report. The previously issued financial statements were prepared in accordance with United States generally accepted accounting principles ("US GAAP") (the "Historical Financial Statements") and such financial statements for the year ended December 31, 2016 and 2017 were audited by Ernst & Young Hua Ming LLP in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB") and were published on the website of the Securities and Exchange Commission of the United States pursuant to the regulatory requirement as set out in Rule 101(a) of Regulation S-T.

The Historical Financial Information is presented in United States dollars and all values are rounded to the nearest thousand (US$'000) except when otherwise indicated.

CONSOLIDATED BALANCE SHEETS

	Notes	As of December 31, 2016	As of December 31, 2017	As of March 31, 2018
		US$'000	US$'000	US$'000
Assets				
Current assets:				
Cash and cash equivalents	5	87,514	239,602	490,634
Restricted cash	5	—	—	17,460
Short-term investments	6	280,660	597,914	973,381
Accounts receivable	7	—	29,428	23,485
Unbilled receivables	7	—	16,307	23,862
Inventories	8	—	10,930	7,498
Prepaid expenses and other current assets	9	6,225	35,623	49,382
Total current assets		374,399	929,804	1,585,702
Property and equipment, net	10	25,977	62,568	76,990
Land use right, net	12	—	12,465	12,863
Intangible assets, net	13	—	7,250	7,062
Goodwill	4	—	109	109
Deferred tax assets	14	768	7,675	11,991
Other non-current assets	9	4,669	14,327	14,210
Total non-current assets		31,414	104,394	123,225
Total assets		405,813	1,034,198	1,708,927
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable	15	11,957	69,779	52,719
Accrued expenses and other payables	16	22,297	49,598	55,712
Deferred revenue, current portion		—	12,233	14,011
Tax payable	14	804	9,156	9,889
Current portion of long-term bank loan	19	—	9,222	9,565
Total current liabilities		35,058	149,988	141,896
Non-current liabilities:				
Long-term bank loan	19	17,284	9,222	9,565
Shareholder loan	20	—	146,271	154,551
Deferred revenue, non-current portion		—	24,808	21,291
Other long-term liabilities	21	564	21,969	22,902
Total non-current liabilities		17,848	202,270	208,309
Total liabilities		52,906	352,258	350,205

	Notes	As of December 31, 2016	As of December 31, 2017	As of March 31, 2018
		US$'000	US$'000	US$'000
Commitments and contingencies	33			
Shareholders' equity (deficit): Ordinary shares (par value of US$0.0001 per share; 9,500,000,000 shares authorized; shares issued and outstanding as of December 31, 2016, and 2017 and March 31, 2018: 515,833,609 shares, 592,072,330 shares and 698,942,730 shares, respectively)		52	59	70
Additional paid-in capital		591,213	1,000,747	1,782,033
Accumulated other comprehensive income (loss)	29	(946)	(217)	320
Accumulated deficit		(237,412)	(333,446)	(438,042)
Total BeiGene, Ltd. shareholders' equity		352,907	667,143	1,344,381
Non-controlling interest		—	14,797	14,341
Total shareholders' equity		352,907	681,940	1,358,722
Total liabilities and shareholders' equity		405,813	1,034,198	1,708,927

CONSOLIDATED STATEMENTS OF OPERATIONS

	Notes	Year ended December 31,		Three months ended March 31,	
		2016	2017	2017	2018
		US$'000	US$'000	US$'000 (Unaudited)	US$'000
Revenue					
Product revenue, net	22	—	24,428	—	23,250
Collaboration revenue	3	1,070	230,266	—	9,294
Total revenues		1,070	254,694	—	32,544
Expenses					
Cost of sales - product		—	(4,974)	—	(4,550)
Research and development		(98,033)	(269,018)	(42,773)	(109,700)
Selling, general and administrative		(20,097)	(62,602)	(8,769)	(28,915)
Amortization of intangible assets		—	(250)	—	(188)
Total expenses		(118,130)	(336,844)	(51,542)	(143,353)
Loss from operations		(117,060)	(82,150)	(51,542)	(110,809)
Interest (expense) income, net		383	(4,108)	186	1,552
Changes in fair value of financial instruments	17	(1,514)	—	—	—
Gain (loss) on sale of available-for-sale securities		(1,415)	44	8	(85)
Other income, net		443	21,077	905	814
Loss before income tax expense	23	(119,163)	(65,137)	(50,443)	(108,528)
Income tax expense	14	(54)	(30,730)	(180)	3,412
Net loss		(119,217)	(95,867)	(50,623)	(105,116)
Less: net profit attributable to non-controlling interests		—	167	—	(520)
Net loss attributable to BeiGene, Ltd.		(119,217)	(96,034)	(50,623)	(104,596)
Net loss per share attributable to BeiGene, Ltd. Basic and diluted (in dollars)	27	(0.30)	(0.18)	(0.10)	(0.16)
Weighted average shares used in net loss per share calculation Basic and diluted (in shares)	27	403,619,446	543,185,460	516,437,707	670,510,605
Net loss per American Depositary Share ("ADS") Basic and diluted (in dollars)		(3.84)	(2.30)	(1.27)	(2.03)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Net loss	(119,217)	(95,867)	(50,623)	(105,116)
Other comprehensive profit (loss), net of tax of nil:				
Foreign currency translation adjustments	(245)	1,128	90	272
Unrealized holding (loss) gain, net	1,108	(296)	(12)	329
Comprehensive loss	(118,354)	(95,035)	(50,545)	(104,515)
Less: comprehensive loss attributable to non-controlling interests	—	270	—	(456)
Comprehensive loss attributable to BeiGene, Ltd.	(118,354)	(95,305)	(50,545)	(104,059)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31,		Three months ended March 31,	
		2016	2017	2017	2018
		US$'000	US$'000	US$'000 (Unaudited)	US$'000
Operating activities:					
Net loss		(119,217)	(95,867)	(50,623)	(105,116)
Adjustments to reconcile net loss to net cash used in operating activities:					
Depreciation and amortization expense	23	1,909	4,758	864	2,244
Share-based compensation expenses	28	10,625	42,863	5,992	17,396
Changes in fair value of financial instruments	23	1,514	—	—	—
Acquired in-process research and development		—	—	—	10,000
Loss on disposal of property and equipment	23	—	85	7	—
Non-cash interest expense		121	7,035	—	2,012
Deferred income tax benefits		(768)	(5,845)	(2,160)	(4,090)
Other non-cash expenses		1,415	(44)	(8)	(482)
Changes in operating assets and liabilities:					
Accounts receivable		—	(29,428)	—	5,943
Unbilled receivables		—	(16,307)	—	(7,555)
Inventories		—	(10,930)	—	3,432
Prepaid expenses and other current assets		(2,070)	(28,880)	(2,477)	(13,758)
Other non-current assets		112	(1,206)	(41)	(2,082)
Accounts payable		2,707	55,298	8,474	(18,487)
Accrued expenses and other payables		13,946	24,978	2,166	6,115
Tax payable		804	7,426	1,766	733
Deferred revenue		(1,070)	37,041	—	(1,739)
Other long-term liabilities		459	21,775	329	933
Net cash provided by (used in) operating activities		(89,513)	12,752	(35,711)	(104,501)
Investing activities:					
Purchases of property and equipment		(23,502)	(46,374)	(5,068)	(9,696)
Payment for the acquisition of land use right		—	(12,354)	(2,319)	—
Cash acquired in business combination, net of cash paid	4	—	19,916	—	—
Purchases of investments		(382,093)	(741,296)	(14,683)	(632,224)
Proceeds from sale or maturity of available-for-sale securities		183,743	423,789	65,613	257,568
Proceeds from disposal of property and equipment		4	—	—	—
Purchase of in-process research and development		—	—	—	(10,000)
Net cash provided by (used in) investing activities		(221,848)	(356,319)	43,543	(394,352)

	Notes	Year ended December 31,		Three months ended March 31,	
		2016	2017	2017	2018
		US$'000	US$'000	US$'000 (Unaudited)	US$'000
Financing activities:					
Proceeds from public offering, net of underwriter discount		368,877	189,191	—	758,001
Payment of public offering cost		(2,218)	(674)	—	(414)
Proceeds from sale of ordinary shares, net of cost	30	—	149,928	—	—
Proceeds from long-term loan	19	12,048	—	—	—
Proceeds from short-term loan	18	—	2,470	2,470	—
Repayment of short-term loan	18	—	(2,470)	—	—
Capital contribution from non-controlling interest		—	14,527	—	—
Proceeds from shareholder loan	20	—	132,757	—	—
Proceeds from exercise of warrants and rental deferral option		2,115	—	—	—
Proceeds from option exercises		80	4,627	63	6,314
Net cash provided by financing activities		380,902	490,356	2,533	763,901
Effect of foreign exchange rate changes, net		104	5,299	(129)	3,444
Net increase in cash and cash equivalents and restricted cash		69,645	152,088	10,236	268,492
Cash and cash equivalents and restricted cash at beginning of period		17,869	87,514	87,514	239,602
Cash and cash equivalents and restricted cash at end of period		87,514	239,602	97,750	508,094
Supplemental cash flow disclosures:					
Cash and cash equivalents		87,514	239,602	97,750	490,634
Restricted cash		—	—	—	17,460
Income taxes paid		25	29,286	76	329
Interest expense paid		826	1,260	305	331
Non-cash activities:					
Discount provided on sale of ordinary shares for business combination	4	—	23,606	—	—
Conversion of Senior Promissory Note		14,693	—	—	—
Conversion of deferred rental		980	—	—	—
Conversion of convertible preferred shares		176,084	—	—	—
Exercise of warrants and option		3,687	—	—	—
Follow-on public offering costs accrued in accounts payable		269	—	—	—
Acquisitions of equipment included in accounts payable		2,153	2,215	2,204	3,640

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

	Attributable to BeiGene, Ltd.							
	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income/(loss)	Accumulated Deficit	Total	Non-Controlling Interests	Total
	Shares	Amount						
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2015	116,174,094	12	18,227	(1,809)	(118,195)	(101,765)	—	(101,765)
Issuance of ordinary shares in connection with initial public offering (Note II.30)..	98,670,000	10	166,127	—	—	166,137	—	166,137
Issuance of ordinary shares in connection with follow-on public offering (Note II.30)	86,206,250	9	198,617	—	—	198,626	—	198,626
Conversion of Senior Promissory Note (Note II.30)	7,942,314	1	14,692	—	—	14,693	—	14,693
Exercise of warrants in connection with convertible promissory note (Notes II.17 and II.30)	621,637	—	1,513	—	—	1,513	—	1,513
Exercise of option to purchase shares by rental deferred (Note II.17)	1,451,586	—	3,519	—	—	3,519	—	3,519
Exercise of warrants by Baker Bros. (Note II.30)	2,592,593	—	1,750	—	—	1,750	—	1,750
Issuance of shares reserved for share options exercise	271,284	—	—	—	—	—	—	—
Conversion of preferred shares to ordinary shares (Note II.30)	199,990,641	20	176,064	—	—	176,084	—	176,084
Share-based compensation	1,913,210	—	10,704	—	—	10,704	—	10,704
Net loss	—	—	—	—	(119,217)	(119,217)	—	(119,217)
Other comprehensive income	—	—	—	863	—	863	—	863
Balance at December 31, 2016	515,833,609	52	591,213	(946)	(237,412)	352,907	—	352,907
Issuance of ordinary shares in secondary follow-on offering, net of transaction costs (Note II.30)	36,851,750	4	188,513	—	—	188,517	—	188,517
Proceeds from sale of ordinary shares, net of cost (Note II.30)	32,746,416	3	149,925	—	—	149,928	—	149,928
Discount on the sale of ordinary shares (Note II.4)	—	—	23,606	—	—	23,606	—	23,606
Contributions from shareholders (Note II.11)	—	—	—	—	—	—	14,527	14,527
Share-based compensation	—	—	42,863	—	—	42,863	—	42,863
Issuance of shares reserved for share options exercise	787,571	—	—	—	—	—	—	—
Exercise of options	5,852,984	—	4,627	—	—	4,627	—	4,627
Other comprehensive income	—	—	—	729	—	729	103	832
Net profit (loss)	—	—	—	—	(96,034)	(96,034)	167	(95,867)
Balance at December 31, 2017	592,072,330	59	1,000,747	(217)	(333,446)	667,143	14,797	681,940

	Attributable to BeiGene, Ltd.							
	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income/(loss)	Accumulated Deficit	Total	Non-Controlling Interests	Total
	Shares	Amount						
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2016	515,833,609	52	591,213	(946)	(237,412)	352,907	—	352,907
Share-based compensation (unaudited)	1,424,189	—	6,055	—	—	6,055	—	6,055
Issuance of shares reserved for share options exercise (unaudited)	1,344,551	—	—	—	—	—	—	—
Net loss (unaudited)	—	—	—	—	(50,623)	(50,623)	—	(50,623)
Other comprehensive income (unaudited)	—	—	—	78	—	78	—	78
Balance at March 31, 2017 (unaudited)	518,602,349	52	597,268	(868)	(288,035)	308,417	—	308,417
Balance at December 31, 2017	592,072,330	59	1,000,747	(217)	(333,446)	667,143	14,797	681,940
Issuance of shares reserved for share options exercise	213,018	—	—	—	—	—	—	—
Exercise of options	3,686,982	1	6,314	—	—	6,315	—	6,315
Third public offering, net of transaction costs (Note II.30)	102,970,400	10	757,576	—	—	757,586	—	757,586
Share-based compensation	—	—	17,396	—	—	17,396	—	17,396
Net loss	—	—	—	—	(104,596)	(104,596)	(520)	(105,116)
Other comprehensive income	—	—	—	537	—	537	64	601
Balance at March 31, 2018	698,942,730	70	1,782,033	320	(438,042)	1,344,381	14,341	1,358,722

COMPANY'S BALANCE SHEETS

	Notes	As of December 31, 2016	As of December 31, 2017	As of March 31, 2018
		US$'000	US$'000	US$'000
Assets				
Current assets:				
Cash and cash equivalents		61,345	30,740	298,327
Short-term investments	6	280,660	439,402	823,678
Accounts receivable		—	1,000	—
Prepaid expenses and other current assets		4,966	23,309	35,724
Total current assets		346,971	494,451	1,157,729
Investments in subsidiaries		9,164	41,985	55,518
Property and equipment, net		—	—	336
Other non-current assets	9	131,211	268,558	294,347
Total non-current assets		140,375	310,543	350,201
Total assets		487,346	804,994	1,507,930
Liabilities and shareholders' equity				
Current liabilities:				
Accounts payable		14,089	33,966	31,726
Accrued expenses and other payables		8,070	42,950	53,100
Total current liabilities		22,159	76,916	84,826
Total liabilities		22,159	76,916	84,826
Shareholders' equity (deficit): Ordinary shares (par value of US$0.0001 per share; 9,500,000,000 shares authorized; shares issued and outstanding as of December 31, 2016 and 2017 and March 31, 2018: 515,833,609 shares, 592,072,330 shares and 698,942,730 shares, respectively)	37	52	59	70
Additional paid-in capital	37	592,164	1,001,698	1,782,984
Accumulated other comprehensive loss	37	(99)	(333)	(151)
Accumulated deficit	37	(126,930)	(273,346)	(359,799)
Total equity		465,187	728,078	1,423,104
Total liabilities and equity		487,346	804,994	1,507,930

II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. ORGANIZATION

BeiGene, Ltd. (the "Company") is a commercial-stage biopharmaceutical company focused on developing and commercializing innovative molecularly targeted and immuno-oncology drugs for the treatment of cancer.

The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on October 28, 2010. The Company completed its initial public offering ("US IPO") on the NASDAQ Global Select Market on February 8, 2016 and has completed subsequent follow-on public offerings and a sale of ordinary shares to Celgene Switzerland LLC ("Celgene Switzerland") in a business development transaction, as described in note 30, Shareholders' Equity. The Company is currently listed on the NASDAQ Global Select Market of the United States.

As at the end of the Relevant Periods, the particulars of the Company's subsidiaries are as follows:

Name of Company	Notes	Place of Incorporation	Date of Incorporation	Percentage of Ownership by the Company	Principal Activities
BeiGene (Hong Kong) Co., Limited	(a)	Hong Kong	November 22, 2010	100%	Investment holding
BeiGene (Beijing) Co., Ltd. ("BeiGene Beijing")	(b)	The People's Republic of China ("PRC" or "China")	January 24, 2011	100%	Medical and pharmaceutical research
BeiGene AUS PTY LTD.	(c)	Australia	July 15, 2013	100%	Clinical trial activities
BeiGene 101	(c)	Cayman Islands	August 30, 2012	100%	Medical and pharmaceutical research
BeiGene (Suzhou) Co., Ltd. ("BeiGene (Suzhou)")	(d)	PRC	April 9, 2015	100%	Medical and pharmaceutical research and manufacturing
BeiGene USA, Inc. ("BeiGene (USA)")	(c)	United States	July 8, 2015	100%	Clinical trial activities
BeiGene Biologics Co., Ltd. ("BeiGene Biologics")	(e)	PRC	January 25, 2017	95%	Biologics manufacturing
BeiGene (Shanghai) Co., Ltd. ("BeiGene (Shanghai)")*	(f)	PRC	September 11, 2015	95%	Medical and pharmaceutical research
BeiGene Guangzhou Biologics Manufacturing Co., Ltd. ("BeiGene Guangzhou Factory")*	(g)	PRC	March 3, 2017	95%	Biologics manufacturing
BeiGene (Guangzhou) Co., Ltd. ("BeiGene Guangzhou")	(c)	PRC	July 11, 2017	100%	Medical and pharmaceutical research

Name of Company	Notes	Place of Incorporation	Date of Incorporation	Percentage of Ownership by the Company	Principal Activities
BeiGene Pharmaceutical (Shanghai) Co., Ltd. ("BeiGene Pharmaceutical (Shanghai)")	(h)	PRC	December 15, 2009	100%	Medical and pharmaceutical consulting, marketing and promotional services
BeiGene Switzerland GmbH ("BeiGene Switzerland")	(c)	Switzerland	September 1, 2017	100%	Research, development, manufacturing, and commercial activities
BeiGene Ireland Limited	(c)	Republic of Ireland	August 11, 2017	100%	Clinical trial activities

* Wholly-owned by BeiGene Biologics

Notes:

(a) The statutory financial statements of BeiGene (Hong Kong) Co., Limited for the year ended December 31, 2016 prepared under Hong Kong Financial Reporting Standards ("HKFRSs") were audited by Peter Lam & Co., certified public accountants registered in Hong Kong, and the audited statutory financial statements for the year ended December, 31 2017 prepared under HKFRSs were audited by Ernst & Young, certified public accountants registered in Hong Kong.

(b) The statutory financial statements of BeiGene (Beijing) Co., Ltd. for the year ended December 31, 2016 and 2017 prepared under PRC Generally Accepted Accounting Principles ("PRC GAAP") were audited by 北京中誠恒平會計師事務所有限公司, certified public accountants registered in the PRC.

(c) No audited financial statements have been prepared for these entities for the years ended December 31, 2016 and 2017.

(d) The statutory financial statements of BeiGene (Suzhou) for the year ended December 31, 2016 and 2017 prepared under PRC GAAP were audited by Zhonghui Certified Public Accountants LLP, certified public accountants registered in the PRC.

(e) The statutory financial statements of BeiGene Biologics for the year ended December 31, 2017 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, certified public accountants registered in the PRC.

(f) No audited financial statements of BeiGene (Shanghai) have been prepared under PRC GAAP for the year ended December 31, 2016, and the statutory financial statements for the year ended December 31, 2017 prepared under PRC GAAP were audited by Zhonghui Certified Public Accountants LLP, certified public accountants registered in the PRC.

(g) The statutory financial statements of BeiGene Guangzhou Factory for the year ended December 31, 2017 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, certified public accountants registered in the PRC.

(h) The statutory financial statements of BeiGene Pharmaceutical (Shanghai) for the year ended December 31, 2016 prepared under PRC GAAP were audited by KPMG Huazhen LLP Shanghai Branch, certified public accountants registered in PRC, and the statutory financial statements for the year ended December 31, 2017 prepared under PRC GAAP were audited by Ernst & Young Hua Ming LLP, certified public accountants registered in the PRC.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation and preparation

For the purpose of this report, the Historical Financial Information has been prepared in accordance with US GAAP issued by the Financial Accounting Standards Board ("FASB") and accounting principles generally accepted in the United States. All US GAAP effective for the accounting period commencing from January 1, 2018, together with the relevant transitional provisions, have been early adopted by the Group, to the extent permitted, in preparation of the Historical Financial Information throughout the Relevant Periods. The Historical Financial Information includes the financial statements of the Company and its subsidiaries.

The Historical Financial Information has been prepared under the historical cost convention except for the Group's financial instruments, primarily short-term investments, which were stated at fair value.

Principle of consolidation

All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Non-controlling interests are recognized to reflect the portion of the equity of subsidiaries which are not attributable, directly or indirectly, to the controlling shareholders. The Company consolidates its interests in its joint venture, BeiGene Biologics, under the voting model and recognizes the minority shareholder's equity interest as a non-controlling interest in its consolidated financial statements (as described in Note II.11).

Use of estimates

The preparation of the consolidated financial statements in conformity with US 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 and the reported amounts of revenues and expenses during the period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, estimating sales rebates and returns allowance to arrive at net product revenues, identifying separate accounting units and the best estimate of the selling price of each deliverable in the Company's revenue arrangements, estimating the fair value of net assets acquired in business combinations, assessing the impairment of long-lived assets, share-based compensation expenses, inventories, realizability of deferred tax assets and the fair value of financial instruments. Management bases the estimates on historical experience, known trends and various other assumptions that are believed to be reasonable, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results could differ from these estimates.

Functional currency and foreign currency translation

Functional currency

The determination of the respective functional currency is based on the criteria of Accounting Standard Codification ("ASC") 830, Foreign Currency Matters. The functional currency of the Company, BeiGene AUS PTY LTD., BeiGene Switzerland, BeiGene Ireland Limited, BeiGene (Hong Kong) Co., Limited, BeiGene 101, and BeiGene (USA) is the United States dollar ("$" or "U.S. dollar"). The Company's PRC subsidiaries determined their functional currencies to be Renminbi ("RMB"). The Company uses the U.S. dollar as its reporting currency.

Foreign currency translation

For subsidiaries whose functional currencies are not the U.S. dollar, the Company uses the average exchange rate for the year and the exchange rate at the balance sheet date, to translate the operating results and financial position to U.S. dollar, the reporting currency, respectively. Translation differences are recorded in accumulated other comprehensive income/(loss), a component of shareholders' equity/deficit. Transactions denominated in currencies other than the functional currency are translated into the functional currency at the exchange rates prevailing on the transaction dates. Foreign currency denominated financial assets and liabilities are remeasured at the exchange rates prevailing at the balance sheet date. Exchange gains and losses are included in the consolidated statements of operations.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. The Group considers all highly liquid investments with an original maturity date of three months or less at the date of purchase to be cash equivalents. Cash equivalents which consist primarily of money market funds are stated at fair value.

Accounts receivable

Trade accounts receivable are recorded at their invoiced amounts, net of allowances for doubtful accounts. An allowance for doubtful accounts is recorded when the collection of the full amount is no longer probable. In evaluating the collectability of receivable balances, the Group considers specific evidence including aging of the receivable, the customer's payment history, its current creditworthiness and current economic trends. Accounts receivable are written off after all collection efforts have ceased. The Group regularly reviews the adequacy and appropriateness of any allowance for doubtful accounts. No allowance for doubtful accounts was recorded as of March 31, 2018.

Inventories

Inventories are stated at the lower of cost and net realizable value, with cost determined on a weighted average basis. The Group periodically analyzes its inventory levels, and writes down any inventory that has become obsolete, inventory that has a cost basis in excess of its estimated realizable value and inventory in excess of expected sales requirements as cost of product sales. The determination of whether inventory costs will be realizable requires estimates by management. If actual market conditions are less favorable than projected by management, additional write-downs of inventories may be required, which would be recorded in the consolidated statements of operations. There have been no write-downs or reserves against inventories to date.

Short-term investments

Short-term debt investments held to maturity are carried at amortized cost when the Group has the ability and positive intent to hold these securities until maturity. When the Group does not have the ability or positive intent to hold short-term debt investments until maturity, these securities are classified as available-for-sale. None of the Group's fixed maturity securities met the criteria for held-to-maturity classification at December 31, 2016 and 2017 and March 31, 2018.

Available-for-sale securities are stated at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income/loss. The net carrying value of debt securities classified as available-for-sale is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization is computed using the effective interest method and included in interest income. Interest and dividends are included in interest income.

When the fair value of a debt security classified as available-for-sale is less than its amortized cost, the Group assesses whether or not: (i) it has the intent to sell the security or (ii) it is more likely than not that the Group will be required to sell the security before its anticipated recovery. If either of these conditions is met, the Group must recognize an other-than-temporary impairment through earnings for the difference between the debt security's amortized cost basis and its fair value. No impairment losses were recorded for any periods presented.

The cost of securities sold is based on the specific identification method.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets as follows:

	Useful Life
Office Equipment	5 years
Electronic Equipment	3 years
Manufacturing equipment	3 to 10 years
Laboratory Equipment	3 to 5 years
Computer Software	3 to 5 years
Leasehold Improvements	Lesser of useful life or lease term

Land use right, net

The land use right represents lease prepayments to the local Bureau of Land and Resources in Guangzhou. The land use right is carried at cost less accumulated amortization. The cost of the land use right is amortized on a straight-line basis over the shorter of the estimated usage periods or the terms of the land use right, which is currently 50 years.

Business combination

The Company accounts for its business combinations using the acquisition method of accounting in accordance with ASC topic 805 ("ASC 805"): Business Combinations. The acquisition method of accounting requires all of the following steps: (i) identifying the acquirer, (ii) determining the acquisition date, (iii) recognizing and measuring the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree and (iv) recognizing and measuring goodwill or a gain from a bargain purchase. The consideration transferred in a business combination is measured as the aggregate of the fair values at the date of exchange of the assets given, liabilities incurred, and equity instruments issued as well as the contingent considerations and all contractual contingencies as of the acquisition date. The costs directly attributable to the acquisition are expensed as incurred. Identifiable assets, liabilities and contingent liabilities acquired or assumed are measured separately at their fair value as of the acquisition date, irrespective of the extent of any non-controlling interests. The excess of (i) acquisition consideration, fair value of the non-controlling interests and acquisition date fair value of any previously held equity interest in the acquiree over (ii) the fair value of the identifiable net assets of the acquiree, is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognized directly in the consolidated statements of operations as a gain.

The Company allocates the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets may include, but are not limited to, future expected cash flows from acquired assets, timing and probability of success of clinical events and regulatory approvals, and assumptions on useful lives and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. Additional information, such as that related to income tax and other contingencies, existing as of the acquisition date but unknown to the Group may become known during the remainder of the measurement period, not to exceed one year from the acquisition date, which may result in changes to the amounts and allocations recorded.

Goodwill and other intangible assets

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognized. The Group allocates the cost of an acquired entity to the assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. The excess of the purchase price for acquisitions over the fair value of the net assets acquired, including other intangible assets, is recorded as goodwill. Goodwill is not amortized, but is tested for impairment at least annually or more frequently if events or changes in circumstances would indicate a potential impairment.

The Group have elected to first assess qualitative factors to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount, including goodwill. The qualitative assessment includes the evaluation of relevant events and circumstances affecting the single reporting unit, including macroeconomic, industry, and market conditions, the overall financial performance, and trends in the market price of the common stock. If qualitative factors indicate that it is more likely than not that the reporting unit's fair value is less than its carrying amount, then the Group will perform the quantitative impairment test by comparing the reporting unit's carrying amount, including goodwill, to its fair value. If the carrying amount of the reporting unit exceeds its fair value, an impairment loss will be recognized in an amount equal to that excess. For the year ended December 31, 2017 and the three months ended March 31, 2018, the Group determined that there were no material impairment of the goodwill.

Intangible assets acquired through business acquisitions are recognized as assets separate from goodwill and are measured at fair value upon acquisition. Acquired identifiable intangible assets consist of the distribution rights with respect to approved cancer therapies licensed from Celgene, ABRAXANE®, REVLIMID®, and VIDAZA®, and its investigational agent CC-122 and are amortized on a straight-line basis over the estimated useful lives of the assets, which are 10 years.

