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As filed with the United States Securities and Exchange Commission on October 16, 2015

Registration No. 333-

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

BEIGENE, LTD.

(Exact Name of Registrant as Specified in Its Charter)

Cayman Islands	**2834**	**98-1209416**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

c/o Mourant Ozannes Corporate Services (Cayman) Limited
94 Solaris Avenue, Camana Bay
Grand Cayman KY1-1108
Cayman Islands
+1 (345) 949 4123
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

CT Corporation System
111 8th Avenue
New York, New York 10011
(212) 894-8800
(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent For Service)

Copies to:

Mitchell S. Bloom **Michael J. Kendall** **Edwin M. O'Connor** **Goodwin Procter LLP** **Exchange Place** **Boston, MA 02109** **(617) 570-1000**	**John V. Oyler** **Chief Executive Officer and Chairman** **c/o Mourant Ozannes Corporate Services (Cayman) Limited** **94 Solaris Avenue, Camana Bay** **Grand Cayman KY1-1108** **Cayman Islands** **+1 (345) 949 4123**	**Bruce K. Dallas** **Davis Polk & Wardwell LLP** **1600 El Camino Real** **Menlo Park, California 94025** **(650) 752-2000**

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

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

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

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☐	Accelerated Filer ☐	Non-Accelerated Filer ☒ (Do not check if a smaller reporting company)	Smaller Reporting Company ☐

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered(1)(2)	Proposed Maximum Aggregate Offering Price(3)	Amount of Registration Fee
Ordinary Shares, par value $0.0001 per share	$100,000,000	$10,070

(1) American depositary shares, or ADSs, evidenced by American depositary receipts issuable upon deposit of the ordinary shares registered hereby will be registered under a separate registration statement on Form F-6. Each ADS represents ordinary shares.

(2) Includes (i) ordinary shares represented by ADSs that may be purchased by the underwriters pursuant to their option to purchase additional ADSs and (ii) all ordinary shares represented by ADSs initially offered or sold outside the United States that are thereafter resold from time to time in the United States.

(3) Estimated solely for the purpose of computing the amount of the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended.

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

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The information in this preliminary prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated October 16, 2015.

American Depositary Shares
Representing Ordinary Shares

BeiGene

BeiGene, Ltd.

This is an initial public offering of the American Depositary Shares, or the ADSs. All of the ADSs are being sold by us. We are offering ADSs to be sold in this offering. Each ADS represents ordinary shares, par value $0.0001 per share.

Prior to this offering, there has been no public market for the ADSs or our ordinary shares. We expect that the initial public offering price per ADS will be between $ and $. We have applied to list the ADSs on the NASDAQ under the symbol "BGNE."

We are an "emerging growth company" as that term is used in the U.S. Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

Investing in the ADSs involves a high degree of risk. See "Risk Factors" on page 13 to read about factors you should consider before buying the ADSs.

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

	Per ADS	Total
Initial public offering price	$	$
Underwriting discounts(1)	$	$
Proceeds, before expenses, to us	$	$

(1) We refer you to "Underwriting" beginning on page 258 for additional information regarding total underwriting compensation.

To the extent the underwriters sell more than ADSs, the underwriters have the option to purchase up to an additional ADSs from us at the initial public offering price less the underwriting discounts.

The underwriters expect to deliver the ADSs against payment in New York, New York on , 2015.

Goldman, Sachs & Co. **Morgan Stanley** **Cowen and Company**

Baird

, 2015

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We have not, and the underwriters have not, authorized any person to provide you with information different from that contained in this prospectus or any related free-writing prospectus that we authorize to be distributed to you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies, regardless of the time of delivery of this prospectus or of any sale of the securities offered hereby.

For investors outside of the United States: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than the United States. Persons outside of the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the ADSs and the distribution of this prospectus outside of the United States.

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third party research, surveys and studies are reliable, you are cautioned not to give undue weight to this information.

All references in this prospectus to "$," "US$," "U.S.$," "U.S. dollars," "dollars" and "USD" mean U.S. dollars and all references to "¥" and "RMB," mean Renminbi, unless otherwise noted. All references to "PRC" or "China" in this prospectus refer to the People's Republic of China. Please see the Glossary of Scientific Terms on page 266 for definitions of scientific terms.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider i making your investment decision. Before investing in the ADSs, you should carefully read the entire prospectus, including our financial statements and t related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case appearing elsewhere in this prospectus. Unles otherwise stated, all references to "us," "our," "BeiGene," "we," the "company" and similar designations refer to BeiGene, Ltd. and its consolidated subsidiaries, as a whole.

Overview

We are a globally focused biopharmaceutical company dedicated to becoming a leader in the discovery and development of innovative, molecular targeted and immuno-oncology drugs for the treatment of cancer. We believe the next generation of cancer treatment will utilize therapeutics both as monotherapy and in combination to attack multiple underlying mechanisms of cancer cell growth and survival. We further believe that discovery of next-generation cancer therapies requires new research tools. To that end, we have developed a proprietary cancer biology platform that addresses the importance of tumor-immune system interactions and the value of primary biopsies in developing new models to support our drug discovery effort. Our strategy is to advance a pipeline of drug candidates with the potential to be best-in-class monotherapies and also important components of multiple-age combination regimens. Over the last five years, using our cancer biology platform, we have developed clinical-stage drug candidates that inhibit the important oncology targets Bruton's tyrosine kinase, or BTK, RAF dimer protein complex and PARP family of proteins, and an immuno-oncology agent that inhibits the immune checkpoint protein receptor PD-1. Our drug candidates targeting BTK, RAF dimer and PARP have demonstrated early activity and favorable safety profiles in dose-escalation trials conducted in Australia and New Zealand and our BTK and RAF dimer drug candidates are currentl in the dose-expansion phases of their respective clinical trials. Our PD-1 drug candidate is currently in a dose-escalation trial in Australia and New Zealand. As of October 12, 2015, our four clinical-stage drug candidates have been dosed in a total of 202 patients. We have an effective Investigationa New Drug Application for our BTK inhibitor with the U.S. Food and Drug Administration, or FDA, and have received approval of our Clinical Trial Application for our RAF dimer inhibitor from the China Food and Drug Administration, or CFDA. Our research operations are in China, which we believe confers several advantages including access to a deep scientific talent pool and proximity to extensive preclinical study and clinical trial resources throug collaborations with leading cancer hospitals in China. Beyond the substantial market opportunities we expect to have in the United States, Europe and Japan, we believe our location in China provides us the opportunity to bring best-in-class monotherapies and combination therapeutics to our home market where many global standard-of-care therapies are not currently approved or available. We have assembled a team of more than 190 individuals China and the United States with deep scientific talent and extensive global pharmaceutical experience who are deeply committed to advancing our mission to become a leader in next-generation cancer therapies.

We believe that oncology treatment has entered an era of revolutionary change in which cancer drugs will be used both as monotherapy and in combination to attack multiple underlying mechanisms of cancer cell growth and survival. Due to breakthroughs in gene sequencing and methods of tum characterization, cancer is rapidly being redefined from a paradigm of classification based on tissue of origin to one of specific molecular characteristics. As a result, many more specific disease subpopulations can be targeted for more effective treatment than has

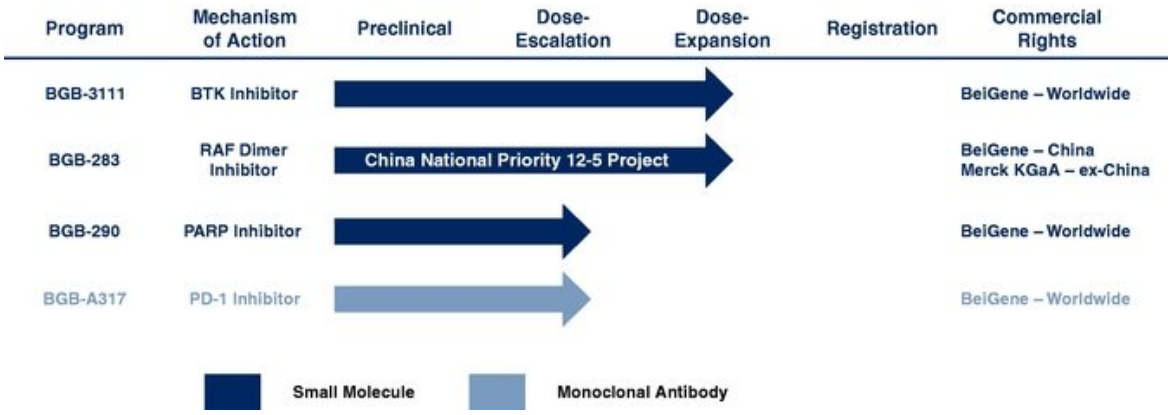
been possible in the past. This ability to better classify cancers has allowed the development of molecularly targeted drugs that address specific cancer subpopulations and provide high response rates in tumors with particular mutations. In addition, the development of immuno-oncology agents such as antibodies targeting the CTLA-4 and PD-1 protein receptors and the PD-L1 protein has demonstrated the importance of the human immune system in cancer therapy and the potential for high rates of more durable responses from agents that activate the immune system to identify and eliminate tumors. We believe that the future of cancer therapy will involve combinations of molecularly targeted and immuno-oncology drugs tailored to particular tumor su groups and have directed our research efforts at both types of drugs.

Our belief that this fundamental shift was about to occur in cancer research led us early in our history to develop a cancer biology platform that addresses the importance of tumor-immune system interactions and the value of primary tumor biopsies in developing new models. Our proximity to leading cancer treatment centers in Beijing and our close relationships with clinicians who treat patients and perform biopsies and surgeries at those centers have allowed us to develop an extensive collection of *in vivo* , *ex vivo* and *in vitro* cancer models. Given our belief that the human immune syste can play an important role in combating cancer and that future treatments will involve combination therapies, we have introduced elements of a functiona immune system into these models. Our proprietary models allow our research team to better select targets and to screen and evaluate therapeutic agen that we believe have significant potential alone or in combination for treating a variety of cancers. Our models are a key component in the screening cascade we follow in our drug discovery effort and permit us to evaluate potential drug candidates in conditions that much better approximate a patient's cancer at the time of treatment. This is particularly significant when drug discovery requires evaluation not only of monotherapies but also multiple combinations and regimens targeting specific mutations while simultaneously immobilizing the defenses cancer cells mount against the human immune system.

Our Clinical Stage Drug Candidates

We have used our cancer biology platform to develop four clinical-stage drug candidates that we believe have the potential to be best-in-class or first-in-class. In addition, we believe that each has the potential to be an important component of a drug combination addressing major unmet medical needs.

The following table summarizes our clinical pipeline:



BGB-3111 is a potent and highly selective small molecule BTK inhibitor. We are currently developing BGB-3111 as a monotherapy and in combination with other therapies for the treatment of a variety of lymphomas. BGB-3111 has demonstrated higher selectivity against BTK than

ibrutinib, the only BTK inhibitor currently approved by the FDA and the European Medicines Agency, or EMA, and appears to exhibit higher potency as well.

We have completed the 25-patient dose-escalation phase of our clinical trial in Australia, and we are currently conducting the dose-expansion phase in patients with select lymphoid malignancies including chronic lymphocytic leukemia, diffuse large B-cell lymphoma, follicular lymphoma, mantle cell lymphoma, marginal zone lymphoma and Waldenström's Macroglobulinemia. We have dosed a total of 53 patients as of October 12, 2015. Available data from our completed dose-escalation trial indicate that BGB-3111 achieved up to approximately a 3.5- to 7-fold higher exposure level than the approved doses of ibrutinib. As of July 30, 2015, the cutoff date for the most recent data analysis, no protocol-defined dose-limiting toxicities, adverse events leading to drug discontinuation, or drug-related serious adverse events have been observed. Proof-of-concept has been established for BGB-311 with clinical data indicating that BGB-3111 is a potent BTK inhibitor with objective anti-tumor activity observed in multiple types of lymphomas starting at the lowest dose tested, 40 mg once daily.

BGB-283 is a small molecule RAF kinase inhibitor. We are currently developing BGB-283 as a monotherapy and in combination with other therapies 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 is a chain of proteins in the cell that communicates 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 and is described in more detail in the section titled "Business—Product Pipeline—BGB-283, RAF Dimer Inhibitor—Mechanism of Action." We intend to develop BGB-283 to treat various malignancies, including colorectal cancer, non-small cell lung carcinoma, endometrial cancer, ovarian cancer, pancreatic cancer and papillary thyroid carcinoma. Currently approved first-generation BRAF inhibitors, vemurafenib and dabrafenib, are only active against the BRAF monomer. BGB-283 inhibits not only the monomer but also the dimer forms of BRAF. We believe BGB-283 has the potential to be a first-in-class RAF dimer inhibitor globally.

We have completed the 32-patient dose-escalation phase, and we are currently conducting the dose-expansion phase, of our clinical trial in Australia and New Zealand in a broad range of patient populations, including BRAF mutated melanoma, thyroid cancer, colorectal cancer, non-small cell lung cancer and other non-BRAF mutated tumors as well as KRAS/NRAS mutated endometrial cancer, colorectal cancer, non-small cell lung cancer and other KRAS/NRAS mutation bearing cancers, where first-generation BRAF inhibitors have not been effective. We have dosed a total of 81 patients as of October 12, 2015. Initial analysis of data from these trials has shown BGB-283 to be well-tolerated with a favorable safety profile. We have achieved proof-of-concept in a range of cancers including those with KRAS and BRAF mutations. We have granted exclusive licenses for the rights to develop and commercialize BGB-283 to Merck KGaA worldwide (outside China). We are currently conducting all clinical development and will continue to do so until Merck KGaA exercises its Continuation Option as further described in the section titled "Business—Collaboration with Merck KGaA."

BGB-290 is a molecularly targeted, orally available, potent and highly selective inhibitor of PARP1 and PARP2. We are currently developing BGB-290 as a monotherapy and in combination with other therapies for the treatment of homologous recombination deficient cancers, which are cancers that contain abnormalities in their DNA molecule repair mechanisms, making these cancers particularly sensitive to PARP inhibitors. We intend to initiate studies of BGB-290 in combination with BGB-A317 for the treatment of ovarian, breast, pancreatic, prostate, small cell lung cancers and glioblastoma, and in combination with chemotherapies for the treatment of gastric cancer, small cell lung cancers, and glioblastoma. We believe BGB-290 has the potential to be differentiated from

other PARP inhibitors, including olaparib, the only PARP inhibitor currently approved by the FDA and the EMA, in terms of selectivity, DNA-trapping activity, oral bioavailability and brain penetration.

We are evaluating BGB-290 in the ongoing dose-escalation phase of our clinical trial in Australia. We have dosed a total of 35 patients as of October 12, 2015. Initial analysis of data from this trial has shown BGB-290 to be well-tolerated. Proof-of-concept has also been established, with anti-tumor activity seen starting at the lowest tested dose and data suggestive of a wide therapeutic window. We have a limited collaboration with Merck KGa on BGB-290.

BGB-A317 is a humanized monoclonal antibody against the immune checkpoint receptor PD-1. We are developing BGB-A317 as a monotherapy and as a combination agent for various solid-organ and blood-borne cancers. PD-1 is a cell surface receptor that plays an important role in down-regulating the immune system by preventing the activation of certain types of white blood cells called T-cells. PD-1 inhibitors remove the blockade of immune activation by cancer cells. We believe BGB-A317 is differentiated from the currently approved PD-1 antibodies with the ability to bind Fc gamma receptor I specifically engineered out, and we believe this could potentially result in improved activities. In addition, BGB-A317 has a unique binding signature to PD-1 with high affinity and superior target specificity.

We are evaluating BGB-A317 in the ongoing dose-escalation phase of our clinical trial in relapsed or refractory solid tumor patients in Australia. W have dosed a total of 33 patients as of October 12, 2015.

Our Preclinical Programs. Our proprietary cancer biology platform has also allowed us to develop several preclinical-stage drug candidates in potentially important targeted areas. These currently consist of targeted therapies and immuno-oncology agents including a PD-L1 monoclonal antibody an additional RAF dimer inhibitor, a TIM-3 cell surface protein monoclonal antibody, and a BTK inhibitor for non-oncology indications. We anticipate advancing one or more of our preclinical assets into the clinic in the next 18 months. We believe we have the opportunity to combine our PD-1 monoclor antibody with other clinical-stage and preclinical candidiates in our pipeline portfolio to target multiple points in the cancer immunity cycle.

Our research operations are in China, which we believe confers clinical, commercial and regulatory advantages. Our location provides us with access to a deep scientific talent pool and proximity to extensive clinical trial resources through relationships with leading cancer hospitals in China. In addition, China accounts for approximately 20–25% of the world's cancer population and is experiencing rapid growth in the market for cancer therapeutics. Currently, many global standard-of-care therapies are not approved or available in China, resulting in a significant need for innovative drug with strong efficacy and safety profiles for patients who are naive to such treatments. While we plan to seek worldwide regulatory approval for our drug candidates, we also plan to seek expedited approval from the CFDA for our drug candidates as locally developed, Category 1 drugs. Expedited approva of our drug candidates in China will address the current unmet need in China and further our understanding and characterization of these drugs for approval in other markets.

We have a global team of more than 190 employees and consultants, including a research team in China of over 110 scientists. Our team shares the vision of improving the lives of cancer patients globally and has built a scientifically-driven and collaborative culture fostering both nimble and rationa decision-making. Our management team and scientific advisory board have deep experience and capabilities in biology, chemistry, drug discovery, clini development, manufacturing and commercialization. Our scientific advisory board is chaired by our co-founder Xiaodong Wang, Ph.D., a highly respecte cancer scientist, 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. Our scientific advisory board also includes Ronald Levy, M.D., Ph.D.; Neal

Rosen, M.D., Ph.D.; Charles Sawyers, M.D.; David Schenkein, M.D.; Jedd Wolchok, M.D., Ph.D.; and Steve Young, Ph.D.

Since our inception in 2010, we have raised $170 million in equity financing from our dedicated group of investors, including leading healthcare-focused funds, major mutual funds, China-based funds and our founders.

Our Mission and Strategy

Our mission is to become a global leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for th treatment of cancer. To achieve our mission, we intend to pursue the following strategies:

- **Rapidly advance our pipeline programs through global development.** In the next 12 months, we plan to make significant advances within our clinical-stage pipeline. We also have a robust pipeline of preclinical programs and are planning to advance one or more of these programs into the clinic in the next 18 months.

- **Pursue global development of combination therapies.** We believe our ownership of both molecularly targeted and immuno-oncology drugs puts us in an advantageous position to develop potentially best-in-combination or first-in-combination therapies that could produce high rates of more durable responses in patients. We believe that we are the only company today to wholly own both a clinical-stage BTK inhibitor and PD-1 inhibitor and one of the few companies to have discovered, and advanced to clinical stage, a PARP inhibitor and PD-1 inhibitor, or a BRAF inhibitor and PD-1 inhibitor, for use as combination therapy.

- **Continue to use our cancer biology platform to discover additional candidates with best-in-class characteristics and potential fo use in rational combinations.** We plan to use our cancer biology platform to discover additional drug candidates with the potential to be best-in-class monotherapies and also important components of multiple-agent combination regimens. By further investing in and improving our cancer biology platform, we expect that the platform will continue to help us select relevant drug targets, identify potential best-in-class drug candidates and develop regimens for rational drug combinations.

- **Bring transformative oncology therapeutics to our home market in China.** We are committed to addressing the needs of cancer patients in our home market. China is one of the largest and fastest growing markets for cancer drugs worldwide, representing approximately 20–25% of the world's cancer population and an even greater proportion in lung, liver, and gastric cancers. Because many global standard-of-care therapies are not currently approved and available in China, there is a significant unmet need for innovative cance drugs for patients who are naive to such treatments.

- **Maintain our culture as we grow our business globally.** We believe our science-driven, cooperative and non-hierarchical culture is a key strength of our organization and will continue to be instrumental to our success. As an innovative biotechnology company with researc facilities in China, we have been able to attract an internationally trained research team of over 110 talented scientists. We intend to maintain our patient-focused and research-driven culture as we discover and develop new drugs for China and the rest of the world.

- **Retain the value of our pipeline in our core focus area of oncology.** We currently collaborate with Merck KGaA on our BGB-283 program, but retain exclusive development and commercial rights in China. Additionally, we currently retain all worldwide development and commercial rights for our other clinical and preclinical therapeutics. We also have a

limited collaboration with Merck KGaA on our BGB-290 PARP program. We intend to protect our ability to direct global prelicinal studies ar clinical trials for our drug candidates as monotherapies and combination therapies and to maintain exclusive rights in our home market.

Risks Associated with Our Business

- We are a globally focused biopharmaceutical company and have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.
- We have incurred net losses in each period since our inception and anticipate that we will continue to incur net losses for the foreseeable future.
- We will need to obtain additional financing to fund our operations, and if we are unable to obtain such financing, we may be unable to complete the development and commercialization of our primary drug candidates.
- We depend substantially on the success of our drug candidates, particularly BGB-3111, BGB-283, BGB-290 and BGB-A317, which are in clinical development. Clinical trials of our drug candidates may not be successful. If we are unable to commercialize our drug candidates, c 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 any of 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.
- 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 may be adversely affected.
- We rely on third parties to conduct our preclinical studies and clinical trials. 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 entered into collaborations and may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.
- Changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial conditic and results of operations and may result in our inability to sustain our growth and expansion strategies.
- We will need to increase the size and capabilities of our organization, and we may experience difficulties in managing our growth.

Company and Other Information

We are an exempted company incorporated in the Cayman Islands with limited liability on October 28, 2010. Any company that is registered in the Cayman Islands but conducts business

mainly outside of the Cayman Islands may apply to be registered as an exempted company. The principal executive office of our research and development operations is located at No. 30 Science Park Road, Zhong-Guan-Cun Life Science Park, Changping District, Beijing 102206, People's Republic of China. Our telephone number at this address is +86 10 58958000. Our current registered office in the Cayman Islands is located at the offic of Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108, Cayman Islands. Our website address is *www.beigene.com* . We do not incorporate the information on or accessible through our website into this prospectus, and you should not consider any information on, or that can be accessed through, our website as part of this prospectus.

We own various applications and unregistered trademarks and servicemarks, including BeiGene, 百济神州 and our corporate logo. All other trad names, trademarks and service marks of other companies appearing in this prospectus are the property of their respective holders. Solely for convenience, the trademarks and trade names in this prospectus are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend ou use or display of other companies' trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Implications of Being an Emerging Growth Company

We qualify as an "emerging growth company" as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act. As an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002;
- the ability to include only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations in the registration statement for this offering of which this prospectus forms a part;
- reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and
- exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annu revenue; (2) the date we qualify as a "large accelerated filer," with at least $700 million of equity securities held by non-affiliates; (3) the issuance, in any three-year period, by our company of more than $1.0 billion in non-convertible debt securities; and (4) the last day of the fiscal year ending after the fifth anniversary of this offering. We may choose to take advantage of some but not all of these exemptions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. We have irrevocably elected not to avail ourselves of this extended transition period. However, we have taken advantage of other reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

The Offering

ADSs offered by us	ADSs
Ordinary shares outstanding immediately after this offering	shares
ADSs outstanding immediately after this offering	ADSs
Underwriters' option to purchase additional ADSs	We have granted a 30-day option to the underwriters to purchase up to an aggregate of additional ADSs.
American Depositary Shares	Each ADS represents ordinary shares. You will have the rights of an ADS holder as provided in the deposit agreement among us, the depositary and all holders and beneficial owners of ADSs issued thereunder. To better understand the terms of the ADSs, you should carefully read the section in this prospectus titled "Description of American Depositary Shares." We also encourage you to read the deposit agreement, which is filed as an exhibit to the registration statement that includes this prospectus.
Depositary	Citibank, N.A.
Use of proceeds	We estimate that we will receive net proceeds from this offering of approximately $ million, or $ million, if the underwriters exercise their option to purchase additional ADSs in full, based upon an assumed initial public offering price of $ per ADS, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We expect to use the net proceeds from this offering to develop our drug candidates, repay our senior promissory note to Merck Sharp & Dohme Research GmbH and for working capital and other general corporate purposes. See "Use of Proceeds" for additional information.
Risk factors	You should carefully read "Risk Factors" in this prospectus for a discussion of factors that you should consider before deciding to invest in the ADSs.
Proposed NASDAQ trading symbol	"BGNE."