The Group's intangible assets represent product distribution rights acquired from Celgene. Such intangible assets are amortised over a period of 10 years, which is estimated based on the contractual

life of the distribution right. Actual useful lives may differ from the Group's estimate and additional amortisation may be recognized if the Group's estimate of the sale period is shorter than the contractual life. The Group reviews the useful lives of intangible assets periodically, as part of its impairment assessment.

Intangible assets with finite useful lives are tested for impairment when events or circumstances occur that could indicate that the carrying amount of an asset may not be recoverable. When these events occur, the Group evaluates the recoverability of the intangible assets by comparing the carrying amount of the assets to the future undiscounted cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flows is less than the carrying amount of the assets, the Group recognizes an impairment loss based on the excess of the carrying amount of the assets over their fair value. Fair value is generally determined by discounting the cash flows expected to be generated by the assets, when the market prices are not readily available. For the year ended December 31, 2017 and the three months ended March 31, 2018, the Group determined that there were no indicators of impairment of the other intangible assets.

Impairment of long-lived assets

Long-lived assets are reviewed for impairment in accordance with authoritative guidance for impairment or disposal of long-lived assets. Long-lived assets are reviewed for events or changes in circumstances, which indicate that their carrying value may not be recoverable. Long-lived assets are reported at the lower of carrying amount or fair value less cost to sell. For the years ended December 31, 2016 and 2017 and the three months ended March 31, 2018, there was no impairment of the value of the Group's long-lived assets.

Fair value measurements

Fair value of financial instruments

Financial instruments of the Group primarily include cash and cash equivalents, restricted cash, short-term investments, accounts receivable, unbilled receivable, long-term bank loan, Shareholder Loan (as defined in note II.11) and accounts payable. As of December 31, 2016 and 2017 and March 31, 2018, the carrying values of cash and cash equivalents, accounts receivable and accounts payable approximated their fair values due to the short-term maturity of these instruments. The short-term investments represented the available-for-sale debt securities and time deposits. The available-for-sale debt securities are recorded at fair value based on quoted prices in active markets with unrealized gain or loss recorded in other comprehensive income or loss. The long-term bank loan and Shareholder Loan approximate their fair value due to the fact that the related interest rates approximate the rates currently offered by financial institutions for similar debt instrument of comparable maturities. The warrants issued prior to the US IPO relating to the convertible promissory notes and the option to purchase shares by rental deferral were exercised in 2016. The Company determined the exercise date fair value of the warrants and option using the intrinsic value, which equals to the difference between the share price at the US IPO closing date and the exercise price, as the exercise dates were immediately prior to or very close to the US IPO closing date.

The Group applies ASC topic 820 ("ASC 820"), Fair Value Measurements and Disclosures, in measuring fair value. ASC 820 defines fair value, establishes a framework for measuring fair value and requires disclosures to be provided on fair value measurement. ASC 820 establishes a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2—Include other inputs that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity.

ASC 820 describes three main approaches to measuring the fair value of assets and liabilities: (1) market approach; (2) income approach and (3) cost approach. The market approach uses prices and other relevant information generated from market transactions involving identical or comparable assets or liabilities. The income approach uses valuation techniques to convert future amounts to a single present value amount. The measurement is based on the value indicated by current market expectations about those future amounts. The cost approach is based on the amount that would currently be required to replace an asset.

Financial instruments measured at fair value on a recurring basis

The following tables set forth assets and liabilities of the Group measured at fair value on a recurring basis as of December 31, 2016 and 2017 and March 31, 2018:

As of December 31, 2016	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$'000	US$'000	US$'000
Short-term investment (note II.6):			
U.S. treasury securities	280,660	—	—
Cash equivalents			
Money market funds	44,052	—	—
Total	324,712	—	—

As of December 31, 2017	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$'000	US$'000	US$'000
Short-term investment (note II.6):			
U.S. treasury securities	561,327	—	—
U.S. agency securities	17,663	—	—
Time deposits	18,924	—	—
Cash equivalents			
Money market funds	44,730	—	—
Total	642,644	—	—

As of March 31, 2018	Quoted Price in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	US$'000	US$'000	US$'000
Short-term investment (note II.6):			
U.S. treasury securities	963,381	—	—
Time deposits	10,000	—	—
Cash equivalents			
U.S. treasury securities	154,918		
Money market funds	74,583	—	—
Total	1,202,882	—	—

Revenue recognition

Product revenue

Revenues from product sales are recognized when persuasive evidence of an arrangement exists, delivery has occurred and title of the product and associated risk of loss has transferred to the customer, the price is fixed or determinable, collection from the customer has been reasonably assured, and returns and allowances can be reasonably estimated. Product sales are typically recognized at a point in time upon the delivery and transfer of the title of the product and associated risk of loss to the customer. Product sales are recorded net of estimated rebates, estimated product returns and other deductions. Provisions for estimated reductions to revenue are provided for in the same period the related sales are recorded and are based on the sales terms, historical experience and trend analysis.

Rebates are offered to distributors, consistent with pharmaceutical industry practices. The Group records a provision for rebates at the time of sale based on contracted rates and historical redemption rates. Assumptions used to establish the provision include the level of distributor inventories, sales volumes and contract pricing and estimated acceptance of government pricing or reimbursement

amounts (such as provincial acceptance of the National Reimbursement Drug List pricing in the PRC). The Group regularly reviews the information related to these estimates and adjust the provision accordingly.

The Group bases its sales returns allowance on estimated distributor inventories, customer demand as reported by third-party sources, and actual returns history, as well as other factors, as appropriate. If the historical data the Group used to calculate these estimates do not properly reflect future returns, then a change in the allowance would be made in the period in which such a determination is made and revenues in that period could be materially affected. Any changes from the historical trend rates are considered in determining the current sales return allowance. To date, sales returns have not been significant.

Collaboration revenue

For the purpose of preparing the Historical Financial Information for accounting periods beginning after December 15, 2016, the Group early adopted ASC 606, Revenue from Contracts with Customers, which allows early adoption for accounting periods beginning after December 15, 2016. ASC606 requires the Group to perform the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The Group only applies the five-step model to contracts when it is probable that the Group will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer.

Once the contract is determined to be within the scope of ASC 606 at inception, the Group assesses the goods or services promised within each contract and determines those that are separate and distinct, and therefore represent a separate performance obligation. The Group allocates the non-contingent arrangement consideration to each identified performance obligation based on the relative standalone selling price of each performance obligation, then recognizes as revenue the amount of the arrangement consideration allocated to the respective performance obligation when (or as) the performance obligation is satisfied, either at a point in time or over time depending on how the respective performance obligation is satisfied. Typically, the Group's collaboration agreements consist of two performance obligations, which are license and the research and development services. The upfront fee allocated to the license is recognized at a point in time, upon the transfer of license, and the upfront fee allocated to the research and development services is deferred and recognized as revenue over time, as the related services are performed. Research and development service reimbursement revenue for the clinical trials that Celgene opts into under the collaboration arrangement with Celgene are recognized over time, as the related research and development services are performed.

The Group's collaboration agreements entitle the Group to additional payments upon the achievement of certain milestones, including development milestones based on the advancement of clinical trials; regulatory milestones based on approval from relevant regulatory agencies, and sales-based milestones based on meeting specific thresholds of sales in certain geographic areas. The Group evaluates whether it is probable that the consideration associated with each milestone will not be subject to a significant reversal in the cumulative amount of revenue recognized. Amounts that

meet this threshold are included in the transaction price using the most likely amount method, which is the single most likely outcome of the contract (the Group either achieves a milestone or does not), whereas amounts that do not meet this threshold are considered constrained and excluded from the transaction price until they meet this threshold. The Group re-evaluates the probability of a significant reversal of the cumulative revenue recognized for the Group's milestones at each reporting period, and, if necessary, adjusts the Group's estimate of the overall arrangement consideration. Any such adjustments are recorded on a cumulative catch-up basis, which would affect revenues from collaborators and profit/loss in the period of adjustment.

In determining the appropriate amount of revenue to be recognized as the Group fulfills its obligations under its collaboration agreements, the Group uses judgement to determine : (a) whether the promised goods and services are performance obligations including whether they are distinct in the context of the contracts; (b) the measurement of the transaction price, including the constraint on variable consideration; (c) the estimate of the best selling price of each performance obligation; and (d) the recognition of revenue when (or as) the Group satisfies each performance obligation.

For the purpose of preparing the Historical Financial Information for the accounting periods beginning prior to December 15, 2016, the Group recognizes revenues from research and development collaborative arrangements when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the fee is fixed or determinable, and there is reasonable assurance that the related amounts are collectible in accordance with ASC 605, Revenue Recognition ("ASC 605"). The Group's collaborative arrangements may contain multiple elements, including grants of licenses to intellectual property rights, agreement to provide research and development services and other deliverables. The deliverables under such arrangements are evaluated under ASC 605-25, Multiple-Element Arrangements. Pursuant to ASC 605-25, each required deliverable is evaluated to determine whether it qualifies as a separate unit of accounting based on whether the deliverable has "stand-alone value" to the customer. The collaborative arrangements do not include a right of return for any deliverable. The arrangement's consideration that is fixed or determinable, excluding contingent payments, is then allocated to each separate unit of accounting based on the relative selling price of each deliverable. The relative selling price for each deliverable is determined using vendor specific objective evidence ("VSOE") of selling price or third-party evidence ("TPE") of selling price if VSOE does not exist. If neither VSOE nor TPE exists, the Group uses the best estimate of the selling price ("BESP") for the deliverable. In general, the consideration allocated to each unit of accounting is recognized as the related goods or services are delivered, limited to the consideration that is not contingent upon future deliverables. Non-refundable payments received before all of the relevant criteria for revenue recognition are satisfied are recorded as advances from customers.

Upfront non-refundable payments for licensing the Group's intellectual property are evaluated to determine if the licensee can obtain stand-alone value from the license separate from the value of the research and development services and other deliverables in the arrangement to be provided by the Group. The Group acts as the principal under its arrangements and licensing intellectual property is part of its ongoing major or central operations. The license right is not contingent upon the delivery of additional items or meeting other specified performance conditions. Therefore, when stand-alone value of the license is determinable, the allocated consideration is recognized as collaboration revenue upon delivery of the license rights.

The Group acts as the principal under its collaboration arrangements, and research and development services are also part of its ongoing major or central operations. The Group recognizes the deferred consideration allocated to research and development services as collaboration revenue when delivery or performance of such services occurs.

Product development, royalties and commercial event payments (collectively, "target payments") under collaborative arrangements are triggered either by the results of the Group's research and development efforts, achievement of regulatory goals or by specified sales results by a third-party collaborator. Under ASC 605-28, Milestone Method of Revenue Recognition, an accounting policy election can be made to recognize a payment that is contingent upon the achievement of a substantive milestone in its entirety in the period in which the milestone is achieved. The Group elected not to adopt the milestone method of revenue recognition under ASC 605-28.

Targets related to the Group's development-based activities may include initiation of various phases of clinical trials and applications and acceptance for product approvals by regulatory agencies. Due to the uncertainty involved in meeting these development-based targets, the Group would account for development-based targets as collaboration revenue upon achievement of the respective development target. Royalties based on reported sales of licensed products will be recognized as collaboration revenue based on contract terms when reported sales are reliably measurable and collectability is reasonably assured. Targets related to commercial activities may be triggered upon events such as first commercial sale of a product or when sales first achieve a defined level. Since these targets would be achieved after the completion of the Group's development activities, the Group would account for the commercial event targets in the same manner as royalties, with collaboration revenue recognized upon achievement of the target.

Research and development expenses

Research and development expenses represent costs associated with the collaborative arrangements, which primarily include (i) payroll and related costs (including share-based compensation) associated with research and development personnel, (ii) costs related to clinical trials and preclinical testing of the Group's technologies under development, (iii) costs to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility related expenses, (iv) expenses for research services provided by universities and contract laboratories, including sponsored research funding, and (v) other research and development expenses. Research and development expenses are charged to expense as incurred when these expenditures relate to the Group's research and development services and have no alternative future uses.

Clinical trial costs are a significant component of the Group's research and development expenses. The Group has a history of contracting with third parties that perform various clinical trial activities on behalf of the Group in the ongoing development of the Group's product candidates. Expenses related to clinical trials are accrued based on the Group's estimates of the actual services performed by the third parties for the respective period. If the contracted amounts are modified (for instance, as a result of changes in the clinical trial protocol or scope of work to be performed), the Group will modify the related accruals accordingly on a prospective basis. Revisions in the scope of

a contract are charged to expense in the period in which the facts that give rise to the revision become reasonably certain. There were no material adjustments for a change in estimate to research and development expenses in the consolidated financial statements for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018.

Government grants

Government financial incentives that involve no conditions or continuing performance obligations of the Group are recognized as other non-operating income upon receipt. In the event that government grants or incentives involve continuing performance obligations, the Group will capitalize the payment as a liability and defer the related income over the performance period. Government grants relating to assets are recognized in the consolidated balance sheets upon receipt and amortized as other income over the weighted average useful lives of the related assets.

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. The Group assesses a lease to be a capital lease if any of the following conditions exist: (a) ownership is transferred to the lessee by the end of the lease term, (b) there is a bargain purchase option, (c) the lease term is at least 75% of the property's estimated remaining economic life or (d) the present value of the minimum lease payments at the beginning of the lease term is 90% or more of the fair value of the leased property to the lessor at the inception date. A capital lease is accounted for as if there was an acquisition of an asset and an incurrence of an obligation at the inception of the lease. The Group had no capital leases for the years presented.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective lease terms. The Group leases office space, employee accommodation and manufactory space under operating lease agreements. Certain of the lease agreements contain rent holidays. Rent holidays are considered in determining the straight-line rent expense to be recorded over the lease term. The lease term begins on the date of initial possession of the lease property for the purposes of recognizing lease expense on straight-line basis over the term of the lease.

Comprehensive loss

Comprehensive loss is defined as the changes in equity of the Group during a period from transactions and other events and circumstances excluding transactions resulting from investments by owners and distributions to owners. Among other disclosures, ASC 220, Comprehensive Income, requires that all items that are required to be recognized under current accounting standards as components of comprehensive loss be reported in a financial statement that is displayed with the same prominence as other financial statements. For each of the periods presented, the Group's comprehensive loss includes net loss, foreign currency translation adjustments and unrealized holding losses associated with the available-for-sale securities, and is presented in the consolidated statements of comprehensive loss.

Share-based compensation

Awards granted to employees

The Group applies ASC 718, Compensation—Stock Compensation ("ASC 718"), to account for its employee share-based payments. In accordance with ASC 718, the Group determines whether an award should be classified and accounted for as a liability award or equity award. All the Group's grants of share-based awards to employees were classified as equity awards and are recognized in the financial statements based on their grant date fair values. Specifically, the grant date fair value of share options is calculated using an option pricing model. The fair value of restricted shares and restricted share units are based on the closing market price of the common stock on the Nasdaq Global Select Market on the date of grant. The Group has elected to recognize compensation expense using the straight-line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date. The Group uses the accelerated method for all awards granted with graded vesting based on performance conditions. To the extent that the required vesting conditions are not met resulting in the forfeiture of the share-based awards, previously recognized compensation expense relating to those awards are reversed. ASC 718 requires forfeitures to be estimated at the time of grant and revised, if necessary, in the subsequent period if actual forfeitures differ from initial estimates.

Forfeiture rates are estimated based on historical and future expectations of employee turnover rates and are adjusted to reflect future changes in circumstances and facts, if any. Share-based compensation expense is recorded net of estimated forfeitures such that expense is recorded only for those share-based awards that are expected to vest. To the extent that the Group revises these estimates in the future, the share-based payments could be materially impacted in the period of revision, as well as in following periods. The Group, with the assistance of an independent third-party valuation firm, determined the estimated fair value of the stock options granted to employees using the binomial option pricing model.

Awards granted to non-employees

The Group has accounted for equity instruments issued to non-employees in accordance with the provisions of ASC 718 and ASC 505, Equity. All transactions in which goods or services are received in exchange for equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date of the fair value of the equity instrument issued is the date on which the counterparty's performance is completed as there is no associated performance commitment. The expense is recognized in the same manner as if the Group had paid cash for the services provided by the non-employees in accordance with ASC 505-50, Equity-based Payments to Non-employees. The Group estimates the fair value of share options granted to non-employees using the same method as employees.

Modification of awards

A change in any of the terms or conditions of the awards is accounted for as a modification of the award. Incremental compensation cost is measured as the excess, if any, of the fair value of the modified award over the fair value of the original award immediately before its terms are modified, measured based on the fair value of the awards and other pertinent factors at the modification date. For vested awards, the Group recognizes incremental compensation cost in the period the modification occurs. For unvested awards, the Group recognizes over the remaining requisite service period, the sum of the incremental compensation cost and the remaining unrecognized compensation cost for the original award on the modification date. If the fair value of the modified award is lower than the fair value of the original award immediately before modification, the minimum compensation cost the Group recognizes is the cost of the original award.

Income taxes

The Group uses the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and the tax bases of assets and liabilities and are measured using enacted tax rates that will be in effect when the differences are expected to reverse. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized.

In accordance with Accounting Standards Update ("ASU") 2015-17, all deferred income tax assets and liabilities are classified as non-current on the consolidated balance sheets.

The Group evaluates its uncertain tax positions using the provisions of ASC 740, Income Taxes, which prescribes a recognition threshold that a tax position is required to meet before being recognized in the financial statements. The Group recognizes in the financial statements the benefit of a tax position which is "more likely than not" to be sustained under examination based solely on the technical merits of the position assuming a review by tax authorities having all relevant information. Tax positions that meet the recognition threshold are measured using a cumulative probability approach, at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. It is the Group's policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The Group early adopted ASU 2016-16 in preparing the Historical Financial Information. ASU No. 2016-16 is effective for annual periods and interim periods within annual periods beginning after December 15, 2017 for public business entities.

Loss per share

Loss per share is calculated in accordance with ASC 260, Earnings per Share. Basic loss per ordinary share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period using the two-class method. Under

the two-class method, net income is allocated between ordinary shares and participating securities based on dividends declared (or accumulated) and participating rights in undistributed earnings as if all the earnings for the reporting period had been distributed. The Company's convertible preferred shares and restricted shares are participating securities because they have contractual rights to share in the profits of the Company.

However, both the convertible preferred shares and restricted shares do not have contractual rights and obligations to share in the losses of the Company. For the periods presented herein, the computation of basic loss per share using the two-class method is not applicable as the Group is in a net loss position.

Diluted loss per share is calculated by dividing net loss attributable to ordinary shareholders as adjusted for the effect of dilutive ordinary equivalent shares, if any, by the weighted average number of ordinary and dilutive ordinary equivalent shares outstanding during the period. Ordinary equivalent shares consist of the ordinary shares issuable upon the conversion of the Company's convertible preferred shares using the if-converted method, and ordinary shares issuable upon the conversion of the share options and unvested restricted shares, using the treasury stock method. Ordinary share equivalents are excluded from the computation of diluted loss per share if their effects would be anti-dilutive. Basic and diluted loss per ordinary share is presented in the Group's consolidated statements of operations.

Segment information

In accordance with ASC 280, Segment Reporting, the Group's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting.

Concentration of risks

Concentration of credit risk

Financial instruments that are potentially subject to credit risk consist of cash and cash equivalents and short-term investments. The carrying amounts of cash and cash equivalents and short-term investments represent the maximum amount of loss due to credit risk. As of December 31, 2016, December 31, 2017 and March 31, 2018, cash and cash equivalents of US$87,514,000, US$239,602,000 and US$490,634,000 were deposited with various major reputable financial institutions located in the PRC and international financial institutions outside of the PRC. The deposits placed with financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, the Group may be unlikely to claim its deposits back in full. Management believes that these financial institutions are of high credit quality and continually monitors the credit worthiness of these financial institutions. As of December 31, 2016 and 2017 and March 31, 2018, the Group had short-term investments amounting to US$280,660,000, US$597,914,000 and US$973,381,000, respectively.

During the Relevant Periods, the Group's short-term investments were comprised primarily of U.S. treasury securities, U.S. agency securities and time deposits. The Group believes that U.S. treasury securities, U.S. agency securities and time deposits are of high credit quality and continually monitors the credit worthiness of these institutions.

Customer concentration risk

For the year ended December 31, 2016, substantially all of the Group's revenue was generated solely from one customer, Merck KGaA, Darmstadt Germany. For the year ended December 31, 2017 and the three months ended March 31, 2018, substantially all of the Group's revenue was generated from Celgene and the product distributor in China.

Business, customer, political, social and economic risks

The Group participates in a dynamic biopharmaceuticals industry and believes that changes in any of the following areas could have a material adverse effect on the Group's future financial position, results of operations or cash flows: changes in the overall demand for services and products; competitive pressures due to new entrants; advances and new trends in new drugs and industry standards; changes in clinical research organizations; changes in certain strategic relationships or customer relationships; regulatory considerations; intellectual property considerations; and risks associated with the Group's ability to attract and retain employees necessary to support its growth. The Group's operations could be also adversely affected by significant political, economic and social uncertainties in the PRC.

Currency convertibility risk

A significant portion of the Group's expenses, assets and liabilities are denominated in RMB. On January 1, 1994, the PRC government abolished the dual rate system and introduced a single rate of exchange as quoted daily by the People's Bank of China (the "PBOC"). However, the unification of the exchange rates does not imply that the RMB may be readily convertible into U.S. dollar or other foreign currencies. All foreign exchange transactions continue to take place either through the PBOC or other banks authorized to buy and sell foreign currencies at the exchange rates quoted by the PBOC. Approvals of foreign currency payments by the PBOC or other institutions require submitting a payment application form together with suppliers' invoices, shipping documents and signed contracts.

Additionally, the value of the RMB is subject to changes in central government policies and international economic and political developments affecting supply and demand in the PRC foreign exchange trading system market.

Foreign currency exchange rate risk

From July 21, 2005, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. For RMB against U.S. dollar, there was depreciation of

approximately 6.3%, appreciation of approximately 6.5% and appreciation of approximately 3.6%, in the years ended December 31, 2016 and 2017 and the three months ended March 31, 2018 respectively. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the RMB and the U.S. dollar in the future.

To the extent that the Group needs to convert U.S. dollar into RMB for capital expenditures and working capital and other business purposes, appreciation of the RMB against the U.S. dollar would have an adverse effect on the RMB amount the Group would receive from the conversion. Conversely, if the Group decides to convert RMB into U.S. dollar for the purpose of making payments for dividends on ordinary shares, strategic acquisitions or investments or other business purposes, appreciation of the U.S. dollar against the RMB would have a negative effect on the U.S. dollar amount available to the Group. In addition, a significant depreciation of the RMB against the U.S. dollar may significantly reduce the U.S. dollar equivalent of the Group's earnings or losses.

Recent accounting pronouncements

For the purpose of this report, the Group has early adopted the following accounting pronouncements in preparing the Historical Financial Information:

In March 2016, the FASB issued ASU No. 2016-09, Improvements to Employee Share-Based Payment Accounting. Key provisions of the new standard include requiring excess tax benefits and shortfalls to be recorded as income tax benefit or expense in the income statement, rather than in equity, and permitting an election to record the impact of pre-vesting forfeitures as they occur. The Group assessed and determined that the impact from early adoption was not material. Furthermore, the Group did not change its method for estimating and applying forfeiture rates for its share-based awards. For public business entities, the amendments in this update are effective for annual periods beginning after December 15, 2016, and interim periods within those annual periods, and early adoption is permitted. The Group early adopted the updated guidance.

In January 2017, the FASB issued ASU No. 2017-01, Business Combinations: Clarifying the Definition of a Business. The new standard requires an entity to evaluate if substantially all the fair value of the gross assets acquired is concentrated in a single identifiable asset or a group of similar identifiable assets. If so, the asset would not be considered a business. The new standard also requires a business to include at least one substantive process and narrows the definition of outputs. The new standard is effective for interim and annual periods beginning on January 1, 2018, and may be adopted earlier. The Group early adopted the updated guidance. The standard is applied prospectively to any transaction occurring on or after the adoption date. The Group evaluated the acquisition of 100% of the equity interests of Celgene Pharmaceutical (Shanghai) Co., Ltd. ("Celgene Shanghai") under the new guidance, and determined that the transaction represents a business combination, as disclosed further in note II.4.

In January 2017, the FASB issued ASU No. 2017-04, Intangibles — Goodwill and Other: Simplifying the Test for Goodwill Impairment. This ASU simplifies the test for goodwill impairment by removing Step 2 from the goodwill impairment test. Companies will now perform the goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, recognizing an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair

value not to exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendments in this update are effective for goodwill impairment tests in fiscal years beginning after December 15, 2019, with early adoption permitted for goodwill impairment tests performed after January 1, 2017. The Group elected to early adopt this ASU since January 1, 2017, and there was no material impact on the Group's consolidated financial statements.

In May 2017, the FASB issued ASU No. 2017-09, Compensation — Stock Compensation: Scope of Modification Accounting. This standard provides clarity and reduces both (1) diversity in practice and (2) cost and complexity when applying the guidance in Topic 718, Compensation-Stock Compensation, to a change to the terms or conditions of a share-based payment award. The updated guidance is effective for interim and annual periods beginning after December 15, 2017, and early adoption is permitted. The Group early adopted the updated guidance.

In October 2016, the FASB issued ASU No. 2016-16, Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory, which requires the recognition of the income tax consequences of an intra-entity transfer of an asset, other than inventory, when the transfer occurs. The Group early adopted ASU 2016-16 in preparing the Historical Financial Information. For public business entities, the amendments in this update are effective for annual reporting periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods, and early adoption is permitted. The Group early adopted the updated guidance.

In May 2014, the Financial Accounting Standards Board ("FASB") issued ASU No. 2014-09, Revenue from Contracts with Customers (Topic 606), or ASU 2014-09. Subsequently, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606), which adjusted the effective date of ASU 2014-09; ASU No. 2016-08, Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net), which amends the principal-versus-agent implementation guidance and illustrations in ASU 2014-09; ASU No. 2016-10, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing, which clarifies identifying performance obligations and licensing implementation guidance and illustrations in ASU 2014-09; ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients, which addresses implementation issues and is intended to reduce the cost and complexity of applying the new revenue standard in ASU 2014-09; ASU No. 2017-13, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs Pursuant to the Staff Announcement at the July 20, 2017 EITF Meeting and Rescission of Prior SEC Staff Announcements and Observer Comments (SEC Update), which codifies recent announcements by the Securities and Exchange Commission, or SEC, staff; and ASU No. 2017-14, Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606) (SEC Update), which adds ASC 606-10-S25-1 as a result of SEC Release 33-10403, or collectively, the Revenue ASUs. The Revenue ASUs provide an accounting standard for a single comprehensive model for use in accounting for revenue arising from contracts with customers, and supersede most current revenue recognition guidance. The accounting standard is effective for interim and annual periods beginning after December 15, 2017, with an option to early adopt for interim and annual periods beginning after December 15, 2016. The guidance permits two methods of adoption: retrospectively to each prior reporting period presented

(the full retrospective method), or retrospectively with the cumulative effect of initially applying the guidance recognized at the date of initial application (the modified retrospective method). The Group early adopted the new standard for accounting periods beginning after December 15, 2016 under full retrospective method in the preparing the Historical Financial Information.

The Group has not adopted the following accounting pronouncements that have been issued but not yet effective:

In February 2016, the FASB issued ASU No. 2016-02, Leases, which requires lessees to recognize right-of-use assets and future lease liabilities in respest of lease arrangements longer than 12 months on the balance sheet. This standard also requires additional disclosures by lessees and contains targeted changes to accounting by lessors. The updated guidance is effective for interim and annual periods beginning after December 15, 2018, and early adoption is permitted. As at March 31, 2018, the Group had non-cancellable operating lease commitments of US$32,879,000 as disclosed in note II.33. The Group is in the process of evaluating its leasing arrangements to determine what extent these contractual commitments will affect the recognition of the related right-of-use assets and liabilities for future lease payments in the consolidated balance sheet. Some of such commitments under short term leases may be exempted from the recognition of relevant assets or liabilities under ASU 2016-02. The Group does not expect that the adoption of ASU 2016-02 will result in significant impact on the operating performance, cash flows and net assets of the Group, but does expect that a certain portion of these operating lease commitments will be required to be recognized on the balance sheet as right-of-use assets and lease liabilities under ASU 2016-02.

3. RESEARCH AND DEVELOPMENT COLLABORATIVE ARRANGEMENTS

To date, the Group's collaboration revenue has consisted of (1) upfront license fees and reimbursed research and development revenue from its collaboration agreement with Celgene on the Group's investigational anti-programmed cell death protein1 ("PD-1") inhibitor, tislelizumab, and (2) upfront license fees, reimbursed research and development expenses and milestone payments from its collaboration agreement with Merck KGaA, Darmstadt Germany on pamiparib and lifirafenib.

The following table summarizes total collaboration revenue recognized for the years ended December 31, 2016 and 2017 and three months ended March 31, 2017 and 2018:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
License revenue	—	211,391	—	—
Research and development reimbursement revenue	—	16,307	—	7,555
Research and development service revenue	1,070	2,568	—	1,739
Total	1,070	230,266	—	9,294

Celgene and Celgene Switzerland

On July 5, 2017, the Group entered into a license agreement with Celgene Switzerland pursuant to which the Group granted to the Celgene parties an exclusive right to develop and commercialize the Group's investigational PD-1 inhibitor, tislelizumab, in all fields of treatment, other than hematology, in the United States, Europe, Japan and the rest of world other than Asia (the "PD-1 License Agreement"). In connection with the closing of the transactions on August 31, 2017, the Group, Celgene and Celgene Switzerland amended and restated the PD-1 License Agreement (the "A&R PD-1 License Agreement") to, among other things, clarify the parties' responsibilities relating to the conducting and funding of certain global registration clinical trials and clarify the scope of the regulatory materials transferred by the Group to Celgene.

Under the terms of the A&R PD-1 License Agreement, Celgene agreed to pay the Group US$263,000,000 in upfront non-refundable fees, of which US$92,050,000 was paid in the third quarter of 2017 and the remaining US$170,950,000 was paid in December 2017. In addition, subsequent to the completion of the research and development phase of the collaboration, the Group may be eligible to receive product development milestone payments based on the successful achievement of development and regulatory goals, commercial milestone payments based on the successful achievement of commercialization goals, and royalty payments based on a predetermined percentage of Celgene and Celgene Switzerland's aggregate annual net sales of all products in their territory for a period not to exceed the latest of the expiration of the last valid patent claim, the expiration of regulatory exclusivity or 12 years from the date of the first commercial sale on a product-by-product and country-by-country basis. The Group allocated US$13,000,000 of upfront fees to the fair value of assets related to the Group's acquisition of Celgene Shanghai, a wholly-owned subsidiary of Celgene Holdings East Corporation established under the laws of China, which was completed contemporaneously with the A&R PD-1 License Agreement.

In addition to the exclusive right to develop and commercialize tislelizumab, the terms of the A&R PD-1 License Agreement provide Celgene with the right to collaborate with the Group on the development of tislelizumab for specified indications, including required participation on a joint development committee and a joint steering committee as well as a joint commercialization committee upon achievement of commercialization. The joint development and joint steering committees are formed by an equal number of representatives from the Group and Celgene and are responsible for reviewing and approving the development plan and budget for the development of tislelizumab for clinical studies associated with specified indications. Celgene will reimburse the Group for certain research and development costs at a cost plus agreed upon markup for the development of tislelizumab related to the clinical trials that Celgene opts into, as outlined in the development plan.

Under ASC 606, the Group identified the following performance obligations of the collaboration agreement which are distinct: (a) the license provided to Celgene for the exclusive right to develop and commercialize tislelizumab, in all fields of treatment, other than hematology, in the United States, Europe, Japan and the rest of world other than Asia ("the license"); and (b) the research and development services provided to Celgene to develop tislelizumab within specified indications ("R&D services"). For each performance obligation, the Group determined the relative standalone selling

price and allocated the fixed consideration of US$250,000,000 to the units of accounting using the relative selling price method. The consideration allocated to the license was recognized upon transfer of the license to Celgene at contract inception and the consideration allocated to the R&D services will be recognized over the term of the respective clinical studies for the specified indications.

For the variable considerations associated with the defined developmental, regulatory, and commercialization goals, the Group will allocate such variable consideration to the specific performance obligations and recognize as revenue when the amount is no longer constrained and the related performance obligation is satisfied. Further, the sales-based milestones and royalty payments will be recognized as revenue at the time the subsequent sale or usage occurs.

For the year ended December 31, 2017, the Group recognized US$211,391,000 as license revenue within collaboration revenue in the Group's consolidated statements of operations. The consideration allocated to the R&D services was US$38,609,000 and will be recognized over the term of the respective clinical studies for the specified indications, of which US$1,568,000 is recognized as research and development revenue in current period and US$37,041,000 is recorded as deferred revenue in the balance sheet as of December 31, 2017. The Group also recognized US$16,307,000 as opt-in R&D revenue from Celgene as the variable consideration is no longer constrained.

For the three months ended March 31, 2018, the Group recognized collaboration revenue of US$9,294,000. The Group recognized US$7,555,000 of research and development reimbursement revenue for the three months ended March 31, 2018 for the trials that Celgene has opted into. The US$1,739,000 of research and development services revenue reflects the recognition of upfront consideration that was allocated to R&D services at the time of the collaboration and is recognized from deferred revenue as at December 31, 2017 over the term of the respective clinical studies for the specified indications.

Merck KGaA, Darmstadt Germany

In 2013, the Company entered into a license agreement with Merck KGaA, Darmstadt Germany for lifirafenib, which was amended and restated in 2013 and 2015, in which it granted to Merck KGaA, Darmstadt Germany an exclusive license to develop, manufacture, and, in certain circumstances, commercialize lifirafenib outside of the PRC, and Merck KGaA Darmstadt Germany granted the Company an exclusive license to develop, manufacture and commercialize lifirafenib in the PRC (the "PRC Territory"). In March 2017, the Company regained the worldwide rights to lifirafenib after Merck KGaA, Darmstadt Germany informed the Company that it would not exercise a continuation option, and thus, the ex-PRC portion of the agreements terminated in their entirety, except for certain provisions that will survive the termination. In addition, the Company is eligible for US$14,000,000 of additional payments upon the successful achievement of pre-specified milestones in the PRC Territory. In consideration for the licenses Merck KGaA, Darmstadt Germany granted to the Company, the Company has agreed to pay Merck KGaA, Darmstadt Germany a high single-digit royalty on aggregate annual net sales of lifirafenib products in the PRC for a period not to exceed ten years from the date of the first commercial sale.

In 2013, the Company entered into a license agreement with Merck KGaA, Darmstadt Germany for pamiparib, in which it granted to Merck KGaA, Darmstadt Germany an exclusive license to develop, manufacture, and, in certain circumstances, commercialize pamiparib outside of the PRC, and Merck KGaA Darmstadt Germany granted the Company an exclusive license to develop, manufacture and commercialize pamiparib in the PRC Territory. On October 1, 2015, the Company entered into a purchase of rights agreement with Merck KGaA, Darmstadt Germany, pursuant to which the Company purchased from Merck KGaA, Darmstadt Germany all of its exclusive rights to pamiparib in the ex-PRC territories for a consideration of US$10,000,000, and reduced the future milestone payments the Company is eligible to receive under the PRC license agreement. The repurchase consideration of US$10,000,000 associated with the reacquisition of the rights to pamiparib was charged to research and development expenses as incurred because the rights have no alternative future use. As Merck KGaA, Darmstadt Germany has no further rights in the ex-PRC territory under the collaborative agreements, the deferred revenue previously received from Merck KGaA, Darmstadt Germany, amounting to US$3,018,000, was offset against the aforementioned repurchase consideration.

In December 2017, the Company achieved the milestone for dosing a patient in the first Phase 2 clinical trial of pamiparib in the PRC Territory, and the related US$1,000,000 milestone payment received in January 2018, was recognized as research and development services revenue in the year ended December 31, 2017. No other development based targets have been achieved and none of the products have been approved. Hence, no revenue has been recognized related to royalties or commercial event targets in any of the periods presented. In addition, no payments, except for the repurchase consideration of US$10,000,000, have been made to the collaborator for any of the periods presented.

4. BUSINESS COMBINATION

On August 31, 2017, BeiGene HK acquired 100% of the equity interests of Celgene Shanghai, a wholly-owned subsidiary of Celgene Holdings East Corporation established under the laws of the PRC. Celgene Shanghai is in the business of, among other things, providing marketing and promotional services in connection with certain pharmaceutical products manufactured by Celgene. The name of Celgene Shanghai has been changed to BeiGene Pharmaceutical (Shanghai).

On July 5, 2017, the Group and a wholly-owned subsidiary of Celgene, Celgene Logistics Sàrl ("Celgene Logistics"), entered into a license agreement pursuant to which the Group has been granted the right to exclusively distribute and promote Celgene's approved cancer therapies, ABRAXANE®, REVLIMID®, and VIDAZA®, and its investigational agent CC-122 in clinical development (the "Distribution Rights"), in China excluding Hong Kong, Macau and Taiwan (the "Chinese License Agreement"). The China License Agreement became effective on August 31, 2017 contemporaneously with the closing of the acquisition of Celgene Shanghai and the A&R PD-1 License Agreement.

The Group evaluated the acquisition of the Celgene Shanghai equity and the distribution rights acquired under ASU No. 2017-01, Business Combinations: Clarifying the Definition of a Business. Because substantially all of the value of the acquisition did not relate to a similar group of assets and the business contained both inputs and processes necessary to manage products and provide economic benefits directly to its owners, it was determined that the acquisition represents a business combination. Therefore, the transaction has been accounted for using the acquisition method of accounting. This method requires that assets acquired and liabilities assumed in a business combination be recognized at their fair values as of the acquisition date.

Share subscription agreement

On August 31, 2017, the Company issued 32,746,416 of its ordinary shares to Celgene Switzerland for an aggregate purchase price of US$150,000,000, or US$4.58 per ordinary share, or US$59.55 per ADS, pursuant to a subscription agreement dated July 5, 2017 by and between the Company and Celgene Switzerland (the "Share Subscription Agreement"). See note II.30 for further discussion of the Share Subscription Agreement.

Determination of purchase price

The purchase price of Celgene Shanghai was calculated as US$28,138,000, and is comprised of cash consideration of US$4,532,000 and non-cash consideration of US$23,606,000, related to the discount on ordinary shares issued to Celgene in connection with the Share Subscription Agreement. The discount was a result of the increase in fair value of the Company's shares between the fixed price of US$59.55 per ADS in the Share Subscription Agreement and the fair value per ADS as of August 31, 2017. The following summarizes the purchase price in the business combination.

	Purchase Price
	US$'000
Cash paid to acquire Celgene Shanghai	4,532
Discount on Share Subscription Agreement	23,606
Total purchase price	28,138

Purchase price allocation

The following table summarized the estimated fair values of assets acquired and liabilities assumed:

	Amount
	US$'000
Cash and cash equivalents	24,448
Other current assets	518
Property and equipment, net	204
Intangible assets	7,500
Deferred tax asset	1,069
Total identifiable assets	33,739
Current liabilities	(5,710)
Total liabilities assumed	(5,710)
Goodwill	109
Total fair value of consideration transferred	28,138

The purchase price allocation for this acquisition is preliminary. The fair value estimates for the assets acquired and liabilities assumed are subject to change as additional information becomes available concerning the fair value and tax basis of the assets acquired and liabilities assumed. As of December 31, 2017, the Company made an adjustment on the fair value of the net assets acquired as a result of facts and circumstances existing at the time of the acquisition, which were not known to the Company. The adjustment resulted in a US$1,875,000 increase in identifiable net assets and a corresponding decrease in goodwill. Any additional adjustments to the purchase price allocation will be made as soon as practicable but no later than one year from the date of acquisition. The goodwill resulting from the business combination is primarily attributable to the assembled workforce of the acquired business. The goodwill attributable to the business combination is not deductible for tax purposes.

The following summarizes the business combination as presented on the statement of cash flows (in thousands):

	Amount
	US$'000
Investing activities	
Cash acquired	24,448
Cash paid to acquire Celgene Shanghai	(4,532)
Cash acquired in business combination, net of cash paid	19,916
Non-cash activities	
Discount provided on sale of ordinary shares for business combination	(23,606)

5. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Cash and bank balances	87,514	138,699	394,546
Time deposits	—	119,827	106,088
	87,514	258,526	500,634
Less: Non-pledged time deposits with original maturity over three months when acquired	—	18,924	10,000
Cash and cash equivalents in the consolidated balance sheets and in the consolidated statements of cash flows	87,514	239,602	490,634
Restricted cash	—	—	17,460

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between seven days and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and time deposits are deposited with creditworthy banks with no recent history of default.

The Group's restricted cash balance of US$17,460,000 as of March 31, 2018 consisted entirely of BeiGene Guangzhou Factory's secured deposits held in designated bank accounts for issuance of letter of credit.

6. SHORT-TERM INVESTMENTS

Group

Short-term investments as of December 31, 2016 consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	280,757	—	97	280,660
Total	280,757	—	97	280,660

Short-term investments as of December 31, 2017 consisted of the following available-for-sale debt securities and time deposits:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	561,733	—	406	561,327
U.S. agency securities	17,651	12	—	17,663
Time deposits	18,924	—	—	18,924
Total	598,308	12	406	597,914

Short-term investments as of March 31, 2018 consisted of the following available-for-sale debt securities and time deposits:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	963,447	—	66	963,381
Time deposits	10,000	—	—	10,000
Total	973,447	—	66	973,381

The Group does not consider the investments in U.S. treasury securities or U.S. agency securities to be other-than-temporarily impaired at December 31, 2016 and 2017 and March 31, 2018.

Company

Short-term investments as of December 31, 2016 consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	280,757	—	97	280,660
Total	280,757	—	97	280,660

Short term investments as of December 31, 2017 consisted of the following available for sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	422,084	—	345	421,739
U.S. agency securities	17,651	12	—	17,663
Total	439,735	12	345	439,402

Short-term investments as of March 31, 2018 consisted of the following available-for-sale debt securities:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value (Net Carrying Amount)
	US$'000	US$'000	US$'000	US$'000
U.S. treasury securities	823,829	—	151	823,678
Total	823,829	—	151	823,678

The Company does not consider the investments in U.S. treasury securities or U.S. agency securities to be other-than-temporarily impaired at December 31, 2016 and 2017 and March 31, 2018.

7. ACCOUNTS AND UNBILLED RECEIVABLES

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Accounts receivable	—	29,428	23,485
Impairment	—	—	—
	—	29,428	23,485

The Group's trading terms with its customers are mainly on credit and the credit period is generally three month. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are regularly reviewed. In view of the fact that the Group's accounts receivable substantially relate to a limited number of customers, there is a concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its accounts receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of provisions, is as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Within 3 months	—	18,907	23,485
3 months to 6 months	—	10,521	—
	—	29,428	23,485

No allowance for doubtful accounts was recorded as of December 31, 2016 and 2017 and March 31, 2018, respectively.

The ageing analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Neither past due nor impaired	—	18,907	23,485
Less than 1 month past due	—	10,521	—
	—	29,428	23,485

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default. Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors of the Company are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

Unbilled receivable represented opt-in R&D revenue from Celgene not yet invoiced at December 31, 2017 and March 31, 2018.

An ageing analysis of the unbilled receivable is as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Within 3 months	—	16,307	23,862

8. INVENTORIES

The Group's inventory balance of US$10,930,000 and US$7,498,000 as of December 31, 2017 and March 31, 2018 consisted entirely of finished goods product purchased from Celgene for distribution in the PRC.

9. PREPAID EXPENSES AND OTHER CURRENT ASSETS/OTHER NON-CURRENT ASSETS

Group

Prepaid expenses and other current assets consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Prepaid research and development costs	475	21,156	30,879
Prepaid taxes	3,692	9,894	10,117
Interest receivable	872	1,557	2,623
Other	1,186	3,016	5,763
Total prepaid expenses and other current assets	6,225	35,623	49,382

Other non-current assets consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Prepayment of property and equipment	4,324	12,867	10,670
Rental deposits and others	345	1,460	3,540
Total other non-current assets	4,669	14,327	14,210

Company

Other non-current assets consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Receivables due from subsidiaries	131,211	268,558	293,888
Others	—	—	459
Total other non-current assets	131,211	268,558	294,347

10. PROPERTY AND EQUIPMENT, NET

Property and equipment consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Manufacturing equipment	—	15,737	16,376
Laboratory equipment	7,536	15,596	17,973
Leasehold improvements	9,446	15,298	16,486
Electronic equipment	647	1,244	1,336
Office equipment	449	1,597	1,737
Computer software	317	598	625
Property and equipment, at cost	18,395	50,070	54,533
Less accumulated depreciation	(7,473)	(13,627)	(16,127)
Construction in progress	15,055	26,125	38,584
Property and equipment, net	25,977	62,568	76,990

Construction in progress as of December 31, 2016 primarily related to the BeiGene Suzhou manufacturing and laboratory facility that was put into service in the third quarter of 2017. Construction in progress as of December 31, 2017 and March 31, 2018 of US$26,125,000 and US$38,584,000 primarily related to the buildout of the Guangzhou manufacturing facility. In the year ended December 31, 2017 and the three months ended March 31, 2018, assets totaling US$24,537,000 and US$662,000 related to the Suzhou facilities were transferred to laboratory equipment, manufacturing equipment and leasehold improvements from construction in progress. Depreciation expense for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 were US$1,909,000, US$4,340,000, US$864,000 and US$1,984,000, respectively.

11. MANUFACTURING FACILITY IN GUANGZHOU

On March 7, 2017, BeiGene HK, a wholly owned subsidiary of the Company, and Guangzhou GET Technology Development Co., Ltd. ("GET"), entered into a definitive agreement to establish a commercial scale biologics manufacturing facility in Guangzhou, Guangdong Province, PRC.

On March 7, 2017, BeiGene HK and GET entered into an Equity Joint Venture Contract (the "JV Agreement"). Under the terms of the JV Agreement, BeiGene HK made an initial cash capital contribution of RMB200,000,000 and a subsequent contribution of one or more biologics assets in exchange for a 95% equity interest in BeiGene Biologics. GET made a cash capital contribution of RMB100,000,000 to BeiGene Biologics, representing a 5% equity interest in BeiGene Biologics. In addition, on March 7, 2017, BeiGene Biologics entered into a contract with GET, under which GET agreed to provide a RMB900,000,000 loan (the "Shareholder Loan") to BeiGene Biologics (see note II.20). BeiGene Biologics is working to establish a biologics manufacturing facility in Guangzhou, through a wholly-owned subsidiary, the BeiGene Guangzhou Factory, to manufacture biologics for the Company and its subsidiaries.

On April 11, 2017, BeiGene HK, GET and BeiGene Biologics amended the JV Agreement and the capital contribution agreement, among other things, to adjust the capital contribution schedules and adjust the initial term of the governing bodies and a certain management position. On April 13, 2017 and May 4, 2017, BeiGene HK made cash capital contributions of RMB137,830,000 and RMB2,415,000, respectively, into BeiGene Biologics. The remainder of the cash capital contribution from BeiGene HK to BeiGene Biologics will be paid by April 10, 2020. On April 14, 2017, GET made cash capital contributions of RMB100,000,000 into BeiGene Biologics. On April 14, 2017, BeiGene Biologics drew down the Shareholder Loan of RMB900,000,000 from GET (as further described in note II.20).

On October 24, 2017, BeiGene HK and BeiGene Biologics entered into an Equity Transfer Agreement. Under the terms of the Equity Transfer Agreement, BeiGene HK agreed to transfer 100% equity interest of BeiGene Shanghai into BeiGene Biologics. The transfer consideration for the purchased interests under this Equity Transfer Agreement is the fair value of the 100% equity of BeiGene Shanghai appraised by a qualified Chinese valuation firm under the laws of the PRC. On November 24, 2017, the 100% equity interest of BeiGene Shanghai was transferred to BeiGene Biologics. Upon the transfer of equity in BeiGene Shanghai, BeiGene HK fulfilled its contribution obligation to subscribe for registered capital in BeiGene Biologics and BeiGene HK's equity interest

in BeiGene Shanghai became 95%. In connection with BeiGene Shanghai's equity transfer, BeiGene HK paid a capital tax of RMB169,750,000 to the Guangzhou local tax bureau. As of December 31, 2017 and March 31, 2018, the Company and GET held 95% and 5% equity interests in BeiGene Biologics, respectively.

As of December 31, 2017 and March 31, 2018, the Group's cash and cash equivalents, restricted cash and short-term investments included US$139,505,000 and US$131,039,000 of cash and cash equivalents, restricted cash and short-term investments held by BeiGene Biologics to be used to build the commercial scale biologics facility and to fund the research and development of the Group's biologics drug candidates in China.

12. LAND USE RIGHT, NET

The land use right represents the land acquired for the purpose of constructing and operating the biologics manufacturing facility in Guangzhou. In 2017, the Group acquired the land use right from the local Bureau of Land and Resources in Guangzhou. The land use right is amortized over the remaining term of the right. The land use right asset as of December 31, 2016 and 2017 and March 31, 2018, is summarized as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Land use right, cost	—	12,633	13,103
Accumulated amortization	—	(168)	(240)
Land use right, net	—	12,465	12,863

Amortization expense of the land use right for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 were nil, US$168,000, nil and US$72,000, respectively.

As of March 31, 2018, expected amortization expense for the land use right is approximately US$197,000 for the remainder of 2018, US$262,000 in 2019, US$262,000 in 2020, US$262,000 in 2021, US$262,000 in 2022 and US$11,618,000 in 2023 and thereafter.

13. INTANGIBLE ASSETS, NET

Intangible assets outstanding as of December 31, 2016 and 2017 and March 31, 2018 are summarized as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Finite-lived intangible assets:			
Product distribution rights			
Gross carrying amount	—	7,500	7,500
Accumulated amortization	—	(250)	(438)
Intangible assets, net	—	7,250	7,062

Product distribution rights consist of distribution rights on the approved cancer therapies licensed from Celgene, ABRAXANE®, REVLIMID®, and VIDAZA®, and its investigational agent CC-122 acquired as part of the Celgene transaction. The Group is amortizing the product distribution rights over a period of 10 years, which is based on the contractual life of such distribution rights.

Amortization expense of intangible assets for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 were nil, US$250,000, nil and US$188,000, respectively. As of March 31, 2018, expected amortization expense for the unamortized finite-lived intangible assets is approximately US$562,000 for the remainder of 2018, US$750,000 in 2019, US$750,000 in 2020, US$750,000 in 2021, US$750,000 in 2022, and US$3,500,000 in 2023 and thereafter.

14. INCOME TAXES

Cayman Islands

The Company is incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, the Company is not subject to income tax.

Hong Kong

BeiGene HK is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong profits tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. The Group did not make any provisions for Hong Kong profits tax as there were no assessable profits derived from or earned in Hong Kong for any of the periods presented. Under the Hong Kong tax law, BeiGene (Hong Kong) Co., Limited is exempted from income tax on its foreign-derived income and there are no withholding taxes in Hong Kong on remittance of dividends.

China

BeiGene Beijing, BeiGene Suzhou, BeiGene Shanghai, BeiGene Biologics, BeiGene Guangzhou Factory, BeiGene Guangzhou and BeiGene Pharmaceutical (Shanghai) are subject to the statutory tax rate of 25% in accordance with the EIT Law, which was effective since January 1, 2008. Under the EIT Law, all enterprises are subject to the 25% enterprise income tax rate, except for certain entities that enjoy the tax holidays or preferential tax treatments. Under the EIT Law and its relevant regulations, dividends paid by China enterprises out of profits earned post-2007 to non-China tax resident investors are subject to China withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain jurisdictions.

Australia

BeiGene AUS Pty Ltd., incorporated in Australia is subject to corporate income tax at a rate of 30%. BeiGene AUS Pty Ltd. had no taxable income for all periods presented and therefore, no provision for income taxes was required.

United States

BeiGene (USA), which was incorporated in Delaware, the United States on July 8, 2015, was subject to statutory U.S. Federal corporate income tax at a rate of 35% for the years ended December 31, 2016 and 2017, and 35% and 21% for the three months ended March 31, 2017 and 2018. BeiGene (USA) was also subject to the state income tax in New Jersey, California and Massachusetts, at a rate of 9.0%, 8.8% and 8.0%, respectively, during the Relevant Periods.

Switzerland

BeiGene Switzerland, incorporated in Switzerland on September 1, 2017, is subject to corporate income tax at a rate of approximately 10.0%. BeiGene Switzerland had no taxable income for year ended December 31, 2017 and the three months ended March 31, 2018, and therefore, no provision for income taxes was required.

The components of income (loss) before income taxes are as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
PRC	(7,352)	(49,970)	(4,116)	(29,519)
U.S.	678	6,928	3,043	2,754
Others	(112,489)	(22,095)	(49,370)	(81,763)
Total	(119,163)	(65,137)	(50,443)	(108,528)

The current and deferred components of the income tax expense (benefit) are as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Current Tax Expense (Benefit):				
PRC	—	30,972	—	483
U.S.	822	5,695	2,340	383
Total	822	36,667	2,340	866
Deferred Tax Expense (Benefit):				
PRC	—	115	—	(569)
U.S.	(768)	(6,052)	(2,160)	(3,709)
Total	(768)	(5,937)	(2,160)	(4,278)
Income Tax Expense	54	30,730	180	(3,412)

The reconciliation of the statutory tax rate to the effective income tax rate is as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Loss before tax	(119,163)	(65,137)	(50,443)	(108,528)
China statutory tax rate	25%	25%	25%	25%
Expected taxation at China statutory tax rate	(29,791)	(16,284)	(12,611)	(27,132)
Foreign tax rate differential	27,830	23,275	11,597	21,260
Non-deductible expenses	593	5,663	242	2,955
Stock compensation - excess tax benefit	—	(2,066)	(23)	(3,538)
Impact of U.S. statutory tax rate change	—	2,642	—	—
Deductible intellectual property ("IP") from intercompany transfer (note)	—	(147,179)	—	(56,838)
Change in valuation allowance	1,627	148,097	1,365	61,470
PRC withholding tax incurred on intragroup equity transfer	—	26,090	—	—
Non-taxable income	—	(4,077)	—	—
Research and orphan drug tax credits	(205)	(5,431)	(390)	(1,589)
Taxation for the year/period	54	30,730	180	(3,412)
Effective tax rate	-0.1%	-47.18%	-0.36%	3.14%

Note:

Pursuant to the early adoption of ASU 2016-16, deferred tax asset of US$147,179,000 was recognized upon the intercompany transfer of the IP during the year ended December 31, 2017 in presenting the above table. Part of such deferred tax asset of US$29,438,000 was realized during the year ended December 31, 2017, and a full valuation allowance of US$117,741,000 was made against the remaining unrealized balance of such deferred tax asset as at December 31, 2017. The amount of income tax expense for the year ended December 31, 2017 remain unchanged because a full valuation allowance was made against the unrealized deferred tax asset recognized pursuant to early adoption of ASU 2016-16 during the year ended December 31, 2017. Prior to the early adoption of ASU 2016-16, recognition of unrealised deferred tax asset arising from intercompany transfer of IP was prohibited under ASC 740-10-25-3.

Significant components of deferred tax assets (liabilities) are as follows:

	As of December 31		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Deferred Tax Assets:			
Accruals and reserves	1,102	7,756	9,105
Net operating losses carryforward	6,987	29,801	25,281
Stock compensation	—	4,639	7,365
Research and orphan drug tax credits	—	2,449	3,313
Intellectual property (note)	—	117,741	183,188
Gross deferred tax assets	8,089	162,386	228,252
Less valuation allowance	(7,307)	(154,341)	(215,811)
Total deferred tax assets	782	8,045	12,441
Deferred tax liabilities:			
Depreciation and amortization	(14)	(370)	(450)
Total deferred tax liabilities	(14)	(370)	(450)
Net deferred tax asset	768	7,675	11,991

Note:

Pursuant to the early adoption of ASU 2016-16, the balance of unrealised deferred tax asset arising from the intercompany transfer of IP as of December 31, 2017 amounted to US$117,741,000 with full valuation allowance was recognized in presenting the above components of deferred tax assets. Prior to the early adoption of ASU 2016-16, recognition of unrealised deferred tax asset arising from intercompany transfer of IP was prohibited under ASC 740-10-25-3.