The number of ordinary shares to be outstanding after this offering is based on 108,617,428 ordinary shares outstanding as of June 30, 2015, including 1,784,035 issued but unvested restricted shares, and excludes:

- 27,931,017 shares issuable upon the exercise of options outstanding as of June 30, 2015 pursuant to our 2011 Option Plan, as amended, the 2011 Plan, at a weighted-average exercise price of $0.12 per share;

- shares reserved for future issuance under our 2015 Option and Incentive Plan, or the 2015 Plan (which includes shares reserved for issuance under our 2011 Plan that will become available under our 2015 Plan upon the closing of this offering);
- 9,362,000 shares issuable upon the exercise of options granted under our 2011 Plan after June 30, 2015, at an exercise price of $0.50 pe share;
- 15,200,667 shares issuable upon the exercise of options granted outside our 2011 Plan after June 30, 2015, at an exercise price of $0.50 per share;
- 668,127 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our Series A preferred shares;
- 2,592,593 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our ordinary shares; and
- 1,451,586 shares issuable upon the exercise of options outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which options prior to the closing of this offering are exercisable to purchase our ordinary shares.

Unless otherwise indicated, all information in this prospectus reflects or assumes the following:

- the effectiveness of our amended and restated memorandum and articles of association, which will occur immediately prior to the closing o this offering;
- the conversion of all of our outstanding 199,990,641 preferred shares into 199,990,641 ordinary shares upon the closing of this offering;
- no issuance or exercise of share options or warrants on or after June 30, 2015; and
- no exercise by the underwriters of their option to purchase up to an additional ADSs in this offering.

Summary Financial Data

The following summary financial data for the years ended December 31, 2013 and 2014 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary financial data as of June 30, 2015 and for the six months ended June 30, 2014 and 20 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. These unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and, in our opinion, contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial data. You should read this data together with our audited consolidated financial statements and related notes included elsewhere in this prospectus and the information under the captions "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our future results, and our operating results for the six-month period ended June 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2015 or any other interim periods or any future year or period. Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

	Years Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
	(in thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 11,148	$ 13,035	$ 5,158	$ 2,759
Operating expenses				
Research and development	13,463	21,862	7,240	16,796
General and administrative	3,143	6,930	1,502	2,340
Total operating expenses	16,606	28,792	8,742	19,136
Loss from operations	(5,458)	(15,757)	(3,584)	(16,377)
Interest income	2	40	2	526
Interest expense	(3,155)	(3,552)	(1,732)	(540)
Changes in fair value of financial instruments	133	(2,760)	(145)	(202)
Gain on debt extinguishment	—	2,883	—	—
Disposal loss on available-for-sale securities	—	—	—	(57)
Other income	694	806	503	809
Other expense	(110)	(206)	(44)	(12)
Net loss	(7,894)	(18,546)	(5,000)	(15,853)
Less: net loss attributable to non-controlling interests	(400)	(268)	(232)	—
Net loss attributable to ordinary shareholders	$ (7,494)	$ (18,278)	$ (4,768)	$ (15,853)
Loss per ordinary share attributable to ordinary shareholders, basic and diluted(1)	$ (0.08)	$ (0.18)	$ (0.05)	$ (0.15)
Weighted-average ordinary shares outstanding, basic and diluted	91,484,521	99,857,623	94,516,667	108,520,761
Pro forma net loss per ordinary share attributable to ordinary shareholders, basic and diluted(1)		$ (0.08)		$ (0.05)
Pro forma weighted-average ordinary shares outstanding, basic and diluted		216,643,140		308,511,402
Comprehensive loss	$ (7,718)	$ (18,761)	$ (5,152)	$ (16,355)

(1) See Note 17 to our audited consolidated financial statements appearing elsewhere in this prospectus for a description of the meth used to calculate basic and diluted net loss per share of ordinary shares and pro forma basic and diluted net loss per share of ordinary shares.

	As of June 30, 2015		
	Actual	Pro Forma(1) (unaudited) (in thousands)	Pro Forma As Adjusted(2)(3)
Balance sheet data:			
Cash and cash equivalents	$ 25,156	$ 25,156	$
Short-term investments	101,509	101,509	
Working capital	104,086	104,086	
Total assets	136,965	136,965	
Senior promissory note	14,049	14,049	
Total liabilities	27,052	27,052	
Preferred shares	176,084	—	
Total shareholders' (deficit) equity	(66,171)	109,913	

(1) Pro forma balance sheet data give effect to the conversion of all outstanding shares of our preferred shares into an aggregate of 199,990,641 ordinary shares upon the completion of this offering.

(2) Pro forma as adjusted basis gives effect to (i) the conversion of all of our preferred shares into 199,990,641 ordinary shares upon the completion of this offering and (ii) the sale of ordinary shares in the form of ADSs by us in this offering at an assumed initial public offering price of $ per ADS, the midpoint of the estimated range of the initial public offering price set for on the cover of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

(3) A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total shareholders' equity by $ million, assuming that the number of ADSs offer by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. An increase (decrease) of ADSs in the number of ADSs offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total shareholders' equity by $ million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted data above is illustrative only and will be adjusted based on the actua initial public offering price and other terms of our initial public offering determined at pricing.

RISK FACTORS

Investing in the ADSs involves a high degree of risk. You should carefully consider the following risks and all other information contained in this prospectus, including our consolidated financial statements and the related notes, before making an investment decision regarding our securities. The risks and uncertainties described below are those significant risk factors, currently known and specific to us, that we believe are relevant to an investment in our securities. If any of these risks materialize, our business, financial condition or results of operations could suffer, the price of the ADSs could decline and you could lose part or all of your investment.

Risks Related to Our Financial Position and Need for Additional Capital

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

We are a globally focused 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 and conducting preclinical studies and clinical trials of our current drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317. We have not yet demonstrated ability to initiate or successfully complete large-scale, pivotal clinical trials, obtain regulatory approvals, manufacture a commercial scale drug, or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization. We have not yet obtained regulatory approval for, or demonstrated an ability to commercialize, any of our drug candidates. We have no products approved for commercial sale and have not generated any revenue from product sales. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history. In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors.

We are focused on the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancers. Our limited operating history, particularly in light of the rapidly evolving cancer treatment field, may make it difficult to evaluate our current business and predict our future performance. Our short history makes any assessment of our future success or viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

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

Investment in pharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a drug candidate will fail to gain regulatory approval or become commercially viable. We have devoted most of our financial resources to research and development, including our non-clinical development activities and clinical trials. We have not generated any revenue from product sales to date, and we continue to incur significant development and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred losses in each period since our inception in 2010. For the years ended December 31, 2013 and December 31, 2014, we reported a net loss of $7.9 million and $18.5 million, respectively, and had a deficit accumulated of $77.0 million as of June 30, 2015. Substantially all of our operating losses have resulted from costs incurred in connection with our

research and development programs and from general and administrative costs associated with our operations.

We expect to continue to incur losses for the foreseeable future, and we expect these losses to increase as we continue our development of, and seek regulatory approvals for, our drug candidates, and begin to commercialize approved drugs, if any. Typically, it takes many years to develop one new drug from the time it is discovered to when it is available for treating patients. We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. The size of our future net losses will depend, in part, on the rate of future growth of our expenses, our ability to generate revenues and the timing and amount of milestones and other required payments to third parties in connection with our potential future 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 prior losses and expected future losses have had, and will continue to have, an adverse effect on our shareholders' equity and working capital.

We expect our research and development expenses to continue to be significant in connection with our continued investment in our cancer biology platform and our ongoing and planned clinical trials for our drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317. Furthermore, if we obtain regulatory approval for our drug candidates, we expect to incur increased sales and marketing expenses. In addition, once we are a public company, we will incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses and negative cash flows for the foreseeable future. These losses have had and will continue to have a material adverse effect on our shareholders' deficit, financial position, cash flows and working capital.

We currently do not generate revenue from product sales and may never become profitable.

Our ability to generate revenue and become profitable depends upon our ability to successfully complete the development of, and obtain the necessary regulatory approvals for, our drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317, as we do not currently have any drugs that are available for commercial sale. We expect to continue to incur substantial and increasing losses through the projected commercialization of our drug candidates. None of our drug candidates have been approved for marketing in the United States, the European Union, the People's Republic of China or any other jurisdiction and may never receive such approval. Our ability to achieve revenue and profitability is dependent on our ability to complete the development of our drug candidates, obtain necessary regulatory approvals, and have our drugs manufactured and successfully marketed.

Even if we receive regulatory approval of our drug candidates for commercial sale, we do not know when they will generate revenue, if at all. Our ability to generate product sales revenue depends on a number of factors, including our ability to continue:

- completing research regarding, and non-clinical and clinical development of, our drug candidates;
- obtaining regulatory approvals and marketing authorizations for drug candidates for which we complete clinical trials;
- obtaining adequate reimbursement from third-party payors, including government payors;
- developing a sustainable and scalable manufacturing process for our drug candidates, including establishing and maintaining commercially viable supply relationships with third parties and establishing our own manufacturing capabilities and infrastructure;

- launching and commercializing drug candidates for which we obtain regulatory approvals and marketing authorizations, either directly or with a collaborator or distributor;
- obtaining market acceptance of our drug candidates as viable treatment options;
- identifying, assessing, acquiring and/or developing new drug candidates;
- addressing any competing technological and market developments;
- negotiating and maintaining favorable terms in any collaboration, licensing or other arrangements into which we may enter, such as our collaboration arrangements with Merck KGaA;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how; and
- attracting, hiring and retaining qualified personnel.

In addition, because of the numerous risks and uncertainties associated with drug development, we are unable to predict the timing or amount of increased expenses, or when, or if, we will be able to achieve or maintain profitability. In addition, our expenses could increase beyond expectations if we are required by the U.S. Food and Drug Administration, or FDA; the China Food and Drug Administration, or CFDA; the European Medicines Agency, or EMA; or other comparable regulatory authorities to perform studies in addition to those that we currently anticipate. Even if our drug candidates are approved for commercial sale, we anticipate incurring significant costs associated with the commercial launch of these drugs.

Our ability to become and remain profitable depends on our ability to generate revenue. Even if we are able to generate revenues from the sale of our potential drugs, we may not become profitable and may need to obtain additional funding to continue operations. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be unable to continue our operations at planned levels and be forced to reduce our operations. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, expand our business or continue our operations. Failure to become and remain profitable may adversely affect the market price of the ADSs and our ability to raise capital and continue operations. A decline in the value of our company could also cause you to lose all or part of your investment.

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

We have financed our operations with a combination of equity and debt offerings, contracts, and private and public grants. Through April 2015, we have raised $170 million in equity financing and $14.4 million in non-convertible debt financings. To date, we have received a total of $33 million in upfront payments and milestone payments through our collaboration arrangements with Merck KGaA for BGB-283 and BGB-290. Our drug candidates will require the completion of regulatory review, significant marketing efforts and substantial investment before they can provide us with any product sales revenue.

Our operations have consumed substantial amounts of cash since inception. The net cash used for our operating activities was $8.7 million for the year ended December 31, 2014 and $2.4 million and $13.2 million, respectively, for the six months ended June 30, 2014 and 2015. We expect to continue to spend substantial amounts on drug discovery advancing the clinical development of our drug candidates, and launching and commercializing any drug candidates for

which we receive regulatory approval, including building our own commercial organizations to address certain markets.

We will need to obtain additional financing to fund our future operations, including completing the development and commercialization of our primary drug candidates: BGB-3111, BGB-283, BGB-290 and BGB-A317. We will need to obtain additional financing to conduct additional clinical trials for the approval of our drug candidates if requested by regulatory bodies, and completing the development of any additional drug candidates we might discover. Moreover, our fixed expenses such as rent, interest expense and other contractual commitments are substantial and are expected to increase in the future.

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 utilize our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including, but not limited to:

- 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 by the FDA, CFDA, EMA and comparable regulatory authorities, including the potential that the FDA, CFDA, EMA or comparable regulatory authorities may require that we perform more studies than those that we currently expect;
- the number and characteristics of drug candidates that we may in-license and develop;
- our ability to successfully commercialize our drug candidates;
- the amount of sales and other revenues from drug candidates that we may commercialize, if any, including the selling prices for such potential products and the availability of adequate third-party reimbursement;
- the amount and timing of the milestone and royalty payments we receive from our collaborators under our licensing arrangements, such as our collaboration with Merck KGaA;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights;
- selling and marketing costs associated with our potential products, 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 costs of operating as a public company;
- the cost and timing of completion of commercial-scale outsourced manufacturing activities;
- the time and cost necessary to respond to technological and market developments; and
- the costs of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

Until we can generate a sufficient amount of revenue, we may finance future cash needs through public or private equity offerings, license agreements, debt financings, collaborations, strategic alliances and marketing or distribution arrangements. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. General market conditions or the market price of the ADSs may not support capital raising transactions such as an additional public or private offering of the ADSs or other securities. In addition, our ability to raise additional capital may be dependent upon the ADSs being quoted on the NASDAQ or upon obtaining shareholder approval. There can be no assurance that we will be able to satisfy the criteria for continued listing on the NASDAQ or that we will be able to obtain shareholder approval if it is necessary. If adequate funds are not available, we may be required to delay or reduce the scope of or eliminate one or more of our research or development programs or our commercialization efforts. We may seek to access the public or private capital markets whenever conditions are favorable, even if we do not have an immediate need for additional capital at that time. In addition, if we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or drug candidates or to grant licenses on terms that may not be favorable to us.

We believe that the net proceeds from this offering, together with existing cash and cash equivalents, will not be sufficient to enable us to complete all necessary development or commercially launch our current drug candidates. Accordingly, we will require further funding through other public or private offerings, debt financing, collaboration and licensing arrangements or other sources. 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 the ADSs or our ordinary shares. 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 the ADSs 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 may in the future derive revenues, in currencies other than the U.S. dollars, in particular, the Renminbi and Australian dollars. 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. For example, a significant portion of our clinical trial activities are conducted outside of the United States, and associated costs may be incurred in the local currency of the country in which the trial is being conducted, which costs could be subject to fluctuations in 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 United States dollars. 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 Renminbi 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 adopted by the PRC, Australia and other non-U.S. governments. Specifically in the PRC, on July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar. Following the removal of the U.S. dollar peg, the Renminbi appreciated more than 20% against the U.S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the PRC government has allowed the Renminbi to appreciate slowly against the U.S. dollar again, and it has appreciated more than 10% since June 2010. In April 2012, the PRC government announced that it would allow more Renminbi exchange rate fluctuation. On August 11, 2015, China's central bank executed a 2% devaluation in the Renminbi. Over the following two days, Chinese currency fell 3.5% against the dollar. However, it remains unclear what further fluctuations may occur or what impact this will have on the currency.

It is difficult to predict how market forces or PRC, Australian, U.S. or other government policies may impact the exchange rate between the Australian dollar, Renminbi, U.S. dollar and other currencies in the future. There remains significant international pressure on the PRC government to adopt a more flexible currency policy, which could result in greater fluctuation of the Renminbi against the U.S. dollar. Substantially all of our revenues are denominated in U.S. dollars and our costs are denominated in U.S. dollars, Australian dollars and Renminbi, and a large portion of our financial assets and a significant portion of our debt is denominated in U.S. dollars. Any significant revaluation of the Renminbi may materially reduce any dividends payable on, the ADSs in U.S. dollars. To the extent that we need to convert U.S. dollars we receive from this offering into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount we would receive.

Our investments are subject to risks that could result in losses.

We had cash and cash equivalents of $3.9 million and $13.9 million and short term investments of $0 and $30.5 million at December 31, 2013 and 2014, respectively, and $25.2 million and $101.5 million at June 30, 2015. At June 30, 2015, our short-term investments mainly consisted of high credit quality corporate fixed income bonds and U.S. Treasury securities. We may invest our cash in a variety of financial instruments, principally securities issued by the U.S. government and its agencies, investment grade corporate bonds, including commercial paper and money market instruments. All of these investments are subject to credit, liquidity, market and interest rate risk. Such risks, including the failure or severe financial distress of the financial institutions that hold our cash, cash equivalents and investments, may result in a loss of liquidity, impairment to our

investments, realization of substantial future losses, or a complete loss of the investments in the long-term, which may have a material adverse effect on our business, results of operations, liquidity and financial condition. Our primary exposure to market risk relates to fluctuations in the interest rates of the PRC and the United States. In order to manage the risk to our investments, we maintain an investment policy that, among other things, limits the amount that we may invest in any one issue or any single issuer and requires us to only invest in high credit quality securities. While we believe our cash and cash equivalents 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.

Risks Related to Clinical Development of Our Drug Candidates

We depend substantially on the success of our drug candidates, particularly BGB-3111, BGB-283, BGB-290 and BGB-A317, which are in clinical development. 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.

Our business and the ability to generate revenue related to product sales, if ever, will depend on the successful development, regulatory approval and commercialization of our drug candidates for the treatment of patients with cancer, particularly BGB-3111, BGB-283, BGB-290 and BGB-A317, which are still in development, and other drugs 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, including BGB-3111, BGB-283, BGB-290 and BGB-A317, will depend on several factors, including:

- successful enrollment in, and completion of, preclinical studies and clinical trials;
- receipt of regulatory approvals from the FDA, CFDA, EMA and other comparable regulatory authorities for our drug candidates, including our companion diagnostics;
- establishing commercial manufacturing capabilities, either by building facilities ourselves or making arrangements with third-party manufacturers;
- relying on third parties to conduct our clinical trials safely and efficiently;
- obtaining and maintaining patent, trade secret and other intellectual property protection and regulatory exclusivity;
- protecting our rights in our intellectual property;
- ensuring we do not infringe, misappropriate or otherwise violate the patent, trade secret or other intellectual property rights of third parties;
- launching commercial sales of our drug candidates, if and when approved;
- obtaining reimbursement from third-party payors for drug candidates, if and when approved;
- competition with other drug candidates and drugs; and
- continued acceptable safety profile for our drug candidates following regulatory approval, if and when received.

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 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.

We may not be successful in our efforts to identify or discover additional drug candidates. Due to our limited resources and access to capital, we must and have in the past decided to prioritize development of certain product candidates; these decisions may prove to have been wrong and may adversely affect our business.

Although we intend to explore other therapeutic opportunities with our cancer biology platform in addition to the drug candidates that we are currently developing, we may fail to identify other drug candidates for clinical development for a number of reasons. For example, our research methodology may be unsuccessful in identifying potential drug candidates or those we identify may be shown to have harmful side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approval. Specifically, we have focused on developing our cancer biology platform, which enables us to test a large panel of tumor models for sensitivity to the drug candidates we generated, identify targets to pursue, identify drug-resistance mechanisms, explore combination strategies and regimens, and improve our understanding of the contributions of tumor micro, or macro-environment in cancer treatments. If our cancer biology platform fails to identify potential drug candidates, our business could be materially harmed.

Research programs to pursue the development of our drug candidates for additional indications and to identify new drug candidates and disease targets require substantial technical, financial and human resources whether or not we ultimately are successful. Our research programs may initially show promise in identifying potential indications and/or drug candidates, yet fail to yield results for clinical development for a number of reasons, including:

- the research methodology used may not be successful in identifying potential indications and/or drug candidates;
- potential drug candidates may, after further study, be shown to have harmful adverse effects or other characteristics that indicate they are unlikely to be effective drugs; or
- it may take greater human and financial resources to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs than we will possess, thereby limiting our ability to diversify and expand our drug portfolio.

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

Accordingly, there can be no assurance that we will ever be able to identify additional therapeutic opportunities for our drug candidates or to develop suitable potential drug candidates through internal research programs, which could materially adversely affect our future growth and prospects. We may focus our efforts and resources on potential drug candidates or other potential programs that ultimately prove to be unsuccessful.

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;

- the patient eligibility criteria defined in the protocol;
- the size of the study population required for analysis of the trial's primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- competing clinical trials for similar therapies or other new therapeutics;
- clinicians' and patients' perceptions as to the potential advantages and side effects of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents;
- the risk that patients enrolled in clinical trials will not complete a clinical trial; and
- the availability of approved therapies that are similar in mechanism to our drug candidates.

In addition, our clinical trials will compete with other clinical trials for drug candidates that are in the same therapeutic areas as our drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317, 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 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.

Some of our drug candidates represent a novel approach to cancer treatment that could result in delays in clinical development, heightened regulatory scrutiny, or delays in our ability to achieve regulatory approval or commercialization of our drug candidates.

Some of our drug candidates represent a departure from more commonly used methods for cancer treatment, and therefore represent a novel approach that carries inherent development risks. The need to further develop or modify in any way the protocols related to our drug candidates to demonstrate safety or efficacy may delay the clinical program, regulatory approval or commercialization, if approved. In addition, potential patients and their doctors may be inclined to use conventional standard-of-care treatments rather than enroll patients in any future clinical trial. This may have a material impact on our ability to generate revenues from our drug candidates. Further, given the novelty of our drug candidates, the end users and medical personnel may require a substantial amount of education and training.

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. 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 product candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, 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 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.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of the FDA, CFDA, EMA or other comparable 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, such as BGB-3111, BGB-283, BGB-290 and BGB-A317, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more of our clinical trials can occur at any stage of testing. The outcome of preclinical testing and early clinical trials may not be predictive of the success of later clinical trials, and successful interim results of a clinical trial do not necessarily predict successful final results.

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:

- 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;
- 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 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 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 for various reasons, including noncompliance with regulatory requirements;
- the cost of clinical trials of our drug candidates may be greater than we anticipate;

- 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; and

- our drug candidates may cause adverse events, have undesirable side effects or other unexpected characteristics, causing us or our investigators to suspend or terminate the trials.

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.

Delays in testing or approvals may result in increases in our drug development costs. We do not know whether any clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all.

Significant clinical trial delays also 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 and impair our ability to commercialize our drug candidates and may harm our business and results of operations.

Risks Related to Obtaining Regulatory Approval for Our Drug Candidates

The regulatory approval processes of the FDA, CFDA, EMA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our drug candidates, our business will be substantially harmed.

The time required to obtain approval by the FDA, CFDA, EMA and other comparable regulatory authorities is unpredictable but typically takes many years following the commencement of preclinical studies and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any drug candidate, and it is possible that none of our existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future will ever obtain regulatory approval.

Our drug candidates could fail to receive regulatory approval from the FDA, CFDA, EMA or a comparable regulatory authority for many reasons, including:

- disagreement with the design or implementation of our clinical trials;

- failure to demonstrate that a drug candidate is safe and effective or safe, pure, and potent for its proposed indication;
- failure of clinical trial results to meet the level of statistical significance required for approval;
- failure to demonstrate that a drug candidate's clinical and other benefits outweigh its safety risks;
- disagreement with our interpretation of data from preclinical studies or clinical trials;
- the insufficiency of data collected from clinical trials of our drug candidates to support the submission and filing of a new drug application, or NDA; biologics license application, or BLA; or other submission or to obtain regulatory approval;
- the FDA, CFDA, EMA or comparable regulatory authority's finding of deficiencies related to the manufacturing processes or facilities of third-party manufacturers with whom we contract for clinical and commercial supplies; and
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for approval.

The FDA, CFDA, 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. If we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that is not desirable for the successful commercialization of that drug candidate. In addition, if our drug candidate produces undesirable side effects or safety issues, the FDA may require the establishment of Risk Evaluation Mitigation Strategies, or REMS, or the CFDA, EMA or a comparable regulatory authority may require the establishment of a similar strategy, that may, for instance, restrict distribution of our drugs and impose burdensome implementation requirements on us. Any of the foregoing scenarios could materially harm the commercial prospects of our drug candidates.

Regulatory approval may be substantially delayed or may not be obtained for one or all of our drug candidates if regulatory authorities require additional time or studies to assess the safety and efficacy of our drug candidates.