Valuation allowances have been provided on deferred tax assets where, based on all available evidence, it was considered more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. After consideration of all positive and negative evidence, the Group believes that as of December 31, 2017 it is more likely than not the deferred tax assets will not be realized for the subsidiaries in Australia, China and Switzerland. For the years ended December

31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, there were increases in the valuation allowance by US$1,627,000, US$148,097,000, US$1,365,000 and US$61,470,000, respectively, which included the effect of expired net operating losses of US$1,466,000, US$1,637,000, nil and nil, respectively. Adjustments could be required in the future if the Group estimates that the amount of deferred tax assets to be realized is more or less than the net amount recorded.

As of December 31, 2016 and 2017 and March 31, 2018, the Group had net operating losses of approximately US$27,948,000, US$209,979,000 and US$129,705,000, respectively, of which net operating losses as of March 31, 2018 included US$81,100,000 derived from entities in the PRC which expire in years 2018 through 2022, and US$47,734,000 derived from an entity in Switzerland that expires in 2026. The Group has approximately US$3,313,000 of U.S. research and orphan drug credits which will expire in 2032 if not utilized.

The gross unrecognized tax benefits for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 were as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Beginning balance, as of January 1	—	110	110	918
Additions based on tax positions related to prior tax years	—	234	40	—
Reductions based on tax positions related to prior tax years	—	(91)	—	—
Additions based on tax positions related to the current tax year	110	665	253	264
Ending balance, as of December 31/ March 31	110	918	403	1,182

Current year and prior year additions include assessment of potential global transfer pricing adjustments, and U.S. federal and state tax credits and incentives. US$1,182,000 of unrecognized tax benefits as of March 31, 2018 would impact the consolidated income tax rate if ultimately recognized. The Group does not anticipate that the amount of existing unrecognized tax benefits will significantly change within the next 12 months.

The Group has elected to record interest and penalties related to income taxes as a component of income tax expense. For the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, the Group's accrued interest and penalties, where applicable, related to uncertain tax positions were not material.

The Group conducts business in a number of tax jurisdictions and, as such, are required to file income tax returns in multiple jurisdictions globally. As of March 31, 2018, China tax matters are open for the years 2012 through 2018, and U.S. federal tax matters are open to examination for years 2015 through 2018. Various U.S. states and other non-US tax jurisdictions in which the Group file tax returns remain open for examination for 2010 through 2018.

15. ACCOUNTS PAYABLE

An ageing analysis of the accounts payable as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Within 1 month	8,962	65,626	43,808
1 to 3 months	2,725	3,170	5,389
3 to 6 months	226	725	3,083
6 months to 1 year	41	189	418
Over 1 year	3	69	21
	11,957	69,779	52,719

The accounts payable are non-interest-bearing and are normally settled on 30-day terms.

16. ACCRUED EXPENSES AND OTHER PAYABLES

Accrued expenses and other payables consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Compensation related	3,980	17,051	12,425
External research and development activities related	14,198	18,721	26,892
Sales rebates and returns related	—	3,997	4,231
Professional fees and others	4,119	9,829	12,164
Total accrued expenses and other payables	22,297	49,598	55,712

The following table presents the rollforward of accrued sales rebates and returns for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2018.

	Sales Rebates and Returns
	US$'000
Balance as of December 31, 2015	—
Accrual	—
Payment	—
Balance as of December 31, 2016	—
Accrual	4,000
Payment	(3)
Balance as of December 31, 2017	3,997
Balance as of December 31, 2016	—
Accrual (unaudited)	—
Payment (unaudited)	—
Balance as of March 31, 2017 (unaudited)	—
Balance as of December 31, 2017	3,997
Accrual	235
Payment	(1)
Balance as of March 31, 2018	4,231

17. WARRANTS AND OPTIONS LIABILITIES

Option to purchase shares by rental deferral

On September 1, 2012, in conjunction with a lease agreement of one of its premises, the Company granted the landlord an option to purchase the Company's ordinary shares (the "Option") in exchange for the deferral of the payment of one year's rental expense of US$980,000. The Option was a freestanding instrument and was recorded as a liability in accordance with ASC480, Distinguishing Liabilities from Equity. The Option was initially recognized at fair value with subsequent changes in fair value recorded in losses. Prior to its US IPO, the Company determined the fair value of the Option with the assistance of an independent third-party valuation firm. On February 8, 2016, immediately prior to its US IPO, the landlord exercised the Option to purchase 1,451,586 ordinary shares of the Company. Hence the balance of rental deferral became nil as at December 31, 2016. As the exercise date was the US IPO closing date, the exercise date fair value of the Option of US$2,540,000 was

determined based on its intrinsic value, which equaled the difference between the share price at the US IPO closing date and the exercise price of such purchased ordinary shares. During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, the Group recognized a loss from the increase in fair value of the Option of US$1,151,000, nil, nil and nil, respectively.

Warrants in connection with the convertible promissory notes

During the years ended December 31, 2012 to 2014, the Company entered into agreements with several investors to issue convertible promissory notes (converted into preferred shares in year 2014, details set out in note II.30), and related warrants to purchase the Company's preferred shares up to 10% of the convertible promissory notes' principal amount concurrently, for an aggregate principal amount of US$2,410,000. The warrants were freestanding instruments and were recorded as liabilities in accordance with ASC480. The warrants were initially recognized at fair value with subsequent changes in fair value recorded in losses. In January 2016 and February 2016, the warrants issued in connection with the promissory notes were exercised for 621,637 preferred shares, which were then converted into 621,637 ordinary shares. Hence the balance of warrants became nil as at December 31, 2016. As the exercise dates were very close to the US IPO closing date, the respective exercise date fair value of the warrants of US$1,148,000 was determined based on the intrinsic value, which equaled the difference between the share price at the US IPO closing date and the exercise price of the issued warrants. For the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, the Group recognized a loss from the increase in fair value of warrants of US$363,000, nil, nil and nil, respectively.

Changes in fair value of warrant and option liabilities

Changes in fair value of warrant and option are summarised as below:

	Year ended December 31, 2016
	US$'000
Option to purchase shares by rental deferral	1,151
Warrants in connection with the convertible promissory notes	363
	1,514

18. SHORT-TERM BANK LOAN

On March 28, 2017, BeiGene Biologics borrowed a RMB denominated short-term loan with a principal amount of US$2,470,000 from GET. The loan was interest-free and was a temporary borrowing for the payment of a land auction deposit. The land was expected to be acquired for building the biologics manufacturing facility in Guangzhou. On April 14, 2017, the short-term loan was fully settled.

19. LONG-TERM BANK LOAN

On September 2, 2015, BeiGene Suzhou entered into a loan agreement with Suzhou Industrial Park Biotech Development Co., Ltd. and China Construction Bank to borrow RMB120,000,000 at a 7% fixed annual interest rate. As of December 31, 2016 and 2017 and March 31, 2018, the long term bank loan of the Group under such loan agreement was equivalent to US$17,284,000, US$18,444,000 and US$19,130,000, respectively, which is secured by BeiGene Suzhou's equipment with a carrying amount of US$24,675,000 (as of March 31, 2018) and the Group's rights to a PRC patent on a drug candidate. The loan principal amounts of US$9,565,000 and US$9,565,000 as at March 31, 2018 are repayable on September 30, 2018 and 2019, respectively. Interest expense recognized for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018 amounted to US$851,000, US$1,260,000, US$305,000 and US$331,000, respectively.

The maturity profile of the interest-bearing bank loan and shareholder loan (see note II.20) as at the end of each of the Relevant Periods is as follows:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Analyzed into:			
Bank loan repayable:			
Within one year	—	9,222	9,565
In the second year	8,642	9,222	9,565
In the third to fifth years, inclusive	8,642	—	—
	17,284	18,444	19,130
Shareholder loan repayable:			
Beyond five years (note II.20)	—	146,271	154,551
	17,284	164,715	173,681

20. SHAREHOLDER LOAN

On March 7, 2017, BeiGene Biologics entered into the Shareholder Loan Contract with GET, pursuant to which GET agreed to provide the Shareholder Loan of RMB900,000,000 to BeiGene Biologics. The Shareholder Loan has a conversion feature, settled in a variable number of shares of common stock upon conversion (the "debt-to-equity conversion"). On April 14, 2017, BeiGene Biologics drew down the entire Shareholder Loan of RMB900,000,000 from GET.

Key features of the Shareholder Loan

The Shareholder Loan bears simple interest at a fixed rate of 8% per annum. No interest payment is due or payable prior to the repayment of the principal or the debt-to-equity conversion. The term of the Shareholder Loan is 72 months, commencing from the actual drawdown date of April 14, 2017 and ending on April 13, 2023, unless converted earlier.

The Shareholder Loan may be repaid or converted, either partially or in full, to an additional mid-single digit percentage equity interest in BeiGene Biologics prior to its maturity date, pursuant to the terms of the JV Agreement. BeiGene Biologics has the right to make early repayment at any time; provided, however, that if repayment is to occur before the debt-to-equity conversion it would require written approval of both BeiGene Biologics and GET. Upon conversion of the Shareholder Loan, GET will receive an additional equity interest in BeiGene Biologics, which will be based on the formula outlined in the JV Agreement.

The Shareholder Loan can only be used by BeiGene Biologics, including the construction and operation of the biologics manufacturing facility and research and development and clinical trials to be carried out by BeiGene Biologics. If BeiGene Biologics does not use the Shareholder Loan proceeds for the specified purposes, GET may be entitled to certain liquidated damages. In the event of an early termination of the JV Agreement, the Shareholder Loan will become due and payable at the time of termination of the JV Agreement.

Accounting for the Shareholder Loan

The Shareholder Loan is classified as a long-term liability and initially measured at the principal of RMB900,000,000. Interest will be accrued based on the interest rate of 8% per annum. As the Shareholder Loan may be share-settled by a number of shares with a fair value equal to a fixed settlement amount, the settlement is not viewed as a conversion feature, but as a redemption feature because the settlement amount does not vary with the share price. This in-substance redemption feature does not require bifurcation because it is clearly and closely related to the debt host that does not involves a substantial premium or discount. Since there is no conversion feature embedded in the Shareholder Loan, no beneficial conversion feature was recorded. There are no other embedded derivatives that are required to be bifurcated.

The portion of interest accrued on the Shareholder Loan related to borrowings used to construct the factory in Guangzhou is being capitalized in accordance with ASC 835-20, Interest — Capitalization of Interest.

For the year ended December 31, 2017 and the three months ended March 31, 2017 and 2018, total interest expense generated from the Shareholder Loan was US$7,649,000, nil and US$3,280,000, among which, US$614,000, nil and US$815,000 was capitalized.

21. OTHER LONG-TERM LIABILITIES

Other long-term liabilities consisted of the following:

	As of December 31,		As of March 31,
	2016	2017	2018
	US$'000	US$'000	US$'000
Government grants or incentives received and deferred	564	21,814	22,627
Others	—	155	275
Total other long-term liabilities	564	21,969	22,902

22. PRODUCT REVENUE, NET

The Group's product sales are derived from the sale of ABRAXANE®, REVLIMID® and VIDAZA® in China under a distribution license from Celgene. The table below presents the Group's net product sales for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018.

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Product revenue - gross	—	28,428	—	23,485
Less: Rebate and sales return	—	(4,000)	—	(235)
Product revenue - net	—	24,428	—	23,250

23. LOSS BEFORE INCOME TAX EXPENSE

The Group's loss before income tax expense is arrived at after charging/(crediting):

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Cost of inventories sold	—	4,974	—	4,550
Depreciation and amortization expense	1,909	4,758	864	2,244
Research and development costs (note)	98,033	269,018	42,773	109,700
Minimum lease payments under operating leases	1,974	3,810	696	1,653
Amortization of land lease payments	—	168	—	72
Auditor's remuneration	1,348	1,280	296	458
Employee benefit expense (including directors' and chief executive's remuneration (note II.24)):				
Wages, salaries and benefits	19,939	65,608	9,400	34,525
Share-based compensation expenses	10,625	42,863	5,992	17,396
Pension scheme contributions (defined contribution scheme)	1,960	4,615	686	2,323
	32,524	113,086	16,078	54,244
Changes in fair value of financial instruments	(1,514)	—	—	—
Gain (loss) on sale of available-for-sale securities	(1,415)	44	8	(85)
Foreign exchange differences, net	842	(232)	142	637
Bank interest income	1,330	4,188	491	3,894
Loss on disposal of property and equipment	—	85	7	—

Note:

During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, research and development costs of approximately US$23,941,000, US$80,349,000, US$12,382,000 and US$32,238,000 were also included in employee benefit expense.

24. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration disclosed pursuant to the Listing Rules, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Fees	127	352	83	87
Other emoluments:				
Salaries, allowances and benefits in kind	358	576	88	148
Performance related bonuses	320	600	18	30
Share-based compensation expenses*	1,199	4,153	599	1,512
Pension scheme contributions	—	—	—	—
	1,877	5,329	705	1,690
	2,004	5,681	788	1,777

* Share-based compensation amount disclosed in notes II.24 (including above table), II.25 and II.34 represented the amount determined under US GAAP and recognized in the relevant accounting periods mentioned above.

During the Relevant Periods, certain directors were granted share options or restricted share units, in respect of their services to the Group, under the share option plans of the Company, further details of which are set out in note II.28. The fair value of such options or restricted share units, which has been recognized in the consolidated statement of operations over the vesting period, was determined as at the date of grant, and the accounting amount recognized in the respective accounting periods is included in the directors' and chief executive's remuneration disclosures.

(a) **Independent non-executive directors**

The remuneration paid to independent non-executive directors during the Relevant Periods and the three months ended March 31, 2017 was as follows:

Year ended December 31, 2016

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expense	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Timothy Chen	13	—	—	187	—	200
Donald W. Glazer	14	—	—	—	—	14
Michael Goller	13	—	—	—	—	13
Ranjeev Krishana	13	—	—	—	—	13
Thomas Malley	60	—	—	179	—	239
Qingqing Yi*	—	—	—	—	—	—
Ji Li**	—	—	—	—	—	—
Ke Tang***	14	—	—	—	—	14
	127	—	—	366	—	493

Year ended December 31, 2017

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expense	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Timothy Chen	53	—	—	426	—	479
Donald W. Glazer	55	—	—	83	—	138
Michael Goller	50	—	—	83	—	133
Ranjeev Krishana	53	—	—	83	—	136
Thomas Malley	65	—	—	417	—	482
Qingqing Yi*	53	—	—	83	—	136
Ke Tang***	23	—	—	—	—	23
	352	—	—	1,175	—	1,527

Three months ended March 31, 2017

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expense	Pension scheme contributions	Total remuneration
	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)
Timothy Chen	13	—	—	52	—	65
Donald W. Glazer	14	—	—	—	—	14
Michael Goller	13	—	—	—	—	13
Ranjeev Krishana	13	—	—	—	—	13
Thomas Malley	16	—	—	47	—	63
Qingqing Yi*	—	—	—	—	—	—
Ke Tang***	14	—	—	—	—	14
	83	—	—	99	—	182

Three months ended March 31, 2018

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expense	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Timothy Chen	13	—	—	134	—	147
Donald W. Glazer	14	—	—	29	—	43
Michael Goller	13	—	—	29	—	42
Ranjeev Krishana	13	—	—	29	—	42
Thomas Malley	16	—	—	129	—	145
Qingqing Yi	18	—	—	29	—	47
	87	—	—	379	—	466

---

* Qingqing Yi voluntarily waived the receipt of director compensation in 2016 and the three months ended March 31, 2017.

** Ji Li served as a director from January 2015 to February 2, 2016, on which date he resigned from the board of directors.

*** Ke Tang's service as a director terminated at the Company's 2017 annual general meeting on June 1, 2017. Accordingly, his cash compensation was pro-rated for the year 2017 and the option awards granted to him during 2017 expired prior to vesting.

(b) **Executive director, a non-executive director and chief executive**

During the Relevant Periods, the board of directors comprised one executive director, John V. Oyler, who is also the chief executive of the Company. The remuneration paid to John V. Oyler during the Relevant Periods and the three months ended March 31, 2017 was as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Fees	—	—	—	—
Other emoluments:				
Salaries, allowances and benefits in kind	358	576	88	148
Performance related bonuses	320	600	18	30
Share-based compensation expenses	833	2,978	500	1,133
Pension scheme contributions	—	—	—	—
	1,511	4,154	606	1,311
	1,511	4,154	606	1,311

During the Relevant Periods, the board of directors comprised one non-executive director, Xiaodong Wang. Xiaodong Wang did not receive any compensation as a director. The compensation received by Xiaodong Wang as a consultant during the Relevant Periods and the three months ended March 31, 2017 was detailed below and also included in note II.34.

Year ended December 31, 2016

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expenses	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Xiaodong Wang	100	—	86	1,999	—	2,185

Year ended December 31, 2017

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expenses	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Xiaodong Wang.....	100	—	150	4,278	—	4,528

Three months ended March 31, 2017

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expenses	Pension scheme contributions	Total remuneration
	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)	US$'000 (Unaudited)
Xiaodong Wang.....	25	—	—	773	—	798

Three months ended March 31, 2018

	Fees	Salaries, allowances and benefits in kind	Performance related bonuses	Share-based compensation expenses	Pension scheme contributions	Total remuneration
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Xiaodong Wang.....	25	—	—	1,334	—	1,359

25. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the Relevant Periods and the three months ended March 31, 2017 included the following number of directors and chief executive, details of whose remuneration are set out in note II.24 above.

	Headcounts			
	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
			(Unaudited)	
Directors and chief executive	2	2	2	2
Neither directors nor chief executive	3	3	3	3
	5	5	5	5

Details of the remuneration for the year of the remaining highest paid employees who are neither a director nor chief executive of the Company are as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Salaries, allowances and benefits in kind	784	1,030	292	316
Performance related bonuses	391	358	110	150
Share-based compensation expenses	1,368	4,695	807	1,329
Pension scheme contributions	15	16	9	14
	2,558	6,099	1,218	1,809

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees			
	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
			(Unaudited)	
Nil to HK$3,500,000	—	—	2	—
HK$3,500,001 to HK$10,000,000	3	—	1	3
HK$10,000,001 to HK$15,000,000	—	2	—	—
HK$15,000,001 to HK$20,000,000	—	1	—	—
	3	3	3	3

During the Relevant Periods and the three months ended March 31, 2017, share options, restricted shares or restricted share units were granted to non-director and non-chief executive highest paid employees in respect of their services to the Group. The fair value of such options, restricted shares or restricted share units, which have been recognized in the consolidated statement of operations over the vesting period, was determined as at the date of grant, and the accounting amount recognized in the respective accounting periods is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the Relevant Periods and the three months ended March 31, 2017, no remuneration was paid by the Group to any directors, the chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office. Except for Qingqing Yi who waived the receipt of director compensation in 2016 and the three months ended March 31, 2017, none of directors, the chief executive or the five highest paid individuals has waived any remuneration during the Relevant Periods and the three months ended March 31, 2017.

26. DIVIDENDS

No dividend was declared by the Company during the Relevant Periods and the three months ended March 31, 2017.

27. LOSS PER SHARE

Loss per share was calculated as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Numerator:				
Net loss attributable to BeiGene, Ltd.	(119,217)	(96,034)	(50,623)	(104,596)
Denominator:				
Weighted average shares outstanding for computing basic and diluted loss per share	403,619,446	543,185,460	516,437,707	670,510,605
Net loss per share attributable to BeiGene, Ltd., basic and diluted (in dollars)	(0.30)	(0.18)	(0.10)	(0.16)

For the Relevant Periods and the three months ended March 31, 2017, the computation of basic loss per share using the two-class method was not applicable as the Group was in a net loss position.

The effects of all convertible preferred shares, share options, unvested restricted share units, warrants and options to purchase ordinary or preferred shares were excluded from the calculation of diluted loss per share as their effect would have been anti-dilutive during the Relevant Periods and the three months ended March 31, 2017.

28. SHARE-BASED COMPENSATION

General

2011 Share Incentive Plan

On April 15, 2011, the Board of Directors approved the 2011 Share Incentive Plan (the "2011 Plan"), which is administered by the Board of Directors or any of its committees such as the Option Committee. Under the 2011 Plan, the Board of Directors may grant options to its employees, directors and consultants to purchase an aggregate of no more than 17,000,000 ordinary shares of the Company (the "Option Pool"). On June 29, 2012, March 28, 2013, August 10, 2014, October 6, 2014 and April

17, 2015, the Board of Directors approved the increase in the Option Pool to 19,000,000 ordinary shares, 24,600,000 ordinary shares, 27,100,000 ordinary shares, 30,560,432 ordinary shares and 43,560,432 ordinary shares, respectively.

2016 Share option and incentive plan

On January 14, 2016, in connection with the US IPO, the board of directors and shareholders of the Company approved the 2016 Share Option and Incentive Plan (the "2016 Plan"), which became effective on February 2, 2016. The Company initially reserved 65,029,595 ordinary shares for the issuance of awards under the 2016 Plan, plus any shares available under the 2011 Plan, and not subject to any outstanding options as of the effective date of the 2016 Plan, along with underlying share awards under the 2011 Plan that are cancelled or forfeited without issuance of ordinary shares. As of December 31, 2017, ordinary shares cancelled or forfeited under the 2011 Plan that were carried over to the 2016 Plan totaled 4,893,601 shares. The 2016 Plan provides for an annual increase in the shares available for issuance, to be added on the first day of each fiscal year, beginning on January 1, 2017 and continuing until the expiration of the 2016 Plan, equal to the lesser of (i) five percent (5%) of the outstanding shares of the Company's ordinary shares on the last day of the immediately preceding fiscal year or (ii) such number of shares determined by the Company's board of directors or the compensation committee. On January 1, 2017, 25,791,680 ordinary shares were added to the 2016 Plan under this provision. On January 1, 2018, 29,603,616 ordinary shares were added to the 2016 Plan under this provision. The number of shares available for issuance under the 2016 Plan is subject to adjustment in the event of a share split, share dividend or other change in the Company's capitalization.

In January 2016, the Company granted 1,685,152 options to employees and 732,000 options to consultants, with a weighted average exercise price of US$1.85 per ordinary share under the 2011 Plan.

For the year ended December 31, 2016, the Company granted an aggregate of 35,317,139 options to employees, 3,604,080 options to consultants, and 1,075,000 restricted ordinary shares to employees, under the 2016 Plan, with an exercise price per ordinary share equal to 1 / 13 of the closing price of the Company's ADS quoted on the NASDAQ Stock Market on the respective grant dates.

During the year ended December 31, 2017, the Company granted 61,921,249 options to employees, with an exercise price per ordinary share equal to 1/13 of the closing price of the Company's ADS quoted on the NASDAQ Stock Market on the applicable grant dates, 1,469,442 restricted share units to employees and 300,000 restricted ordinary shares to employees under the 2016 Plan, and the restricted ordinary shares were forfeited prior to the 2017 year-end.

During the three months ended March 31, 2018, the Company granted 457,093 options to employees, with an exercise price per ordinary share equal to 1/13 of the closing price of the Company's ADS quoted on the NASDAQ Stock Exchange on the applicable grant date, and 2,714,335 restricted share units to employees under the 2016 Plan. As of March 31, 2018, options and restricted share units outstanding totaled 120,811,524 and 4,117,022, respectively.

During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, no grants to employees and non-employees were made outside of the Company's 2011 Plan and 2016 Plan.

Generally, options have a contractual term of 10 years and vest over a three- to five-year period, with the first tranche vesting one calendar year after the grant date or the service relationship start date and the remainder of the awards vesting on a monthly basis thereafter. Restricted shares and restricted share units vest over a four-year period, with the first tranche vesting one calendar year after the grant date or the service relationship start date and the remainder of the awards vesting on a yearly basis thereafter.

As of December 31, 2016, share-based awards to purchase 34,712,601 ordinary shares were available for future grant under the 2016 Plan.

As of December 31, 2017, share-based awards to purchase 2,090,472 ordinary shares were available for future grant under the 2016 Plan.

As of March 31, 2018, share-based awards to purchase 31,553,720 ordinary shares were available for future grant under the 2016 Plan.

Share options

The following table summarizes the Company's share option activities under the 2011 Plan and 2016 Plan:

	Number of Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
		US$	US$	Years	US$'000
Outstanding at December 31, 2015	44,109,990	0.35			
Granted	38,921,219	2.32	1.60		
Exercised	(610,116)	0.10			1,353
Forfeited	(5,341,350)	0.92			
Outstanding at December 31, 2016	77,079,743	1.31			
Granted	62,085,462	3.73	2.65		
Exercised	(5,887,193)	0.82			24,723
Forfeited	(6,275,115)	2.52			
Outstanding at December 31, 2017	127,002,897	2.45		8.50	643,396

	Number of Options	Weighted Average Exercise Price	Weighted Average Grant Date Fair Value	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
		US$	US$	Years	US$'000
Exercisable as of December 31, 2017	32,504,762	1.01		7.20	211,537
Vested and expected to vest at December 31, 2017	117,553,084	2.68		8.46	600,210
Outstanding at December 31, 2016	77,079,743	1.31			
Granted (unaudited)	12,092,431	2.69	1.87		
Exercised (unaudited)	(1,461,374)	0.04			4,092
Forfeited (unaudited)	(173,996)	2.01			
Outstanding at March 31, 2017 (unaudited)	87,536,804	1.52			
Outstanding at December 31, 2017	127,002,897	2.45		8.50	643,396
Granted	457,093	8.61	4.84		
Exercised	(3,691,103)	1.71			32,178
Forfeited	(2,957,363)	3.94			
Outstanding at March 31, 2018	120,811,524	2.46		8.25	1,264,006
Exercisable as of March 31, 2018	35,504,119	1.11		7.09	419,459
Vested and expected to vest at March 31, 2018	112,280,794	2.42		8.22	1,179,551

As of March 31, 2018, the unrecognized compensation cost related to 76,776,675 unvested share options expected to vest was US$146,299,000. This unrecognized compensation will be recognized over an estimated weighted average amortization period of 3.1 years.

The total fair value of employee share option awards vested during the years ended December 31, 2016 and 2017 and three months ended March 31, 2017 and 2018 was US$2,821,000, US$20,440,000, US$3,550,000 and US$8,509,000, respectively.

Fair value of options

The binomial option-pricing model was applied in determining the estimated fair value of the options granted. The model requires the input of highly subjective assumptions including the estimated expected stock price volatility and, the exercise multiple for which employees are likely to exercise share options. For expected volatilities, the trading history and observation period of the Company's own share price movement have not been long enough to match the life of the share option. Therefore, the Company has made reference to the historical price volatilities of ordinary shares of several comparable companies in the same industry as the Company. For the exercise multiple, the Company was not able to develop an exercise pattern as reference, and thus the exercise multiple is based on management's estimation, which the Company believes is representative of the future exercise pattern of the options. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury Bills yield curve in effect at the time of grant. Prior to the completion of the Company's US IPO, the estimated fair value of the ordinary shares, at the option grant dates, was determined with assistance from an independent third-party valuation firm, and the Company's management was ultimately responsible for the determination of the estimated fair value of its ordinary shares. With the completion of the Company's initial public offering, a public trading market for the ADSs has been established, and it is no longer necessary for the Company to estimate the fair value of ordinary shares at the option grant dates.