We may be unable to initiate or complete development of our drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317, on schedule, if at all. The timing for the completion of the studies for our drug candidates will require funding beyond the proceeds of this offering. In addition, if regulatory authorities require additional time or studies to assess the safety or efficacy of our drug candidates, we may not have or be able to obtain adequate funding to complete the necessary steps for approval for any or all of our drug candidates. Preclinical studies and clinical trials required to demonstrate the safety and efficacy of our drug candidates are time consuming and expensive and together take several years or more to complete. Delays in clinical trials, regulatory approvals or rejections of applications for regulatory approval in the United States, Australia, New Zealand, the PRC, Europe or other markets may result from many factors, including:

- our inability to obtain sufficient funds required for a clinical trial;
- regulatory requests for additional analyses, reports, data, non-clinical and preclinical studies and clinical trials;

- regulatory questions regarding interpretations of data and results and the emergence of new information regarding our drug candidates or other products;
- clinical holds, other regulatory objections to commencing or continuing a clinical trial or the inability to obtain regulatory approval to commence a clinical trial in countries that require such approvals;
- failure to reach agreement with the FDA, CFDA, EMA or other regulators regarding the scope or design of our clinical trials;
- delay or failure in obtaining authorization to commence a trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical trial;
- our inability to enroll a sufficient number of patients who meet the inclusion and exclusion criteria in a clinical trial;
- our inability to conduct a clinical trial in accordance with regulatory requirements or our clinical protocols;
- clinical sites and investigators deviating from trial protocol, failing to conduct the trial in accordance with regulatory requirements, or dropping out of a trial;
- withdrawal of clinical trial sites from our clinical trials as a result of changing standards of care or the ineligibility of a site to participate in our clinical trials;
- inability to identify and maintain a sufficient number of trial sites, many of which may already be engaged in other clinical trial programs, including some that may be for the same indication;
- failure of our third-party clinical trial managers to satisfy their contractual duties or meet expected deadlines;
- delay or failure in adding new clinical trial sites;
- ambiguous or negative interim results, or results that are inconsistent with earlier results;
- unfavorable or inconclusive results of clinical trials and supportive non-clinical studies, including unfavorable results regarding effectiveness of drug candidates during clinical trials;
- feedback from the FDA, CFDA, EMA, an IRB, data safety monitoring boards, or comparable entities, or results from earlier stage or concurrent preclinical studies and clinical trials, that might require modification to the protocol;
- unacceptable risk-benefit profile or unforeseen safety issues or adverse side effects;
- decision by the FDA, CFDA, EMA, an IRB, comparable entities, or the company, or recommendation by a data safety monitoring board or comparable regulatory entity, to suspend or terminate clinical trials at any time for safety issues or for any other reason;
- failure to demonstrate a benefit from using a drug or biologic;
- lack of adequate funding to continue the clinical trial due to unforeseen costs or other business decisions;
- our inability to reach agreements on acceptable terms with prospective contract research organizations, or CROs, and trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;

- our inability to obtain approval from IRBs or ethics committees to conduct clinical trials at their respective sites;
- manufacturing issues, including problems with manufacturing or timely obtaining from third parties sufficient quantities of a drug candidate for use in a clinical trial; and
- difficulty in maintaining contact with patients after treatment, resulting in incomplete data.

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 our drug candidates 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 revenues. 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.

If we are required to conduct additional clinical trials or other studies with respect to any of our drug candidates beyond those that we initially contemplated, if we are unable to successfully complete our clinical trials or other studies or if the results of these studies are not positive or are only modestly positive, we may be delayed in obtaining regulatory approval for that drug candidate, we may not be able to obtain regulatory approval at all or we may obtain approval for indications that are not as broad as intended. Our drug development costs will also increase if we experience delays in testing or approvals, and we may not have sufficient funding to complete the testing and approval process. Significant clinical trial delays could allow our competitors to bring drugs to market before we do and impair our ability to commercialize our drugs, if and when approved. If any of this occurs, our business will be materially harmed.

Failure to successfully validate, develop and obtain regulatory approval for companion diagnostics could harm our drug development strategy.

As one of the key elements of our clinical development strategy, we seek to identify patient subsets within a disease category who may derive selective and meaningful benefit from the drug candidates we are developing. In collaboration with partners, we plan to develop companion diagnostics to help us to more accurately identify patients within a particular subset, both during our clinical trials and in connection with the commercialization of our drug candidates. Companion diagnostics are subject to regulation by the FDA, CFDA, EMA and other comparable regulatory authorities and require separate regulatory approval or clearance prior to commercialization. We do not develop companion diagnostics internally, and thus we are dependent on the sustained cooperation and effort of our third-party collaborators in developing and obtaining approval or clearance for these companion diagnostics. We and our collaborators may encounter difficulties in developing and obtaining approval or clearance of the companion diagnostics, including issues relating to selectivity/specificity, analytical validation, reproducibility or clinical validation. Any delay or failure by our collaborators to develop or obtain regulatory approval or clearance of the companion diagnostics could delay or prevent approval of our drug candidates. In addition, our collaborators may encounter production difficulties that could constrain the supply of the companion diagnostics, and both they and we may have difficulties gaining acceptance of the use of the companion diagnostics in the clinical community. A failure of such companion diagnostics to

gain market acceptance would have an adverse effect on our ability to derive revenues from sales of our drugs. In addition, the diagnostic company with whom we contract may decide to discontinue selling or manufacturing the diagnostic we anticipate using in connection with development and commercialization of our drug candidates or our relationship with such diagnostic company may otherwise terminate. We may not be able to enter into arrangements with another diagnostic company to obtain supplies of an alternative diagnostic test for use in connection with the development and commercialization of our drug candidates or do so on commercially reasonable terms, which could adversely affect and/or delay the development or commercialization of our drug candidates.

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

Undesirable adverse events caused by our 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, CFDA, EMA or other comparable regulatory authority. Results of our trials could reveal a high and unacceptable severity or prevalence of adverse events. In such an event, our trials could be suspended or terminated and the FDA, CFDA, EMA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. Undesirable adverse events caused by BGB-3111 may include, but are not limited to, neutropenia, petechiae, bruising, rash, peripheral neuropathy, and fatigue. Undesirable adverse events caused by BGB-283 may include, but are not limited to, thrombocytopenia, fatigue, rash, hand-foot syndrome, hypertension, and anorexia. Undesirable adverse events caused by BGB-290 may include, but are not limited to, nausea, vomiting, diarrhea, lethargy, neutropenia, anemia, thrombocytopena, hypophosphataemia, and hot flush. Drug-related adverse events 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.

Additionally if one or more of our drug candidates receives regulatory approval, and we or others later identify undesirable side effects caused by such drugs, a number of potentially significant negative consequences could result, including:

- we may suspend marketing of the drug;
- regulatory authorities may withdraw approvals of the drug;
- regulatory authorities may require additional warnings on the label;
- we may be required to develop a REMS for the drug 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;
- we could be sued and held liable for harm caused to subjects or patients; and
- our reputation may suffer.

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

Further, combination therapy involves unique adverse events that could be exacerbated compared to adverse events from monotherapies. These types of adverse events could be caused by our drug candidates and could also 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, CFDA, EMA or other comparable regulatory authority. Results of our trials could reveal a high and unacceptable severity or prevalence of adverse events.

A Fast Track Designation by the FDA, even if granted for any of our drug candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our drug candidates will receive regulatory approval.

We do not currently have Fast Track Designation for any of our drug candidates but may seek such designation in the future. If a drug is intended for the treatment of a serious or life-threatening condition and the drug demonstrates the potential to address unmet medical needs for that condition, the drug sponsor may apply for FDA Fast Track Designation. The FDA has broad discretion whether or not to grant this designation. Even if we believe a particular drug candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may withdraw a Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development program. Many drugs that have received Fast Track Designation have failed to obtain approval from the FDA.

A Breakthrough Therapy Designation by the FDA, even if granted for any of our drug candidates, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our drug candidates will receive regulatory approval.

We do not currently have Breakthrough Therapy Designation for any of our drug candidates but may seek it in the future. A Breakthrough Therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as Breakthrough Therapies, interaction and communication between the FDA and the sponsor can help to identify the most efficient path for development.

Designation as a Breakthrough Therapy is within the discretion of the FDA. Accordingly, even if we believe, after completing early clinical trials, that one of our drug candidates meets the criteria for designation as a Breakthrough Therapy, the FDA may disagree and instead decide not to make that designation. In any event, the receipt of a Breakthrough Therapy designation for a drug candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if one or more of our drug candidates qualify as Breakthrough Therapies, the FDA may later decide that such drug candidates no longer meet the conditions for qualification.

We may seek Orphan Drug Exclusivity for some of our drug candidates, and we may be unsuccessful.

Regulatory authorities in some jurisdictions, including the United States and Europe, may designate drugs for relatively small patient populations as orphan drugs. Under the Orphan Drug Act, the FDA may designate a drug as an orphan drug if it is a drug intended to treat a rare disease or condition, which is generally defined as a disease with a patient population of fewer than 200,000 individuals in the United States.

Generally, if a drug with an Orphan Drug Designation subsequently receives the first regulatory approval for the indication for which it has such designation, the drug is entitled to a period of marketing exclusivity, which precludes the FDA or EMA, from approving another marketing application for the same drug for the same indication during the period of exclusivity. The applicable period is seven years in the United States and 10 years in Europe. The European

exclusivity period can be reduced to six years if a drug no longer meets the criteria for Orphan Drug Designation or if the drug is sufficiently profitable so that market exclusivity is no longer justified. Orphan Drug Exclusivity may be lost if the FDA or the EMA determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the drug to meet the needs of patients with the rare disease or condition.

Even if we obtain Orphan Drug Exclusivity for a drug candidate, that exclusivity may not effectively protect the drug candidate from competition because different drugs can be approved for the same condition and the same drugs can be approved for a different condition but used off-label for any orphan indication we may obtain. Even after an orphan drug is approved, the FDA can subsequently approve a different drug for the same condition if the FDA concludes that the later drug is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care.

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

If our drug candidates are approved, they 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.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, CFDA, EMA and comparable regulatory authority, requirements, including, in the United States, ensuring that quality control and manufacturing procedures conform to current Good Manufacturing Practices, or cGMP, regulations. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA or BLA, other marketing application, and previous responses to 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.

Any regulatory approvals that we receive for our drug candidates may be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials and surveillance to monitor the safety and efficacy of the drug candidate. The FDA may also require a REMS program as a condition of approval of our drug candidates, which could entail requirements for long-term patient follow-up, a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA, CFDA, 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 cGMPs and Good Clinical Practices, or GCPs, for any clinical trials that we conduct post-approval.

The FDA may impose consent decrees or withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with our drug candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or 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 to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of our drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. The FDA, CFDA, 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, CFDA, 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. 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 additional safety studies. Other comparable regulatory authorities outside the United States, such as the CFDA 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.

Risks Related to Commercialization of Our 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.

We currently do not have any drug candidates that have gained regulatory approval for sale in the United States, European Union, China or any other country, and we cannot guarantee that we will ever have marketable drugs. Our business is substantially dependent on our ability to complete the development of, obtain regulatory approval for and successfully commercialize drug candidates in a timely manner. We cannot commercialize drug candidates without first obtaining regulatory approval to market each drug from the FDA, CFDA, EMA and comparable regulatory authorities. BGB-3111, BGB-283, BGB-290 and BGB-A317 are each currently undergoing clinical trials. We cannot predict whether these trials and future trials will be successful or whether regulators will agree with our conclusions regarding the preclinical studies and clinical trials we have conducted to date.

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 for use for that target indication and that the manufacturing facilities, processes and controls are adequate. In the United States, we have not submitted an NDA or BLA for any of our drug candidates. An NDA or BLA must include extensive preclinical and clinical data and supporting information to establish, in the case of an NDA, the drug candidate's safety and effectiveness or, in the case of a BLA, safety, purity and potency for each desired indication. The NDA or BLA must also include significant information regarding the chemistry, manufacturing and controls for the drug. 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.

Regulatory authorities outside of the United States, such as the EMA or regulatory authorities in Australia and New Zealand and in emerging markets, such as in the PRC, 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 non-clinical 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.

Specifically, in China, the CFDA categorizes domestically-manufactured innovative drug applications as Category 1 and imported innovative drug applications as Category 3. To date, most of local companies' domestically-manufactured drug applications are filed in Category 1 if the drug has not already been approved by the FDA or EMA. Most multinational pharmaceutical companies' drug registration applications are filed in Category 3. These two categories have distinct approval pathways, as described in "Business—Regulatory Framework and Structural Advantages of Being a China-Based Research and Development Organization." We believe the local drug registration pathway, Category 1, is a faster and more efficient path to approval in the Chinese market than Category 3. Companies are required to obtain Clinical Trial Application approval before conducting clinical trials in China. This registration pathway has a fast track review and approval mechanism if the drug candidate is on a national priority list. Imported drug registration pathway, Category 3, is more complex and is evolving. China Category 3 registration applications may only be submitted after a drug has obtained an NDA approval and received the Certificate of Pharmaceutical Product granted by a major drug regulatory authority, such as the FDA or EMA.

Further, in August 2015, the Chinese State Council issued a statement, *Opinions on reforming the review and approval process for pharmaceutical products and medical devices* , that contained several potential policy changes that could benefit the pharmaceutical industry:

- A plan to accelerate innovative drug approval with a special review and approval process, with a focus on areas of high unmet medical needs, including drugs for HIV, cancer, serious infectious diseases and orphan diseases, drugs on national priority lists.

- A plan to adopt a policy which would allow companies to act as the marketing authorization holder and to hire contract manufacturing organizations to produce drug products.

- A plan to improve the review and approval of clinical trials, and to allow companies to conduct clinical trials at the same time as they are being conducted in other countries and encourage local clinical trial organizations to participate in international multi-center clinical trials.

Detailed policies will likely be publicized in the coming months, and we expect that the CFDA review and approval process will improve over time.

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 studies 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, CFDA 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.

A Category 1 designation by the CFDA may be revoked or may not be granted for any of our drug candidates or may not lead to faster development or regulatory review or approval process and does not increase the likelihood that our drug candidates will receive regulatory approval.

We believe the local drug registration pathway, Category 1, is a faster and more efficient path to approval in the Chinese market than the drug registration pathway for imported drugs under Category 3. Companies are required to obtain Clinical Trial Application approval before conducting clinical trials in China. This registration pathway has a fast track review and approval mechanism if the drug candidate is on a national priority list. Imported drug candidates under Category 3 cannot qualify for the national priority list to benefit from fast track reviews. Our drug candidates are all new therapeutic agents and we have built both research and development, clinical trial capacities, and commercial manufacturing facilities in China. As a result, we expect all of our current drug candidates to fall within the Category 1 application process, but cannot be sure we will be granted or be able to maintain Category 1 designation.

Even if any of 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.

If any of our drug candidates receives regulatory approval, it may nonetheless 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 drug candidates, such as BGB-3111, BGB-283, BGB-290 and BGB-A317. In addition, physicians, patients and third-party payors may prefer other novel products to ours. If our 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 drug candidates, if approved for commercial sale, will depend on a number of factors, including:

- the clinical indications for which our drug candidates are approved;
- physicians, hospitals, cancer treatment centers and patients considering our drug candidates as a safe and effective treatment;
- the potential and perceived advantages of our drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of the FDA, CFDA, EMA or other comparable regulatory authorities;
- limitations or warnings contained in the labeling approved by the FDA, CFDA, EMA or other comparable regulatory authorities;
- the timing of market introduction of our drug candidates as well as competitive drugs;
- the cost of treatment in relation to alternative treatments;
- the amount of upfront costs or training required for physicians to administer our drug candidates;
- 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;
- relative convenience and ease of administration, including as compared to alternative treatments and competitive therapies; and
- the effectiveness of our sales and marketing efforts.

If our drug candidates are approved but fail to achieve market acceptance among physicians, patients, hospitals, 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 currently have no marketing and sales organization and have no experience in marketing drugs. If we are unable to establish marketing and sales capabilities or enter into agreements with third parties to market and sell our drug candidates, we may not be able to generate product sales revenue.

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

If we are unable or decide not to establish internal sales, marketing and commercial distribution capabilities for any or all drugs we develop, we will likely pursue collaborative arrangements regarding the sales and marketing of our drugs. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the

efforts of such third parties, which may not be successful. We may have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts of our drug candidates.

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

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 with respect to our current drug candidates, and will face competition with respect to any drug candidates that we may seek to develop or commercialize in the future, 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 developing our drug candidates. Some of these competitive drugs and therapies are based on scientific approaches that are the same as or similar to our approach, and others are based on entirely different approaches. 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.

Specifically, there are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. See "Business—Competition."

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 may develop. Our competitors also may obtain approval from the FDA, CFDA, 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.

Our drug candidates for which we intend to seek approval as biological or drug products may face competition sooner than expected.

With the enactment of the Biologics Price Competition and Innovation Act of 2009, or BPCIA, as part of the Patient Protection and Affordable Care Act, as amended by the Health Care and

Education Reconciliation Act of 2010, or, collectively the Affordable Care Act, an abbreviated pathway for the approval of biosimilar and interchangeable biological products was created in the United States. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilars, including the possible designation of a biosimilar as "interchangeable," based on their similarity to existing reference product. Under the BPCIA, an application for a biosimilar product cannot be approved by the FDA until 12 years after the reference product was approved under a BLA. The BPCIA is complex and is only beginning to be interpreted and implemented by the FDA. As a result, its ultimate impact, implementation and meaning are subject to uncertainty. While it is uncertain when any such processes may be fully adopted by the FDA, any such processes could have a material adverse effect on the future commercial prospects for our biological products, including BGB-A317, if approved.

We believe that any of our drugs approved as a biological product under a BLA should qualify for the 12-year period of exclusivity. However:

- a potential competitor could seek and obtain approval of its own BLA during our exclusivity period instead of seeking approval of a biosimilar version; and

- the FDA could consider a combination therapy which contains both drug and biological product components, to be a drug subject to review pursuant to an NDA, and therefore eligible for a significantly shorter marketing exclusivity period as provided under the Drug Price Competition and Patent Term Restoration Act of 1984.

Moreover, the extent to which a biosimilar, once approved, will be substituted for any one of our reference products in a way that is similar to traditional generic substitution for non-biological products is not yet clear and will depend on a number of marketplace and regulatory factors that are still developing.

In addition, a drug product approved under an NDA, such as BGB-3111, BGB-283 or BGB-290, if they were to be approved, could face generic competition earlier than expected. The enactment of the Generic Drug User Fee Amendments of 2012 as part of the Food and Drug Administration Safety and Innovation Act of 2012 established a user fee program that will generate hundreds of millions of dollars in funding for the FDA's generic drug review program. Funding from the user fee program, along with performance goals that the FDA negotiated with the generic drug industry, could significantly decrease the timeframe for FDA review and approval of generic drug applications.

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

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 molecules 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. 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. In addition,

we may have to conduct additional clinical trials prior to gaining approval 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. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations or market research and may prove to be incorrect. Further, new 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 drug candidates may be limited or may not be amenable to treatment with our 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.

Our market opportunities may also be limited by competitor treatments that may enter the market. See "—We face substantial competition, which may result in others discovering, developing or commercializing competing drugs before or more successfully than we do."

Even if we are able to commercialize any drug candidates, the drugs may become subject to unfavorable pricing regulations, third party reimbursement practices or healthcare reform initiatives, which could harm our business.

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

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

There may be significant delays in obtaining reimbursement for approved product 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. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payors for new drugs that we develop could have a material adverse effect on our operating results, our ability to raise capital needed to commercialize drugs and our overall financial condition.

Coverage and reimbursement may be limited or unavailable in certain market segments for our drug candidates, which could make it difficult for us to sell our drug candidates profitably.

Successful sales of our drug candidates, if approved, depend on the availability of adequate coverage and reimbursement from third-party payors. In addition, because our drug candidates represent new approaches to the treatment of cancer, we cannot accurately estimate the potential revenue from our drug candidates.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Adequate coverage and reimbursement from governmental healthcare programs, such as Medicare and Medicaid in the United States, and commercial payors are critical to new drug acceptance.

Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor's determination that use of a drug is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

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 payment 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 drug candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of our drug candidates. Because our 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.

The State Council asked central and provincial authorities across the PRC to promote a medical insurance program for major illnesses. By the end by 2015, all urban and rural residents covered by basic medical insurance programs should be covered by the insurance program for major illnesses, according to State Council policy number 2015-57, issued on July 28, 2015. As a complement to basic insurance programs, this program is required to cover at least 50% of the medical cost as incurred by treating major illnesses, but falls out of the coverage of the basic insurance programs. The State Council requires provincial authorities to increase reimbursement rates over the next three years.

According to the PRC Central Government's guidance issued in March 2015, each province will decide which drugs to include in its provincial major illness reimbursement lists and the percentage of reimbursement, based on local funding. For example, Zhejiang province, located in the Yangtze river delta area with a population of 55 million, announced its provincial major illness drug reimbursement list in early 2015. The list includes 31 expensive drugs, among which 15 are targeted therapy agents for cancer, including Glivec, Ireesa, Erbitux, Herceptin, and Rituxan. Although it will take three years to establish a comprehensive national coverage, the affordability of the expensive, novel cancer agents to Chinese patients will improve significantly and the targeted therapy market is expected to enter a fast growing period.

We intend to seek approval to market our drug candidates in the United States, China, Europe and in other selected jurisdictions. If we obtain approval in one or more non-U.S. jurisdictions for our drug candidates, we will be subject to rules and regulations in those jurisdictions. In some non-U.S. countries, particularly those in the European Union, the pricing of drugs and biologics is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining regulatory approval of a drug candidate. In addition, market acceptance and sales of our drug candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our drug candidates 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, PRC, European Union and some other jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could prevent or delay regulatory approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any drug candidates for which we obtain regulatory approval.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or the MMA, changed the way Medicare covers and pays for pharmaceutical products. The legislation expanded Medicare coverage for drug purchases by the elderly and introduced a new reimbursement methodology based on average sales prices for physician-administered drugs. In addition, this legislation provided authority for limiting the number of drugs that will be covered in any therapeutic class. Cost reduction initiatives and other provisions of this legislation could decrease the coverage and price that we receive for any approved products. While the MMA only applies to drug benefits for Medicare beneficiaries, private payors often follow Medicare coverage

policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA may result in a similar reduction in payments from private payors.

More recently, in March 2010, President Obama signed into law the Affordable Care Act, a sweeping law intended to broaden access to health insurance, reduce or constrain the growth of healthcare spending, enhance remedies against fraud and abuse, add new transparency requirements for the healthcare and health insurance industries, impose new taxes and fees on the health industry and impose additional health policy reforms.

Among the provisions of the Affordable Care Act of importance to our potential drug candidates are the following:

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

In addition, other legislative changes have been proposed and adopted in the United States since the Affordable Care Act was enacted. These changes included aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, starting in 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. These new laws may result in additional reductions in Medicare and other healthcare funding.

We expect that the Affordable Care Act, as well as other healthcare reform measures that may be adopted in the future, 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 addition, increased scrutiny by the U.S. Congress of the FDA's approval process may significantly delay or prevent regulatory approval, as well as subject us to more stringent product labeling and post-marketing testing and other requirements.

We may be subject, directly or indirectly, to applicable U.S. federal and state anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations, 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 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. 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 laws and civil monetary penalty laws, such as the federal False Claims Act which imposes criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, claims for payment or approval from Medicare, Medicaid or other third-party payors that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit 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 that 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 without appropriate authorization;

- the federal false statements statute 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 Affordable Care Act, including the provision commonly referred to as the Physician Payments Sunshine Act, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program 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.

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 regardless of the payor. Many U.S. states have adopted laws similar to the Federal Anti-Kickback Statute, some of which apply to the referral of patients for 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 the Pharmaceutical Research and Manufacturers of America's Code on Interactions with Healthcare Professionals. 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.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. In addition, recent health care reform legislation has strengthened these laws. For example, the Affordable Health Care Act, among other things, amends the intent requirement of the federal Anti-Kickback and criminal healthcare fraud statutes. As a result of such amendment, a person or entity no longer needs to have actual knowledge of these statutes or specific intent to violate them in order to have committed a violation. Moreover, the Affordable Health Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the False Claims Act.

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 application 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 with 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.

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. If we fail to obtain licenses or enter into collaboration arrangements with third parties in these 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;
- changes in a specific country's or region's political and cultural climate or economic condition;
- differing regulatory requirements for drug approvals and marketing internationally;
- difficulty of effective enforcement of contractual provisions in local jurisdictions;
- potentially reduced protection for intellectual property rights;
- potential third-party patent rights;
- unexpected changes in tariffs, trade barriers and regulatory requirements;
- economic weakness, including inflation or political instability, particularly in non-U.S. economies and markets;
- 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, and other obligations incidental to doing business in another country;
- workforce uncertainty and labor unrest, particularly in non-U.S. countries where labor unrest is more common than in the United States;

- the potential for so-called parallel importing, which is what happens when a local seller, faced with high or higher local prices, opts to import goods from a non-U.S. market with low or lower prices rather than buying them locally;
- failure of our employees and contracted third parties to comply with Office of Foreign Asset Control rules and regulations and the Foreign Corrupt Practices Act;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad; and
- business interruptions resulting from geo-political actions, including war and terrorism, or natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires.

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

Risks Related to Our Intellectual Property

A significant portion of our intellectual property portfolio currently comprises pending patent applications that have not yet been issued as granted patents and if our pending patent applications fail to issue our business will be adversely affected. 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 may be adversely affected.