The following table presents the assumptions used to estimate the fair values of the share options granted in the years/periods presented:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
			(Unaudited)	
Fair value of ordinary shares (US$)	1.85 ~ 2.84	2.39 ~ 8.71	2.37 ~ 3.11	7.58 ~ 12.92
Risk-free interest rate	1.5% ~ 2.6%	2.2% ~ 2.6%	2.3% ~ 2.6%	2.5% ~ 2.9%
Expected exercise multiple	2.2 ~ 2.8	2.2 ~ 2.8	2.2 ~ 2.8	2.8
Expected volatility	98% ~ 102%	99% ~ 100%	99% ~ 100%	60% ~ 63%
Expected dividend yield	0%	0%	0%	0%
Contractual life	10 years	10 years	10 years	10 years

Restricted shares

The following table summarizes the Company's employee restricted share activities under the 2016 Plan:

	Numbers of Shares	Weighted Average Grant Date Fair Value
		US$
Outstanding at December 31, 2015	44,445	0.05
Granted	1,075,000	2.16
Vested	(44,445)	0.05
Forfeited	—	—
Outstanding at December 31, 2016	1,075,000	2.16
Granted	300,000	2.95
Vested	(268,750)	2.04
Forfeited	(300,000)	2.95
Outstanding at December 31, 2017	806,250	2.16
Expected to vest at December 31, 2017	725,625	2.16
Outstanding at December 31, 2016	1,075,000	2.16
Granted (unaudited)	—	—
Vested (unaudited)	—	—
Forfeited (unaudited)	—	—
Outstanding at March 31, 2017 (unaudited)	1,075,000	2.16
Outstanding at December 31, 2017	806,250	2.16
Granted	—	—
Vested	—	—
Forfeited	—	—
Outstanding at March 31, 2018	806,250	2.16
Expected to vest at March 31, 2018	725,625	2.16

The Company had no non-employee restricted share activities during the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018.

As of December 31, 2016, there was US$2,045,000 of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested restricted shares. The unrecognized compensation will be recognized over an estimated weighted average amortization period of 3.5 years.

As of December 31, 2017, the unrecognized compensation cost related to unvested restricted shares expected to vest was US$1,465,000. This unrecognized compensation will be recognized over an estimated weighted average amortization period of 2.5 years.

As of March 31, 2018, the unrecognized compensation cost related to unvested restricted shares expected to vest was US$1,189,000. This unrecognized compensation will be recognized over an estimated weighted average amortization period of 2.3 years.

Restricted share units

The following table summarizes the Company's employee restricted share unit activities under the 2016 Plan:

	Numbers of Shares	Weighted Average Grant Date Fair Value
		US$
Outstanding at December 31, 2016	—	—
Granted	1,469,442	7.55
Vested	—	—
Forfeited	—	—
Outstanding at December 31, 2017	1,469,442	7.55
Expected to vest at December 31, 2017	1,322,498	7.55
Outstanding at December 31, 2016	—	—
Granted (unaudited)	—	—
Vested (unaudited)	—	—
Forfeited (unaudited)	—	—
Outstanding at March 31, 2017 (unaudited)	—	—
Outstanding at December 31, 2017	1,469,442	7.55
Granted	2,714,335	10.26
Vested	—	—
Forfeited	(66,755)	8.88
Outstanding at March 31, 2018	4,117,022	9.31
Expected to vest at March 31, 2018	3,705,320	9.31

As of March 31, 2018, the unrecognized compensation cost related to unvested restricted share units expected to vest was US$31,533,000. This unrecognized compensation will be recognized over an estimated weighted average amortization period of 3.6 years.

The following table summarizes total share-based compensation cost recognized for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Research and development	8,076	30,610	4,529	12,052
Selling, general and administrative	2,549	12,253	1,463	5,344
Total	10,625	42,863	5,992	17,396

29. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The movements of accumulated other comprehensive income (loss) are as follows:

	Foreign Currency Translation Adjustments	Unrealized Losses on Available-for-Sale Securities	Total
	US$'000	US$'000	US$'000
Balance as of December 31, 2015	(602)	(1,207)	(1,809)
Other comprehensive loss before reclassifications	(245)	(307)	(552)
Amounts reclassified from accumulated other comprehensive income	—	1,415	1,415
Net-current period other comprehensive (loss) income	(245)	1,108	863
Balance as of December 31, 2016	(847)	(99)	(946)
Other comprehensive income (loss) before reclassifications	1,025	(252)	773
Amounts reclassified from accumulated other comprehensive loss	—	(44)	(44)
Net-current period other comprehensive income (loss)	1,025	(296)	729
Balance as of December 31, 2017	178	(395)	(217)

	Foreign Currency Translation Adjustments	Unrealized Losses on Available-for-Sale Securities	Total
	US$'000	US$'000	US$'000
Balance as of December 31, 2016	(847)	(99)	(946)
Other comprehensive income before reclassifications (unaudited)	90	(4)	86
Amounts reclassified from accumulated other comprehensive income (unaudited)	—	(8)	(8)
Net-current period other comprehensive income (loss) (unaudited)	90	(12)	78
Balance as of March 31, 2017 (unaudited)	(757)	(111)	(868)
Balance as of December 31, 2017	178	(395)	(217)
Other comprehensive income before reclassifications	208	244	452
Amounts reclassified from accumulated other comprehensive income	—	85	85
Net-current period other comprehensive income	208	329	537
Balance as of March 31, 2018	386	(66)	320

30. SHAREHOLDERS' EQUITY

United States Initial public offering

On February 8, 2016, the Company completed its US IPO on the Nasdaq Global Select Market. 6,600,000 ADSs representing 85,800,000 ordinary shares were sold at US$24.00 per ADS, or US$1.85 per ordinary share. Additionally, the underwriters exercised their option to purchase an additional 990,000 ADSs representing 12,870,000 ordinary shares from the Company. Net proceeds from the US IPO, including the underwriter option, after deducting underwriting discounts and offering expenses were US$166.2 million.

Follow-on public offerings

On November 23, 2016, the Company completed a follow-on public offering at a price of US$32.00 per ADS, or US$2.46 per ordinary share. In this offering, the Company sold 5,781,250 ADSs representing 75,156,250 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 850,000 ADSs representing 11,050,000 ordinary shares from the Company. The selling shareholders sold 468,750 ADSs representing 6,093,750 ordinary shares. Net proceeds from this offering, including the underwriter option, after deducting the underwriting discounts and offering expenses were US$198,625,000. The Company did not receive any proceeds from the sale of the shares by the selling shareholders.

On August 16, 2017, the Company completed a follow-on public offering at a price of US$71.00 per ADS, or US$5.46 per ordinary share. In this offering, the Company sold 2,465,000 ADSs representing 32,045,000 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 369,750 ADSs representing 4,806,750 ordinary shares from the Company. Net proceeds from this offering, including the underwriter option, after deducting the underwriting discounts and offering expenses were US$188,517,000.

On January 22, 2018, the Company completed a follow-on public offering at a price of US$101.00 per ADS, or US$7.77 per ordinary share. In this offering, the Company sold 7,425,750 ADSs representing 96,534,750 ordinary shares. Additionally, the underwriters exercised their option to purchase an additional 495,050 ADSs representing 6,435,650 ordinary shares from the Company. Net proceeds from this offering including the underwriter option after deducting the underwriting discounts and offering expenses were US$757,587,000.

Share Subscription Agreement

On August 31, 2017, the Company sold 32,746,416 of its ordinary shares to Celgene Switzerland for an aggregate cash price of US$150,000,000, or US$4.58 per ordinary share, or US$59.55 per ADS, pursuant to a Share Subscription Agreement in connection with the entry into the A&R PD-1 License Agreement. Proceeds from the issuance are recorded net of US$72,000 of fees related to the share issuance. The offer and sale of the shares issued pursuant to the Share Subscription Agreement was made in a private placement in reliance upon the exemption from registration provided by Section 4(a)(2) of the Securities Act, for transactions by an issuer not involving a public offering, and/or Regulation D under the Securities Act.

Conversion of preferred shares and senior promissory note

Convertible preferred shares

In October 2014, the Company issued 52,592,590 Series A convertible preferred shares (the "Series A Preferred Shares") with a par value of US$0.0001 per share for cash consideration of US$35,500,000 or US$0.68 per share. At the same time, the previously issued subordinated convertible promissory note, convertible promissory notes, secured guaranteed convertible promissory notes, advances and convertible promissory notes due to the related party were automatically converted into 64,192,927 Series A Preferred Shares in aggregate.

On April 21, 2015, the Company issued 83,205,124 Series A-2 convertible preferred shares (the "Series A-2 Preferred Shares") with a par value of US$0.0001 per share for cash consideration of US$97,350,000 or US$1.17 per share.

The Series A Preferred Shares and the Series A-2 Preferred Shares are collectively referred to as the "Preferred Shares."

The significant terms of the Preferred Shares are summarized below.

Dividends

The holders of the Preferred Shares shall be entitled to receive dividends accruing at the rate of 8% per annum. In addition, holders of the Preferred Shares shall also be entitled to dividends on the Company's ordinary shares on an as if converted basis.

Voting rights

Each holder of the Preferred Shares shall have the right to vote the number of votes per ordinary share into which their Preferred Shares could be converted, and shall vote along with the ordinary shares, on all matters in respect of which the holders of ordinary shares are entitled to vote.

Liquidation preference

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or any deemed liquidation event as defined in the Preferred Shares agreements ("Liquidation Transaction"), the holders of Preferred Shares then outstanding are entitled to be paid out of the assets of the Company available for distribution to its members before any payment shall be made to the holders of any other class of shares by reason of their ownership thereof, an amount per share equal to the greater of (i) the original issue price, plus accrued but unpaid dividends; and (ii) such amount per share as would have been payable had all Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.

Conversion rights

(i) Optional conversion: Each Preferred Share shall be convertible into the Company's ordinary shares at the option of the holder at any time after the issuance date by dividing the original issue price by the conversion price, which is initially equal to the original issue price. All unpaid, cumulative dividends on the Preferred Shares shall no longer be payable.

(ii) Automatic conversion: All outstanding Preferred Shares shall automatically be converted into ordinary shares at the then effective Preferred Shares conversion price upon (i) the closing of a qualified initial public offering; or (ii) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least 80.63% of the then outstanding Preferred Shares. Upon conversion of the Preferred Shares, all unpaid, cumulative dividends on the Preferred Shares shall no longer be payable.

Drag-along right

In the event that each of (i) (A) Baker Brothers or (B) Hillhouse BGN Holdings Limited ("Hillhouse") and CB Biotech Investment Limited ("CITIC PE") jointly; (ii) a majority of the Board of Directors; and (iii) the holders of more than 66.66% of the then-outstanding ordinary shares (other than those issued or issuable upon conversion of the Preferred Shares and any other derivative securities) approve a sale of the Company in writing, then each preferred shareholder agrees to certain joint actions to be taken to ensure such sale of the Company could be completed.

Accounting for Preferred Shares

The Preferred Shares are classified as mezzanine equity as these convertible preferred shares are redeemable upon the occurrence of a conditional event (i.e. a Liquidation Transaction). The holders of the Preferred Shares have a liquidation preference and will not receive the same form of consideration upon the occurrence of the conditional event as the holders of the ordinary shares would. The initial carrying amount of the Series A Preferred Shares of US$78,809,000 is the issue price at the date of issuance of US$78,889,000 net of issuance costs of US$80,000. The initial carrying amount of the Series A-2 Preferred Shares of US$97,275,000 is the issue price at the date of issuance of US$97,350,000 net of issuance costs of US$75,000. The holders of the Preferred Shares have the ability to convert the instrument into the Company's ordinary shares. The conversion option of the convertible preferred shares do not qualify for bifurcation accounting because the conversion option is clearly and closely related to the host instrument and the underlying ordinary shares are not publicly traded nor readily convertible into cash. The contingent redemption options of the convertible preferred shares do not qualify for bifurcation accounting because the underlying ordinary shares are neither publicly traded nor readily convertible into cash. There are no other embedded derivatives that are required to be bifurcated.

Beneficial conversion features exist when the conversion price of the convertible preferred shares is lower than the fair value of the ordinary shares at the commitment date, which is the issuance date in the Company's case. When a beneficial conversion feature exists as of the commitment date, its intrinsic value is bifurcated from the carrying value of the convertible preferred shares as a contribution to additional paid-in capital. On the commitment date of Series A Preferred Shares and Series A-2 Preferred Shares, the most favorable conversion price used to measure the beneficial conversion feature were US$0.68 and US$1.17, respectively. No beneficial conversion feature was recognized for the Series A Preferred Shares and Series A-2 Preferred Shares as the fair value per ordinary share at the commitment date were US$0.28 and US$0.47, respectively, which was less than the most favorable conversion price. The Company determined the fair value of ordinary shares with the assistance of an independent third party valuation firm.

The Company concluded that the Preferred Shares are not redeemable currently, and is not probable that the Preferred Shares will become redeemable because the likelihood of a Liquidation Transaction is remote. Therefore, no adjustment will be made to the initial carrying amount of the Preferred Shares until it is probable that they will become redeemable. The liquidation preference amount was US$204,375,000 as of December 31, 2015.

Upon completion of the US IPO, all outstanding preferred shares were converted into 199,990,641 ordinary shares and the related carrying value of US$176,084,000 was reclassified from mezzanine equity to shareholders' equity. Hence the balance of Preferred Shares became nil as at December 31, 2016.

Senior promissory note

On February 2, 2011, the Company issued a senior promissory note to Merck Sharp & Dohme Research GmbH ("Merck Sharp"), an entity that is unaffiliated with Merck KGaA, with a principal amount of US$10,000,000 (the "Senior Promissory Note"). The Senior Promissory Note bears an interest of 8% compounding per annum and has a term of five years. The Company may elect to repay in whole or in part on the outstanding principal and accrued interest any time prior to the maturity of the Senior Promissory Note.

In the event of (A) any voluntary dissolution, winding up the Company, (B) any material representation or warranty made by the Company was untrue; (C) a material breach or violation of any other covenant, agreement or condition by the Company which is not cured within ten business days; (D) any acceleration of indebtedness of the Company as a result of a default of any agreement; (E) the Company admits in writing its inability to repay its debts as they become due; (F) the Company commences any proceeding seeking reorganization or liquidation; or (G) any proceeding is commenced against the Company to have an order for relief entered against it as debtor or seeking reorganization or liquidation (the "Events of Default"), the outstanding principal and accrued interest of the Senior Promissory Note will become due and payable in full. The Senior Promissory Note was initially recorded as a long-term liability carried at amortized cost of US$10,000,000 and subsequently accreted to the amount payable upon maturity using the effective interest method. Interest accrued as of December 31, 2015 amounted to US$4,598,000.

On January 26, 2016, the Company entered into a note amendment and exchange agreement with Merck Sharp, pursuant to which, the maturity date of the Senior Promissory Note was extended to May 2, 2016 from February 2, 2016. In addition, if the US IPO occurred on or prior to May 2, 2016, subject to certain limitations, the outstanding unpaid principal and interest of the Senior Promissory Note as of the effectiveness date of the Company's US IPO (the "Exchanged Balance") would be automatically exchanged, effective immediately prior to the closing of the US IPO, into up to a number of the Company's ordinary shares equal to the quotient of (1) the Exchanged Balance divided by (2) the per ordinary share public offering price in the US IPO. The amendments and subsequent extinguishment of the Senior Promissory Note did not result in any gain or loss since the conversion rate was set at the US IPO Price.

On February 8, 2016, the outstanding unpaid principal and interest of the Senior Promissory Note of carrying value of US$14,693,000 were exchanged into 7,942,314 ordinary shares, computed at the US IPO Price of US$1.85 per ordinary share and the related carrying value of US$14,693,000 was reclassified from current liability to shareholders' equity. Hence the balance of Senior Promissory Note bacame nil as at Decemberr 31, 2016.

Exercise of warrants and option

In January 2016 and February 2016, certain warrants in connection with the convertible promissory notes and short term notes were exercised to purchase 621,637 preferred shares, which were converted into 621,637 ordinary shares. On the US IPO closing date, (i) the Company's landlord exercised its option to purchase 1,451,586 ordinary shares of the Company; (ii) Baker Bros. Advisors LP. ("Baker Bros.") exercised their warrants to purchase 2,592,593 ordinary shares at an exercise price of US$0.68 per share; and (iii) a senior executive exercised warrants to purchase 57,777 preferred shares at an exercise price of US$0.68 per share, which were converted into 57,777 ordinary shares. Upon the exercise of the aforementioned option and warrants, except for Baker Bros.' warrants, which were initially classified in equity, the related carrying value totaling US$3,687,000 was reclassified from current liabilities to shareholders' equity.

31. RESTRICTED NET ASSETS

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiaries. Relevant PRC statutory laws and regulations permit payments of dividends by the Company's PRC subsidiaries only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with US GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiaries.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiaries were established as domestic enterprises and therefore were subject to the above-mentioned restrictions on distributable profits.

During the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, no appropriation to statutory reserves was made because the PRC subsidiaries had substantial losses during such periods.

As a result of these PRC laws and regulations including the requirement to make annual appropriations of at least 10% of after-tax income and set aside as general reserve fund prior to payment of dividends, the Company's PRC subsidiaries are restricted in their ability to transfer a portion of their net assets to the Company.

Foreign exchange and other regulation in the PRC may further restrict the Company's PRC subsidiaries from transferring funds to the Company in the form of dividends, loans and advances. As of December 31, 2016 and 2017 and March 31, 2018, amounts restricted are the net assets of the Company's PRC subsidiaries, which amounted to US$9,955,000, US$39,910,000 and US$37,036,000, respectively.

32. EMPLOYEE DEFINED CONTRIBUTION PLAN

Full-time employees of the Group in the PRC participate in a government mandated defined contribution plan, pursuant to which certain pension benefits, medical care, employee housing fund and other welfare benefits are provided to employees. Chinese labor regulations require that the Company's PRC subsidiaries make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Group has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were US$2,148,000, US$4,103,000, US$596,000 and US$2,047,000 for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, respectively.

During the year ended December 31, 2016, the Group implemented a defined contribution 401(k) savings plan (the "401(k) Plan") for U.S. employees. The 401(k) Plan covers all U.S. employees, and allows participants to defer a portion of their annual compensation on a pretax basis. In addition, the Group implemented a matching contribution to the 401(k) Plan, matching 50% of an employee's contribution up to a maximum of 3% of the participant's compensation. The Group's contributions to the 401(k) plan totaled US$79,000, US$455,000, US$90,000 and US$377,000 in the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, respectively. Employee benefits for the remaining subsidiaries were immaterial.

33. COMMITMENTS AND CONTINGENCIES

Operating lease commitments

The Group leases office and manufacturing facilities under non-cancelable operating leases expiring on different dates in the United States and China. Payments under operating leases are expensed on a straight-line basis over the periods of their respective leases, and the terms of the leases do not contain rent escalation, contingent rent, renewal, or purchase options.

There are no restrictions placed upon the Group by entering into these leases. Total expenses under these operating leases were US$1,974,000, US$3,810,000, US$696,000 and US$1,653,000 for the years ended December 31, 2016 and 2017 and the three months ended March 31, 2017 and 2018, respectively.

Future minimum payments under non-cancelable operating leases consist of the following as of December 31, 2016:

Year ending December 31:	US$'000
2017	2,931
2018	2,723
2019	1,804
2020	1,600
2021 and thereafter	457
Total	9,515

On April 10, 2016, the Group entered into a Lease Agreement with Suzhou Industrial Park Biotech Development Co., Ltd. for an approximately 11,000 square meter facility for research and manufacturing use in Suzhou, China. The lease commenced on April 18, 2016 and will expire on July 17, 2021. The initial rent, the payment of which commenced on July 18, 2016, is RMB281,000 per month, plus service charges of RMB65,000 per month and other fees for use of the premises, including water costs and electricity. The service charges will remain unchanged for the first three years and the increasing range thereafter will not exceed 5% of the previous yearly service charges. Suzhou Industrial Park Administrative Committee will pay full monthly rent for the first three years and 50% of the monthly rent for the following two years.

Future minimum payments under non-cancelable operating leases consist of the following as of December 31, 2017:

Year ending December 31:	US$'000
2018	7,346
2019	9,120
2020	7,880
2021	4,755
2022 and thereafter	4,078
Total	33,179

Future minimum payments under non-cancelable operating leases consist of the following as of March 31, 2018:

	US$'000
Nine months ending December 31, 2018	6,487
Year ending December 31:	
2019	9,358
2020	8,094
2021	4,849
2022	2,678
2023 and thereafter	1,413
Total	32,879

Capital commitments

The Group had capital commitments amounting to US$4,527,000 for the acquisition of property, plant and equipment as of December 31, 2016, which were mainly for building BeiGene Suzhou's manufacturing facility in Suzhou, China.

The Group had capital commitments amounting to US$43,175,000 for the acquisition of property, plant and equipment as of December 31, 2017, which were mainly for BeiGene Guangzhou Factory's manufacturing facility in Guangzhou, China.

The Group had capital commitments amounting to US$41,941,000 for the acquisition of property, plant and equipment as of March 31, 2018, which were mainly for BeiGene Guangzhou Factory's manufacturing facility in Guangzhou, China.

34. RELATED PARTY TRANSACTIONS

(a) The Group had the following related party transactions for the Relevant Periods and the three months ended March 31, 2017:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Consulting service fee paid to a shareholder, Xiaodong Wang	100	100	25	25

(b) Compensation of key management personnel of the Group:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
Short term employee benefits	2,500	4,114	760	916
Post-employment benefits	11	32	13	30
Share-based compensation expenses	4,767	13,753	2,343	4,315
Total compensation paid to key management personnel	7,278	17,899	3,116	5,261

The above compensation included directors' and the chief executive's emoluments and further details of such emoluments are included in note II.24.

The related party transactions in respect of item (a) listed above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

35. SEGMENT AND GEOGRAPHIC INFORMATION

The Group operates in one segment. Its chief operating decision maker is the Chief Executive Officer, who makes operating decisions, assesses performance and allocates resources on a consolidated basis.

The Group's long-lived assets are substantially located in the PRC.

Net product revenues by geographic area are based upon the locations of the customer, and net collaboration revenue is recorded in the jurisdiction in which the related income is expected to be sourced from. Total net revenues by geographic area are presented as follows:

	Year ended December 31,		Three months ended March 31,	
	2016	2017	2017	2018
	US$'000	US$'000	US$'000 (Unaudited)	US$'000
PRC	—	24,428	—	23,250
United States	—	138,423	—	6,041
Others	1,070	75,536	—	3,253
Total	1,070	238,387	—	32,544

36. SUBSEQUENT EVENTS

On April 4, 2018, BeiGene Guangzhou Factory entered into a nine-year loan agreement with China Construction Bank to borrow RMB580,000,000 at a floating interest rate benchmarking RMB loans interest rate of financial institutions in the PRC. The Group plans to drawn down the entire borrowings before December 31, 2019. The loan is secured by BeiGene Guangzhou Factory's land use right with a carrying amount of US$12,863,000 as at March 31, 2018. Interest expense will be paid quarterly until the loan is fully settled. As at the date of this report, BeiGene Guangzhou Factory has drawn down loan amount of RMB280,000,000 pursuant to such loan agreement.

37. COMPANY'S EQUITY

A summary of the Company's equity are as follows:

	Ordinary Shares		Additional paid-in capital	Accumulated other comprehensive income/(loss)	Accumulated deficit	Total
	Shares	Amount				
		US$'000	US$'000	US$'000	US$'000	US$'000
Balance at December 31, 2015	116,174,094	12	19,178	(1,206)	(51,110)	(33,126)
Issuance of ordinary shares in connection with initial public offering (Note II.30)	98,670,000	10	166,127	—	—	166,137
Issuance of ordinary shares in connection with follow-on public offering (Note II.30)	86,206,250	9	198,617	—	—	198,626
Conversion of Senior Promissory Note (Note II.30)	7,942,314	1	14,692	—	—	14,693
Exercise of warrants in connection with convertible promissory note (Notes II.17 and II.30)	621,637	—	1,513	—	—	1,513
Exercise of option to purchase shares by rental deferred (Note II.17)	1,451,586	—	3,519	—	—	3,519
Exercise of warrants by Baker Bros. (Notes II.30)	2,592,593	—	1,750	—	—	1,750
Issuance of shares reserved for share options exercise	271,284	—	—	—	—	—
Conversion of preferred shares to ordinary shares	199,990,641	20	176,064	—	—	176,084
Share-based compensation	1,913,210	—	10,704	—	—	10,704
Net loss	—	—	—	—	(75,820)	(75,820)
Other comprehensive income	—	—	—	1,107	—	1,107
Balance at December 31, 2016	515,833,609	52	592,164	(99)	(126,930)	465,187

	Ordinary Shares		Additional paid-in capital	Accumulated other comprehensive income/(loss)	Accumulated deficit	Total
	Shares	Amount				
		US$'000	US$'000	US$'000	US$'000	US$'000
Issuance of ordinary shares in secondary follow-on offering, net of transaction costs (Note II.30)	36,851,750	4	188,513	—	—	188,517
Proceeds from sale of ordinary shares, net of cost (Note II.30)	32,746,416	3	149,925	—	—	149,928
Discount on the sale of ordinary shares (Note II.4)	—	—	23,606	—	—	23,606
Share-based compensation	—	—	42,863	—	—	42,863
Issuance of shares reserved for share options exercise	787,571	—	—	—	—	—
Exercise of options	5,852,984	—	4,627	—	—	4,627
Net loss	—	—	—	—	(146,416)	(146,416)
Other comprehensive loss	—	—	—	(234)	—	(234)
Balance at December 31, 2017	592,072,330	59	1,001,698	(333)	(273,346)	728,078
Balance at December 31, 2017	592,072,330	59	1,001,698	(333)	(273,346)	728,078
Third follow-on offering, net of transaction costs (Note II.30)	102,970,400	10	757,576	—	—	757,586
Issuance of shares reserved for share options exercise	213,018	—	—	—	—	—
Share-based compensation	—	—	17,396	—	—	17,396
Exercise of options	3,686,982	1	6,314	—	—	6,315
Net loss	—	—	—	—	(86,453)	(86,453)
Other comprehensive loss	—	—	—	182	—	182
Balance at March 31, 2018	698,942,730	70	1,782,984	(151)	(359,799)	1,423,104

38. RECONCILIATION OF HISTORICAL FINANCIAL STATEMENTS WITH US GAAP PUBLISHED FINANCIAL STATEMENTS

The impact of the early adoption of the new accounting pronouncements compared to the reported results in the Company's annual report for the year ended December 31, 2017 on Form 10-K filed with the United States Securities and Exchange Commission on February 27, 2018 is as follows:

	As at December 31, 2017				
Consolidated balance sheet data	**As reported in annual report**	**Adjustments**			**As reported in this accountants' report**
	US$'000	**US$'000 Note (i)**	**US$'000 Note (ii)**	**US$'000 Note (iii)**	**US$'000**
Unbilled receivables	—	16,307	—	—	16,307
Other non-current assets	42,915	—	(26,090)	(2,498)	14,327
Total assets	1,046,479	16,307	(26,090)	(2,498)	1,034,198
Other long-term liabilities	31,959	—	—	(9,990)	21,969
Total liabilities	362,248	—	—	(9,990)	352,258
Accumulated other comprehensive loss	(480)	—	—	263	(217)
Accumulated deficit	(330,517)	16,307	(26,090)	6,854	(333,446)
Non-controlling interest	14,422	—	—	375	14,797
Total equity	684,231	16,307	(26,090)	7,492	681,940

	Year ended December 31, 2017				
Consolidated statement of operations data	**As reported in annual report**	**Adjustments**			**As reported in this accountants' report**
	US$'000	**US$'000 Note (i)**	**US$'000 Note (ii)**	**US$'000 Note (iii)**	**US$'000**
Collaboration revenue	213,959	16,307	—	—	230,266
Total revenues	238,387	16,307	—	—	254,694
Other income, net	11,457	—	—	9,620	21,077
Loss before income tax expense	(91,064)	16,307	—	9,620	(65,137)
Income tax expense	(2,235)	—	(26,090)	(2,405)	(30,730)
Net loss	(93,299)	16,307	(26,090)	7,215	(95,867)
Less: net loss attributable to non-controlling interests	(194)	—	—	361	167
Net loss attributable to BeiGene, Ltd.	(93,105)	16,307	(26,090)	6,854	(96,034)

	Year ended December 31, 2017				
Consolidated statement of operations data	As reported in annual report	Adjustments			As reported in this accountants' report
	US$'000	US$'000 Note (i)	US$'000 Note (ii)	US$'000 Note (iii)	US$'000
Net loss per share attributable to BeiGene, Ltd.					
Basic and diluted (in dollars).....	(0.17)				(0.18)
Net loss per American Depositary Share ("ADS")					
Basic and diluted (in dollars).....	(2.23)				(2.30)

Notes:

(i) Adjustment to recognize the variable consideration of US$16,307,000 under the collaboration arrangement with Celgene Corporation as revenue in the Group's consolidated financial statements for the year ended December 31, 2017 upon the early adoption of ASC 606 — Revenue from Contracts with Customers in preparing the Historical Financial Information. This is because such variable consideration related to Celgene's opt-in of certain clinical trials of the Group was not constrained, which meets with the revenue recognition criteria of ASC 606.

(ii) Adjustment to charge the PRC withholding tax of US$26,090,000 incurred on intragroup transfer of the 100% equity interest in BeiGene Shanghai to BeiGene Guangzhou as an expense in the Group's consolidated statement of operations for the year ended December 31, 2017 upon the early adoption of ASU 2016-16 in preparing the Historical Financial Information.

Prior to the early adoption of ASU 2016-16, such PRC withholding tax arising from intragroup transfer of equity interest was deferred and carried in the Group's consolidated balance sheet as a prepaid asset as at December 31, 2017 under ASC 740.

(iii) Adjustment to recognize the government subsidies of US$9,990,000 relating to the above mentioned PRC withholding tax as income in the Group's consolidated statement of operations for the year ended December 31, 2017 as a result of the early adoption of ASU 2016-16 to recognize such PRC withholding tax as an expense in 2017. In addition, the income tax expense of US$2,498,000 on the government subsidies previously deferred as a prepaid asset under ASC 740 is charged as an expense in the Group's consolidated statement of operations for the year ended December 31, 2017 as a result of the recognition of such government subsidies as income in 2017. Finally, adjustments are made in the Group's consolidated financial statements for the year ended December 31, 2017 to account for the consequential impact on the Group's non-controlling interests of US$375,000 and a foreign currency translation difference of US$263,000 arising from the above adjustments of government subsidies and related income tax expense which are applicable to a non-wholly-owned PRC subsidiary.

No early adoption adjustments were applicable to (i) the previously published consolidated financial statements of the Group for the year ended December 31, 2016; and (ii) the previously published consolidated condensed financial statements of the Group for the three months ended March 31, 2018 and 2017.

39. RECONCILIATION BETWEEN US GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS

The consolidated financial statements are prepared in accordance with US GAAP, which differ in certain respects from International Financial Reporting Standards ("IFRSs"). The effects of material differences between the Financial Information of the Group prepared under US GAAP and IFRSs are as follows:

	As at December 31, 2016				
Consolidated balance sheet data	**Amounts as reported under US GAAP**	**IFRSs adjustments**			**Amounts under IFRSs**
	US$'000	**US$'000**	**US$'000**	**US$'000**	**US$'000**
		Share based compensation (note (i))	**Preferred Shares (note (ii))**	**Tax benefit/ deficiency on share-based compensation (note (iii))**	
Deferred tax assets	768	1,271	—	—	2,039
Total assets	405,813	1,271	—	—	407,084
Additional paid-in capital	591,213	2,379	193,752	—	909,167
		7,681	114,142	—	
Accumulated deficit	(237,412)	(2,379)	(193,752)	—	(554,095)
		(6,410)	(114,142)	—	
Total equity	352,907	1,271	—	—	354,178

Consolidated balance sheet data	As at December 31, 2017				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Deferred tax assets	7,675	1,271	—	8,617	21,476
		3,913	—	—	
Total assets.....	1,034,198	5,184	—	8,617	1,047,999
Additional paid-in capital.....	1,000,747	35,987	307,894	8,617	1,365,371
		7,681	—	2,066	
		2,379	—	—	
		46,047	307,894	10,683	
Accumulated deficit.....	(333,446)	(2,379)	(307,894)	(2,066)	(684,231)
		(6,410)	—	—	
		(32,036)	—	—	
		(40,825)	(307,894)	(2,066)	
Non-controlling interest..	14,797	(38)	—	—	14,759
Total equity	681,940	5,184	—	8,617	695,741

Consolidated balance sheet data	As at March 31, 2018				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share based compensation (note (iii))	
Deferred tax assets	11,991	5,184	—	8,617	25,792
Total assets.....	1,708,927	5,184	—	8,617	1,722,728
Additional paid-in capital.....	1,782,033	46,047	307,894	10,683	2,161,107
		10,912	—	3,538	
		56,959	307,894	14,221	
Accumulated deficit.....	(438,042)	(40,825)	(307,894)	(2,066)	(803,277)
		(10,912)	—	(3,538)	
		(51,737)	(307,894)	(5,604)	
Non-controlling interest..	14,341	(38)	—	—	14,303
Total equity	1,358,722	5,184	—	8,617	1,372,523

Consolidated statement of operations data	Year ended December 31, 2016				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Research and development expenses	(98,033)	(3,876)	—	—	(101,909)
Selling, general and administrative expenses	(20,097)	(3,805)	—	—	(23,902)
Changes in fair value of financial instruments	(1,514)	—	(114,142)	—	(115,656)
Loss before income tax expense	(119,163)	(7,681)	(114,142)	—	(240,986)
Income tax expense	(54)	1,271	—	—	1,217
Net loss	(119,217)	(6,410)	(114,142)	—	(239,769)
Net loss attributable to BeiGene, Ltd.	(119,217)	(6,410)	(114,142)	—	(239,769)

Consolidated statement of operations data	Year ended December 31, 2017				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share-based compensation (note (iii))	
Research and development expenses	(269,018)	(22,751)	—	—	(291,769)
Selling, general and administrative expenses	(62,602)	(13,236)	—	—	(75,838)
Loss before income tax expense	(65,137)	(35,987)	—	—	(101,124)
Income tax expense	(30,730)	3,913	—	(2,066)	(28,883)
Net loss	(95,867)	(32,074)	—	(2,066)	(130,007)
Less: net profit attributable to non-controlling interests	167	(38)	—	—	129
Net loss attributable to BeiGene, Ltd.	(96,034)	(32,036)	—	(2,066)	(130,136)

Consolidated statement of operations data	Three months ended March 31, 2017				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share based compensation (note (iii))	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Research and development expenses	(42,773)	(2,831)	—	—	(45,604)
Selling, general and administrative expenses	(8,769)	(2,165)	—	—	(10,934)
Loss before income tax expense	(50,443)	(4,996)	—	—	(55,439)
Income tax expense	(180)	1,116	—	—	936
Net loss	(50,623)	(3,880)	—	—	(54,503)
Net loss attributable to BeiGene, Ltd.	(50,623)	(3,880)	—	—	(54,503)

Consolidated statement of operations data	Three months ended March 31, 2018				
	Amounts as reported under US GAAP	IFRSs adjustments			Amounts under IFRSs
	US$'000	US$'000	US$'000	US$'000	US$'000
		Share based compensation (note (i))	Preferred Shares (note (ii))	Tax benefit/ deficiency on share based compensation (note (iii))	
Research and development expenses	(109,700)	(4,850)	—	—	(114,550)
Selling, general and administrative expenses	(28,915)	(6,062)	—	—	(34,977)
Loss before income tax expense	(108,528)	(10,912)	—	—	(119,440)
Income tax expense	3,412	—	—	(3,538)	(126)
Net loss	(105,116)	(10,912)	—	(3,538)	(119,566)
Net loss attributable to BeiGene, Ltd.	(104,596)	(10,912)	—	(3,538)	(119,046)

Notes:

(i) *Share based compensation*

Under US GAAP, the Group has elected to recognize compensation expense using the straight line method for all employee equity awards granted with graded vesting based on service conditions provided that the amount of compensation cost recognized at any date is at least equal to the portion of the grant-date value of the options that are vested at that date.

Under IFRSs, the accelerated method is required to recognize compensation expense for all employee equity awards granted with graded vesting.

Hence difference of US$35,987,000 (year ended December 31, 2016: US$7,681,000) arose between the amount of share based compensation (included in research and development expenses, and selling, general and administrative expenses) and related income tax impact of US$3,913,000 (year ended December 31, 2016: US$1,271,000) recognized under US GAAP and IFRS in the year ended December 31, 2017. In addition, difference of US$2,379,000 arose between the amount of accumulated share based compensation recognized in opening additional paid in capital and opening accumulated losses under US GAAP and IFRSs as at January 1, 2016, the beginning of the Relevant Periods. No material consequential impact on income tax arose for the periods prior to the beginning of the Relevant Periods. Consequential impact on non-controlling interest of US$38,000 arose for the year ended December 31, 2017 but no consequential impact on non-controlling interest arose for the year ended December 31, 2016 and earlier financial years. The overall net impact on the net loss attributable to BeiGene, Ltd. was US$32,036,000 and US$6,410,000 for the year ended December 31, 2017 and 2016 respectively.

Similarly, difference of US$10,912,000 and US$4,996,000 arose between the amount of share based compensation recognized under US GAAP and IFRSs in the three months ended March 31, 2018 and 2017 respectively, and related income tax impact of US$ nil and US$1,116,000 arose for the three months ended March 31, 2018 and 2017 respectively. Related income tax impact under IFRSs is nil for the three months ended March 31, 2018 because no additional deferred tax asset can be recognized during such period under IFRSs , which is after taking into account the extent of future available taxable profit against which the related tax deduction can be utilized.

(ii) *Preferred Shares*

Under US GAAP, the Preferred Shares issued by the Company are classified as mezzanine equity as these convertible preferred shares are redeemable upon the occurrence of a conditional event (i.e., Liquidation Transaction). The holders of the Preferred Shares have a liquidation preference upon the occurrence of the conditional event. As explained in note II.30, the conversion options and contingent redemption options of the convertible preferred shares do not qualify for bifurcation accounting. No beneficial conversion features are recognized for the convertible preferred shares as the fair values per ordinary share at the respective commitment dates were less than the most favorable conversion prices. The Company concluded that the Preferred Shares are not redeemable currently, and is not probable that the Preferred Shares will become redeemable because the likelihood of the Liquidation Transaction is remote. Therefore, no adjustment will be made to the initial carrying amount of the Preferred Shares until it is probable that they will become redeemable.

Under IFRSs, certain redemption triggering events of the Preferred Shares are outside the control of the ordinary shareholders of the Company. In addition, the holders of the Preferred Shares are entitled to convert the Preferred Shares into a variable number of the Company's ordinary shares upon occurrence of certain anti-dilution events. Accordingly, the Preferred Shares are regarded as a hybrid instruments consisting of a host debt instrument and a conversion option as a derivative. The Company designated the entire Preferred Shares as financial liabilities at fair value through profit or loss such that the preferred Shares are initially recognized at fair value. Subsequent to initial recognition, the amount of change in the fair value of the Preferred Shares that is attributed to changes in credit risk of the Preferred Shares are presented in other comprehensive income and the remaining amount of change in the fair value of the Preferred Shares are presented in the income statements in the year in which they arose. The Group considered that amount of change in the fair value of the Preferred Shares that is attributed to changes in credit risk of the Preferred Shares are not significant for the periods prior to the conversion into the Company's ordinary shares in February 2016. Hence all the fair value changes in the Preferred Shares of US$307,894,000 prior to the conversion was recognized in the income statement under IFRSs, which included an amount of changes in fair value of Preferred Shares of US$114,142,000 and US$193,752,000 attributed to the year ended December 31, 2016 and the periods prior to January 1, 2016 respectively.

(iii) *Tax benefit/deficiency on share based compensation*

Under US GAAP, deferred taxes are calculated based on the cumulative share based compensation expense recognized in the Historical Financial Information, and ASC 2016-09 required all excess tax benefits and tax deficiencies to be recorded as income tax expense or benefit in the income statement, rather than in shareholders' equity.

Under IFRSs, deferred taxes are calculated based on the estimated tax deduction determined at each reporting date. If the tax deduction exceeds cumulative compensation cost for an individual award, deferred tax based on the excess is credited to shareholders' equity. If the tax deduction is less than or equal to cumulative compensation cost for an individual award, deferred taxes are recorded in income statement.

Hence difference of US$8,617,000 (December 31, 2016: nil) arose between the amount of deferred tax asset recognised under US GAAP and IFRSs as at December 31, 2017. Such difference is recognised in equity under IFRSs. The difference in the amount of deferred tax asset recognized as at March 31, 2018 under US GAAP and IFRSs remain unchanged from US$ 8,617,000 as of December 31, 2017. This is because no additional deferred tax asset can be recognized during the three months ended March 31, 2018 under IFRS, which is after taking into account the extent of future available taxable profit against which the estimated additional tax deduction can be utilized. In addition, excess tax deduction of US$2,066,000 (year ended December 31, 2016: nil) is recognized in equity under IFRSs, rather than income statement under US GAAP, for the year ended December 31, 2017. Similarly, the excess tax deduction of US$3,538,000 during the three months ended March 31, 2018 (three months ended March 31, 2017: nil) is credited to equity under IFRSs.

40. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Group or any subsidiaries in respect of any period subsequent to March 31, 2018.

The information set forth in this appendix does not form part of the Accountants' Report prepared by Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountant of our Company, as set forth in Appendix I, and is included in this appendix for illustrative purposes only. The unaudited pro forma financial information should be read in conjunction with the section headed "Financial Information" in this prospectus and the Accountants' Report set forth in Appendix I.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following unaudited pro forma adjusted net tangible assets prepared in accordance with Rule 4.29 of the Listing Rules are set out below to illustrate the effect of the Global Offering on our consolidated net tangible assets attributable to our equity holders as of March 31, 2018 as if the Global Offering had taken place on that date.

The unaudited pro forma adjusted net tangible assets have been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of our consolidated net tangible assets had the Global Offering been completed as of March 31, 2018 or at any future dates.

	Audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of March 31, 2018[(1)]	**Estimated net proceeds from the Global Offering[(2)]**	**Unaudited pro forma adjusted net tangible assets of the Group attributable to the equity holders of the Company**	**Unaudited pro forma adjusted net tangible assets per Share[(3)(4)]**	
	USD'000	**USD'000**	**USD'000**	**USD**	**HK$**
Based on an offer price HK$85.00 per Share, after a Downward Offer Price Adjustment of 10%	1,337,210	680,004	2,017,214	2.64	20.71
Based on an Offer Price of HK$94.40 per Share	1,337,210	755,969	2,093,179	2.74	21.49
Based on an Offer Price of HK$111.60 per Share.....	1,337,210	894,605	2,231,815	2.92	22.91

Note:

(1) The audited consolidated net tangible assets of the Group attributable to the equity holders of the Company as of March 31, 2018 is extracted from the Accountant's Report set out in Appendix I of this prospectus, which is based on the audited consolidated net assets of the Group attributable to our equity holders as of March 31, 2018 of approximately $1,344,381,000 with ajustments for the intangible assets and goodwill as of March 31, 2018 of approximately $7,062,000 and $109,000 thereto respectively.

(2) The estimated net proceeds to be received by the Company from the Global Offering are based on the indicative Offer Price of HK$94.40 and HK$111.60 per Share, respectively, and also based on an offer price of HK$85.00 per Share, after making a downward offer price adjustment of 10%, after deduction of the underwriting fees and other related expenses payable by the Company and takes no account of any Shares which may be sold pursuant to the exercise of the Over-allotment Option.

(3) The unaudited pro forma net tangible assets per Share is arrived at after the adjustments referred to in the preceding paragraphs and on the basis that 764,542,730 shares were in issue assuming that the Global Offering has been completed on March 31, 2018 but takes no account of any Shares which may be sold pursuant to the exercise of the Over-allotment Option.

For the purpose of this unaudited pro forma adjusted net tangible assets, the amounts stated in USD are converted into Hong Kong dollars at a rate of USD1.00 to HK$7.8491. No representation is made that USD amounts have been, could have been or may be converted to Hong Kong dollars, or vice versa, at that rate.

(4) No adjustment has been made to reflect any trading result or other transactions of the Group entered into subsequent to March 31, 2018.

B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from our independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong, prepared for the purpose of incorporation in this document, in respect of the unaudited pro forma financial information of the Group.

22nd Floor
CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

To the Directors of BeiGene, Ltd.

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of BeiGene, Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at March 31, 2018 and related notes as set out on pages II.1-II.2 of the prospectus dated July 30, 2018 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II-A to the prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the global offering of shares of the Company on the Group's financial position as at March 31, 2018 as if the transaction had taken place at March 31, 2018. As part of this process, information about the Group's Pro Forma Financial Information has been extracted by the Directors from the Group's financial statements for the period ended March 31, 2018, on which an accountants' report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services*

Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the global offering of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and

- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong
July 30, 2018

We are an exempted company incorporated in the Cayman Islands on 28 October 2010 with limited liability and our affairs are governed by our Articles of Association, and the Companies Law (as amended) of the Cayman Islands, which we refer to as the Companies Law, and the common law of the Cayman Islands.

Set out below is a summary of certain provisions of the current Articles of Association of our Company and of certain aspects of the Cayman Companies Law. As the information contained below is in summary form, it does not contain all information that may be material to potential investors. A copy of the current memorandum and articles of association of our Company and the Companies Law is available for inspection as referred to in the section headed "Documents available for inspection" in Appendix V.

MEMORANDUM AND ARTICLES OF ASSOCIATION

As of the Latest Practicable Date, our authorised share capital was $1,000,000,000 divided into (1) 9,500,000,000 ordinary shares, with a par value of $0.0001 per share and (2) 500,000,000 undesignated shares with a par value of $0.0001 per share. See also the section headed "Share Capital" in this prospectus.

Our current Articles of Association are the fourth amended and restated memorandum and articles of association adopted by a special resolution passed on January 14, 2016 and became effective on February, 8 2016 immediately prior to the initial public offering of our ordinary shares and American depositary shares on Nasdaq.

Directors' Power to Issue Shares

Under our Articles, our Board is empowered to issue or allot shares or grant options, restricted shares, restricted share units, share appreciation rights, dividend equivalent rights, warrants and analogous equity-based rights with or without preferred, deferred, qualified or other special rights or restrictions. In particular, pursuant to our Articles, our Board has the authority, without further action by the shareholders, to issue all or any part of our capital and to fix the designations, powers, preferences, privileges, and relative participating, optional or special rights and the qualifications, limitations or restrictions therefrom, including dividend rights, conversion rights, voting rights, terms of redemption and liquidation preferences, any or all of which may be greater than the rights of our ordinary 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 by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Under the Companies Law, a Cayman Islands company may pay a dividend out of either profit or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business.

Any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited by the Board and, if so forfeited, shall revert to the Company.

Voting Rights

Each ordinary share is entitled to one vote on all matters upon which the ordinary shares are entitled to vote.

Voting at any meeting of shareholders is by poll.

An ordinary resolution to be passed by the shareholders requires the affirmative vote of a simple majority of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution requires the affirmative vote of at least two-third of the votes cast by the shareholders entitled to vote who are present in person or by proxy at a general meeting (except for certain types of winding up of the company, in which case the required majority to pass a special resolution shall be 100%). Both ordinary resolutions and special resolutions may also be passed by a unanimous written resolution signed by all the shareholders of our company, as permitted by the Companies Law and our Articles. A special resolution will be required for important matters such as a change of name and amendments to our Articles. Our shareholders may effect certain changes by ordinary resolution, including increasing the amount of our authorised share capital, consolidating and dividing all or any of our share capital into shares of larger amounts than our existing shares and cancelling any authorised but unissued shares.

Transfer of Ordinary Shares

Subject to the restrictions contained in our Articles, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in any usual or common form or any other form approved by our Board, executed by or on behalf of the transferor (and, if in respect of a nil or partly paid up share, or if so required by our directors, by or on behalf of the transferee).

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share that has not been fully paid up or is subject to a company lien. Our Board 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 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;
- the ordinary share transferred is fully paid and free of any lien in favour of us;
- any fee related to the transfer has been paid to us; and

- the transfer is not to more than four joint holders.

If our directors refuse to register a transfer, they are required, within three months after the date on which the instrument of transfer was lodged, to send to each of the transferor and the transferee notice of such refusal.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our Board may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture by the company. In addition, the holders of partly paid ordinary shares will have no right pursuant to the Companies Law to dividends nor will they be able to redeem their shares.

Redemption, Repurchase and Surrender of Ordinary Shares

We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined by our Board. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our Board or by ordinary resolution of our shareholders (but no repurchase may be made contrary to the terms or manner recommended by our directors), or as otherwise authorised by our Articles. Under the Companies Law, the redemption or repurchase of any share may be paid out of our company's 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 the date on which such payment is proposed to be made by the Company, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Law no such share may be redeemed or repurchased (1) unless it is fully paid up, (2) if such redemption or repurchase would result in there being no shares outstanding or (3) 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 of shares, all or any of the rights attached to any class of shares may be varied with the consent in writing of the holders of not less than two-thirds of the 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. The rights conferred upon the holders of the shares of any class issued with preferred or other rights will 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.

Notwithstanding the foregoing, our Board may issue preferred shares, without further action by the shareholders.

General Meetings of Shareholders

Shareholders' meetings may be convened by a majority of our Board or our Chairman. As a Cayman Islands exempted company, we are not obligated by the Companies Law to call shareholders' annual general meetings; however, our corporate governance guidelines will provide that in each year we will hold an annual general meeting of shareholders. The annual general meeting shall be held at such time and place as may be determined by our Board.

The Companies Law 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 Articles provide that upon the requisition of shareholders representing not less than a simple majority of the voting rights of the issued shares entitled to vote at general meetings, our board will convene an extraordinary general meeting and put the resolutions so requisitioned to a vote at such meeting. However, shareholders may propose only ordinary resolutions to be put to a vote at such meeting and shall have no right to propose resolutions with respect to the election appointment or removal of directors or with respect to the size of the board. Our Articles will provide no other right to put any proposals before annual general meetings or extraordinary general meetings.

Advance notice of at least 7 days of calendar is required for the convening of our annual general meeting and any other general meeting of our shareholders. All general meetings of shareholders shall occur at such time and place as determined by our directors and set forth in the notice for such meeting.

A quorum for a general meeting of shareholders at which an ordinary resolution has been proposed consists of such shareholders present in person or by proxy, holding shares representing in aggregate at least a simple majority of all votes capable of being exercised on a poll. The quorum for a general meeting of shareholders at which a special resolution has been proposed consists of such shareholders present in person or by proxy holding shares representing in aggregate at least two-thirds of the voting rights entitled to vote at general meetings.

Nomination, Election and Removal of Directors

Our Articles provide that persons standing for election as directors at a duly constituted general meeting with requisite quorum shall be elected by an ordinary resolution of our shareholders, which requires the affirmative vote of a simple majority of the votes cast on the resolution by the shareholders entitled to vote who are present in person or by proxy at the meeting. Our Articles further provide that our Board is divided into three groups designated as Class I, Class II and Class III with as nearly equal a number of directors in each group as possible. Directors assigned to Class I served until the first annual general meeting of shareholders following the effectiveness of our Articles, being 8 February 2016; the directors assigned to Class II shall initially serve until the second annual general meeting of shareholders following the effectiveness of our Articles; and directors assigned to Class III shall initially serve until the third annual general meeting of shareholders following the effectiveness of our Articles. Commencing with the first annual general meeting of shareholders following the

effectiveness of our Articles, each director of each class the term of which shall then expire shall, upon the expiration of his or her term, be eligible for re-election at such annual general meeting to hold office for a three-year term and until such director's successor has been duly elected. Our Articles provide that, unless otherwise determined by shareholders in a general meeting, our board will consist of not less than three directors. We have no provisions relating to retirement of directors upon reaching any age limit. A director shall not be required to hold any shares in the Company by way of qualification.

In the event of a casual vacancy arising from the resignation of a former director or as an addition to the existing board, our board may, by the affirmative vote of a simple majority of the remaining directors present and voting at a board meeting, appoint any person to be a director, unless the board resolves to follow any available exceptions or exemptions.

For so long as our shares or our American depositary shares are listed on Nasdaq and for so long as our shares are listed on the Hong Kong Stock Exchange, our directors shall comply with any director nomination procedures required under the Nasdaq Stock Market Rules and the Hong Kong Stock Exchange Listing Rules and during such time we shall include at least such number of independent directors as applicable law, the Nasdaq Stock Market Rules and the Hong Kong Stock Exchange Listing Rules shall require.

Our board has a chairman who has been elected and appointed by a majority of the directors then in office. The period for which our chairman holds office shall also be determined by a majority of all of our directors then in office. Our chairman shall preside as chairman at every meeting of our board. To the extent that our chairman is not present at a meeting of our board within 15 minutes after the time appointed for holding the same, the remaining attending directors may choose one of their number to be the chairman of that meeting.

Our directors are elected by an ordinary resolution of the holders of ordinary shares at each annual general meeting of the company to fill the seats of those directors whose terms expire at such annual general meeting.

The remuneration of our directors shall be determined by our board.

Each of our directors holds office until his successor is duly elected or appointed or his earlier resignation or removal, notwithstanding any agreement between the company and the director. Our directors may be removed by a special resolution, with or without cause.

Our board may, from time to time, and except as required by applicable law, the Nasdaq Stock Market Rules or the Hong Kong Stock Exchange Listing Rules, adopt, institute, amend, modify or revoke any of our corporate governance policies or initiatives of the company, which shall be intended to set forth the guiding principles and policies of the company and our board on various corporate matters.

Proceedings of Board of Directors

Our Articles provide that our business is to be managed and conducted by our Board. The quorum necessary for a board meeting may be fixed by the board and, unless so fixed at another number, will be a majority of the directors.

Our Articles provide that the board may from time to time at its discretion exercise all powers of our company to raise capital or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of our company and, subject to the Companies Law, issue debentures, bonds and other securities of our company, whether outright or as collateral security for any debt, liability or obligation of our company or of any third party.

A director who has a direct or indirect interest in any contract, business or arrangement in which the Company or its affiliates is a party or becomes a party shall declare the nature of his interest at a meeting of the directors. The power of such interested director to vote in respect of any such contract or transaction or proposed contract and be counted in as the quorum in the relevant board meeting is subject to the Nasdaq Stock Market Rules and the Hong Kong Stock Exchange Listing Rules and disqualification by the chairman of the relevant board meeting.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Companies Law to inspect or obtain copies of our list of shareholders or our corporate records provided that they are entitled to a copy of the current Articles of Association.

Changes in Capital

Our shareholders may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;

- sub-divide our existing shares, or any of them into shares of a smaller amount, provided that in the subdivision the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in case of the share from which the reduced share is derived; or

- cancel any 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 our share capital by the amount of the shares so cancelled.

Our shareholders may by special resolution, subject to any confirmation or consent required by the Companies Law, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Indemnification of Directors and Executive Officers and Limitation of Liability

Our Articles 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 directors 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 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.

Claims Against the Company

Our Articles provide that, unless otherwise determined by a simple majority of our Board in its sole discretion, consistent with the directors' fiduciary duties to act in the best interests of the company, in the event that (1) any shareholder (the claiming party) initiates or asserts any claim or counterclaim or joins, offers substantial assistance to or has a direct financial interest in any claim against our company and (2) the claiming party (or the third party that received substantial assistance from the claiming party or in whose claim the claiming party had a direct financial interest) does not obtain a judgment on the merits in which the claiming party prevails, then each claiming party shall, to the fullest extent permissible by law, be obligated jointly and severally to reimburse us for all fees, costs and expenses (including, but not limited to, all reasonable attorneys' fees and other litigation expenses) that we may incur in connection with such claim.

Exclusive Forum

Our Articles provide that, subject to limited exceptions, the courts of Cayman Islands will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, (3) any action asserting a claim against us arising pursuant to any provision of the Companies Law or the Articles of Association, or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine (as such concept is recognised under the laws of the United States).

Any person or entity purchasing or otherwise acquiring any interest in our share capital shall be deemed to have notice of and to have consented to the provisions of our Articles of Association described above. Although we believe these provisions benefit us by providing increased consistency in the application of Cayman Islands law for the specified types of actions and proceedings, the

provisions may have the effect of discouraging lawsuits against our directors and officers. It is possible that, in connection with one or more actions or proceedings described above, a court could find the choice of forum provisions contained in our Articles of Association to be inapplicable or unenforceable.