Our success depends in large part on our ability to obtain and maintain patent protection in the United States, the PRC and other countries with respect to our proprietary technology and drug candidates. As of June 30, 2015, we own one issued U.S. patent and seven pending U.S. patent applications as well as corresponding patents and patent applications internationally. In addition, we own six pending international patent applications under the Patent Cooperation Treaty, or PCT, which we plan to file nationally in the United States and other jurisdictions. 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. We have sought to protect our proprietary position by filing patent applications in the United States, the PRC and other countries related to novel technologies and drug candidates that we consider are important to our business. 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 position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued which protect our technology or drug candidates or which effectively prevent others from commercializing competitive technologies and drug candidates. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of our patents or narrow the scope of our patent protection. 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. Assuming the other requirements for patentability are met, the

first to file a patent application is entitled to the patent. Under the America Invents Act enacted in 2011, the United States moved to this first-to-file system in early 2013 from the previous system under which the first to make the claimed invention was entitled to the patent. We may become involved in interference *inter* partes review, post grant review, *ex parte* reexamination, derivation, opposition or similar other proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates and compete directly with us, or result in our inability to manufacture or commercialize drug candidates without infringing third-party patent rights.

There can be no assurance that our pending patent applications will result in issued patents in the United States or non-U.S. jurisdictions in which such applications are pending. Even if patents do issue on any of these applications, there can be no assurance that a third party will not challenge their validity or that we will obtain sufficient claim scope in those patents to prevent a third party from competing successfully with our drug candidates. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technologies or drug candidates in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. Given the amount of time required for the development, testing and regulatory review of new drug candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours.

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 drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

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.

Proceedings to enforce our patent and other intellectual property rights in non-U.S. jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business.

Furthermore, such proceedings could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke third parties to assert claims of infringement or misappropriation against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. 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 U.S. Patent and Trademark Office 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. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that patent rights or other intellectual property rights owned by us are invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent rights or other intellectual property rights do not cover the technology in question. 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.

If we initiate legal proceedings against a third party to enforce our patent, or any patents that may issue in the future from our patent applications, that relates to one of our drug candidates, the defendant could counterclaim that such patent rights are invalid or unenforceable. 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.

We may be subject to claims challenging the inventorship of our patents and other intellectual property.

Although we are not currently experiencing any claims challenging the inventorship of our patents or ownership of our intellectual property, we may in the future be subject to claims that former employees, collaborators or other third parties have an interest in our patents or other intellectual property as inventors or co-inventors. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our drug candidates. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose rights such as exclusive ownership of, or right to use, our patent rights or other intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

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. There is a substantial amount of litigation involving patent and other intellectual property rights in the biotechnology and pharmaceutical industries, including *inter partes* review, post grant review, interference and *ex parte* reexamination proceedings before the U.S. Patent and Trademark Office, or USPTO, or oppositions and other comparable proceedings in non-U.S. jurisdictions. Numerous issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing drug candidates. 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 employing their proprietary technology without authorization. There may be third-party patents of which we are currently unaware with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our drug candidates. Because patent applications can take many years to issue, there may be currently pending patent applications which may later result in issued patents that our drug candidates may infringe. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our drug candidates, any molecules formed during the manufacturing process or any final product itself, the holders of any such patents may be able to prevent us from commercializing such drug candidate unless we obtain a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any

such patent may be able to block our ability to develop and commercialize the applicable drug candidate unless we obtain a license, limit our uses, or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all.

Third parties who bring successful claims against us for infringement of their intellectual property rights may obtain 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 of infringement or misappropriation against us, we may have to pay substantial damages, including treble damages and attorneys' fees in the case of willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing drug candidates, which may be impossible or require substantial time and monetary expenditure. 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. We cannot predict whether any required license would be available at all or whether it would be available on commercially reasonable terms, and we may fail to obtain any of these licenses on commercially reasonable terms, if 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.

Specifically, we are aware of three U.S. patents owned by Ono Pharmaceutical Co., or Ono, and licensed to Bristol-Myers Squibb Co., or BMS, that are relevant to our BGB-A317 drug candidate. These patents are expected to expire in 2023, 2023 and 2024, respectively. In patent infringement actions filed in Delaware Federal District court, BMS and Ono are alleging that Merck & Co.'s KEYTRUDA product, a humanized anti-PD-1 antibody is infringing these U.S. patents. Although Merck has challenged the validity of these patents, the litigation is at an early stage and the outcome is uncertain. Merck also filed an opposition proceeding challenging a corresponding European patent at the European Patent Office, or EPO. The EPO's Opposition Division disagreed with Merck's arguments and maintained the European patent in the form in which it was granted. Merck has appealed the decision. If the validity of these patents is upheld and our BGB-A317 drug candidate is approved for sale in the United States and in other jurisdictions before the expiration of these patents, then we will need a license from BMS in order to commercialize our BGB-A317 drug candidate prior to their expiration. There can be no assurance that we will be able to obtain such license, which could materially and adversely affect our business.

In addition, we are aware of a U.S. patent owned by Pharmacyclics, Inc., which was acquired by AbbVie, Inc., with certain claims directed to a complex of an irreversible BTK inhibitor having a covalent bond to a cysteine residue of a BTK. This patent is expected to expire in 2027. Although we believe that the claims of the patent relevant to BGB-3111 would likely be held invalid, we cannot guarantee that a court or an administrative agency would agree with our assessment. If the validity of the claims in question is upheld upon a validity challenge, and BGB-3111 is approved for sale in the United States before the expiration of this patent, then we would need a license in order to commercialize BGB-3111. However such a license may not be available on commercially reasonable terms or at all, which could materially and adversely affect our business.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical personnel, management personnel, or both from their normal responsibilities. In addition, 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 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.

The terms of our patents may not be sufficient to effectively protect our drug candidates and business.

In most countries in which we file, including the United States, the term of an issued patent is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords, is limited. Even if patents covering our drug candidates are obtained, we may be open to competition from other companies as well as generic medications once the patent life has expired for a drug. If patents are issued on our currently pending patent applications, the resulting patents will be expected to expire on dates ranging from 2031 to 2035, excluding any potential patent term extension or adjustment. Upon the expiration of our issued patent 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.

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

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

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

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

As is the case with other biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patent rights. Obtaining and enforcing patents in the biopharmaceutical industry involves both technological and legal complexity, and is therefore costly, time-consuming, and inherently uncertain. In addition, the United States has recently enacted and is 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. For example, in a recent case, *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.* , the U.S. Supreme Court held that certain claims to naturally-occurring substances are not patentable. Although we do not believe that our currently-issued patent and any patents that may issue from our pending patent applications directed to our drug candidates if issued in their currently pending forms, as well as patent rights licensed by us, will be found invalid based on this decision, we cannot predict how future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patent rights. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other intellectual property rights.

If we are unable to protect the confidentiality of our trade secrets, our business and competitive position would be harmed. We 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.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third-party intellectual property rights on terms that would allow us to make an appropriate return on our investment. 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, including the rights to prosecute patent applications and to enforce patents. Certain of these license agreements impose and, for a variety of purposes, we may enter into additional licensing and funding arrangements with third parties that also may impose, diligence, development or commercialization timelines and milestone payment,

royalty, insurance and other obligations on us. Under certain of our existing licensing agreements, we are obligated to pay royalties on net product sales of our drug candidates once commercialized, pay a percentage of sublicensing revenues, make other specified payments relating to our drug candidates or pay license maintenance and other fees. We also have diligence and clinical development obligations under certain of these agreements that we are required to satisfy. 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. 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 and our CROs are required to comply with GCPs, which are regulations and guidelines enforced by the FDA, CFDA, EMA and other comparable regulatory authorities for all of our drugs in clinical development. Regulatory authorities enforce these GCPs through periodic inspections of trial sponsors, principal investigators and trial sites. If we or any of our CROs fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, CFDA, EMA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP regulations. In addition, our 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.

Our CROs have the right to terminate their agreements with us in the event of an uncured material breach. In addition, some of our CROs have an ability to terminate their respective agreements with us if it can be reasonably demonstrated that the safety of the subjects participating in our clinical trials warrants such termination, if we make a general assignment for the benefit of our creditors or if we are liquidated.

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, non-clinical and preclinical 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 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 requires management time and focus. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can materially influence our ability to meet our desired clinical development timelines. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

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

Although we currently have a facility that may be used as our clinical-scale manufacturing and processing facility, we intend to at least partially rely on outside vendors to manufacture supplies and process our drug candidates. 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 do intend to further develop our own manufacturing facilities, we also intend to use third parties as part of our manufacturing process. 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, CFDA, EMA or other comparable regulatory authorities must approve any manufacturers. This approval would require new testing and cGMP-compliance inspections by FDA, CFDA, EMA or other comparable regulatory authorities. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drugs.

- our 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 drug or produce the quantity and quality required to meet our clinical and commercial needs, if any.

- contract manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately.

- our future contract manufacturers may not perform as agreed, may not devote sufficient resources to our drugs, or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our drugs.

- 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 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 drugs.
- our third-party manufacturers could breach or terminate their agreement with us.
- 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.
- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters.
- our contract manufacturers may have unacceptable or inconsistent product quality success rates and yields.

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

The manufacture of drug and biological products is complex and requires significant expertise and capital investment, including the development of advanced manufacturing techniques and process controls.

Currently, our drug raw materials for our manufacturing activities are supplied by multiple source suppliers. We have agreements for the supply of drug materials with manufacturers or suppliers that we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, there is a risk that, if supplies are interrupted, 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 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 drug candidate to patients in clinical trials would be jeopardized. Any delay or interruption in the supply of clinical trial supplies could delay the completion of 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 drug candidates and potential drugs, 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 FDA, CFDA, EMA or other comparable 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. In addition, drug and biological manufacturing facilities are continuously subject to inspection by the FDA, CFDA, EMA and other comparable 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 the FDA, CFDA, EMA or other comparable regulatory authorities and/or approval of the manufacturing process and procedures in accordance with the FDA, CFDA or EMA's regulations, or comparable 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 the FDA, CFDA, EMA or other comparable 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 and may form or seek collaborations or strategic alliances or enter into additional licensing arrangements in the future, and we may not realize the benefits of such alliances or licensing arrangements.

We may form or seek strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to our drug candidates and any future drug candidates that we may develop. Any of these relationships may require us to incur 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, in 2013, we entered into collaboration agreements with Merck KGaA pursuant to which we have agreed to license the ex-China rights of BGB-283 to Merck KGaA as discussed further in the section titled "Business—Collaboration with Merck KGaA" in this prospectus. In addition, we face significant competition in

seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be at too early 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. 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.

Further, collaborations involving our 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, if we enter into collaboration agreements and strategic partnerships or license our drugs, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them 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.

Risks Related to Our Industry, Business and Operation

Our future success depends on our ability to retain the Chairman of our scientific advisory board and our Chief Executive Officer and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on Xiaodong Wang, Ph.D., our Founder and Chairman of our scientific advisory board; John V. Oyler, our Founder and Chief Executive Officer; and the other principal members of our management and scientific teams and scientific advisory board. 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 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 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 or consultants 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 and preclinical 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 and 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 will need to increase the size and capabilities of our organization, and we may experience difficulties in managing our growth.

As of September 30, 2015, we had over 190 employees and consultants and most of our employees are full-time. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we must add a significant number of additional managerial, operational, sales, marketing, financial and other personnel. 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 FDA or other comparable 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 drug candidates will depend, in part, on our ability to effectively manage 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. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our drug candidates or otherwise advance our business. 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 expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals.

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

We are exposed to the risk of fraud, misconduct or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to: comply with the laws of the FDA and other similar non-U.S. regulatory authorities; provide true, complete and accurate information to the FDA and other similar non-U.S. regulatory authorities; comply with manufacturing standards we have established; comply with healthcare fraud and abuse laws in the United States and similar non-U.S. fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities to us. If we obtain FDA approval of any of our drug candidates and begin commercializing those drugs in the United States, our potential exposure under U.S. laws will increase significantly and our costs associated with compliance with such laws are also likely to increase. These laws may impact, among other things, our current activities with principal investigators and research patients, as well as proposed and future sales, marketing and education

programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally. Activities subject to these laws also involve the improper use of information obtained in the course of patient recruitment for clinical trials, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct by employees and other parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

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

Upon completion of this offering, we will become subject to the periodic reporting requirements of the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the U.S. Securities and Exchange Commission, or SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

We have identified a material weakness in our internal control over financial reporting. If our remediation of this material weakness is not effective, or if we experience additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls in the future, we may not be able to accurately or timely report our financial condition or results of operations, which may adversely affect investor confidence in us and, as a result, the value of our common stock.

Prior to the completion of this offering, we have been a private company with limited accounting personnel to adequately execute our accounting processes and other supervisory resources with which to address our internal control over financial reporting. In connection with the audit of our financial statements as of and for the years ended December 31, 2014 and 2013, we identified a material weakness in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. The material weakness related to having an insufficient number of financial reporting personnel with an appropriate level of knowledge, experience and training in application of U.S. GAAP and SEC rules and regulations commensurate with our reporting requirements.

We are implementing measures designed to improve our internal control over financial reporting to remediate this material weakness, including the following:

- hiring additional financial professionals with U.S. GAAP and SEC reporting experience;
- increasing the number of qualified financial reporting personnel;
- improving the capabilities of existing financial reporting personnel through training and education in the accounting and reporting requirements under U.S. GAAP and SEC rules and regulations;
- developing, communicating and implementing an accounting policy manual for our financial reporting personnel for recurring transactions and period-end closing processes; and
- establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our consolidated financial statements and related disclosures.

We cannot assure you that the measures we have taken to date, and are continuing to implement, will be sufficient to remediate the material weakness we have identified or avoid potential future material weaknesses. If the steps we take do not correct the material weakness in a timely manner, we will be unable to conclude that we maintain effective internal control over financial reporting. Accordingly, there could continue to be a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

As a public company, we will be required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and, beginning with our second annual report following this offering, which will be our year ending December 31, 2016, provide a management report on internal control over financial reporting. The Sarbanes-Oxley Act also requires that our management report on internal control over financial reporting be attested to by our independent registered public accounting firm, to the extent we are no longer an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We do not expect our independent registered public accounting firm to attest to our management report on internal control over financial reporting for so long as we are an emerging growth company.

We are in the process of designing and implementing the internal control over financial reporting required to comply with this obligation, which process will be time consuming, costly and complicated. If we identify any additional material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner, if we are unable to assert that our internal control over financial reporting is effective, or when required in the future, if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

In order to satisfy our obligations as a public company, we will need to hire additional qualified accounting and financial personnel with appropriate public company experience.

As a newly public company, we will need to establish and maintain effective disclosure and financial controls and make changes in our corporate governance practices. We will need to hire additional accounting and financial personnel with appropriate public company experience and

technical accounting knowledge, and it may be difficult to recruit and maintain such personnel. Even if we are able to hire appropriate personnel, our existing operating expenses and operations will be impacted by the direct costs of their employment and the indirect consequences related to the diversion of management resources from product development efforts.

If we engage in future 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.

We may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the 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. Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

If we fail to comply with 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.

Although currently our primary operating business is in China, 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. 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.

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

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

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

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

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

If we face allegations of noncompliance with the law and encounter sanctions, our reputation, revenues and liquidity may suffer, and our drugs could be subject to restrictions or withdrawal from the market.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenues from our drugs. If regulatory sanctions are applied or if

regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected. Additionally, if we are unable to generate revenues from our product sales, our potential for achieving profitability will be diminished and the capital necessary to fund our operations will be increased.

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

Despite the implementation of security measures, our internal computer systems and those of our future 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 such material system failure or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we partially rely on our third-party research institution collaborators for research and development of our drug candidates and other third parties for the manufacture of our drug candidates and to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development and commercialization of our drug candidates could be delayed.

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 to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other 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 drug candidates. Our ability to obtain clinical supplies of our drug candidates could be disrupted if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption. A large portion of our operations is located in a single facility in Changping, Beijing, PRC. Damage or extended periods of interruption to our corporate, development or research facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development 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.

If product liability lawsuits are brought against us, we may incur substantial liabilities and may be required to limit commercialization of our drug candidates.

We face an inherent risk of product liability as a result of the clinical testing of our drug candidates and will face an even greater risk if we commercialize any drugs. For example, we may be sued if our 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 state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our 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 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 drugs we develop, alone or with collaborators. Although we currently carry an aggregate maximum coverage amount of approximately $82 million of clinical trial insurance, the amount of such insurance coverage may not be adequate, we may be unable to maintain such insurance, 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 corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

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

We maintain property insurance policies covering physical damage to, or loss of, our buildings and their improvements, equipment, office furniture and inventory. We hold employer's liability insurance generally covering death or work-related injury of employees. We hold public liability insurance covering certain incidents involving third parties that occur on or in the premises of the company. We hold directors and officers liability insurance. We do not maintain key-man life insurance on any of our senior management or key personnel, or business interruption insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

We may market our drugs, if approved, globally, and we will be subject to the risks of doing business outside of the United States.

Because we intend to market drugs, if approved, globally, 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:

- efforts to develop an international sales, marketing and distribution organization may increase our expenses, divert our management's attention from the acquisition or development of drug candidates or cause us to forgo profitable licensing opportunities in these geographies;
- 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;
- 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 structures and potentially adverse tax consequences; and
- significant adverse changes in local currency exchange rates.

Our business, financial condition and results of operations may be adversely affected by the downturn in the global economy.

The global financial markets experienced significant disruptions in 2008 and the United States, Europe and other economies went into recession. The recovery from the lows of 2008 and 2009 was uneven and it is facing new challenges, including the escalation of the European sovereign debt crisis since 2011. It is unclear whether the European sovereign debt crisis will be contained and what effects it may have. There is considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies that have been adopted by the central banks and financial authorities of some of the world's leading economies, including China's. Economic conditions in United States and China are sensitive to global economic conditions. Although we are uncertain about the extent to which the global financial market disruption and slowdown of the U.S. or Chinese economy may impact our business in the long term, there is a risk that our business, results of operations and prospects would be materially and adversely affected by the global economic downturn and the slowdown of the U.S. or Chinese economy.

We manufacture and intend to continue to manufacture at least a portion of our drug candidates ourselves. Delays in completing and receiving regulatory approvals for our manufacturing facility could delay our development plans and thereby limit our revenues and growth.

We currently lease an approximately 140 square meter manufacturing facility in Beijing, PRC, which produces and supplies preclinical and clinical trial materials for some of our small molecule drug candidates. To increase our manufacturing capabilities, we intend to expend substantial amounts for the build-out of a 9,000 square meter manufacturing facility in Suzhou, PRC to house one oral-solid-dosage production line for small molecule drug candidates and one pilot plant for monoclonal antibodies. At the Suzhou manufacturing facility, we intend to produce drug candidates

for clinical or, in the future, commercial use. This new manufacturing facility is expected to be completed by 2017. This project may result in unanticipated delays and cost more than expected due to a number of factors, including regulatory requirements. If construction or regulatory approval of our new facility is delayed, we may not be able to manufacture sufficient quantities of our drug candidates, which would limit our development activities and our opportunities for growth. Suzhou Industrial Park and China Construction Bank have agreed to lend us RMB 120 million for the construction of the Suzhou manufacturing facility and the procurement of the equipment. Cost overruns associated with constructing our Suzhou facility 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, CFDA, 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 drugs. We also may encounter problems with the following:

- achieving adequate or clinical-grade materials that meet FDA, CFDA, 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, CFDA, 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, license revocation, seizures or recalls of drug candidates, 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.

In order to produce our drugs in the quantities that we believe will be required to meet anticipated market demand of any 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.

If our manufacturing facilities, including our Suzhou manufacturing facility once completed, are damaged or destroyed or production at such facilities is otherwise interrupted, our business and prospects would be negatively affected.

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 FDA, CFDA, EMA or and other comparable 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. A number of factors could cause interruptions, including:

- equipment malfunctions or failures;
- technology malfunctions;
- work stoppages;
- damage to or destruction of either facility due to natural disasters;
- regional power shortages;
- product tampering; or
- terrorist activities.

Any disruption that impedes our ability to manufacture our drug candidates 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 the amount of up to RMB 72 million. 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 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.

Our research operations and manufacturing facilities are in China, which we believe confers clinical, commercial and regulatory advantages. The pharmaceutical industry in China is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. See "Business—Regulatory Framework and Structural Advantages of Being a China-Based Research and Development Organization" for a discussion of regulatory requirements that are applicable to our current and planned business activities in China. In recent years, the regulatory framework in China regarding the pharmaceutical industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our drug candidates in China and reduce the current benefits we believe are available to us from developing and manufacturing drugs in China. 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.

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

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

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

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 three 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 because of the limited number of published decisions and the nonbinding nature of such decisions, and because the laws, rules and regulations often give the relevant regulator significant discretion in how to enforce them, 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.

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

Substantial uncertainties exist with respect to the enactment timetable, the final version, interpretation and implementation of draft PRC Foreign Investment Law and how it may impact the viability of our current corporate governance.

The Ministry of Commerce published a discussion draft of the proposed Foreign Investment Law in January 2015 aiming to, upon its enactment, replace the trio of existing laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law, the Sino-foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-invested Enterprise Law, together with their implementation rules and ancillary regulations. The draft Foreign Investment Law embodies an expected PRC regulatory trend to rationalize its foreign investment regulatory regime in line with prevailing international practice and the legislative efforts to unify the corporate legal requirements for both foreign and domestic investments. The Ministry of Commerce has solicited comments on this draft and substantial uncertainties exist with respect to its enactment timetable, the final version, interpretation and implementation. The draft Foreign Investment Law, if enacted as proposed, may materially impact the viability of our current corporate governance if we, in the future, have PRC shareholders.

Among other things, the draft Foreign Investment Law expands the definition of foreign investment and introduces the principle of "actual control" in determining whether a company is considered a foreign-invested enterprise, or an FIE. The draft Foreign Investment Law specifically provides that entities established in China but "controlled" by foreign investors will be treated as FIEs, whereas an entity set up in a foreign jurisdiction would nonetheless be, upon market entry clearance by the Ministry of Commerce or its local counterparts, treated as a PRC domestic investor provided that the entity is "controlled" by PRC entities and/or citizens. In this connection, "control" is broadly defined in the draft law to cover the following summarized categories: (1) holding 50% of more of the shares, equity or voting rights of the subject entity; (2) holding less than 50% of the voting rights of the subject entity but having the power to secure at least 50% of the seats on the board or other equivalent decision making bodies, or having the voting power to exert material influence on the board, the shareholders' meeting or other equivalent decision making bodies; or (3) having the power to exert decisive influence, via contractual or trust arrangements, over the subject entity's operations, financial matters or other key aspects of business operations. Once an entity is determined to be an FIE, it will be subject to the foreign investment restrictions or prohibitions, if the FIE is engaged in the industry listed in the "negative list" which will be separately issued by the State Council later. Unless the underlying business of the FIE falls within the negative list, which calls for market entry clearance by the Ministry of Commerce or its local counterparts, prior approval from the government authorities as mandated by the existing foreign investment legal regime would no longer be required for establishment of the FIE.

The draft Foreign Investment Law, if enacted as proposed, may also materially impact our corporate governance practice and increase our compliance costs. For instance, the draft Foreign Investment Law imposes stringent ad hoc and periodic information reporting requirements on foreign investors and the applicable FIEs. Aside from investment implementation report and investment amendment report that are required at each investment and alteration of investment

specifics, an annual report is mandatory, and large foreign investors meeting certain criteria are required to report on a quarterly basis. Any company found to be non-compliant with these information reporting obligations may potentially be subject to fines and/or administrative or criminal liabilities, and the persons directly responsible may be subject to criminal liabilities.

Any future requirement to obtain prior approval under the M&A Rules and/or any other regulations promulgated by relevant PRC regulatory agencies in the future could delay this offering and failure to obtain any such approvals, if required, could have a material adverse effect on our business, operating results and reputation as well as the trading price of the ADSs, and could also create uncertainties for this offering.

On August 8, 2006, six PRC regulatory agencies, including the Ministry of Commerce; the State-Owned Assets Supervision and Administration Commission; the State Administration of Taxation, or the SAT; the State Administration for Industry and Commerce; the China Securities Regulatory Commission, or the CSRC; and the State Administration of Foreign Exchange, or SAFE, jointly adopted the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, which came into effect on September 8, 2006 and were amended on June 22, 2009. The M&A Rules include, among other things, provisions that purport to require that an offshore special purpose vehicle formed for the purpose of an overseas listing of securities in a PRC company obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. On September 21, 2006, the CSRC published on its official website procedures regarding its approval of overseas listings by special purpose vehicles. However, substantial uncertainty remains regarding the scope and applicability of the M&A Rules to offshore special purpose vehicles.

While the application of the M&A Rules remains unclear, we believe, based on the advice of our PRC counsel, Fangda Partners, that the CSRC approval is not required in the context of this offering because we are not a special purpose vehicle defined under the M&A Rules and have set up our PRC subsidiaries through foreign direct investment. However, we cannot assure you that the relevant PRC government agencies, including the CSRC, would reach the same conclusion as our PRC counsel. If the CSRC or other PRC regulatory body subsequently determines that we need to obtain the CSRC's approval for this offering or if the CSRC or any other PRC government authorities promulgates any interpretation or implements rules before our listing that would require us to obtain CSRC or other governmental approvals for this offering, we may face adverse actions or sanctions by the CSRC or other PRC regulatory agencies. In any such event, these regulatory agencies may impose fines and penalties on our operations in China, limit our operating privileges in China, delay or restrict the repatriation of the proceeds from this offering into the PRC or take other actions that could have a material adverse effect on our business, financial condition, results of operations, reputation and prospects, as well as our ability to complete this offering. The CSRC or other PRC regulatory agencies may also take actions requiring us, or making it advisable for us, to halt this offering before settlement and delivery of the ADSs offered by this prospectus. Consequently, if you engage in market trading or other activities in anticipation of and prior to settlement and delivery, you do so at the risk that such settlement and delivery may not occur.

PRC regulations relating to investments in offshore companies by PRC residents may subject our future PRC-resident beneficial owners or our PRC subsidiaries to liability or penalties, limit our ability to inject capital into our PRC subsidiaries or limit our PRC subsidiaries' ability to increase their registered capital or distribute profits.

SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment through Special Purpose Vehicles, or SAFE Circular 37, on July 4, 2014, which replaced the former circular

commonly known as "SAFE Circular 75" promulgated by SAFE on October 21, 2005. SAFE Circular 37 requires PRC residents to register with local branches of SAFE in connection with their direct establishment or indirect control of an offshore entity, for the purpose of overseas investment and financing, with such PRC residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, referred to in SAFE Circular 37 as a "special purpose vehicle." SAFE Circular 37 further requires amendment to the registration in the event of any significant changes with respect to the special purpose vehicle, such as increase or decrease of capital contributed by PRC individuals, share transfer or exchange, merger, division or other material event. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be prohibited from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Moreover, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

We believe that four of our shareholders, each of whom owns our ordinary shares as a result of exercising share options, are PRC residents under SAFE Circular 37. These four 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 the four 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. The failure of PRC-resident beneficial owners to register or amend their SAFE registrations in a timely manner pursuant to SAFE Circular 37 and subsequent implementation rules, or the failure of future PRC-resident beneficial owners of our company to comply with the registration procedures set forth in SAFE Circular 37 and subsequent implementation rules, may subject such beneficial owners or our PRC subsidiaries to fines and legal sanctions. Furthermore, SAFE Circular 37 is unclear how this regulation, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant PRC government authorities, and we cannot predict how these regulations will affect our business operations or future strategy. Failure to register or comply with relevant requirements may also limit our ability to contribute additional capital to our PRC subsidiaries and limit our PRC subsidiaries' ability to distribute dividends to us. These risks could in the future have a material adverse effect on our business, financial condition and results of operations.

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

We and our directors, executive officers and other employees who are PRC residents have participated in our employee equity incentive plan. Upon completion of our initial public offering, we will become an overseas listed company. Pursuant to SAFE Circular 37, PRC residents who participate in share incentive plans in overseas non-publicly-listed companies may submit applications to SAFE or its local branches for the foreign exchange registration with respect to offshore special purpose companies. 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 shares or options may follow SAFE Circular 37 to apply for the foreign exchange registration before our company becomes an overseas listed company. However, in practice, different local SAFE branches may have different views and procedures on the application and implementation of SAFE regulations, and since SAFE Circular No. 37 was issued there remains uncertainty with respect to its implementation. 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 restricted shares or options, including but not limited to the four shareholders referred to above, fail to register the employee equity incentive plans or their exercise of options, we and such employees may subject to (i) legal or administrative sanctions imposed by the SAFE or other PRC authorities, including fines; (ii) to restrictions on our cross-border investment activities; (iii) to 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) to 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. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected. After our company becomes an overseas listed company upon completion of our initial public offering, 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 shares or options will be subject to the Notice on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, issued by SAFE in February 2012, according to which, employees, directors, supervisors and other management members participating in any share incentive plan of an overseas publicly listed company who are PRC citizens or who are non-PRC citizens residing in China for a continuous period of not less than one year, subject to limited exceptions, are required to register with SAFE through a domestic qualified agent, which could be a PRC subsidiary of such overseas listed company, and complete certain other procedures. Failure to complete the SAFE registrations may subject them to fines and legal sanctions and may also limit our ability to make payments under our equity incentive plans or receive dividends or sales proceeds related thereto, or our ability to contribute additional capital into our wholly-foreign owned enterprises in China and limit our wholly-foreign owned enterprises' ability to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional equity incentive plans for our directors and employees under PRC law.

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

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.

We are a holding company, incorporated in the Cayman Islands, and may in the future rely to some extent on dividends and other distributions on equity from our principal operating subsidiaries for our offshore cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders, fund inter-company loans, service any debt we may incur outside China and pay our expenses. The laws, rules and regulations applicable to our PRC subsidiaries and certain other subsidiaries permit payments of dividends only out of their retained earnings, if any, determined in accordance with applicable accounting standards and regulations.

Under PRC laws, rules and regulations, each of our subsidiaries incorporated in China is required to set aside a portion of its net income each year to fund certain statutory reserves. These reserves, together with the registered equity, are not distributable as cash dividends. As a result of these laws, rules and regulations, our subsidiaries incorporated in China are restricted in their ability to transfer a portion of their respective net assets to their shareholders as dividends. 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 June 30, 2015, these restricted assets totaled RMB 19 million ($3.0 million).

The PRC Enterprise Income Tax Law, or EIT Law, and its implementation rules, both of which became effective on January 1, 2008, 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, or the "Hong Kong Tax Treaty," BeiGene (Hong Kong) Co., Limited, the shareholder of our PRC subsidiaries, will 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 (Hong Kong) Co., Limited 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.

Furthermore, if our subsidiaries in China incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other payments to us. Any limitation on the ability of our subsidiaries to distribute dividends or other payments to us in the future could materially and adversely limit our ability to make investments or acquisitions that could be beneficial to our businesses, pay dividends, or otherwise fund and conduct our business.

We may be treated as a resident enterprise for PRC tax purposes under the EIT Law and be subject to PRC tax on our worldwide taxable income at a rate of 25%.

Under the EIT Law an enterprise established outside China with "de facto management bodies" within China is considered a "resident enterprise," meaning that it is treated in a manner similar to a Chinese enterprise for 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, 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: senior management personnel and departments that are responsible for daily production, operation and management; financial and personnel decision-making bodies; key properties, accounting books, company seal, and minutes of board meetings and shareholders' meetings; and half or more of senior management or directors having voting rights. On July 27, 2011, the SAT issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore

Incorporated Resident Enterprises (Trial), or Bulletin 45, which became effective on September 1, 2011, to provide further guidance on the implementation of Circular 82. Bulletin 45 clarifies certain issues related to determining PRC resident enterprise status, including which competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration. In 2014, the SAT, released the Announcement of the SAT on Issues Concerning the Recognition of Chinese-Controlled Enterprises Incorporated Overseas as Resident Enterprises on the Basis of Their Actual Management Bodies and supplemented some provisions on the administrative procedures for the recognition of resident enterprise, while the standards used to classify resident enterprises in Circular 82 remain unchanged.

Although BeiGene, Ltd. does not have a PRC enterprise or enterprise group as our 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 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 our company or any of our overseas subsidiaries should be treated as a PRC resident enterprise.

If the PRC tax authorities determine that our Cayman Islands holding company is a resident enterprise for PRC EIT purposes, a number of unfavorable PRC tax consequences could follow and we may be subject to EIT at a rate of 25% on our worldwide taxable income, as well as to PRC EIT reporting obligations. In that case, it is possible that dividends paid to us by our PRC subsidiaries will not be subject to PRC withholding tax.

Dividends payable to our foreign investors may be subject to PRC withholding tax and gains on the sale of the ADSs or ordinary shares by our foreign investors may be subject to PRC tax.

If we are deemed a PRC resident enterprise as described under "—We may be treated as a resident enterprise for PRC tax purposes under the EIT Law and be subject to PRC tax on our worldwide taxable income at a rate of 25%," 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). It is unclear whether if we or any of our subsidiaries established outside China are considered a PRC resident enterprise, holders of the ADSs or ordinary shares would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas. If dividends payable to our non-PRC investors, or gains from the transfer of the ADSs or ordinary shares by such investors are subject to PRC tax, the value of your investment in the ADSs or ordinary shares may decline significantly.

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.

On February 3, 2015, the SAT issued the Bulletin on Issues of Enterprise Income Tax and Indirect Transfers of Assets by Non-PRC Resident Enterprises, or Bulletin 7, which replaced or

supplemented certain previous rules under the Notice on Strengthening Administration of Enterprise Income Tax for Share Transfers by Non-PRC Resident Enterprises, or Circular 698, issued by the SAT, on December 10, 2009. Pursuant to this Bulletin, an "indirect transfer" of "PRC taxable assets," including equity interests in a PRC resident enterprise, by non-PRC resident enterprises may be recharacterized and treated as a direct transfer of PRC taxable assets, if such arrangement does not have a reasonable commercial purpose and was established for the purpose of avoiding payment of PRC enterprise income tax. As a result, gains derived from such indirect transfer may be subject to PRC enterprise income tax. When determining whether there is a "reasonable commercial purpose" of the transaction arrangement, factors to be taken into consideration include: whether the main value of the equity interest of the relevant offshore enterprise derives from PRC taxable assets; whether the assets of the relevant offshore enterprise mainly consists of direct or indirect investment in China or if its income mainly derives from China; whether the offshore enterprise and its subsidiaries directly or indirectly holding PRC taxable assets have real commercial nature which is evidenced by their actual function and risk exposure; the duration of existence of the business model and organizational structure; the replicability of the transaction by direct transfer of PRC taxable assets; and the tax situation of such indirect transfer and applicable tax treaties or similar arrangements. 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 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 Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. A portion of our revenue

may in the future be denominated in Renminbi. 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 Renminbi 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, which are wholly-foreign owned enterprises, 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 future revenue may be denominated in Renminbi, any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in Renminbi to fund our business activities outside of the PRC or pay dividends in foreign currencies to our shareholders, including holders of 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. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries.

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

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

The audit report included in this annual report is prepared by auditors who are not inspected fully by the Public Company Accounting Oversight Board, or the PCAOB, and, as such, our shareholders 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 China 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 China prevents the PCAOB from regularly evaluating our auditor's audits and its quality control procedures. As a result, shareholders 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 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 China Securities Regulatory Commission. 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 Exchange Act, including possible delisting. Moreover, any negative news about the proceedings against these audit firms may cause investor uncertainty regarding PRC-based, United States-listed companies and the market price of the ADSs may be adversely affected.

If our independent registered public accounting firm was denied, even temporarily, the ability to practice before the SEC and we were unable to timely find another registered public accounting firm to audit and issue an opinion on our financial statements, our financial statements could be determined not to be in compliance with the requirements of the Exchange Act. Such a determination could ultimately lead to the delay or abandonment of this offering, or deregistration from the SEC, or both, 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.

Risks Related to the American Depositary Shares and this Offering

An active public trading market for the ADSs may not develop and the ADSs may trade below the public offering price.

Prior to this offering, there has been no public market for the ADSs or our ordinary shares underlying the ADSs. We have applied to list the ADSs on the NASDAQ. However, a liquid public market for the ADSs may not develop. If an active trading market for the ADSs does not develop after this offering, the market price and liquidity of the ADSs may be materially and adversely affected. The public offering price for the ADSs has been determined by negotiation among us and the underwriters based upon several factors, and the price at which the ADSs trade after this offering may decline below the public offering price. Investors in the ADSs may experience a

significant decrease in the value of their ADSs regardless of our operating performance or prospects.

The trading prices of the ADSs is likely to be volatile, which could result in substantial losses to you.

The trading price of the ADSs is likely to be volatile and could 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 China that have listed their securities in the United States may affect the volatility in the price of and trading volumes for the ADSs. Some of these companies have experienced significant volatility, including significant price declines after their initial public offerings. The trading performances of these PRC companies' securities at the time of or after their offerings may affect the overall investor sentiment towards other PRC companies listed in the United States and consequently may impact the trading performance of the ADSs.

In addition to market and industry factors, the price and trading volume for the 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 or new products 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 drug candidates or preclinical and clinical development programs;
- any intellectual property infringement actions in which we may become involved;
- announcements concerning our competitors or the pharmaceutical industry in general;
- achievement of expected product sales and profitability;
- manufacture, supply or distribution shortages;
- variations in our results of operations;
- announcements about our earnings that are not in line with analyst expectations, the risk of which is enhanced because it is our policy not to give guidance on earnings;
- 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;
- announcements made by us or our competitors of new product and service offerings, acquisitions, strategic relationships, joint ventures or capital commitments;
- press reports, whether or not true, about our business;
- additions to or departures of our management;
- fluctuations of exchange rates between the Renminbi and the U.S. dollar;

- release or expiry of lock-up or other transfer restrictions on our outstanding ordinary shares or ADSs;
- sales or perceived potential sales of additional ordinary shares or ADSs;
- sales of the ADSs by us, our executive officers and directors or our shareholders in the future;
- general economic and market conditions and overall fluctuations in the U.S. equity markets;
- changes in accounting principles;
- changes or developments in the PRC or global regulatory environment; and
- the outcome of proceedings recently instituted by the SEC against five PRC-based accounting firms, including the affiliate of our independent registered public accounting firm.

Any of these factors may result in large and sudden changes in the volume and trading price of the ADSs. In the past, following periods of volatility in the market price of a company's securities, shareholders have often instituted securities class action litigation against that company. If we were involved in a class action suit, it could divert the attention of management, and, if adversely determined, have a material adverse effect on our financial condition and results of operations.

In addition, the stock market, in general, and small 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 ADSs, regardless of our actual operating performance. Further, the current decline in the financial markets and related factors beyond our control may cause the ADSs price to decline rapidly and unexpectedly.

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

The ADS price may be volatile, and in the past companies that have experienced volatility in the market price of their ADSs 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, which could seriously harm our business.

Substantial future sales or perceived potential sales of the ADSs, ordinary shares or other equity securities in the public market could cause the price of the ADSs to decline significantly.

Sales of the ADSs, ordinary shares or other equity securities in the public market after this offering, or the perception that these sales could occur, could cause the market price of the ADSs to decline significantly. Upon completion of this offering, we will have ordinary shares outstanding, including ordinary shares represented by ADSs, assuming the underwriters do not exercise their option to purchase additional shares, of which of our ordinary shares, representing % of our outstanding ordinary shares immediately after this offering, will not be subject to lock-up agreements and may be freely converted into ADSs after this offering from time to time. All ADSs representing our ordinary shares sold in this offering will be freely transferable by persons other than our "affiliates" without restriction or additional registration under the Securities Act. The ordinary shares outstanding after this offering will be available for sale, upon the expiration of the lock-up periods described elsewhere in this prospectus beginning from the date of this prospectus (if applicable to such holder), subject to volume and other restrictions as applicable under Rules 144 and 701 under the Securities Act. Any or all of these shares may be released prior to the expiration of the applicable lock-up period at the discretion of

one of the designated representatives. To the extent shares are released before the expiration of the applicable lock-up period and sold into the market, the market price of the ADSs could decline significantly.

Certain major holders of our ordinary shares will have the right to cause us to register under the Securities Act the sale of their shares, subject to the applicable lock-up periods in connection with this offering. Registration of these shares under the Securities Act would result in ADSs representing these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. Sales of these registered shares in the form of ADSs in the public market could cause the price of the ADSs to decline significantly.

We are currently an "emerging growth company." As a result of the reduced disclosure requirements applicable to emerging growth companies, the ADSs may be less attractive to investors.

We are currently an "emerging growth company," as defined in the JOBS Act. For so long as we remain an emerging growth company, we are permitted and intend to rely on some of the exemptions from certain reporting requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include but are not limited to not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

We cannot predict whether investors will find the ADSs less attractive because we will rely on these exemptions. If some investors find the ADSs less attractive as a result, there may be a less active trading market for the ADSs and the ADS price may be more volatile.

Because we do not expect to pay dividends in the foreseeable future, you must rely on price appreciation of the 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 ADSs as a source for any future dividend income.

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

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

The trading market for the ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. If research analysts do not establish and maintain adequate research coverage or if one or more of the analysts who covers us downgrades the ADSs or publishes inaccurate or unfavorable research about our business, the market price for the 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 ADSs to decline significantly.

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 ADSs in this offering, you will pay more for your ADSs than the amount paid by existing shareholders for their ordinary shares on a per ADS basis. As a result, you will experience immediate and substantial dilution of approximately $ per ADS (assuming no exercise of outstanding options to acquire ordinary shares and no exercise of the underwriters' option to purchase additional ADSs), representing the difference between our pro forma net tangible book value per ADS as of June 30, 2015, after giving effect to this offering, and the assumed public offering price of $ per ADS (which is the mid-point of the estimated public offering price range set forth on the cover of this prospectus). In addition, you will experience further dilution to the extent that our ordinary shares are issued upon the exercise of share options. All of the ordinary shares issuable upon the exercise of currently outstanding share options will be issued at a purchase price on a per ADS basis that is less than the public offering price per ADS in this offering.

We are a Cayman Islands company. Because judicial precedent regarding the rights of shareholders is more limited under Cayman Islands law than under U.S. law, shareholders may have fewer shareholder rights than they would have under U.S. law.

Our corporate affairs are governed by our amended and restated memorandum and articles of association (as may be 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 the United States. In particular, the Cayman Islands has a less developed body of securities law than the 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 current amended and restated memorandum and articles of association. Our directors have discretion under our amended and restated 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 United States federal court. In addition, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

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 of directors or controlling shareholders than they would as public shareholders of a U.S. company.

You may face difficulties in protecting your interests, and your ability to protect your rights through the U.S. federal courts may be limited because we are incorporated under Cayman Islands law, we currently conduct substantially all of our operations outside the United States and some of our directors and executive officers reside outside the United States.

We are incorporated in the Cayman Islands and currently conduct substantially all of our operations outside the United States through our subsidiaries. Some of our directors and executive officers reside outside the United States and a substantial portion of their assets are located outside of 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 the United States or otherwise. Even if you are successful in bringing an action of this kind, 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 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.

Your voting rights as a holder of the ADSs are limited by the terms of the deposit agreement.

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 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.

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

Our amended and restated memorandum and 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, including ordinary shares represented by ADSs, 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 of directors has the authority, without further action by our shareholders, to issue preference 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. Preference 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 of directors authorizes the issuance of preference shares, the market price of the ADSs may fall and the voting and other rights of the holders of our ordinary shares may be materially and adversely affected.

Furthermore, the amended and restated articles of association permit the directors to vary all or any of the rights attaching to any shares in issue without the consent of the shareholder but only if such variation is considered by the directors not to have a material adverse effect upon such holder. The directors cannot vary the rights of shares if such variation would have a material adverse effect of the holder. The amended and restated articles of association provide that the holders must consent to any such material adverse changes in the manner set out therein.

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.

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.

Under the deposit agreement for the ADSs, the depositary will give us a discretionary proxy to vote our 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;
- a matter to be voted on at the meeting would have a material adverse impact on shareholders; or
- voting at the meeting is made on a show of hands.

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

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, 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. See "Description of American Depositary Shares—Withdrawal of Ordinary Shares Upon Cancellation of ADSs."

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, 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. For further information, see "Description of American Depositary Shares—Fees and Charges."

You 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 Securities Act with respect to all holders of ADSs or are registered under the provisions of the 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 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 the ADSs and deprive you of an opportunity to receive a premium for your ADSs.

Our directors, executive officers and principal shareholders beneficially owned approximately % of our outstanding ordinary shares as of , 2015. 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 the ADSs. These actions may be taken even if they are opposed by our other shareholders, including the holders of the ADSs. In addition, these persons could divert business opportunities away from us to themselves or others.

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

As a public company, we will incur significant legal, accounting and other expenses that we did not incur as a private company. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NASDAQ Stock Market and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance, which in turn could make it more difficult for us to attract and retain qualified members of our board of directors.

We are evaluating these rules and regulations, and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, or Section 404, we will first be required to furnish a report by our management on our internal control over financial reporting for the year ending December 31, 2016. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal

control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

We are likely a "passive foreign investment company," which may have adverse U.S. federal income tax consequences for U.S. shareholders.

U.S. investors should be aware that we believe we were a passive foreign investment company under the meaning of Section 1297 of the Internal Revenue Code of 1986, as amended, or PFIC, for the taxable year ended December 31, 2014, and based on current business plans and financial expectations (including that this offering will result in a substantial percentage of our assets being held in cash and cash equivalents), we expect that we will be a PFIC for the current taxable year and may be a PFIC in future taxable years. If we are a PFIC for any taxable year during a U.S. shareholder's holding period of the ADSs or ordinary shares, then such U.S. shareholder generally will be required to treat any gain realized upon a disposition of the ADSs or ordinary shares, or any "excess distribution" received on the ADSs or ordinary shares, as ordinary income earned over the U.S. shareholder's holding period for the ADSs or ordinary shares, and to pay the applicable taxes on such ordinary income along with an interest charge at the rate applicable to underpayments of tax on a portion of the resulting tax liability, unless the shareholder makes a timely and effective "qualified electing fund" election, or QEF election, or "mark-to-market" election with respect to our ADSs or ordinary shares. A U.S. shareholder who makes an effective QEF election generally must report on a current basis its share of our net capital gain and ordinary earnings for any taxable year in which we are a PFIC, whether or not we distribute any amounts to our shareholders. If a QEF election is not in effect for the first taxable year in your holding period in which we are a PFIC, a QEF election can only be made if you elect to recognize gain as if you had sold the ADSs or ordinary shares for their fair market value on the first day of your taxable year in which the PFIC becomes a QEF pursuant to the QEF election. The gain recognized on this deemed sale would be subject to the general tax treatment of PFICs discussed above. We intend to determine our PFIC status at the end of each taxable year and to satisfy any applicable record keeping and reporting requirements that apply to a QEF, and will endeavor to provide to you, for each taxable year that we determine we are or may be a PFIC, the information that is necessary for you to make a QEF election with respect to us (and any of our subsidiaries which are lower-tier PFICs). We may elect to provide such information on our website. However, there can be no assurances that we will make the necessary information available to you. You are urged to consult your own tax advisors regarding the availability of, and procedure for making, a QEF election. A U.S. shareholder who makes an effective mark-to-market election generally must include as ordinary income any gain recognized in a year that we are a PFIC in an amount equal to the excess of the fair market value of the ADSs over the shareholder's adjusted tax basis therein. This paragraph is qualified in its entirety by the discussion in the section titled "Taxation—Material United States Federal Income Tax Considerations." Each U.S. shareholder should consult its own tax advisors regarding the PFIC rules and the U.S. federal income tax consequences of the acquisition, ownership and disposition of the ADSs or ordinary shares.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections titled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," contains forward-looking statements that are based on our management's belief and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Forward-looking statements in this prospectus include, but are not limited to, statements about:

- the initiation, timing, progress and results of our preclinical studies and clinical trials, and our research and development programs;
- our ability to advance our drug candidates into, and successfully complete, clinical trials;
- our ability for our drug candidates to be granted or maintain Category 1 designation with the CFDA;
- our reliance on the success of our clinical-stage drug candidates BGB-3111, BGB-A317, BGB-283 and BGB-290 and certain other drug candidates;
- the timing or likelihood of regulatory filings and approvals;
- the commercialization of our drug candidates, if approved;
- our ability to develop sales and marketing capabilities;
- the pricing and reimbursement of our drug candidates, if approved;
- the implementation of our business model, strategic plans for our business, drug candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our drug candidates and technology;
- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- cost associated with defending intellectual property infringement, product liability and other claims;
- regulatory development in the United States, China and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to enter into strategic arrangements;
- our ability to maintain and establish collaborations or obtain additional grant funding;
- the rate and degree of market acceptance of our drug candidates;
- developments relating to our competitors and our industry, including competing therapies;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;

- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- our expected use of proceeds of this offering;
- the future trading price of the ADSs and impact of securities analysts' reports on these prices; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this prospectus. If one or more of these risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this prospectus and the documents that we reference in this prospectus and have filed with the U.S. Securities and Exchange Commission as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. You should therefore not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this prospectus.