Liquidation

On a winding up of our company, if the assets available for distribution among the holders of our ordinary shares shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus will be distributed among the holders of our ordinary shares on a pro rata basis in proportion to the par value of the ordinary shares held by them. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by the holders of our ordinary shares in proportion to the par value of the ordinary shares held by them.

The liquidator may, with the sanction of a special resolution of our shareholders and any other sanction required by the Companies Law, divide amongst the shareholders in species or in kind the whole or any part of the assets of our company, and may for that purpose value any assets and determine how the division shall be carried out as between our shareholders or different classes of shareholders.

Because we are a "limited liability" company registered under the Companies Law, the liability of our shareholders is limited to the amount, if any, unpaid on the shares respectively held by them. Our Articles contain a declaration that the liability of our shareholders is so limited.

SUMMARY OF CAYMAN ISLANDS COMPANY LAW AND TAXATION

Introduction

The Companies Law is derived, to a large extent, from the older Companies Acts of England and Wales, but does not follow recent United Kingdom statutory enactments, and accordingly there are significant differences between the Companies Law and the current Companies Act of England. Set out below is a summary of certain provisions of the Companies Law, although this does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of corporate law and taxation which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

Incorporation

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on October 28, 2010 under the Companies Law. As such, its operations must be conducted mainly outside the Cayman Islands. The Company is required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the size of its authorized share capital.

Share Capital

The Companies Law permits a company to issue ordinary shares, preference shares, redeemable shares or any combination thereof.

The Companies Law provides that where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount of the value of the share premium on those shares shall be transferred to an account called the "share premium account". At the option of a company, these provisions may not apply to share premium on shares of that company allotted pursuant to any arrangement in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The Companies Law provides that the share premium account may be applied by a company, subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation:

(a) paying distributions or dividends to members;

(b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;

(c) in the redemption and repurchase of shares (subject to the provisions of section 37 of the Companies Law);

(d) writing-off the preliminary expenses of the company;

(e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company; and

(f) providing for the premium payable on redemption or purchase of any shares or debentures of the company.

No distribution or dividend may be paid to members out of the share premium account unless immediately following the date on which the distribution or dividend is proposed to be paid the company will be able to pay its debts as they fall due in the ordinary course of business.

The Companies Law provides that, subject to confirmation by the Grand Court of the Cayman Islands, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, by special resolution reduce its share capital in any way.

Subject to the detailed provisions of the Companies Law, a company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a shareholder. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares. The manner of such a purchase must be authorised either by the articles of association or by an ordinary resolution of the company.

The articles of association may provide that the manner of purchase may be determined by the directors of the company. At no time may a company redeem or purchase its shares unless they are fully paid. A company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any member of the company holding shares. A payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

There is no statutory restriction in the Cayman Islands on the provision of financial assistance by a company for the purchase of, or subscription for, its own or its holding company's shares. Accordingly, a company may provide financial assistance if the directors of the company consider, in discharging their duties of care and to act in good faith, for a proper purpose and in the interests of the company, that such assistance can properly be given. Such assistance should be on an arm's-length basis.

Dividends and Distributions

With the exception of section 34 of the Companies Law, there are no statutory provisions relating to the payment of dividends. Based upon English case law which is likely to be persuasive in the Cayman Islands in this area, dividends may be paid only out of profits. In addition, section 34 of the Companies Law permits, subject to a solvency test and the provisions, if any, of the company's memorandum and articles of association, the payment of dividends and distributions out of the share premium account (see the paragraph named 'Share Capital' above for details).

Protection of Minorities

The Cayman Islands courts can be expected to follow English case law precedents. The rule in Foss v. Harbottle (and the exceptions thereto which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge (a) an act which is ultra vires the company or illegal, (b) an act which constitutes a fraud against the minority where the wrongdoers are themselves in control of the company, and (c) an action which requires a resolution with a qualified (or special) majority which has not been obtained) has been applied and followed by the courts in the Cayman Islands.

In the case of a company (not being a bank) having a share capital divided into shares, the Grand Court of the Cayman Islands may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine into the affairs of the company and to report thereon in such manner as the Grand Court shall direct. Any shareholder of a company may petition the Grand Court of the Cayman Islands which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

Claims against a company by its shareholders must, as a general rule, be based on the general laws of contract or tort applicable in the Cayman Islands or their individual rights as shareholders as established by the company's memorandum and articles of association.

The English common law rule that the majority will not be permitted to commit a fraud on the minority has been applied and followed by the Courts of the Cayman Islands.

Disposal of Assets

The Companies Law contains no specific restrictions on the powers of directors to dispose of assets of a company. As a matter of general law, in the exercise of those powers, the directors must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the company.

Accounting and Auditing Requirements

The Companies Law requires that a company shall cause to be kept proper books of account with respect to:

- all sums of money received and expended by the company and the matters in respect of which the receipt and expenditure takes place;
- all sales and purchases of goods by the company; and
- the assets and liabilities of the company.

Proper books of account shall not be deemed to be kept if there are not kept 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.

Register of Members

An exempted company may, subject to the provisions of its articles of association, maintain its principal register of members and any branch registers at such locations, whether within or without the Cayman Islands, as its directors may from time to time think fit. There is no requirement under the Cayman Companies Law for an exempted company to make any returns of members to the Registrar of Companies of the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection.

Inspection of Books and Records

Members of a company will have no general right under the Companies Law to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

Special Resolutions

The Cayman Companies Law provides that a resolution is a special resolution when it has been passed by a majority of at least two-thirds of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, except that a company may in its articles of association specify that the required majority shall be a number greater than two-thirds, and may additionally so provide that such majority (being not less than two-thirds) may differ as between matters required to be approved by a special resolution. Written resolutions signed by all the members entitled to vote for the time being of the company may take effect as special resolutions if this is authorized by the articles of association of the company.

Subsidiary Owning Shares in Parent

The Companies Law does not prohibit a Cayman Islands company acquiring and holding shares in its parent company provided its objects so permit. The directors of any subsidiary making such acquisition must discharge their duties of care and to act in good faith, for a proper purpose and in the interests of the subsidiary.

Mergers and Similar Arrangements

The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies.

For these purposes, (1) "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 (2) 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 authorised by (1) a special resolution of the shareholders of each constituent company, and (2) such other authorisation, if any, as may be specified in such constituent company's articles of association. The plan must be filed with the Registrar of Companies 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 effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, 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 Law.

When a takeover offer is made and accepted by holders of 90% 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 on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a takeover offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights.

Indemnification

The Companies 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 (e.g. for purporting to provide indemnification against the consequences of committing a crime).

Liquidation

A company may be placed in liquidation compulsorily by an order of the court, or voluntarily (a) by a special resolution of its members if the company is solvent, or (b) by an ordinary resolution of its members if the company is insolvent. The liquidator's duties are to collect the assets of the company (including the amount (if any) due from the contributories (shareholders)), settle the list of creditors and discharge the company's liability to them, rateably if insufficient assets exist to discharge the liabilities in full, and to settle the list of contributories and divide the surplus assets (if any) amongst them in accordance with the rights attaching to the shares.

Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

Cayman Islands Taxation

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty or withholding tax applicable to an exempted company or to any holder of shares. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or after execution brought within, the jurisdiction of the Cayman Islands.

No stamp duty is payable in the Cayman Islands on the issue of shares by, or any transfers of shares of, Cayman Islands companies (except those which hold interests in land in the Cayman Islands). The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or from a Cayman company. There are no exchange control regulations or currency restrictions in the Cayman Islands. Payments of dividends and capital in respect of shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of shares, nor will gains derived from the disposal of shares be subject to Cayman Islands income or corporation tax.

Pursuant to section 6 of the Tax Concessions Law (as amended) of the Cayman Islands, the Company applied for and received an undertaking from the Governor in Cabinet that for twenty years from 9 November 2010 that no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Company; or (ii) by way of the withholding in whole or in part of any relevant payment as defined in section 6(3) of the Tax Concessions Law (as amended).

Exchange Control

There are no exchange control regulations or currency restrictions in the Cayman Islands.

General

Mourant Ozannes, the Company's legal advisors on Cayman Islands law, have sent to the Company a letter of advice summarizing aspects of Cayman Islands company law. This letter, together with a copy of the Cayman Companies Law, is available for inspection as referred to in the section headed "Documents available for Inspection" in Appendix V. Any person wishing to have a detailed summary of Cayman Islands company law or advice on the differences between it and the laws of any jurisdiction with which he/she is more familiar is recommended to seek independent legal advice.

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation

Our Company was incorporated in the Cayman Islands on October 28, 2010 as an exempted company with limited liability. Our registered office address is at offices of Mourant Governance Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108, Cayman Islands. Accordingly, our Company's corporate structure and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles of Association is set out in Appendix III.

Our registered place of business in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on June 28, 2018 with the Registrar of Companies in Hong Kong. Scott A. Samuels and Howard Liang have been appointed as the authorised representatives of our Company for the acceptance of service of process in Hong Kong. The address for service of process is Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As at the date of this prospectus, our Company's head office was located at No. 30 Science Park Road, Zhong-Guan-Cun Life Science Park, Changping District, Beijing 102206, People's Republic of China.

2. Changes in share capital of our Company

Our Company was incorporated with an authorized share capital of US$30,000 divided into 300,000,000 shares with a nominal or par value of US$0.0001 each. Upon the listing of our ADSs on Nasdaq on February 8, 2016, our authorized capital was US$1,000,000 divided into (i) 9,500,000,000 ordinary shares of a par value of US$0.0001 each and (ii) 500,000,000 shares of a par value of US$0.0001 each.

The following sets out the changes in the Company's issued share capital during the period between the listing of our ADSs on Nasdaq and the date of this prospectus:

(a) On November 23, 2016, the Company completed a follow-on public offering and sold 5,781,250 ADSs representing 75,156,250 Shares. Additionally, the underwriters exercised their option to purchase an additional 850,000 ADSs representing 11,050,000 Shares from our Company. The selling shareholders sold 468,750 ADSs representing 6,093,750 Shares; and

(b) On August 16, 2017, the Company completed a follow-on public offering and sold 2,465,000 ADSs representing 32,045,000 Shares. Additionally, the underwriters exercised their option to purchase an additional 369,750 ADSs representing 4,806,750 Shares from the Company.

(c) On August 31, 2017, the Company issued 32,746,416 Shares to Celgene Switzerland pursuant to a share subscription agreement dated July 5, 2017 between our Company and Celgene Switzerland, in relation to the acquisition of BeiGene Pharmaceutical (Shanghai). For further details of this acquisition please see the section headed "History, Development and Corporate Structure — Acquisition of BeiGene Pharmaceutical (Shanghai) and Celgene Strategic Collaboration".

(d) On January 22, 2018, the Company completed a follow-on public offering and sold 7,425,750 ADSs representing 96,534,750 Shares. Additionally, the underwriters exercised their option to purchase an additional 495,050 ADSs representing 6,435,650 Shares from the Company.

In addition to the above, during the period between the listing of our ADSs on Nasdaq and the date of this prospectus:

(a) The Company allotted an aggregate of 241,777,223 Shares pursuant to options and awards granted;

(b) An aggregate of 205,812 Shares were surrendered by employees in connection with their tax obligations; and

(c) 300,000 Shares were forfeited by an employee in connection with his termination of employment.

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

3. **Changes in the share capital of our subsidiaries**

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

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

BeiGene Biologics

On April 12, 2017, the registered capital of BeiGene Biologics was increased from US$20 million to RMB2 billion.

BeiGene Shanghai

On December 8, 2016, the registered capital of BeiGene Shanghai was increased from US$100,000 to US$5 million.

On November 24, 2017, the registered capital of BeiGene Shanghai was changed from US$5 million to RMB34,344,310.

BeiGene Suzhou

On October 27, 2016, the registered capital of BeiGene Suzhou was increased from US$5 million to US$10 million.

On September 6, 2017, the registered capital of BeiGene Suzhou was increased from US$10 million to US$12.5 million.

On June 26, 2018, the registered capital of BeiGene Suzhou was increased from US$12.5 million to US$19 million.

BeiGene Guangzhou

On June 12, 2018, the registered capital of BeiGene Guangzhou was increased from US$ 200,000 to US$15.8 million.

BeiGene Beijing

On June 29, 2018, the registered capital of BeiGene Beijing was increased from US$33.211 million to US$46.711 million.

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

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

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

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

(a) a share subscription agreement dated July 5, 2017 between BeiGene, Ltd. and Celgene Switzerland LLC, pursuant to which BeiGene, Ltd. issued 32,746,416 Shares to Celgene Switzerland LLC at a purchase price of US$4.58065384615385 per Share, for an aggregate purchase price of US$150,000,000;

(b) the Hong Kong Underwriting Agreement;

(c) a cornerstone investment agreement entered into between BeiGene, Ltd., Baker Bros. Advisors LP, Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. dated July 26, 2018, pursuant to which Baker Bros. Advisors LP has agreed to, among other things, subscribe for the ordinary shares in the share capital of BeiGene, Ltd., having a nominal value of US$0.0001 each, at the Offer Price, in the amount of the Hong Kong dollar equivalent of US$80,000,000;

(d) a cornerstone investment agreement entered into between BeiGene, Ltd., Gaoling Fund, L.P., YHG Investment, L.P., Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. dated July 26, 2018, pursuant to which Gaoling Fund, L.P. and YHG Investment, L.P. have agreed to, among other things, subscribe for an aggregate of 5,424,000 ordinary shares in the share capital of BeiGene, Ltd. having the nominal value as of US$0.0001 each, at the Offer Price;

(e) a cornerstone investment agreement entered into between BeiGene, Ltd., GIC Private Limited, Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. dated July 26, 2018, pursuant to which GIC Private Limited has agreed to, among other things, subscribe for the ordinary shares in the share capital of BeiGene, Ltd., having a nominal value of US$0.0001 each, at the Offer Price, in the amount of the Hong Kong dollar equivalent of US$100,000,000; and

(f) a cornerstone investment agreement entered into between BeiGene, Ltd., Ally Bridge LB Healthcare Master Fund Limited, Morgan Stanley Asia Limited and Goldman Sachs (Asia) L.L.C. dated July 26, 2018, pursuant to which Ally Bridge LB Healthcare Master Fund Limited has agreed to, among other things, subscribe for the ordinary shares in the share capital of BeiGene, Ltd., having a nominal value of US$0.0001 each, at the Offer Price, in the amount of the Hong Kong dollar equivalent of US$25,000,000.

2. Intellectual Property Rights

(a) *Trademarks*

As at the Latest Practicable Date, we had registered the following trademarks that we consider to be or may be material to our business:

No.	Trademark	Registered Owner	Place of Registration	Class	Registered Number	Expiry Date
1.	BeiGene	BeiGene Beijing	PRC	05, 35, 40, 44	15951101	2026/12/06
2.		BeiGene Beijing	PRC	40, 42	15951098A	2026/04/06
3.		BeiGene Beijing	PRC	40	15951100A	2026/04/06
4.	百济神州	BeiGene Beijing	PRC	05, 35, 40, 42, 44	15951099	2026/02/20
5.		BeiGene Beijing	PRC	05 35 40 42 44	20159599 20159629 20159634 20159636 20159638	2027/07/20 2027/07/20 2027/07/20 2027/07/20 2027/07/20
6.	BeiGene	The Company	Hong Kong	05, 35, 40, 42, 44	303664981	2026/01/20
7.		The Company	Hong Kong	05, 35, 40, 42, 44	303664972	2026/01/20
8.		The Company	Hong Kong	05, 35, 40, 42, 44	303664963	2026/01/20
9.	百濟神州	The Company	Hong Kong	05, 35, 40, 42, 44	303664990	2026/01/20

(b) *Copyrights*

As at the Latest Practicable Date, we had not registered any copyrights which we consider to be or may be material to our business.

(c) ***Domain names***

As at the Latest Practicable Date, we owned the following domain names which we consider to be or may be material to our business:

No.	Domain Name	Registered Owner	Expiry Date
1.	beigene.com	BeiGene Beijing	2019/8/16

(d) ***Patents***

(i) *Registered patents*

As at the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date	Expiry Date
1., 2.	Fused tricyclic compounds as raf kinase inhibitors	The Company	US	US9273046B2	2011/12/31	2031/12/31
			US	US9895376B2	2011/12/31	2031/12/31
3., 4.	Fused tetra or penta-cyclic dihydrodiazepinocarbazolones as parp inhibitors	The Company	US	US9260440B2	2011/12/31	2031/12/31
			US	US9617273B2	2011/12/31	2031/12/31
5., 6.	Substituted pyrazolo[1,5-a] pyrimidines as bruton's tyrosine kinase modulators	The Company	US	US9447106B2	2014/04/22	2034/04/22
			US	US10005782B2	2014/04/22	2034/04/22
7., 8., 9.	Anti-pd1 antibodies and their use as therapeutics and diagnostics	BeiGene Switzerland	US	US8735553B1	2013/09/13	2033/09/13
			US	US9834606B2	2013/09/13	2033/09/13
			US	US9988450B2	2013/09/13	2033/09/13

(ii) *Pending patents*

As at the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Patent	Applicant	Place of Application	Application Number	Application Date
1.	Fused tricyclic compounds as raf kinase inhibitors	The Company	US	US15/882,064	2011/12/31
2.	Maleate salts, crystalline forms, methods of preparation, and uses therefore	The Company	US	US15/565,807	2016/04/14
3.	Combination of a PD-l antagonist and a raf inhibitor for treating cancer	BeiGene Switzerland	WO	PCT/IB2017/053521	2017/06/14
4.	Fused tetra or penta-cyclic dihydrodiazepino-carbazolones as parp inhibitors	The Company	US	US15/479,958	2011/12/31
5.	Process for preparing a parp inhibitor, crystalline forms, and uses therefore	The Company	US	US15/753,993	2016/08/22
6.	Crystalline forms of salts of fused tera or penta-cyclic dihydrodiazepino-carazolones, and uses thereof	The Company	WO	PCT/CN2018/077433	2018/02/27
7.	Treatment cancers using a combination comprising parp inhibitors	BeiGene Switzerland	WO	PCT/CN2017/103660	2017/09/27
8.	Treatment cancers using a combination comprising parp inhibitors, temozolomide and/or radiation therapy	The Company	WO	PCT/CN2018/095911	2018/07/17
9.	Substituted pyrazolo[1,5-a] pyrimidines as bruton's tyrosine kinase modulators	The Company	US	US15/969,864	2014/04/22

No.	Patent	Applicant	Place of Application	Application Number	Application Date
10.	Crystalline form of (s)-7-(1-acryloylpiperidin -4-yl)-2-(4-phenoxyphenyl) -4,5,6,7-tetra-hydropyrazolo [1,5-a]pyrimidine-3-carboxamide, preparation, and uses thereof	The Company	WO	PCT/IB2017/054955	2017/08/15
11.	Treatment cancers using a combination comprising btk inhibitors	BeiGene Switzerland	WO	PCT/CN2017/098023	2017/08/18
12.	Anti-pd1 antibodies and their use as therapeutics and diagnostics	BeiGene Switzerland	US	US15/978,695	2013/09/13
13.	Immunotherapy for hepatocellular carcinoma	The Company	WO	PCT/CN2018/092827	2018/06/26

Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Directors' service contracts

See "Directors and Senior Management — Employee Agreements of Senior Management and Technical Staff" for a discussion of the terms of employment of Mr. John V. Oyler as our Chief Executive Officer.

We engage Dr. Xiaodong Wang as a consultant to provide us with scientific and advisory services under a consulting arrangement. See "Connected Transaction".

2. Remuneration of Directors

See "Directors and Senior Management — Directors' Remuneration" for a discussion of Directors' remuneration.

3. Disclosure of interests

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

Immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans), the interests and/or short positions (as applicable) of our Directors and chief executives in the shares, underlying shares and

debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

(i) *Interest in Shares*

Name of director or chief executive	Nature of interest	Number and class of securities	Approximate percentage of interest in our Company immediately after the Global Offering[1]
John V. Oyler	Beneficial owner	34,238,809[2]	4.46%
	Settlor of a trust/ Beneficiary of a trust	10,000,000[3]	1.30%
	Settlor of a trust	102,188[4]	0.01%
	Settlor of a trust/ Beneficiary of a trust	7,952,787[5]	1.04%
	Settlor of a trust/ Beneficiary of a trust	29,872,444[6]	3.89%
	Settlor of a trust	1,021,880[7]	0.13%
Xiaodong Wang	Beneficial owner	16,362,087[8]	2.13%
	Interest of minor child	224,372[9]	0.03%
	Interest in controlled corporation	5,000,000[10]	0.65%
Timothy Chen	Beneficial owner	657,346[11]	0.09%
Donald W. Glazer	Beneficial owner	4,554,366[12]	0.59%
	Interest of spouse	38,160[13]	0.00%
Michael Goller	Beneficial owner	234,876[14]	0.03%
Ranjeev Krishana	Beneficial owner	226,724[15]	0.03%
Thomas Malley	Beneficial owner	1,139,472[16]	0.15%
Jing-Shyh (Sam) Su	Beneficial owner	63,290[17]	0.01%
Qingqing Yi	Beneficial owner	226,724[18]	0.03%
Howard Liang	Beneficial owner	7,864,046[19]	1.03%

Name of director or chief executive	Nature of interest	Number and class of securities	Approximate percentage of interest in our Company immediately after the Global Offering[1]
Amy Peterson	Beneficial owner	3,195,924[20]	0.42%
Jane Huang	Beneficial owner	2,954,609[21]	0.39%
Xiaobin Wu	Beneficial owner	2,142,243[22]	0.28%
	Interest of spouse	52,000[23]	0.01%

Notes:

(1) The calculation is based on the total number of 767,163,184 Shares in issue immediately after completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans).

(2) Includes (1) 16,270,707 Shares held by Mr. Oyler, (2) Mr. Oyler's entitlement to receive up to 16,689,898 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Mr. Oyler's entitlement to restricted share units equivalent to 1,278,204 Shares, subject to vesting conditions.

(3) These Shares are held in a Roth IRA PENSCO trust account for the benefit of Mr. Oyler.

(4) These Shares are held by The John Oyler Legacy Trust for the benefit of Mr. Oyler's minor child, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(5) These Shares are held by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(6) These Shares are held by Oyler Investment LLC, the interest of which is 99% owned by a grantor retained annuity trust for the benefit of Mr. Oyler, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(7) These Shares are held by The Oyler Family Legacy Trust for the benefit of Mr. Oyler's family members, of which Mr. Oyler's father is a trustee and Mr. Oyler is the settlor.

(8) Includes (1) 7,571,811 Shares held by Dr. Wang, (2) Dr. Wang's entitlement to receive up to 8,286,143 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options, and (3) Dr. Wang's entitlement to restricted share units equivalent to 504,133 Shares, subject to vesting conditions.

(9) These Shares are held in a Uniform Transfers to Minors Act account for Dr. Wang's minor child, in which Dr. Wang is deemed to be interested for the purposes of the SFO.

(10) These Shares are held by Wang Investment LLC, which is owned as to 99% by Dr. Wang and 1% by his spouse. Dr. Wang is deemed to be interested in these Shares for the purposes of the SFO.

(11) Includes (1) Mr. Chen's entitlement to receive up to 648,056 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (2) Mr. Chen's entitlement to restricted share units equivalent to 9,290 Shares, subject to vesting conditions.

(12) Includes (1) 4,327,642 Shares held by Mr. Glazer; (2) Mr. Glazer's entitlement to receive up to 217,434 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (3) Mr. Glazer's entitlement to restricted share units equivalent to 9,290 Shares, subject to vesting conditions.

(13) These Shares are held by Mr. Glazer's spouse, in which Mr. Glazer is deemed to be interested for the purposes of the SFO.

(14) Includes (1) Mr. Goller's entitlement to receive up to 217,434 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (2) Mr. Goller's entitlement to restricted share units equivalent to 17,442 Shares, subject to vesting conditions.

(15) Includes (1) Mr. Krishana's entitlement to receive up to 217,434 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (2) Mr. Krishana's entitlement to restricted share units equivalent to 9,290 Shares, subject to vesting conditions.

(16) Includes (1) 390,000 Shares held by Mr. Malley, (2) Mr. Malley's entitlement to receive up to 740,182 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options and (3) Mr. Malley's entitlement to restricted share units equivalent to 9,290 Shares, subject to vesting conditions.

(17) Mr. Su is entitled to receive up to 63,290 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options.

(18) Includes (1) Mr. Yi's entitlement to receive up to 217,434 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (2) Mr. Yi's entitlement to restricted share units equivalent to 9,290 Shares, subject to vesting conditions.

(19) Includes (1) Dr. Liang's entitlement to receive up to 7,811,708 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of these options, and (2) Dr. Liang's entitlement to restricted share units equivalent to 52,338 Shares, subject to vesting conditions.

(20) Includes (1) 225,002 Shares held by Dr. Peterson, (2) Dr. Peterson's entitlement to receive up to 2,926,358 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of those options, and (3) Dr. Peterson's entitlement to restricted share units equivalent to 44,564 Shares, subject to vesting conditions.

(21) Includes (1) 264,900 Shares held by Dr. Huang and (2) Dr. Huang's entitlement to receive up to 2,658,145 Shares pursuant to the exercise of options granted to her, subject to the conditions (including vesting conditions) of those options, and (3) Dr. Huang's entitlement to restricted share units equivalent to 44,564 Shares, subject to vesting conditions.

(22) Includes (1) 225,745 Shares held by Dr. Wu, (2) Dr. Wu's entitlement to receive up to 766,599 Shares pursuant to the exercise of options granted to him, subject to the conditions (including vesting conditions) of those options and (3) Dr. Wu's entitlement to restricted share units equivalent to 1,149,899 Shares, subject to vesting conditions.

(23) These Shares are held by Dr. Wu's spouse, in which Dr. Wu is deemed to be interested for the purposes of the SFO.

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

For information on the persons who will, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans) have or be deemed or taken to have beneficial interests or short position in our Shares or underlying shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, please see the section headed "Substantial Shareholders" in this prospectus.

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans), be interested, directly or indirectly, in 10% or more of the nominal of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such Capital.

4. **Disclaimers**

Save as disclosed in this prospectus:

(a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

(b) none of the Directors or the experts named in the section headed "Other Information—4. Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;

(c) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of the Company within the two years ended on the date of this prospectus;

(d) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole;

(e) taking no account of any Shares which may be taken up under the Global Offering and allotted and issued pursuant to the exercise of the options granted and issue of Shares awarded under the Equity Plans, so far as is known to any Director or chief executive of the Company, no other person (other than a Director or chief executive of the Company) will, immediately following completion of the Global Offering, have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or (not being a member of the Group), be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group; and

(f) none of the Directors or chief executive of the Company has any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or will be required, pursuant to the Model Code for Securities Transaction by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange once the Shares are listed thereon.

D. SHARE OPTION AND AWARD SCHEMES

1. 2011 Option Plan

Summary

The following is a summary of the principal terms of the 2011 Option Plan as approved by the Board on April 15, 2011 and amended on April 17, 2015. The terms of the 2011 Option Plan are not subject to the provisions of Chapter 17 of the Listing Rules as our Board has determined not to grant any further options under the 2011 Option Plan after February 2, 2016 when our 2016 Share Option and Incentive Plan became effective.

The shares issuable pursuant to awards granted under the 2011 Option Plan are authorized but unissued shares. The shares underlying any awards that are forfeited, cancelled, or otherwise terminated (other than by exercise), and the shares withheld upon exercise of an option to cover the exercise price or tax withholding are added to the pool for issuance under the 2011 Option Plan.

The 2011 Option Plan is administered by our Board or, at the discretion of our Board, a board committee, which, in either case, has full power, among other things, to select the individuals to whom awards will be granted; determine the timing of grants; the number of shares issuable upon exercise of an option and the exercise price of options; accelerate the exercisability of all or any portion of an option; impose limitations on options (including limitations on transfer), impose repurchase provisions on options and the shares issuable under the options, and to exercise repurchase rights; extend the period in which an option may be exercised; and adopt, alter and repeal rules and practices for administration of the plan, interpret the terms of the 2011 Option Plan and options issued under the 2011 Option Plan, and to make decisions and resolve disputes regarding the 2011 Option Plan, in each case subject to the provisions of the 2011 Option Plan. The option exercise price of each option granted under the 2011 Option Plan is determined by our Board or board committee and may not be less than the fair market value of an ordinary share on the date of grant or the par value of the shares issuable thereunder. The Board or committee may fix the term of each option, up to a maximum of 10 years from the grant date, and determine at what time or times each option may be exercised when granting an option.