This prospectus contains market data and industry forecasts that were obtained from industry publications. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. While we believe the market position, market opportunity and market size information included in this prospectus is generally reliable, such information is inherently imprecise.

USE OF PROCEEDS

We estimate that the net proceeds to us from the sale of ADSs in this offering will be approximately $ million based upon an assumed initial public offering price of $ per ADS, the midpoint of the price range set forth on the cover of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. If the underwriters exercise their option to purchase additional ADSs in full, we estimate that our net proceeds will be approximately $ million, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of ADSs offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to increase our financial flexibility, create a public market for the ADSs, and to facilitate our access to the public equity markets. We currently expect to use the net proceeds from this offering as follows:

- approximately $ million for the ongoing dose-expansion phase of our clinical trial, other planned signal-seeking monotherapy and combination trials, as well as potentially initiating a registrational trial for BGB-3111;
- approximately $ million for the ongoing dose-expansion phase of our clinical trial, and other planned monotherapy and combination trials for BGB-283;
- approximately $ million for the ongoing dose-escalation phase of our clinical trial, the planned expansion phase of our clinical trial, and other planned monotherapy and combination studies for BGB-290;
- approximately $ million for the ongoing dose-escalation phase of our clinical trial, the planned expansion phase of our clinical trial, and other planned monotherapy and combination studies for BGB-A317;
- approximately $ million for supporting our research and development infrastructure and the early development of our preclinical candidates;
- approximately $ million to repay our 8% senior promissory note held by Merck Sharp & Dohme Research GmbH due in February 2016; and
- the remainder for working capital, capital expenditure and general corporate purposes, including the potential acquisition and re-acquisition of product rights.

We may use a portion of the net proceeds of this offering for the acquisition or licensing, as the case may be, of additional technologies, other assets or businesses, or for other strategic investments or opportunities, although we have no current understandings, agreements or commitments to do so at this time.

Based on our current operational plans and assumptions, we expect that the net proceeds from this offering, combined with our current operating capital, will not be sufficient to enable us to complete all necessary development or commercially launch our current drug candidates. However, there can be no assurance that these expectations will be correct.

We currently have no specific plans as to how the net proceeds from this offering will be allocated beyond the uses specified above, and therefore management will retain discretion to allocate the remainder of the net proceeds of this offering among these uses.

This expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the progress of our development efforts, the status of and results from preclinical studies and any ongoing clinical trials or clinical trials we may commence in the future, as well as any collaborations that we may enter into with third parties for our drug candidates and any unforeseen cash needs. As a result, our management will retain broad discretion over the allocation of the net proceeds from this offering and may change the allocation of use of these proceeds among the uses described above. An investor will not have the opportunity to evaluate the economic, financial or other information on which we base our decisions on how to use the proceeds.

Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation investments, including short-term, investment-grade, interest-bearing instruments, or hold as cash.

DIVIDEND POLICY

We have never declared or paid any dividends on our ordinary shares or preferred shares. We currently intend to retain all available funds and any future 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 the ADSs with the expectation of receiving cash dividends.

Any future determination to pay dividends will be made at the discretion of our board of directors 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 of directors may deem relevant. If we pay any dividends, we will pay the ADS holders to the same extent as holders of our ordinary shares, subject to the terms of the deposit agreement, including the fees and expenses payable thereunder. See "Description of American Depositary Shares." Cash dividends on our ordinary shares, if any, will be paid in U.S. dollars.

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 "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."

CAPITALIZATION

The following table sets forth our cash and cash equivalents, short term investments, senior promissory note and capitalization as of June 30, 2015:

- on an actual basis;
- on a pro forma basis to give effect to (1) the conversion of all of our outstanding preferred shares into an aggregate of 199,990,641 ordinary shares upon the closing of this offering, and (2) the effectiveness of our amended and restated memorandum and articles of association, which will occur immediately prior to the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to our sale in this offering of ADSs at an assumed initial public offering price of $ per ADS, the midpoint of the range set forth on the cover page of this prospectus, after deducting the underwriting discounts and commissions and estimated offering expenses payable by us and assuming no exercise of the underwriters' option to purchase additional ADSs.

You should read the following table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Description of American Depositary Shares," and the financial statements and related notes appearing elsewhere in this prospectus.

	As of June 30, 2015		
	Actual	Pro Forma	Pro Forma As Adjusted
		(unaudited)	
	(in thousands, except share and per share amounts)		
Cash and cash equivalents	$ 25,156	$ 25,156	$
Short-term investments	$ 101,509	$ 101,509	$
Senior promissory note(1)	$ 14,049	$ 14,049	$
Series A preferred shares, $0.0001 par value; 120,000,000 shares authorized, 116,785,517 issued and outstanding (actual); no shares authorized, issued or outstanding (pro forma and pro forma as adjusted)	$ 78,809	—	—
Series A-2 preferred shares, $0.0001 par value; 100,000,000 shares authorized, 83,205,124 issued and outstanding (actual); no shares authorized, issued or outstanding (pro forma and pro forma as adjusted)	97,275	—	—
Shareholders' (deficit) equity:			
Ordinary shares, $0.0001 par value; 500,000,000 shares authorized, 108,617,428(2) shares issued and outstanding (actual), 500,000,000 shares authorized, 308,608,069 shares issued and outstanding (pro forma); shares authorized, shares issued and outstanding (pro forma as adjusted)	11	31	
Additional paid-in capital	11,166	187,230	
Accumulated other comprehensive income	(402)	(402)	
Accumulated deficit	(76,946)	(76,946)	
Total shareholders' (deficit) equity	(66,171)	109,913	
Total capitalization	$ 109,913	$ 109,913	$

(1) The senior promissory note is a current liability and is not considered part of our capitalization.
(2) Shares issued and outstanding include 1,784,035 issued but unvested restricted shares as of June 30, 2015.

The information above is illustrative only and our capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS, the midpoint of the estimated price range shown on the cover page of this prospectus, would increase (decrease) the amount of cash and cash equivalents, additional paid-in capital, total shareholders' equity (deficit) and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of ADSs offered by us would increase (decrease) cash and cash equivalents, total shareholders' equity (deficit) and total capitalization on a pro forma as adjusted basis by approximately $ million, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. The pro forma as adjusted information discussed above is illustrative only and will be adjusted based on the actual public offering price and other terms of this offering determined at pricing.

The actual, pro forma and pro forma as adjusted information set forth in the table excludes:

- 27,931,017 shares issuable upon the exercise of options outstanding as of June 30, 2015 pursuant to our 2011 Plan at a weighted-average exercise price of $0.12 per share;
- 9,362,000 shares issuable upon the exercise of options granted under our 2011 Plan after June 30, 2015, at an exercise price of $0.50 per share;
- 15,200,667 shares issuable upon the exercise of options granted outside our 2011 Plan after June 30, 2015, at an exercise price of $0.50 per share;
- shares reserved for future issuance under our 2015 Plan (which includes shares reserved for issuance under our 2011 Plan that will become available under our 2015 Plan upon the closing of this offering);
- 668,127 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our Series A preferred shares;
- 2,592,593 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our ordinary shares; and
- 1,451,586 shares issuable upon the exercise of options outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which options prior to the closing of this offering are exercisable to purchase our ordinary shares.

DILUTION

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

Our net tangible book value as of June 30, 2015 was approximately $109.9 million, or $1.01 per outstanding ordinary share as of that date, and $ per ADS. Net tangible book value represents our total tangible assets less our total tangible liabilities. Pro forma net tangible book value per ordinary share is calculated after giving effect to the conversion of all of our issued and outstanding preferred shares. Pro forma as adjusted net tangible book value per ordinary share is calculated after giving effect to the conversion of all our issued and outstanding preferred shares and the issuance of ordinary shares in the form of ADSs by us in this offering. Dilution is determined by subtracting pro forma as adjusted net tangible book value per ordinary share from the public offering price per ordinary share.

Without taking into account any other changes in net tangible book value after June 30, 2015, other than to give effect to (1) the conversion of all of our issued and outstanding preferred shares into of our ordinary shares concurrently with the closing of this offering and (2) the issuance and sale by us of ordinary shares in the form of ADSs in this offering at an assumed initial public offering price of $ per ADS, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of June 30, 2015 would have been $ million, or $ per outstanding ordinary share and $ per ADS. This represents an immediate increase in pro forma net tangible book value of $ per ordinary share and $ per ADS to the existing shareholders and an immediate dilution in net tangible book value of $ per ordinary share and $ per ADS to investors purchasing ADSs in this offering. The following table illustrates such dilution:

	Per Share	Per ADS
Assumed initial public offering price per share	$	$
Historical net tangible book value per share as of June 30, 2015	$	$
Pro forma increase in net tangible book value per share as of June 30, 2015		
Pro forma net tangible book value per share as of June 30, 2015		
Increase in pro forma net tangible book value per share attributable to new investors		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to investors participating in this offering	$	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS would increase (decrease) the dilution to new investors by $ per ordinary shares and

$ per ADS, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated expenses payable by us. Similarly, each increase (decrease) of ADSs offered by us would increase (decrease) the dilution to new investors by $ per ordinary shares and $ per ADS, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

If the underwriters exercise their option to purchase additional ADSs in full, the pro forma as adjusted net tangible book value would be $ per ordinary shares and $ per ADS, and the dilution in pro forma as adjusted net tangible book value to investors in this offering would be $ per ordinary shares and $ per ADS.

The following table summarizes, on a pro forma as adjusted basis as of June 30, 2015, the differences between existing shareholders, including holders of our preferred shares, and new investors with respect to the number of ordinary shares (in the form of ADSs or shares) purchased from us, the total consideration paid and the average price per ordinary share/ADS paid before deducting underwriting discounts and commissions and estimated offering expenses payable by us, at an assumed initial public offering price of $ per ADS, the midpoint of the price range set forth on the cover of this prospectus. The total number of ordinary shares does not include ordinary shares underlying the ADSs issuable upon the exercise of the option to purchase additional ADSs granted to the underwriters.

	Ordinary Shares Purchased		Total Consideration		Average Price per Ordinary Share	Average Price per ADS
	Number	Percent	Amount	Percent		
Existing shareholders		%	$	%	$	$
New investors		%	$	%	$	$
Total		100%	$	100%	$	$

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

The above discussion and tables are based on 108,617,428 ordinary shares issued and outstanding as of June 30, 2015, including 1,784,035 issued but unvested restricted shares, and also reflects the conversion of all outstanding preferred shares into an aggregate of 199,990,641 ordinary shares immediately prior to the closing of this offering, and excludes:

- 27,931,017 shares issuable upon the exercise of options outstanding as of June 30, 2015 pursuant to our 2011 Plan at a weighted-average exercise price of $0.12 per share;
- shares reserved for future issuance under our 2015 Plan (which includes shares reserved for issuance under our 2011 Plan that will become available under our 2015 Plan upon the closing of this offering);
- 9,362,000 shares issuable upon the exercise of options granted under our 2011 Plan after June 30, 2015, at an exercise price of $0.50 per share;
- 15,200,667 shares issuable upon the exercise of options granted outside our 2011 Plan after June 30, 2015, at an exercise price of $0.50 per share;
- 668,127 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our Series A preferred shares;

- 2,592,593 shares issuable upon the exercise of warrants outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which warrants prior to the closing of this offering are exercisable to purchase our ordinary shares; and

- 1,451,586 shares issuable upon the exercise of options outstanding as of June 30, 2015 at an exercise price of $0.675 per share, which options prior to the closing of this offering are exercisable to purchase our ordinary shares.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per ADS, the midpoint of the price range set forth on the cover of this prospectus, would increase (decrease) the total consideration paid by new investors by approximately $ million, assuming the number of ADSs offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional ADSs in full, the number of ADSs held by existing shareholders will be reduced to , or % of the total number of ADSs to be outstanding after this offering, and the number of ADSs held by investors participating in this offering will be further increased to , or % of the total number of ADSs to be outstanding after this offering.

To the extent that outstanding options and warrants are exercised, you will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that additional capital is raised through the sale of equity or convertible debt securities, the issuance of these securities may result in further dilution to our shareholders.

ENFORCEMENT OF CIVIL LIABILITIES

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

A large portion of our assets are located in China. In addition, some of our directors and officers are residents of jurisdictions other than the United States and all or a substantial portion of their assets are located outside the United States. As a result, it may be difficult for investors to effect service of process within the United States upon us or our directors and officers, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed CT Corporation System, located at 111 8th Avenue, New York, New York 10011 as our agent to receive service of process in the United States.

Mourant Ozannes, our counsel as to Cayman Islands law, and Fangda Partners, our counsel as to PRC law, have respectively advised us that there is uncertainty as to whether the courts of the Cayman Islands or the PRC would, respectively, (1) recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States, or (2) entertain original actions brought in the Cayman Islands or the PRC against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States. Furthermore, Mourant Ozannes and Fangda Partners have advised us that, as of the date of this prospectus, no treaty or other form of reciprocity exists between the Cayman Islands and China governing the recognition and enforcement of judgments.

Mourant Ozannes has informed us that the uncertainty with regard to Cayman Islands law relates to whether a judgment obtained from the United States or PRC courts under civil liability provisions of the securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman company. As the courts of the Cayman Islands have yet to rule on whether such judgments are penal or punitive in nature, it is uncertain whether they would be enforceable in the Cayman Islands.

Mourant Ozannes has further advised us that although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States or China, a judgment obtained in such jurisdiction will be recognized and enforced in the courts of the Cayman Islands at common law, without any re-examination of the merits of the underlying dispute, by an action commenced on the foreign judgment debt in the Grand Court of the Cayman Islands, provided such judgment (1) is given by a foreign court of competent jurisdiction, (2) imposes on the judgment debtor a liability to pay a liquidated sum for which the judgment has been given, (3) is final, (4) is not in respect of taxes, a fine or a penalty and (5) was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

Fangda Partners has advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedure Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedure Law based

either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Fangda Partners has advised us further that under PRC law, courts in the PRC will not recognize or enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or social public interest. As there exists no treaty or other form of reciprocity between China and the United States governing the recognition and enforcement of judgments as of the date of this prospectus, including those predicated upon the liability provisions of the United States federal securities laws, there is uncertainty whether and on what basis a PRC court would enforce judgments rendered by United States courts. In addition, because there is no treaty or other form of reciprocity between the Cayman Islands and China governing the recognition and enforcement of judgments as of the date of this prospectus, there is further uncertainty as to whether and on what basis a PRC court would enforce judgments rendered by a Cayman Islands court.

SELECTED FINANCIAL DATA

The following selected statements of operations data for the years ended December 31, 2013 and 2014 and the balance sheet data as of December 31, 2013 and 2014 are derived from our audited consolidated financial statements included elsewhere in this prospectus. The selected statements of operations data for the six months ended June 30, 2014 and 2015 and the balance sheet data as of June 30, 2015 have been derived from our unaudited consolidated financial statements included elsewhere in this prospectus. In our opinion, these unaudited consolidated financial statements have been prepared on a basis consistent with our audited consolidated financial statements and contain all adjustments, consisting only of normal and recurring adjustments, necessary for a fair presentation of such financial data. You should read this data together with our audited consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our future results, and our operating results for the six-month period ended June 30, 2015 are not necessarily indicative of the results that may be expected for the fiscal year ending December 31, 2015 or any other interim periods or any future year or period. Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

	Years Ended December 31,		Six Months Ended June 30,	
	2013	2014	2014	2015
			(unaudited)	
	(in thousands, except share and per share data)			
Statements of Operations Data:				
Revenue	$ 11,148	$ 13,035	$ 5,158	$ 2,759
Operating expenses				
Research and development	13,463	21,862	7,240	16,796
General and administrative	3,143	6,930	1,502	2,340
Total operating expenses	16,606	28,792	8,742	19,136
Loss from operations	(5,458)	(15,757)	(3,584)	(16,377)
Interest income	2	40	2	526
Interest expense	(3,155)	(3,552)	(1,732)	(540)
Changes in fair value of financial instruments	133	(2,760)	(145)	(202)
Gain on debt extinguishment	—	2,883	—	—
Disposal loss on available-for-sale securities	—	—	—	(57)
Other income	694	806	503	809
Other expense	(110)	(206)	(44)	(12)
Net loss	(7,894)	(18,546)	(5,000)	(15,853)
Less: net loss attributable to non-controlling interests	(400)	(268)	(232)	—
Net loss attributable to ordinary shareholders	$ (7,494)	$ (18,278)	$ (4,768)	$ (15,853)
Loss per ordinary share attributable to ordinary shareholders, basic and diluted(1)	$ (0.08)	$ (0.18)	$ (0.05)	$ (0.15)
Weighted-average ordinary shares outstanding, basic and diluted	91,484,521	99,857,623	94,516,667	108,520,761
Pro forma net loss per ordinary share attributable to ordinary shareholders, basic and diluted(1)		$ (0.08)		$ (0.05)
Pro forma weighted-average ordinary shares outstanding, basic and diluted		216,643,140		308,511,402
Comprehensive loss	$ (7,718)	$ (18,761)	$ (5,152)	$ (16,355)

(1) See Note 17 to our audited consolidated financial statements appearing elsewhere in this prospectus for a description of the method used to calculate basic and diluted net loss per share of ordinary shares and pro forma basic and diluted net loss per share of ordinary shares.

	As of December 31,		As of June 30, 2015 (unaudited)
	2013	2014	
	(in thousands)		
Balance sheet data:			
Cash and cash equivalents	$ 3,926	$ 13,898	$ 25,156
Short-term investments	—	30,497	101,509
Working capital	(27,300)	33,817	104,086
Total assets	11,798	53,621	136,965
Total liabilities	48,757	27,853	27,052
Preferred shares	—	78,809	176,084
Non-controlling interests	1,767	—	—
Total shareholders' deficit	(38,726)	(53,041)	(66,171)

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

You should read the following discussion and analysis of our financial condition and results of operations together with the section titled "Selected Financial Data" and the consolidated financial statements and related notes included elsewhere in this prospectus. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed in the section titled "Risk Factors" and in other parts of this prospectus. Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Our functional currency is U.S. dollar.

Overview

We are a globally focused biopharmaceutical company dedicated to becoming a leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancer. We believe the next generation of cancer treatment will utilize therapeutics both as monotherapy and in combination to attack multiple underlying mechanisms of cancer cell growth and survival. We further believe that discovery of next generation cancer therapies requires new research tools. To that end, we have developed a proprietary cancer biology platform that addresses the importance of tumor-immune system interactions and the value of primary biopsies in developing new models to support our drug discovery effort. Our strategy is to develop a pipeline of drug candidates with the potential to be best-in-class monotherapies and also important components of multiple-agent combination regimens.

We have used our cancer biology platform to develop four clinical-stage drug candidates that we believe have the potential to be best-in-class or first-in-class. In addition, we believe that each has the potential to be an important component of a drug combination addressing major unmet medical needs. Our clinical-stage drug candidates include three molecularly targeted agents, BGB-3111, BGB-283 and BGB-290 and one immuno-oncology agent, BGB-A317. BGB-3111 is a potent and selective small molecule inhibitor of BTK. BGB-283 is a small molecule inhibitor of both the monomer and dimer forms of RAF. BGB-290 is a highly selective small molecule inhibitor of PARP1 and PARP2. For each of our molecularly targeted drug candidates, we have achieved proof-of-concept by demonstrating objective responses in the defined patient populations. Our clinical-stage immuno-oncology agent, BGB-A317, is a humanized monoclonal antibody against the immune checkpoint receptor, PD-1. In addition to our clinical-stage drug candidates, we have a robust pipeline of preclinical programs and are planning to advance one or more of these programs into the clinic in the next 18 months. We have licensed the ex-China rights of BGB-283 to Merck KGaA. We retain full global rights for all of our other clinical and preclinical drug candidates and programs.

Since our inception on October 28, 2010, our operations have focused on organizing and staffing our company, business planning, raising capital, establishing our intellectual property portfolio and conducting preclinical studies and clinical trials. We do not have any drug candidates approved for sale and have not generated any revenue from product sales. We have financed operations through a combination of debt and equity financings and private and public grants and contracts, including the net proceeds from the issuance of a senior and convertible promissory note to Merck Sharp & Dohme Research GMBH, or MSD, an affiliate of Merck Sharp & Dohme Corp., the private placements of our Series A preferred shares and Series A-2 preferred shares, and our collaboration with Merck KGaA, or Merck KGaA Collaboration. In 2014 and 2015, we have raised an aggregate of $150.3 million of gross proceeds from sales of our preferred shares, and additionally received $33.0 million from the Merck KGaA Collaboration to fund our operations. At June 30, 2015,

we had cash, cash equivalents and short-term investments of $126.7 million. Although it is difficult to predict our liquidity requirements, based upon our current operating plan, and assuming successful completion of this offering, we believe we have sufficient cash to meet our projected operating requirements for at least the next 12 months. See "—Liquidity and Capital Resources."

Since inception we have incurred significant operating losses. Our net losses were $18.5 million and $7.9 million for the years ended December 31, 2014 and 2013, respectively, and $15.9 million for the six months ended June 30, 2015. As of June 30, 2015, we had an accumulated deficit of $77.0 million. Substantially all of our losses have resulted from funding our research and development programs and general and administrative costs associated with our operations. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate that our expenses will increase significantly in connection with our ongoing activities, as we:

- continue investment in our cancer biology platform;
- continue preclinical and clinical development of our programs;
- continue investment in our manufacturing facilities;
- hire additional research, development and business personnel;
- maintain, expand and protect our intellectual property portfolio; and
- incur additional costs associated with operating as a public company upon the completion of this offering.

Financial Operations Overview

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales for the foreseeable future.

We have licensed BGB-283 to Merck KGaA for markets outside China, but we still own the worldwide rights to our other drug candidates and retain exclusive rights to BGB-283 in China. We also have a limited collaboration with Merck KGaA on BGB-290.

On May 24, 2013, we entered into license agreements with Merck KGaA, which we amended and restated on December 10, 2013, and further amended on October 1, 2015, pursuant to which (1) we granted to Merck KGaA an exclusive license under certain of our intellectual property rights to develop and manufacture, and, if Merck KGaA exercises its continuation option, to commercialize and manufacture our compound BGB-283, and any other compound covered by the same existing patent rights with primary activity to inhibit wildtype or certain mutant BRAF, in the Ex-PRC Territory, and (2) Merck KGaA granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the RAF dimer inhibitor in the PRC Territory. Under these agreements, we received $13 million in non-refundable payments by the end of 2013 following their execution and $5 million in milestone payment in 2014. We are eligible to receive up to $32 million, $33 million and $145 million in payments upon the successful achievement of pre-specified clinical, regulatory and commercial milestones in the Ex-PRC Territory, and another $18 million in payments upon the successful achievement of pre-specified clinical milestones in the PRC Territory. Merck KGaA also is required to pay us tiered royalties, on a country-by-country and licensed product-by-licensed product basis, on aggregate net sales of licensed products in the Ex-PRC Territory. In consideration for the licenses Merck KGaA grants to us, we are required to pay Merck KGaA a high single-digit royalty on aggregate net sales of Licensed BRAF inhibitors in the PRC Territory.

On October 28, 2013, we entered into license agreements with Merck KGaA, pursuant to which (1) we granted to Merck KGaA an exclusive license under certain of our intellectual property rights to develop and manufacture, and, if Merck KGaA exercises a certain continuation option, to commercialize and manufacture our compound BGB-290 and any other compound covered by the same existing patent rights with primary activity to inhibit PARP 1, 2 or 3 enzymes in the PRC; and (2) Merck KGaA granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the licensed PARP inhibitors in the PRC, or the PRC Territory. On October 1, 2015, pursuant to a purchase of rights agreement, we repurchased all of Merck KGaA's worldwide rights under the ex-PRC license agreement, in consideration for, among other things, a one-time payment of $10 million and reduction of future milestone payments we are eligible to receive under the PRC license agreement. In connection with such repurchase, the ex-PRC license agreement terminated except for certain provisions therein. Under these license agreements, we received $6 million in non-refundable payments in November 2013 following their execution and $9 million in milestone payments in 2014. We are eligible to receive up to $7 million and $2.5 million, respectively, in payments upon the successful achievement of pre-specified clinical and regulatory milestones in the PRC Territory. In addition, if Merck KGaA exercises its PRC commercialization option, as further described in the section titled "Business—Collaboration with Merck KGaA," Merck KGaA is required to pay us a $50 million non-refundable payment upon such exercise, and we are eligible for a $12.5 million milestone payment upon the successful achievement of a certain additional regulatory event in the PRC Territory. In consideration for the licenses granted to us, we are required to pay Merck KGaA a high single-digit royalty on aggregate net sales of licensed products in the PRC Territory.

For more information on our collaborations with Merck KGaA, see "Business—Collaboration with Merck KGaA."

We recognized $13.0 million and $11.1 million of collaboration revenue from the Merck KGaA Collaboration for the years ended December 31, 2014 and 2013, respectively, and $2.8 million and $5.2 million for the six months ended June 30, 2015 and 2014, respectively. The following table summarizes the revenue recognition schedule of an aggregate of $33.0 million upfront non-refundable license fee and Phase 1 research and development fees received from Merck KGaA, comprised of an aggregate of $18.0 million related to BGB-283 and $15.0 million related to BGB-290. In accordance with our revenue recognition policy, we recognize these revenues as shown in the table below:

	BGB-283	BGB-290	Total
		(in thousands)	
2013	$ 8,317	$ 2,823	$ 11,140
2014	5,906	7,048	12,954
2015	2,707	2,814	5,521
2016	1,070	2,315	3,385
Total	**$ 18,000**	**$ 15,000**	**$ 33,000**

For the foreseeable future, we expect substantially all of our revenue will be generated from the Merck KGaA Collaboration, and any other strategic relationships we may enter into. If our development efforts are successful, we may also generate revenue from product sales.

Expenses

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:

- employee-related expenses, including salaries, benefits, travel and share-based compensation expense for research and development personnel;
- expenses incurred under agreements with contract research organizations, or CROs, contract manufacturing organizations, and consultants that conduct and support clinical trials and preclinical studies;
- costs associated with preclinical activities and development activities;
- costs associated with regulatory operations; 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 development of the following programs:

- BGB-3111, a potent and selective small molecule inhibitor of BTK;
- BGB-283, a small molecule inhibitor of both the monomer and dimer forms of BRAF;
- BGB-290, a highly selective small molecule inhibitor of PARP1 and PARP2; and
- BGB-A317, a humanized monoclonal antibody against PD-1.

We expense research and development costs when we incur them. We record costs for some 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 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, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of our drug candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales of our drug candidates. This is due to the numerous risks and uncertainties associated with developing such drug candidates, including the uncertainty of:

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

- continued acceptable safety profiles of the products following approval; and
- retention of key research and development personnel.

A change in the outcome of any of these variables with respect to the development of any of our drug candidates would significantly change the costs, timing and viability associated with the development of that drug candidate.

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, including as we continue to support the clinical trials of BGB-3111, BGB-283, BGB-290 and BGB-A317 as a treatment for various cancers and move such drug candidate 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 will impact our clinical development programs and plans.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries and related benefit costs, including share-based compensation for administrative personnel. Other general and administrative expenses include professional fees for legal, patents, consulting, auditing and tax services as well as other direct and allocated expenses for rent and maintenance of facilities, insurance and other supplies used in general and administrative activities. We anticipate that our general and administrative expenses will increase in future periods to support increases in our research and development activities, including the continuation of the clinical trials of BGB-3111, BGB-283, BGB-290 and BGB-A317 as a treatment for various cancers and the initiation of our clinical trials for our other drug candidates. These increases will likely include increased headcount, increased share compensation charges, expanded infrastructure and increased costs for insurance. We also anticipate increased legal, compliance, accounting and investor and public relations expenses associated with being a public company.

Interest Expense, Net

Interest expense consists primarily of interest on our $10 million 8% senior promissory note maturing in February 2016 and $10 million 8% subordinated convertible promissory note, compounded annually, both issued to MSD in 2011. We also issued an aggregate principal amount of approximately $3.1 million convertible promissory notes to several other investors in 2012 and 2014, all bearing interest of 8% per annum for the first three years and 15% per annum for the remaining term. In October 2014, we completed a Series A preferred share financing, as a result of which, the $10 million MSD subordinated convertible promissory note was automatically converted into 18,518,519 Series A preferred shares, and the other $3.1 million principal amount of convertible promissory notes, along with accrued interest was automatically converted into 5,470,705 Series A preferred shares. We recognized a gain on debt extinguishment of $2.9 million due to the forfeiture of interest upon the conversion, as only the principal amount of the Merck subordinated convertible promissory note was eligible for conversion.

Interest income is currently not considered significant to our financial statements but we expect interest income to increase following this offering as we invest the net proceeds from this offering pending their use in operations.

Changes in Fair Value of Financial Instruments

Changes in fair value of financial instruments consists primarily of the non-cash expense related to changes in the fair value of our warrant and option liabilities arising from the share purchase warrants and options and also the changes in fair value of the redemption feature bifurcated from the MSD subordinated convertible promissory note.

Gain on Debt Extinguishment

Gain on debt extinguishment consists of forfeited interest of the MSD subordinated convertible promissory note as only the principal amount was eligible for conversion into Series A preferred shares in our October 2014 Series A preferred share financing.

Other Income (Expense), Net

Other income consists primarily of government grants 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.

Results of Operations

Comparison of Six Months Ended June 30, 2015 and 2014

The following table summarizes the results of our operations for the six months ended June 30, 2015 and 2014, respectively, together with the changes in those items in dollars:

	Six Months Ended June 30,		
	2015	2014	Change
		(unaudited)	
		(in thousands)	
Collaboration revenue	$ 2,759	$ 5,158	$ (2,399)
Operating expenses:			
Research and development	16,796	7,240	9,556
General and administrative	2,340	1,502	838
Loss from operations	(16,377)	(3,584)	(12,793)
Net interest expense	(14)	(1,730)	1,716
Changes in fair value of financial instruments	(202)	(145)	(57)
Disposal loss on available-for-sale securities	(57)	—	(57)
Net other income	797	459	338
Net loss	$ (15,853)	$ (5,000)	$ (10,853)

Revenue

Revenue from the Merck KGaA Collaboration decreased by $2.4 million to $2.8 million for the six months ended June 30, 2015 from $5.2 million for the six months ended June 30, 2014. The decrease was mainly due to a $5.0 million 5th patient dosing payment received during the six months ended June 30, 2014, which was not received during the six months ended June 30, 2015.

Research and Development Expense

Research and development expense increased by $9.6 million to $16.8 million for the six months ended June 30, 2015 from $7.2 million for the six months ended June 30, 2014. The following table summarizes our research and development expense by program for the six months ended June 30, 2015 and June 30, 2014, respectively:

	Six Months Ended June 30,	
	2015	2014
	(unaudited) (in thousands)	
Clinical programs	$ 5,874	$ 3,378
Preclinical programs	2,941	619
Unallocated research and development expenses	7,981	3,243
Total research and development expenses	$ 16,796	$ 7,240

The increase in research and development expense was primarily attributable to the advancement of our clinical and preclinical pipeline, and included the following:

- $3.9 million for increased compensation expenses, which was primarily attributable to increased employee compensation costs, due to hiring of more personnel during the six months ended June 30, 2015 and the grants of new share options to certain employees; and
- $5.0 million related to increased external research and development services mainly attributable to the expansion of clinical trials for BGB-3111 and BGB-283, preparation for clinical trials of BGB-A317, and preclinical studies for our additional RAF dimer inhibitor.

General and Administrative Expense

General and administrative expense increased by $0.8 million to $2.3 million for the six months ended June 30, 2015 from $1.5 million for the six months ended June 30, 2014. The increase in general and administrative expense was primarily attributable to the additional legal services required in connection with our Series A-2 preferred share financing and an increase in accounting services associated with the preparation for this offering and becoming a public company, and included the following:

- $0.1 million for increased employee compensation costs, which was mainly due to hiring of more personnel and increase in average salary rate during the six months ended June 30, 2015; and
- $0.5 million for professional fees, in connection with the public offering and Series A-2 preferred share financing.

Interest Expense, Net

Interest expense decreased by $1.2 million to $0.5 million for the six months ended June 30, 2015 from $1.7 million for the six months ended June 30, 2014. The decrease in interest expense was primarily attributable to the decrease in interest expenses following conversion of the subordinated convertible promissory note and convertible promissory notes in the Series A preferred financing.

Changes in Fair Value of Financial Instruments

Loss from changes in fair value of warrant and option liabilities increased by $57,000 to $202,000 for the six months ended June 30, 2015 from $145,000 for the six months ended June 30, 2014. The increase in loss from changes in fair value of warrant and option liabilities was primarily attributable to the surge in the fair value of our ordinary shares.

Disposal Loss on Available-for-Sale Securities

The $57,000 disposal loss on available-for-sale securities recorded for the six months ended June 30, 2015 following the disposal of the available-for-sale securities.

Other Income, Net

Other income increased by $338,000 to $797,000 for the six months ended June 30, 2015 from $459,000 for the six months ended June 30, 2014. Other income primarily consisted of government grants received and foreign exchange gains recognized.

Comparison of the Years Ended December 31, 2014 and 2013

The following table summarizes the results of our operations for the years ended December 31, 2014 and 2013, respectively, together with the changes in those items in dollars:

	Year Ended December 31,		
	2014	2013	Change
	(in thousands)		
Collaboration revenue	$ 13,035	$ 11,148	$ 1,887
Operating expenses:			
Research and development	21,862	13,463	8,399
General and administrative	6,930	3,143	3,787
Loss from operations	(15,757)	(5,458)	(10,299)
Net interest expense	(3,512)	(3,153)	(359)
Changes in fair value of financial instruments	(2,760)	133	(2,893)
Gain on debt extinguishment	2,883	—	2,883
Net other income	600	584	16
Net loss	$ (18,546)	$ (7,894)	$ (10,652)

Revenue

We recognized $13.0 million and $11.1 million of collaboration revenue from the Merck KGaA Collaboration for the years ended December 31, 2014 and 2013, respectively. The slight increase in revenue was primarily due to the 5th patient payments received in 2014.

Research and Development Expense

Research and development expense increased by $8.4 million to $21.9 million for the year ended December 31, 2014 from $13.5 million for the year ended December 31, 2013. The following

table summarizes our research and development expense by program for the years ended December 31, 2014 and December 31, 2013, respectively:

	Years Ended December 31,	
	2014	2013
	(in thousands)	
Clinical programs	$ 10,107	$ 5,462
Preclinical programs	296	1,316
Unallocated research and development expenses	11,459	6,685
Total research and development expenses	$ 21,862	$ 13,463

The increase in research and development expense was primarily attributable to the advancement of our clinical and preclinical pipeline, and included the following:

- $4.6 million for increased compensation expenses, which was primarily attributable to increased employee compensation costs, due to hiring of more personnel during 2014 and the grants of new share options to certain employees; and
- $3.5 million related to increased procuring external research and development services mainly attributable to the initiation of clinical trials for BGB-290, BGB-3111 and preparation for clinical trials of BGB-A317.

General and Administrative Expense

General and administrative expense increased by $3.8 million to $6.9 million for the year ended December 31, 2014 from $3.1 million for the year ended December 31, 2013. The increase in general and administrative expense was primarily attributable to the additional legal services required by our research and development activities to protect our intellectual property rights and an increase in professional legal and accounting services associated with the preparation for this offering and becoming a public company, and included the following:

- $0.9 million for increased employee compensation costs, which was mainly due to the grants of restricted shares to certain employees during 2014; and
- $1.1 million for professional fees, including legal and accounting services in connection with the public offering and patent applications.

Interest Expense, Net

Interest expense increased by $0.4 million to $3.6 million for the year ended December 31, 2014 from $3.2 million for the year ended December 31, 2013. The increase in interest expense was primarily attributable to net effect of the interest expenses incurred in relation to secured guaranteed convertible promissory notes in 2014 which were later converted into Series A preferred shares and the decrease in interest expenses following conversion of the convertible promissory note to MSD.

Changes in Fair Value of Financial Instruments

The $2.8 million loss from changes in fair value of financial instruments for the year ended December 31, 2014 was primarily attributable to the $2.5 million loss recognized from the change in fair value of the redemption feature of the MSD subordinated convertible promissory note. The remaining $0.3 million loss was related to the fair value increase of our ordinary shares underlying the financial instruments we issued.

Gain on Debt Extinguishment

The $2.9 million gain on debt extinguishment recorded for the year ended December 31, 2014 resulted from forfeiture of interest of the MSD subordinated convertible promissory note upon automatic conversion of the note in October 2014.

Other Income, Net

Other income increased by $16,000 to $600,000 for the year ended December 31, 2014 from $584,000 for the year ended December 31, 2013. The other income consisted of government grants received, offset by losses arising from disposal of fixed assets.

Liquidity and Capital Resources

Since inception, we have incurred net losses and negative cash flows from our operations. Substantially all of our losses have resulted from funding our research and development programs and general and administrative costs associated with our operations. We incurred net losses of $18.5 million and $7.9 million for the years ended December 31, 2014 and 2013, respectively, and $15.9 million and $5.0 million for the six months ended June 30, 2015 and 2014, respectively. As of June 30, 2015, we had an accumulated deficit of $77.0 million. Our primary use of cash is to fund research and development costs. Our operating activities used $8.7 million and provided $4.1 million of cash flows during the years ended December 2014 and 2013, respectively, and used $13.2 million and $2.4 million of cash flows during the six months ended June 30, 2015 and 2014, respectively. Historically, we have financed our operations principally through proceeds from private placements of preferred shares, promissory notes and convertible notes of $184.4 million and proceeds from the Merck KGaA Collaboration of $33 million. At June 30, 2015, we had cash, cash equivalents and short-term investments of $126.7 million.

The following table provides information regarding our cash flows for the years ended December 31, 2014 and 2013 and the six months ended June 30, 2015 and 2014:

	Year Ended December 31,		Six Months Ended June 30,	
	2014	2013	2015	2014
			(unaudited)	
	(in thousands)			
Net cash (used in)/ provided by operating activities	$ (8,694)	$ 4,073	$ (13,202)	$ (2,399)
Net cash (used in) investing activities	(33,641)	(250)	(72,462)	(132)
Net cash (used in)/ provided by financing activities	52,165	(482)	96,953	255
Net effect of foreign exchange rate changes	142	(41)	(31)	15
Net increase (decrease) in cash and cash equivalents	$ 9,972	$ 3,300	$ 11,258	$ (2,261)

Net Cash Used in Operating Activities

The use of cash in all periods presented resulted primarily from our net losses adjusted for non-cash charges and changes in components of working capital. The primary use of our cash in all periods presented was to fund the development of our research and development, regulatory and other clinical trial costs, and related supporting administration. 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.

During the six months ended June 30, 2015, operating activities used $13.2 million of cash, which resulted principally from our net loss of $15.9 million, adjusting for non-cash charges of $4.1 million and interest expense of $0.5 million, and by cash used in our operating assets and

liabilities of $1.9 million. Our net non-cash charges during the six months ended June 30, 2015 primarily consisted of a $0.7 million depreciation charge, $3.2 million of share-based compensation expense and a $0.2 million loss from changes in the fair value of financial instruments.

During the six months ended June 30, 2014, operating activities used $2.4 million of cash, which resulted principally from our operating loss of $5.0 million, adjusting for interest expense of $1.6 million and non-cash charges of $1 million.

During the year ended December 31, 2014, our operating activities used $8.7 million of cash, which resulted principally from our net loss of $18.5 million, adjusted for non-cash charges of $11.0 million and interest expense of $3.3 million, gain on debt extinguishment of $2.9 million, and by cash used in our operating assets and liabilities of $1.6 million. Our net non-cash charges during the year ended December 31, 2014 primarily consisted of $1.6 million of depreciation expense, $6.6 million of share-based compensation expense, a $2.8 million loss from changes in fair value of financial instruments.

During the year ended December 31, 2013, our operating activities provided $4.1 million of cash, principally resulted from cash provided from changes in our operating assets and liabilities of $7.7 million, adjusted for $2.8 million of interest expense and non-cash charges of $1.5 million, offset by our net loss of $7.9 million. Our net non-cash charges during the year ended December 31, 2013 primarily consisted of $1.6 million in depreciation expense.

Net Cash Used in Investing Activities

Net cash used in investing activities was $72.4 million for the six months ended June 30, 2015 compared to $0.1 million for the six months ended June 30, 2014. The increase in cash used in investing activities was primarily due to a net purchase of $71.4 million worth of short-term investments and $1.0 million paid to purchase property and equipment.

Net cash used in investing activities was $33.6 million for the year ended December 31, 2014 compared to $250,000 for the year ended December 31, 2013. The increase in cash used in investing activities was primarily due to a net purchase of $30.5 million worth of available-for-sale investment and $2.4 million paid to repurchase non-controlling interest in BeiGene Beijing from Zhongguancun Development Group.

Net Cash Used in/Provided by Financing Activities

Net cash provided by financing activities was $97.0 million for the six months ended June 30, 2015 compared to $0.3 million cash provided by financing activities for the six months ended June 30, 2014. The increase was primarily due to the issuance of $97.4 million Series A-2 preferred shares to certain investors.

Net cash provided by financing activities was $52.2 million for the year ended December 31, 2014 compared to $482,000 cash used in financing activities for the year ended December 31, 2013. The increase was primarily due the net proceeds of $35.5 million from the issuance of Series A preferred shares and the issuance of $17.5 million secured guaranteed convertible promissory notes, which later converted to Series A preferred shares, and partially offset by $1.3 million repayment of promissory notes to a related party.

Operating Capital Requirements

We do not expect to generate significant revenue from product sales unless and until we obtain regulatory approval of and commercialize one of our current or future drug candidates. We anticipate that we will continue to generate losses for the foreseeable future, and we expect the losses to increase as we continue the development of, and seek regulatory approvals for, our drug candidates and begin to commercialize any approved products. Upon the closing of this offering,

we expect to incur additional costs associated with operating as a public company. In addition, subject to obtaining regulatory approval of any of our drug candidates, we expect to incur significant commercialization expenses for product sales, marketing and manufacturing. Accordingly, we anticipate that we will need substantial additional funding in connection with our continuing operations.

Based on our current operating plan, we expect that our existing cash, cash equivalents and short-term investments as of June 30, 2015, will enable us to fund our operating expenses and capital expenditures requirements for at least the next 12 months. In that time, we expect that our expenses will increase substantially as we fund clinical development of BGB-3111, BGB-283, BGB-290 and BGB-A317, fund new and ongoing research and development 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, timings, costs and results of non-clinical studies and clinical trials for our other programs and potential drug candidates;
- the number and characteristics of the drug candidate we pursue;
- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending intellectual property-related claims;
- 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, collaborations, strategic alliances, licensing arrangements and government grants. 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 an ADS holder. 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 collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams or research programs or to grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market products or drug candidates that we would otherwise prefer to develop and market ourselves.

Internal Control over Financial Reporting

In connection with the audit of our financial statements as of and for the years ended December 31, 2013 and 2014, we identified a material weakness in our internal control over financial reporting. The material weakness related to having an insufficient number of financial

reporting personnel with an appropriate level of knowledge, experience and training in application of U.S. GAAP and U.S. Securities and Exchange Commission, or SEC, rules and regulations commensurate with our reporting requirements.

We are implementing measures designed to improve our internal control over financial reporting to remediate this material weakness, including the following:

- hiring additional financial professionals with U.S. GAAP and SEC reporting experience;
- increasing the number of qualified financial reporting personnel;
- improving the capabilities of existing financial reporting personnel through training and education in the accounting and reporting requirements under U.S. GAAP and SEC rules and regulations;
- developing, communicating and implementing an accounting policy manual for our financial reporting personnel for recurring transactions and period-end closing processes; and
- establishing effective monitoring and oversight controls for non-recurring and complex transactions to ensure the accuracy and completeness of our consolidated financial statements and related disclosures.

These additional resources and procedures are designed to enable us to broaden the scope and quality of our internal review of underlying information related to financial reporting and to formalize and enhance our internal control procedures. With the oversight of senior management and our board of directors, we have begun taking steps and plan to take additional measures to remediate the underlying causes of the material weakness.

We, and our independent registered public accounting firm, were not required to perform an evaluation of our internal control over financial reporting as of December 31, 2014 in accordance with the provisions of the Sarbanes-Oxley Act. Accordingly, we cannot assure you that we have identified all, or that we will not in the future have additional, material weaknesses. Material weaknesses may still exist when we report on the effectiveness of our internal control over financial reporting as required by reporting requirements under Section 404 of the Sarbanes-Oxley Act after the completion of this offering.

Contractual Obligations and Commitments

The following table summarizes our significant contractual obligations as of payment due date by period at December 31, 2014:

	Payments Due by Period				
	Total	Less Than 1 Year	1–3 Years	3–5 Years	More Than 5 Years
	(in thousands)				
Contractual obligations					
Operating lease commitments	$ 6,011	$ 1,109	$ 2,002	$ 1,830	$ 1,070
Senior promissory note	13,516	—	13,516	—	—
Total	$ 19,527	$ 1,109	$ 15,518	$ 1,830	$ 1,070

We lease office facilities in Beijing, PRC 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, and the terms of the leases do not contain rent escalation, contingent rent, renewal or purchase options. The future minimum payments under these non-cancelable operating leases are summarized in the table above. In addition, we lease office facilities in the Greater Boston area, United States.

We expect to lease a manufacturing facility in Suzhou, PRC, and recently entered into a loan agreement with Suzhou Industrial Park and China Construction Bank in connection with our planned lease and construction of such manufacturing facility. Under the terms of this loan agreement, we borrowed RMB 120 million at a 7% fixed annual interest rate. Fifty percent of the loan must be repaid on September 30, 2018, and the balance must be repaid on September 30, 2019. This loan is secured by certain of our assets.

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.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under SEC rules, 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 Disclosures about Market Risk

Interest and Credit Risk

We had cash and cash equivalents of $3.9 million and $13.9 million and short term investments of $0 and $30.5 million at December 31, 2013 and 2014, respectively, and $25.2 million and $101.5 million at June 30, 2015. At June 30, 2015, our short-term investments mainly consisted of high credit quality corporate fixed income bonds and U.S. Treasury securities. The primary objectives of our investment activities are to preserve principle, provide liquidity and maximize income without significant 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 operation. The senior note issued to MSD carries a fixed interest rate and, as such, we are not subject to interest rate risk on outstanding indebtedness or otherwise.

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 and cash equivalents 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 U.S. dollars, but a portion of our operating transactions and assets and liabilities are in other currencies, such as Renminbi, 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.

Renminbi is not freely convertible into foreign currencies for capital account transactions. The value of Renminbi 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 Renminbi is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. There was appreciation of Renminbi against U.S. dollars of approximately 2.9% in the year ended December 31, 2013 and depreciation of approximately 2.4% in the year ended December 31, 2014. While the international reaction to the Renminbi appreciation has generally been positive, there remains significant international pressure on the PRC government

to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the Renminbi against the U.S. dollars. On August 11, 2015, China's central bank executed a 2% devaluation in the Renminbi. Over the following two days, Chinese currency fell 3.5% against the dollar. However, it remains unclear what further fluctuations may occur or what impact this will have on the currency.

To the extent that we need to convert U.S. dollars into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we receive from the conversion. Conversely, if we decide to convert Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amounts available to us.

We estimate that we will receive net proceeds of approximately $ million from this offering if the underwriters do not exercise their option to purchase additional ADSs, after deducting underwriting discounts and commissions and the estimated offering expenses payable by us, based on the initial offering price of $ per ADS. Assuming that we convert the full amount of the net proceeds from this offering into Renminbi, a 10% appreciation of the U.S. dollar against Renminbi, from a rate of to $1.00 to a rate of Renminbi to $1.00, will result in an increase of Renminbi million in our net proceeds from this offering. Conversely, a 10% depreciation of the U.S. dollar against the Renminbi, from a rate of Renminbi to $1.00 to a rate of Renminbi to $1.00, will result in a decrease of Renminbi million in our net proceeds from this offering.

Critical Accounting Policies and Significant Judgments and Estimates

Our discussion and analysis of our financial condition and results of operations is based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of our financial statements and the reported amounts of revenues and expenses during the periods. We evaluate our estimates and judgments on an ongoing basis, including but not limited to, estimating the useful lives of long-lived assets, identifying separate accounting units and estimating the best estimate selling price of each deliverable in our revenue arrangements, assessing the impairment of long-lived assets, share-based compensation expenses, realizability of deferred tax assets and the fair value of warrant and option liabilities. 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 actual results may differ from these estimates under different assumptions or conditions.

Revenue Recognition

We recognize 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* , or ASC 605. Our 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, or VSOE, of selling price or third-party evidence, or TPE, of selling price if VSOE does not exist. If neither VSOE nor TPE exists, we use the best estimate of the selling price, or 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 our 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 us. We act as the principal under our arrangements and licensing intellectual property is part of our 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.