Options under the 2011 Option Plan are not transferable by the holder except by will or intestacy, and the shares issuable under the 2011 Option Plan may only be transferred in compliance with the 2011 Option Plan, the holder's option agreement, and applicable securities laws. We have the right to repurchase any shares that a holder wishes to sell or otherwise transfer. Upon termination of a holder's service relationship, we also have the right to repurchase all of such holder's shares at fair market value within 120 days following such termination. We may request a person holding options or shares issued upon the exercise of the options to enter into a lockup agreement in connection with a public offering of our shares.

The 2011 Option Plan provides that it and all outstanding options shall terminate upon a sale event, which includes a merger or a sale of substantially all of our ordinary shares, unless assumed or continued by the successor entity. However, each holder of options may exercise all options that are exercisable or will become exercisable as of the effective time of such sale event within a period of time prior to the consummation of the sale event specified by the board or board committee. We also have the right to provide for a cash payment to each holder in exchange for the cancellation of options in an amount equal to the per share sale event consideration times the number of exercisable options cancelled, minus the aggregate exercise price of all such options.

Our Board may amend or discontinue the 2011 Option Plan, and a board committee may amend or cancel any outstanding options to satisfy changes in the law or for any other lawful purpose, but no such action may adversely affect the rights of an award holder without that holder's consent.

As of December 31, 2015, options to purchase 28,909,324 Shares were outstanding under the 2011 Option Plan. Our Board has determined not to make any further awards under the 2011 Option Plan following the effectiveness of our 2016 Share Option and Incentive Plan. Shares that were originally reserved for issuance under our 2011 Option Plan but were not issued or subject to awards under the 2011 Option Plan on the effective date of our 2016 Share Option and Incentive

Plan, and Shares subject to outstanding options or forfeiture restrictions under our 2011 Option Plan on the effective date of our 2016 Share Option and Incentive Plan that are subsequently forfeited or terminated for any reason before being exercised, will become available for awards under our 2016 Share Option and Incentive Plan.

Outstanding options granted

The proposal to grant the options under the 2011 Option Plan to the grantees as set out below has been approved by the Board on April 15, 2011. The overall limit on the number of underlying Shares pursuant to the 2011 Option Plan is 43,560,432 Shares. The number of underlying Shares pursuant to the outstanding options granted under the 2011 Option Plan amounts to 19,540,593 Shares, representing approximately 2.78% of the issued Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans). As at the Latest Practicable Date, we have conditionally granted options to 240 participants under the 2011 Option Plan. All the options under the 2011 Option Plan were granted between May 20, 2011 and January 31, 2016 (both days inclusive). The exercise price of all the options granted under the 2011 Option Plan is between US$0.01 and US$1.85.

(a) *Directors*

Our Directors have been granted options under the 2011 Option Plan which are outstanding to subscribe for a total of 2,020,254 Shares, and approximately 0.26% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans).

Below is a list of the Directors who are grantees under the 2011 Option Plan:

Name of grantee	Role	Address	Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[(1)]
Xiaodong Wang...	Non-executive Director	10700 NE 4th Street Unit 3516 Bellevue WA 98004 USA	US$0.01 US$0.01 US$0.5	88,235 879,267 500,000	May 20, 2011 April 3, 2013 June 29, 2015	10 years from date of grant	0.19%
Thomas Malley ..	Independent non-executive Director	19 Martin Lane Englewood CO 80113 USA	US$1.85	552,752	January 25, 2016	10 years from date of grant	0.07%

Note:

(1) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

(b) *Senior Management*

One member of our senior management has been granted options under the 2011 Option Plan which are outstanding to subscribe for a total of 4,445,000 Shares and approximately 0.58% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans).

Below is the senior manager who is a grantee under the 2011 Option Plan:

Name of grantee	Role	Address	Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[1]
Howard Liang	Chief Financial Officer and Chief Strategy Officer	108 Lincoln Road, Wayland, MA 01778 USA	US$0.5	4,445,000	June 29, 2015	10 years from date of grant	0.58%

Note:

(2) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

(c) *Other grantees*

As of the Latest Practicable Date, other than the two directors and one senior manager (who is not a Director), no options were granted to any Directors, senior management of the Group or connected person of the Company under the 2011 Option Plan. Among these grantees, other than the two directors and one senior manager, 237 grantees have been granted options under the 2011 Option Plan which are outstanding to subscribe for a total of 13,075,339 Shares, representing approximately 1.70% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans) with the number of Shares to be issued upon exercise of the relevant options ranging from 13 Shares to 1,210,000 Shares. We granted options to the other individuals as part payment for their services, being consultancy and other services rendered to the Group.

The table below shows the details of options granted to other grantees under the 2011 Option Plan which are outstanding:

Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[1]
Between US$0.01 to US$1.85	13,075,339	Between May 20, 2011 and January 31, 2016	10 years from date of grant	1.70%

Note:

(1) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

2. 2016 Share Option and Incentive Plan

Summary

The Company will not issue any options under the 2016 Share Option and Incentive Plan, which was approved by the Board on January 14, 2016 to replace the 2011 Option Plan, until the 2016 Share Option and Incentive Plan is amended to comply with Chapter 17 of the Listing Rules. The Board is permitted to make the necessary amendments to the 2016 Share Option and Incentive Plan under the terms of such plan to comply with Chapter 17 of the Listing Rules and expects to make such amendments prior to completion of the Global Offering, following which the principal terms of the 2016 Share Option and Incentive Plan are expected to be as set out as described below.

Our 2016 Share Option and Incentive Plan provides us flexibility to use various equity-based incentive and other awards as compensation tools to motivate our workforce. These tools include share options, share appreciation rights, restricted shares, restricted share units, unrestricted shares, performance share awards, cash-based awards and dividend equivalent rights. The 2016 Share Option and Incentive Plan became effective on February 2, 2016.

The maximum number of Shares reserved and available for issuance under the 2016 Share Option and Incentive Plan and our other Equity Plans may not exceed 10% of the Shares issued and outstanding as of February 2, 2016 and the aggregate number of Shares that may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2016 Share Option and Incentive Plan and outstanding options granted and yet to be exercised under any other plan of the Company at any time may not exceed 30% of the Shares in issue from time to time. Unless approved by our shareholders in general meeting, the total number of Shares issued and to be issued upon the exercise of share options granted and to be granted under the 2016 Share Option and Incentive Plan and any other plan of the Company to a grantee within any 12-month period shall not exceed 1% of the Shares in issue at the date of any grant.

The Shares we issue pursuant to awards granted under the 2016 Share Option and Incentive Plan will be authorized but unissued Shares or Shares that we reacquire. The Shares underlying any awards that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without any issuance of Shares, expire or are otherwise terminated (other than by exercise) under the 2016 Share Option and Incentive Plan will be added back to the Shares available for issuance under the 2016 Share Option and Incentive Plan.

The 2016 Share Option and Incentive Plan will be administered by the compensation committee. The compensation committee has full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted, to make any combination of awards to participants, and to determine the specific terms and conditions of each award, subject to the provisions of the 2016 Share Option and Incentive Plan. Full and part-time officers, employees, non-employee directors and other key persons (including consultants) as selected from time to time by our compensation committee will be eligible to participate in the 2016 Share Option and Incentive Plan. Our compensation committee may determine at the time of grant any minimum period(s) for which a share option must be held and/or any minimum performance target(s) that must be achieved, before the share option can be exercised in whole or in part, and may include at the discretion of the our compensation committee such other terms either on a case by case basis or generally.

The exercise price of each share option will be determined by our compensation committee but may not be less than the higher of: (i) the closing price of a Share on the date of grant; and (ii) the average closing price of the Shares for the five business days immediately preceding the day of grant. The term of each share option will be fixed by our compensation committee and may not exceed 10 years from the date of grant. Any share option granted but not exercised by the end of its option term will automatically lapse and be cancelled. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award share appreciation rights subject to such conditions and restrictions as it may determine. Share appreciation rights entitle the recipient to ordinary shares, or cash, equal to the value of the appreciation in our share price over the exercise price. The exercise price of each share appreciation right may not be less than 100% of fair market value of the shares on the date of grant.

Our compensation committee may award restricted shares or restricted share units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment or service with us through a specified vesting period. Our compensation committee may also grant cash-based awards to participants subject to such conditions and restrictions as it may determine. Our compensation committee may also grant ordinary shares that are free from any restrictions under the 2016 Share Option and Incentive Plan. Unrestricted ordinary shares may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient held a specified number of ordinary shares.

Our compensation committee may grant cash bonuses under the 2016 Share Option and Incentive Plan to participants, subject to the achievement of certain performance goals.

The 2016 Share Option and Incentive Plan provides that, upon the effectiveness, of a "sale event," as defined in the 2016 Share Option and Incentive Plan, the successor entity may assume, continue or substitute for outstanding awards, as appropriately adjusted. To the extent that awards are not assumed or continued or substituted by the successor entity, all awards granted under the 2016 Share Option and Incentive Plan shall terminate. In addition, in connection with the termination of the 2016 Share Option and Incentive Plan upon a sale event, we may make or provide for a cash payment to participants holding options and share appreciation rights, equal to the difference between the per share cash consideration payable to shareholders in the sale event and the exercise price of the options or share appreciation rights and we may make or provide for a similar payment to participants under other awards.

Our Board may amend or discontinue the 2016 Share Option and Incentive Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, including option repricing, but no such action may adversely affect rights under an award without the holder's consent. Certain amendments to the 2016 Share Option and Incentive Plan may require the approval of our shareholders. To the extent required under the rules of any securities exchange or market system on which the Shares are listed, amendments to the terms of options granted under the 2016 Share Option and Incentive Plan shall be subject to approval by our shareholders entitled to vote at a meeting of shareholders.

In the event that the 2016 Share Option and Incentive Plan is terminated while any share option granted under such plan remains outstanding and unexercised, the provisions of the 2016 Share Option and Incentive Plan shall remain in full force to the extent necessary to give effect to the exercise of any such share option.

Outstanding options granted

The proposal to grant the options under the 2016 Share Option and Incentive Plan to the grantees as set out below has been approved by the Board on January 14, 2016. The number of underlying Shares pursuant to the outstanding options granted under the 2016 Share Option and Incentive Plan upon its initial adoption was 89,606,938 Shares, representing approximately 11.68% of the issued Shares immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans). As at the Latest Practicable Date, we had conditionally granted options to 724 participants under the 2016 Share Option and Incentive Plan. All the options under the 2016 Share Option and Incentive Plan were granted between February 8, 2016 and June 26, 2018 (both days inclusive). The exercise price of all the options granted under the 2016 Share Option and Incentive Plan is between US$0.5 and US$16.15.

(a) *Directors*

Our Directors have been granted options under the 2016 Share Option and Incentive Plan to subscribe for a total of 10,076,384 Shares, and approximately 1.31% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans).

Below is a list of the Directors who are grantees under the 2016 Share Option and Incentive Plan:

Name of grantee	Role	Address	Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[1]
John V. Oyler...	Executive Director, Chairman and Chief Executive Officer	4701 Persimmons Reno NV 89502 USA	US$2.84	2,047,500	November 16, 2016	10 years from date of grant	0.69%
			US$7.70	935,000	September 27, 2017		
			US$13.04	996,810	April 30, 2018		
			US$12.34	1,310,088	June 26, 2018		
Xiaodong Wang.....	Non-executive Director	10700 NE 4th Street Unit 3516 Bellevue WA 98004 USA	US$2.84	1,613,430	November 16, 2016	10 years from date of grant	0.39%
			US$7.70	750,000	September 27, 2017		
			US$12.34	655,044	June 26, 2018		
Timothy Chen...	Independent non-executive Director	400 5th Avenue, Apartment 36H, New York NY 10018 USA	US$2.43	460,626	February 8, 2016	10 years from date of grant	0.08%
			US$3.15	169,988	June 2, 2017		
			US$16.15	17,442	June 6, 2018		
Donald W. Glazer.....	Independent non-executive Director	225 Kenrick Street Newton MA 02458 USA	US$2.83	199,992	April 19, 2017	10 years from date of grant	0.03%
			US$16.15	17,442	June 6, 2018		
Michael Goller.	Independent non-executive Director	404 Park Avenue South Apartment 16B New York NY 10016-8455 USA	US$2.83	199,992	April 19, 2017	10 years from date of grant	0.03%
			US$16.15	17,442	June 6, 2018		
Ranjeev Krishana	Independent non-executive Director	272 West 107th Street, Apt. 14C New York, NY 10025	US$2.83	199,992	April 19, 2017	10 years from date of grant	0.03%
			US$16.15	17,442	June 6, 2018		
Thomas Malley	Independent non-executive Director	19 Martin Lane Englewood CO 80113 USA	US$3.15	169,988	June 2, 2017	10 years from date of grant	0.02%
			US$16.15	17,442	June 6, 2018		
Jing-Shyh (Sam) Su ...	Independent non-executive Director	19A 969 Beijing West Road Shanghai PRC	US$12.72	63,290	April 1, 2018	10 years from date of grant	0.01%
Qingqing Yi	Independent non-executive Director	57 Paterson Road, #03-06 Singapore 238551	US$2.83	199,992	April 19, 2017	10 years from date of grant	0.03%
			US$16.15	17,442	June 6, 2018		

Note:

(1) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

(b) *Senior Management*

Our senior management (who is not a Director) have been granted options under the 2016 Share Option and Incentive Plan which are outstanding to subscribe for a total of 9,717,810 Shares, and approximately 1.27% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans).

Below is a list of the senior management (who are not Directors) who are grantees under the 2016 Share Option and Incentive Plan:

Name of grantee	Role	Address	Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[(1)]
Howard Liang ..	Chief Financial Officer and Chief Strategy Officer	108 Lincoln Road, Wayland, MA 01778 USA	US$2.84 US$3.46 US$12.34	1,752,500 1,250,000 364,208	November 16, 2016 June 29, 2017 June 26, 2018	10 years from date of grant	0.44%
Amy Peterson...	Chief Medical Officer, Immuno-oncology	6 Wellesley Drive, Lafayette CA 94549 USA	US$2.24 US$3.49 US$12.34	1,600,000 1,016,178 310,180	August 22, 2016 June 27, 2017 June 26, 2018	10 years from date of grant	0.38%
Jane Huang.....	Chief Medical Officer, Hematology	3762 Jefferson Ave, Redwood City CA 94062 USA	US$2.27 US$3.49 US$12.34	1,367,500 980,465 310,180	September 2, 2016 June 27, 2017 June 26, 2018	10 years from date of grant	0.35%
Xiaobin Wu	General Manager, China and President	1248 B. Yosemite No.4 Shunyi District Beijing 100032 China	US$13.05	766,599	April 30, 2018	10 years from date of grant	0.10%

Note:

(1) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

(c) *Other grantees*

As of the Latest Practicable Date, other than the nine Directors and the four members of our senior management (who are not Directors), no options were granted to any connected person of the Company under the 2016 Share Option and Incentive Plan. Among these grantees, other than the nine Directors and the four members of our senior management (who is not a Director), 711 grantees have been granted options under the 2016 Share Option and Incentive Plan which are outstanding to subscribe for a total of 69,812,744 Shares, representing approximately 9.10% of the issued share capital of our Company upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans) with the number of Shares to

be issued upon exercise of the relevant options ranging from 39 Shares to 2,660,000 Shares. We granted options to the other individuals as part payment for their services, being consultancy and other services rendered to the Group.

The table below shows the details of options granted to other grantees under the 2016 Share Option and Incentive Plan which are outstanding:

Exercise price	Number of Shares under the grant outstanding	Date of grant	Option period	Approximate percentage of issued shares immediately after completion of the Global Offering[(1)]
Between US$0.5 to US$13.05	69,952,007	Between February 08, 2016 and June 26, 2018	10 years from date of grant	9.12%

Note:

(1) The above table assumes the Over-allotment Option is not exercised and no Shares are issued pursuant to our Equity Plans.

3. 2018 ESPP

Summary

The Company will not issue any options under the 2018 ESPP, which was approved by the Board on June 6, 2018, until the 2018 ESPP is amended to comply with Chapter 17 of the Listing Rules. The Board is permitted to make the necessary amendments to the 2018 ESPP under the terms of such plan to comply with Chapter 17 of the Listing Rules and expects to make such amendments prior to completion of the Global Offering, following which the principal terms of the 2018 ESPP are expected to be as described below. Initially 3,500,000 ordinary shares of our Company are reserved for issuance under the 2018 ESPP. In addition, on January 1, 2019 and each January 1 thereafter through January 1, 2028, the number of Shares reserved and available for issuance under the 2018 ESPP will be cumulatively increased by the least of (i) 5,000,000 Shares, (ii) 0.5% of the number of Shares issued and outstanding on the immediately preceding December 31, or (iii) such lesser number of Shares as determined by our compensation committee; provided that the aggregate number of options available for issuance under the 2018 ESPP and our other Equity Plans may not represent in excess of 10% of the number of Shares issued and outstanding as of the date of approval.

The 2018 ESPP allows eligible employees to purchase our Shares (including in the form of ADSs) at a 15% discount to the market price of our Shares or ADSs. Employees would purchase our Shares or ADSs at the end of an offering period using funds deducted from their payroll during the offering period.

The 2018 ESPP is administered under the direction of our compensation committee, which has authority to interpret the provisions of the 2018 ESPP and to make all other determinations necessary or advisable in administering it.

All employees of our Company and participating subsidiaries who have completed at least six months of employment at the beginning of each offering period are eligible to participate in the 2018 ESPP, other than employees who would own 5% or more of the voting power of our Shares after exercising their rights to purchase shares under the 2018 ESPP.

To participate in the 2018 ESPP, an eligible employee authorizes payroll deductions in an amount not less than 1% nor greater than 10% of his or her "eligible earnings" (i.e., gross cash compensation, including regular base pay (including overtime pay and commissions, to the extent determined by our compensation committee), but excluding incentive or bonus awards, allowances and reimbursements for expenses such as relocation allowances or travel expenses, income or gain on the exercise of share options, and similar items) for each full payroll period in the offering period.

Eligible employees enroll in an offering period (which generally will begin on each March 1 and September 1 and last for six months unless otherwise determined by our compensation committee in advance) during the open enrollment period prior to the start of that offering period. The first offering period, if the 2018 ESPP is approved, is expected to begin on September 4, 2018 and last until February 28, 2019. Shares are purchased at a price equal to 85% of the fair market value of our ordinary shares on either the first local business day of the offering period or the last local business day of the offering period, whichever is lower.

If a participating employee voluntarily resigns or is terminated by us prior to the last day of an offering period, the employee's option to purchase terminates and the cash amount in the employee's account is returned to the employee.

In the event of a recapitalization, reclassification, share split, reverse split, combination of shares, exchange of shares, share dividend, or similar event, the number and kind of shares that may be purchased under the 2018 ESPP will be adjusted proportionately such that the proportionate interest of participating employees remains the same, to the extent practicable. In the event of a change in control, each outstanding option will be assumed or an equivalent option will be substituted. In the event outstanding options are not assumed or substituted, the offering period with respect to which such outstanding option relates will be shortened by setting a new exercise date prior to the date of the change in control.

If the number of unsold shares that are available for purchase under the 2018 ESPP is insufficient to permit exercise of all rights deemed exercised by all participating employees, a participation adjustment will be made, and the number of shares purchasable by all participating employees will be reduced proportionately. Any funds remaining in a participating employee's account after such exercise are refunded to the employee, without interest.

Our Board of Directors may amend the 2018 ESPP at any time and in any respect. However, without the approval of our shareholders, no amendment may (i) increase the number of shares that may be issued under the 2018 ESPP or (ii) change the class of employees eligible to receive options under the 2018 ESPP, if such action would be treated as the adoption of a new plan for purposes of section 423(b) of the Internal Revenue Code of the US.

Our Board of Directors may terminate the 2018 ESPP at any time and for any reason or for no reason.

4. **2018 Inducement Equity Plan**

On June 6, 2018, the Company adopted the 2018 Inducement Equity Plan and reserved 12,000,000 ordinary shares to be used exclusively for grants of awards to individuals that were not previously employees of the Company or its subsidiaries, as a material inducement to the individual's entry into employment with the Company or its subsidiaries. The 2018 Inducement Equity Plan was approved by the Board of Directors upon recommendation of our compensation committee. The Company will not issue any options under the 2018 Inducement Equity Plan until such plan is amended to comply with Chapter 17 of the Listing Rules. The Board is permitted to make the necessary amendments to the 2018 Inducement Equity Plan under the terms of such plan to comply with Chapter 17 of the Listing Rules and expects to make such amendments prior to completion of the Global Offering, following which the terms and conditions of the 2018 Inducement Equity Plan, and the forms of award agreements to be used thereunder will be substantially similar to the 2016 Share Option and Incentive Plan as will be amended, save for the number of shares reserved under the 2018 Inducement Equity Plan, as described above in the section headed "2. 2016 Share Option and Incentive".

E. OTHER INFORMATION

1. **Estate Duty**

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

2. **Litigation**

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

3. **Joint Sponsors**

The Joint Sponsors have made an application on our behalf to the Listing Committee for the listing of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Global Offering (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and any Shares to be allotted and issued pursuant to the Equity Plans).

The Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Joint Sponsors will receive an aggregate fee of US$500,000 for acting as the sponsor for the Listing.

4. **Consents of Experts**

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

Name	Qualification
Fangda Partners	Qualified PRC Lawyers
Mourant Ozannes	Cayman Islands attorneys-at-law
Ernst & Young	Certified public accountants
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant

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

5. **Binding Effect**

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

6. **Bilingual Prospectus**

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

7. **Preliminary Expenses**

The Company did not incur any material preliminary expenses.

8. **Other Disclaimers**

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

(i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise;

(ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.

(b) Save as disclosed in this prospectus:

(i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;

(ii) no share or loan capital or debenture of our Company of any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

(iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

(c) Save as disclosed in the paragraph headed "Further Information about our Business — Summary of Material Contracts" in this section, none of our Directors or proposed Directors or experts (as named in this prospectus), have any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

(d) We do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus within the two years immediately preceding the date of this prospectus.

(e) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The documents attached to the copy of this prospectus delivered to the Registrar of Companies in Hong Kong for registration were, among other documents:

(a) a copy of each of the **white**, **yellow** and **green** Application Forms;

(b) the written consents referred to under the section headed "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV;

(c) a copy of each of the material contracts referred to in the section headed "Statutory and General Information — Further Information about our Business — Summary of Material Contracts" in Appendix IV; and

(d) a copy of the statement of adjustments relating to the Accountants' Report prepared by Ernst & Young.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Skadden, Arps, Slate, Meagher & Flom at 42/F Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. up to and including the date which is 14 days from the date of this prospectus:

(a) the Memorandum and the Articles;

(b) the Accountants' Report and the assurance report on the compilation of unaudited pro forma financial information of our Group prepared by Ernst & Young, the texts of which are set out in Appendices I and II, together with the related statement of adjustments;

(c) the audited consolidated financial statements of our Company for the two financial years ended December 31, 2016 and 2017 and a copy of the unaudited condensed financial information for the three months ended March 31, 2018;

(d) the PRC legal opinions issued by Fangda Partners, our legal adviser on PRC law, in respect of certain general corporate matters and property interests of our Group;

(e) the letter of advice prepared by Mourant Ozannes, our legal adviser on Cayman Islands law, summarising the constitution of the Company and certain aspects of the Cayman Companies Law referred to in Appendix III;

(f) the Cayman Companies Law;

(g) the written consents referred to under the section headed "Statutory and General Information — Other Information — Consents of Experts" in Appendix IV;

(h) the material contracts referred to in "Statutory and General Information — Further Information about Our Business — Summary of Material Contracts" in Appendix IV;

(i) the service contract(s) with our Director(s) referred to in "Statutory and General Information — Further Information about our Directors — Particulars of Directors' service contracts" in Appendix IV;

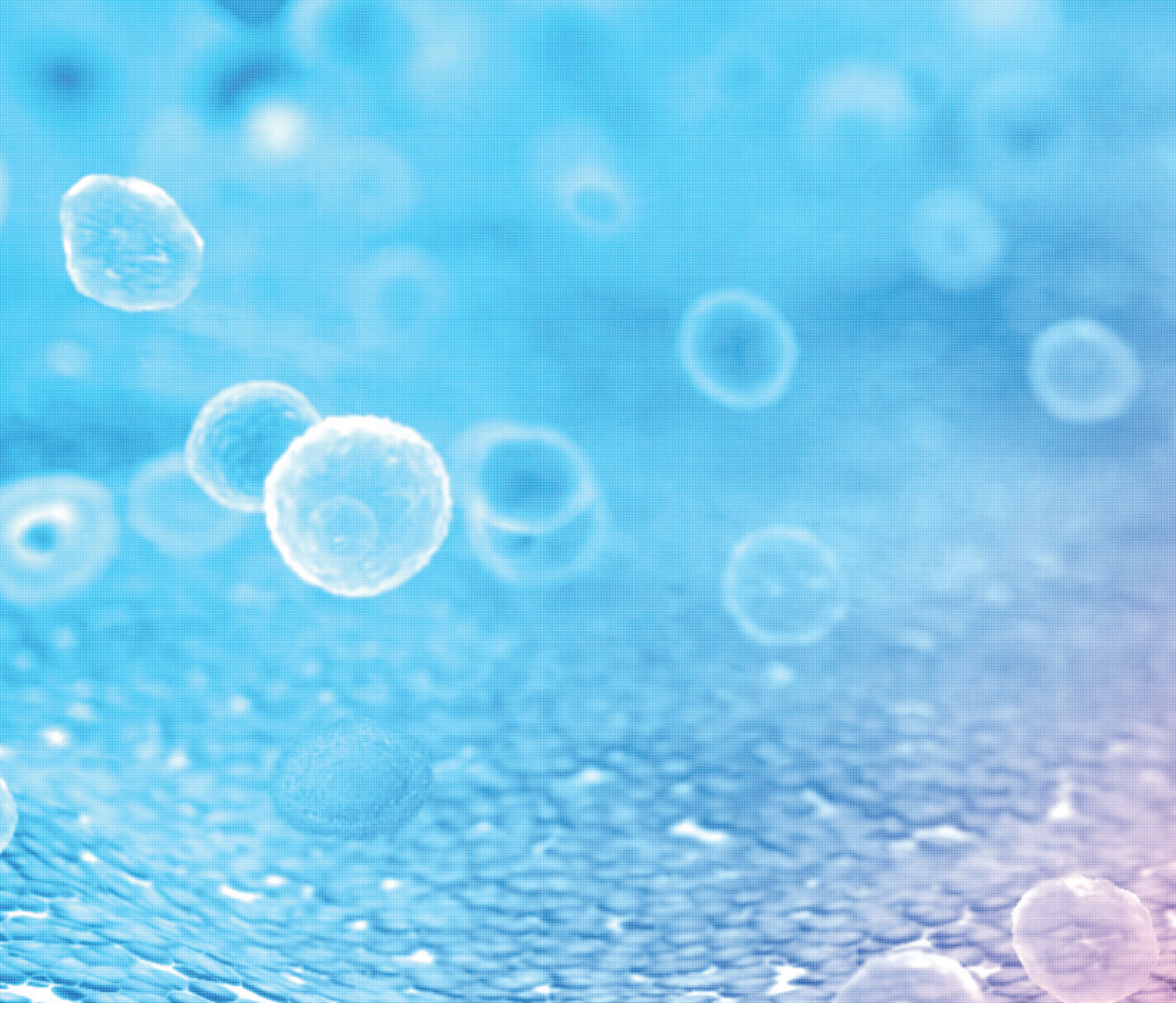
(j) the report issued by Frost & Sullivan, the summary of which is set forth in the section headed "Industry Overview";

(k) the terms of the 2011 Option Plan and a list of grantees under the 2011 Option Plan;

(l) the terms of the 2016 Share Option and Incentive Plan and a list of grantees under the 2016 Share Option and Incentive Plan;

(m) the terms of the 2018 ESPP; and

(n) the terms of the 2018 Inducement Equity Plan.



BeiGene