As we act as the principal under our arrangements, and research and development services are also part of our ongoing major or central operations, we recognize the allocated consideration related to reimbursements of research and development costs as collaboration revenue when delivery or performance of such services occurs.

Product development, royalties and commercial event payments, collectively referred to as target payments, under collaborative arrangements are triggered either by the results of our 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. We elected not to adopt the milestone method of revenue recognition under ASC 605-28.

Targets related to our 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, we 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 our development activities, we would

account for the commercial event targets in the same manner as royalties, with collaboration revenue recognized upon achievement of the target. Hence, no revenue has been recognized related to the product development targets, royalties or commercial event based targets in any of the periods presented.

Any subsequent payments to be made to the collaborator such as profit sharing payments based on net sales that are not related to research and development services would be recorded as expenses from the collaborative arrangement. To date, no payments have been made to the collaborator.

Accrued 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 accrued 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 accrued 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 accrued 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 fair value of the share options granted to employees. The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees.

Awards Granted to Non-employees

We have 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 we had paid cash for the services provided by the non-employees in accordance with ASC 505-50, *Equity-based payments to non-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.

Modification of Employment Status

When a nonemployee becomes an employee and continues to vest in the award, the fair value of the award should be remeasured on the date the individual becomes an employee. Compensation charges based on the remeasured fair value will be accounted for prospectively from the date of the change in employment status over the remaining vesting period. The fair value of the award subsequently will not be remeasured unless the award is modified or settled.

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. We historically have been a private company and lack information on our share price volatility. Therefore, we estimate our expected share price volatility based on the historical volatility of a group of similar companies, which are publicly-traded. When selecting these public companies on which we have based our expected share price volatility, 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, as a private company, 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:

	Six Months Ended June 30,	
	2015	2014
Risk-free interest rate	1.8%–2.4%	2.6%
Expected exercise multiple	2.2–2.8	2.2–2.8
Expected volatility	94%–104%	102%
Expected dividend yield	0%	0%
Contractual life	10 years	10 years

	Year Ended December 31,	
	2014	2013
Risk-free interest rate	1.9%–2.6%	1.4%–3.0%
Expected exercise multiple	2.2–2.8	2.2–2.8
Expected volatility	99%–104%	102%–107%
Expected dividend yield	0%	0%
Contractual life	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. Total compensation cost recorded in the statements of comprehensive loss, which includes share-based compensation expense, share options and restricted shares issued to our founders and employees, which were subject to vesting

conditions and are fully vested, and the value of share options and restricted shares issued to non-employees for services are allocated as follows:

	Six Months Ended June 30,	
	2015	2014
	(in thousands)	
Research and development	$ 3,185	$ 53
General and administration	39	22
Total	$ 3,224	$ 75

	Year Ended December 31,	
	2014	2013
	(in thousands)	
Research and development	$ 4,030	$ (79)
General and administration	2,607	55
Total	$ 6,637	$ (24)

As of June 30, 2015, there was $2.83 million of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 2.58 years. As of December 31, 2014, there was $1.15 million of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 1.92 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.

Fair Value Estimate

We are required to estimate the fair value of the ordinary shares underlying our share-based awards when performing the fair value calculations with the binomial option model. Therefore, our board of directors has estimated the fair value of our ordinary shares at various dates, with input from management, considering the third-party valuations of ordinary shares at each grant date. The valuations of our ordinary shares were performed using methodologies, approaches and assumptions consistent with the American Institute of Certified Public Accountants Audit and Accounting Practice Aid Series: *Valuation of Privately-Held-Company Equity Securities Issued as Compensation* , or the AICPA Practice Guide. In addition, our board of directors considered various objective and subjective factors, along with input from management and the independent third-party valuation firm, to determine the fair value of our ordinary shares, including: external market conditions affecting the biopharmaceutical industry, trends within the biopharmaceutical industry, the prices at which we sold preferred shares, the superior rights and preference of the preferred shares or other senior securities relative to our ordinary shares at the time of each grant, the results of operations, financials position, status of our research and development efforts, our stage of development and business strategy, and the lack of an active public market for our ordinary shares, and the likelihood of achieving a liquidity even such as an initial public offering. The option-pricing method was used to allocate the invested capital's enterprise value to preferred shares or other senior securities and ordinary shares, taking into account the guidance prescribed by the AICPA Practice Guide. This method treats ordinary shares and preferred shares or other senior securities

as call options on the invested capital's value, with exercise prices based on their respective payoffs upon a liquidity event.

In determining the invested capital's value, we applied the discounted cash flow analysis based on our projected cash flow using our best estimate as of the valuation date. The determination of our invested capital's value requires complex and subjective judgments to be made regarding our projected financial and operating results, our unique business risks, the liquidity of our shares and our operating history and prospects at the time of valuation.

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

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

Derivative Instruments

ASC 815, *Derivatives and Hedging,* requires all contracts which meet the definition of a derivative to be recognized in the consolidated financial statements as either assets or liabilities and recorded at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income/loss or in shareholders' deficit as a component of other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. Changes in fair values of derivatives not qualified as hedges are reported in the consolidated statements of comprehensive loss. The estimated fair values of derivative instruments are determined at discrete points in time based on the relevant market information. We calculated these estimates with reference to the market rates using industry standard valuation techniques with the assistance of an independent third-party valuation firm.

As presented in the prior subsection, "Fair Value Estimate," we applied the discounted cash flow analysis to estimate the invested capital's value as of various valuation dates and the option-pricing method was used to allocate the invested capital's value to preferred shares or other senior securities and ordinary shares. The derived fair value of ordinary share and preferred shares was then further used as inputs to the Black-Scholes option pricing model to estimate the fair value of the derivative instruments. The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the risk-free interest rate, the expected volatility of the underlying stock and the expected life of the derivative instruments. These estimates involve inherent risk and uncertainties and the application of management's judgment. To determine the expected life of the derivative instruments, we have considered factors including the timing of expected various liquidity events and their respective probabilities as well as the contractual life of the derivative instruments. The risk-free interest rates for the periods within the expected life of the option are based on the U.S. Treasury yield curve. We historically have been a private company and lack company-specific historical and implied volatility information. Therefore, we estimate our expected volatility based on the historical volatility of a group of similar companies, which are publicly-traded.

We have measured the warrant and option liabilities at fair values on a recurring basis using significant unobservable inputs (Level 3) as of the years ended December 31, 2013 and 2014. The

significant unobservable inputs used in the fair value measurement and the corresponding impacts to the fair values are presented below:

Financial Instrument	Valuation Techniques	Unobservable Inputs	Estimation 2014	Estimation 2013
Option to purchase shares by rental deferral	Invested capital value allocation by option-pricing model and Black-Scholes option pricing model	Invested capital value	$145,300	$19,500
		Volatility for invested capital value allocation	72%	225%–303%
		Volatility for Black-Scholes option pricing model	72%–101%	105%–288%
		Discount for lack of marketability (DLOM)	17%	44%
Warrants in connection with the Convertible Promissory Notes	Invested capital value allocation by option-pricing method and Black-Scholes option pricing model	Invested capital value	$145,300	$19,500
		Volatility for invested capital value allocation	72%	225%–303%
		Volatility for Black-Scholes option pricing model	72%–104%	95%–288%
		DLOM	17%	44%

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 and laws 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.

We evaluate our uncertain tax positions using the provisions of ASC 740, *Income Taxes* , which requires that realization of an uncertain income tax position be recognized in the financial statements. The benefit to be recorded in the financial statements is the amount most likely to be realized assuming a review by tax authorities having all relevant information and applying current conventions. It is our policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense. No unrecognized tax benefits and related interest and penalties were recorded in any of the periods presented.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers (Topic 606)* , or

ASU 2014-09, which will supersede the revenue recognition requirements in Topic 605, Revenue Recognition, and most industry-specific guidance when it becomes effective. ASU 2014-09 affects any entity that enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On August 13, 2015, the FASB approved Accounting Standards Update 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date* , which is a one year deferral of ASU 2014-09. ASU 2014-09 is now effective for annual and interim reporting periods beginning after December 15, 2017, and entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. We are currently in the process of evaluating the impact of adoption of ASU 2014-09 on the consolidated financial statements and related disclosures.

In June 2014, the FASB issued Accounting Standards Update No. 2014-10, *Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* , or ASU 2014-10. ASU 2014-10 removes all incremental financial reporting requirements from GAAP for development stage entities. We early adopted this standard in our consolidated financial statements on January 1, 2012. As a result of the early adoption of ASU 2014-10, the accompanying consolidated financial statements do not include the incremental reporting requirements previously required by Topic 915.

In June 2014, the FASB issued Accounting Standards Update No. 2014-12, *Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* , or ASU 2014-12. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. For all entities, the amendments in ASU 2014-12 are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. The adoption of ASU 2014-12 is not expected to have a material impact on our financial position, results of operations or cash flows.

In August 2014, the FASB issued Accounting Standards Update No. 2014-15, *Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern* , or ASU 2014-15. ASU 2014-15 requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued or are available to be issued. ASU 2014-15 also requires management to disclose certain information depending on the results of the going concern evaluation. The provisions of ASU 2014-15 are effective for annual periods ending after December 15, 2016, and for interim and annual periods thereafter. Early adoption is permitted. We will be required to perform an annual assessment of its ability to continue as a going concern when this standard becomes effective on January 1, 2017; however, the adoption of this guidance is not expected to impact our financial position, results of operations or cash flows.

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Interest—Imputation of Interest* , or ASU 2015-03. To simplify presentation of debt issuance costs, ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with

debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. We are currently in the process of evaluating the impact of adoption of ASU 2015-03 on the consolidated financial statements and related disclosures.

JOBS Act

Under Section 107(b) of the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, an "emerging growth company" can delay the adoption of new or revised accounting standards until such time as those standards would apply to private companies. We have irrevocably elected not to avail ourselves of this exemption and, as a result, we will adopt new or revised accounting standards at the same time as other public companies that are not emerging growth companies. There are other exemptions and reduced reporting requirements provided by the JOBS Act that we are currently evaluating. For example, as an emerging growth company, we are exempt from Sections 14A(a) and (b) of the Exchange Act which would otherwise require us to (1) submit certain executive compensation matters to shareholder advisory votes, such as "say-on-pay," "say-on-frequency" and "golden parachutes;" and (2) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of our chief executive officer's compensation to our median employee compensation. We also intend to rely on an exemption from the rule requiring us to provide an auditor's attestation report on our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act and the rule requiring us to comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will continue to remain an "emerging growth company" until the earliest of the following: (1) the last day of the fiscal year following the fifth anniversary of the date of the completion of this offering, (2) the last day of the fiscal year in which our total annual gross revenue is equal to or more than $1 billion, (3) the date on which we have issued more than $1 billion in nonconvertible debt during the previous three years, or (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

BUSINESS

Overview

We are a globally focused biopharmaceutical company dedicated to becoming a leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancer. We believe the next generation of cancer treatment will utilize therapeutics both as monotherapy and in combination to attack multiple underlying mechanisms of cancer cell growth and survival. We further believe that discovery of next-generation cancer therapies requires new research tools. To that end, we have developed a proprietary cancer biology platform that addresses the importance of tumor-immune system interactions and the value of primary biopsies in developing new models to support our drug discovery effort. Our strategy is to advance a pipeline of drug candidates with the potential to be best-in-class monotherapies and also important components of multiple-agent combination regimens. Over the last five years, using our cancer biology platform, we have developed clinical-stage drug candidates that inhibit the important oncology targets Bruton's tyrosine kinase, or BTK; RAF dimer protein complex and PARP family of proteins, and an immuno-oncology agent that inhibits the immune checkpoint protein receptor PD-1. Our drug candidates targeting BTK, RAF dimer and PARP have demonstrated early activity and favorable safety profiles in dose-escalation trials conducted in Australia and New Zealand and our BTK and RAF dimer drug candidates are currently in the dose-expansion phases of their respective clinical trials. Our PD-1 drug candidate is currently in a dose-escalation trial in Australia and New Zealand. As of October 12, 2015, our four clinical-stage drug candidates have been dosed in a total of 202 patients. We have an effective Investigational New Drug Application, or IND, for our BTK inhibitor with the U.S. Food and Drug Administration, or FDA, and have received approval of our Clinical Trial Application for our RAF dimer inhibitor from the China Food and Drug Administration, or CFDA. Our research operations are in China, which we believe confers several advantages including access to a deep scientific talent pool and proximity to extensive preclinical study and clinical trial resources through relationships with leading cancer hospitals in China. Beyond the substantial market opportunities we expect to have in the United States, Europe and Japan, we believe our location in China provides us the opportunity to bring best-in-class monotherapies and combination therapeutics to our home market where many global standard-of-care therapies are currently not approved or available. We have assembled a team of more than 190 individuals in China and the United States with deep scientific talent and extensive global pharmaceutical experience who are deeply committed to advancing our mission to become a leader in next-generation cancer therapies.

We believe that oncology treatment has entered an era of revolutionary change in which cancer drugs will be used both as monotherapy and in combination to attack multiple underlying mechanisms of cancer cell growth and survival. Due to breakthroughs in gene sequencing and methods of tumor characterization, cancer is rapidly being redefined from a paradigm of classification based on tissue of origin, such as lung, colorectal or ovarian, to one of specific molecular characteristics, such as abnormalities in HER2, BRCA, BRAF, ALK and EGFR genes and proteins. As a result, many more specific disease subpopulations can be targeted for more effective treatment than has been possible in the past. This ability to better classify cancers has allowed the development of molecularly targeted drugs that address specific cancer subpopulations and provide high response rates in tumors with particular mutations. In addition, the development of immuno-oncology agents such as antibodies targeting the CTLA-4 and PD-1 protein receptors and the PD-L1 protein has demonstrated the importance of the human immune system in cancer therapy and the potential for high rates of more durable responses from agents that activate the immune system to identify and eliminate tumors. We believe that the future of cancer therapy will involve combinations of molecularly targeted and immuno-oncology drugs tailored to particular tumor sub-groups and have directed our research efforts at both types of drugs.

Our belief that this fundamental shift was about to occur in cancer research led us early in our history to develop a cancer biology platform that addresses the importance of tumor-immune system interactions and the value of primary tumor biopsies in developing new models. Our proximity to leading cancer treatment centers in Beijing and our close relationships with clinicians who treat patients and perform biopsies and surgeries at those centers have allowed us to develop an extensive collection of *in vivo* , *ex vivo* and *in vitro* cancer models. Given our belief that the human immune system can play an important role in combating cancer and that future treatments will involve combination therapies, we have introduced elements of a functional immune system into these models. Our proprietary models allow our research team to better select targets and to screen and evaluate therapeutic agents we believe have significant potential alone or in combination for treating a variety of cancers. Our models are a key component in the screening cascade we follow in our drug discovery effort and permit us to evaluate potential drug candidates in conditions that much better approximate a patient's cancer at the time of treatment. This is particularly significant when drug discovery requires evaluation not only of monotherapies but also multiple combinations and regimens targeting specific mutations while simultaneously immobilizing the defenses cancer cells mount against the human immune system. We expect to continue investing in and enhancing our cancer biology platform to further advance our capabilities for the discovery of drug candidates with best-in-class characteristics and the potential for use in immuno-oncology combination therapies.

We have used our cancer biology platform to develop four clinical-stage drug candidates that we believe have the potential to be best-in-class or first-in-class. In addition, we believe that each has the potential to be an important component of a drug combination addressing major unmet medical needs. Our clinical-stage drug candidates include three molecularly targeted agents, BGB-3111, BGB-283 and BGB-290 and one immuno-oncology agent, BGB-A317. BGB-3111 is a potent and selective small molecule inhibitor of BTK. BGB-283 is a small molecule designed to inhibit both the monomer and dimer forms of the RAF kinase. BGB-290 is a highly selective small molecule inhibitor of PARP1 and PARP2. For each of our molecularly targeted drug candidates, we have achieved proof-of-concept by demonstrating objective responses in the defined patient populations. Our clinical-stage immuno-oncology agent, BGB-A317, is a humanized monoclonal antibody designed to act against the immune checkpoint receptor, programmed cell death-1, or PD-1. In addition to our clinical-stage drug candidates, we have a robust pipeline of preclinical programs and are planning to advance one or more of these programs into the clinic in the next 18 months. We have granted exclusive licenses of the rights to develop and commercialize BGB-283 worldwide (outside of China) to Merck KGaA. We have not granted commercial rights for our other clinical and preclinical drug candidates and programs.

Our research operations are in China, which we believe confers clinical, commercial and regulatory advantages. Our location provides us with access to a deep scientific talent pool and proximity to extensive clinical trial resources through relationships with leading cancer hospitals in China. In addition, China accounts for approximately 20–25% of the world's cancer population and is experiencing rapid growth in the market for cancer therapeutics. Currently, many global standard-of-care therapies are not approved or available in China, resulting in a significant need for innovative therapeutics with strong efficacy and safety profiles for patients who are naive to such treatments. While we plan to seek worldwide regulatory approval for our drug candidates, we also plan to seek expedited approval from the CFDA for our drug candidates as locally developed, or Category 1 drugs. Expedited approval of our drug candidates in China will address the current unmet need in China and further our understanding and characterization of these drugs for approval in other markets.

We have a global team of more than 190 employees and consultants, including a research team in China of over 110 scientists. Our team shares the vision of improving the lives of cancer

patients globally and has built a scientifically-driven and collaborative culture fostering both nimble and rational decision-making. Our management team and scientific advisory board have deep experience and capabilities in biology, chemistry, drug discovery, clinical development, manufacturing and commercialization. Our scientific advisory board is chaired by our co-founder Xiaodong Wang, Ph.D., a highly respected cancer scientist, 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. Our scientific advisory board also includes Ronald Levy, M.D., Ph.D.; Neal Rosen, M.D., Ph.D.; Charles Sawyers, M.D.; David Schenkein, M.D.; Jedd Wolchok, M.D., Ph.D.; and Steve Young, Ph.D.

Since our inception in 2010, we have raised $170 million in equity financing from our dedicated group of investors, including leading healthcare-focused funds, major mutual funds, China-based funds and our founders.

Next Generation of Cancer Treatment

We believe that oncology treatment is rapidly evolving, offering patients the promise of high rates of more durable responses that improve survival from weeks to years while avoiding the severe toxicities typically associated with chemotherapy. While these outcomes may occasionally be achieved with monotherapy, the promise largely rests on the understanding that oncology treatment, like the treatment of infectious diseases, will often be most effective against the emergence of resistance when it consists of regimens combining multiple drugs.

The next generation in cancer therapies stems from advances in four areas:

- ***Reclassification of disease based on underlying molecular defect.*** Due to breakthroughs in gene sequencing and methods of tumor characterization, cancer is increasingly being redefined from a paradigm of tumor classification based on originating tissue type, such as lung, colorectal or ovarian, to one of characterization based on the genetic aberrations and signature gene expression patterns, such as in HER2, BRCA, BRAF, ALK and EGFR. As a result, many more disease subpopulations can be specifically targeted, resulting in more effective treatment than was possible in the past. Disease classifications are substantially more sophisticated than 10 years ago, and we believe they will become increasingly so in the future.

- ***Effective molecularly targeted therapy, but often limited durability.*** The ability to better understand the mechanisms underlying cancer has allowed the development of effective drugs that target important molecular drivers and generate high response rates in tumors with these drivers. Examples of approved drugs include gefitinib and erlotinib for patients with EGFR mutations, crizotinib and ceritinib for patients with ALK translocations, and vemurafenib and dabrafenib for patients with BRAF mutations. Unfortunately, in many of these cases, responses have been relatively short-lived as cancers can develop alternative mechanisms to compensate and ultimately bypass these drugs' blockade of molecular signaling. For example, while 52% of previously treated metastatic melanoma patients with BRAF V600E achieved an objective response once treated with vemurafenib, the median duration of response was only 6.5 months.

- ***Immune checkpoint inhibitors have shown remarkable clinical benefit, demonstrating the power of the immuno-oncology approach.*** Improved understanding of cancer immunology has led to the identification of critical immune checkpoints, or mechanisms by which cancer cells evade the surveillance of the immune system. Inhibitors of the immune checkpoints CTLA-4 and PD-1 have shown success in the clinic. Two PD-1 monoclonal antibodies, nivolumab and pembrolizumab, have been approved by the FDA, for treating certain patients with metastatic melanoma and in the case of nivolumab, squamous

non-small cell lung cancer. The results from clinical trials with several immune checkpoint inhibitors as monotherapy have shown at least a signal of efficacy in a wide spectrum of cancers including melanoma, lung cancer, kidney cancer, head and neck cancer, liver cancer, bladder cancer, gastric cancer, esophagus cancer, ovarian cancer, Hodgkin's lymphoma, diffuse large B-cell lymphoma, follicular lymphoma, triple-negative breast cancer, and a subtype of colorectal cancer. In addition, these agents can be effective against large tumors. In some tumors, including squamous and non-squamous non-small cell lung cancer, renal cell carcinoma and melanoma, randomized Phase 3 trials have reportedly demonstrated superior overall survival using PD-1 antibodies compared to chemotherapy. Although certain distinct toxicities associated with PD-1 and PD-L1 antibodies have been observed, these agents have been generally well-tolerated.

- ***The need for and early promise of combination therapy.*** While clinical data with molecularly targeted drugs as monotherapy have been encouraging, achieving a high rate of durable responses remains difficult in most cancer types. Clinical results of immuno-oncology agents such as checkpoint inhibitors including PD-1, PD-L1 and CTLA-4 antibodies have been reported. However, objective responses have been achieved in only a minority of unselected, solid tumor patients even in highly immunogenic tumors such as melanoma. Although the biological mechanisms underlying combinations are not yet well understood, recent third-party clinical studies have demonstrated the potential of combination therapy to achieve high tumor response rates, as are often seen with targeted therapy, but with greater durability, as is seen with immuno-therapy agents. The combination of targeted and immuno-therapies may generate durable responses with much better survival rates.

We believe that combinations of next-generation cancer drugs including targeted and immuno-oncology agents tailored to particular tumor types have potential to provide high rates of more durable responses in many cancers. However, we believe that the industry-standard for cancer biology models has not evolved along with current oncology research and drug discovery and thus is an insufficient framework from which to develop the next generation of oncology drugs we envision. In response, we have built a comprehensive cancer biology platform specifically to address a new generation of cancer treatments.

Next-Generation Cancer Biology Platform

Fundamental changes in cancer research led us early in our history to develop a cancer biology platform that incorporates improved models and processes better suited to drug discovery in the new world of immuno-oncology combinations and addresses the importance of tumor-immune system interactions and the value of primary biopsies. Conventional models for oncology drug discovery have used cultured cell lines that are often decades old and have characteristics that are not representative of the tumors in actual cancer patients and tumors from these cell lines have been grown xenographically in immune-compromised hosts. Therefore, animal models utilizing these cell lines have limited predictive value for new therapies. While animal models derived from surgical samples, such as patient derived xenograft models, or PDX models, are an improvement over the old cell lines, a surgical sample is unlikely to represent the state of the cancer at the time of intended treatment. Because conventional models, including PDX models, require the use of immune-deficient animals, they cannot mimic interactions between the tumor and the host immune system.

The cancer biology platform we developed enables us to test a large panel of tumor models for sensitivity to the drug candidates we generated, identify drug-resistance mechanisms in many cancers, explore combination strategies and regimens, and improve our understanding of the contributions of tumor micro- and macro-environments in cancer treatments.

Scientific Approach. Our platform brings together the following:

- Access to a broad array of primary patient biopsies and tissue samples, enabled by our proximity to and relationships with leading China-based oncology centers, allows us to build novel *in vivo, ex vivo* and *in vitro* models that we believe more accurately represent patients' cancer disease states at the time of treatment.

- Methods for better approximating the interactions between a tumor and a patient's immune system, including:

  - Introduction of elements of the human immune system into our *in vivo* , *ex vivo* and *in vitro* models; and

  - Creation of a variety of novel assays to investigate the effects of drug combinations and study their impacts on the human immune system and the tumor microenvironment.

- An effective screening cascade for oncology drug development that incorporates all of these elements.

Sustainable Leadership Position. We believe that our early recognition of the importance of tumor-immune system interactions and the value of primary biopsies in developing new models for future cancer research has allowed us to develop a proprietary cancer biology platform that provides significant competitive advantages in developing the next generation of cancer therapeutics

We believe that several of these advantages are sustainable:

- Our close relationships with clinicians and our proximity to major oncology centers in China provide us convenient and difficult-to-replicate access to primary tissue samples that greatly enhance the effectiveness of our oncology models.

- Our time and effort in developing and validating new models and processes, through the commitment and focus of our large scientific team, has allowed us to advance our capabilities meaningfully ahead of many current cancer drug development approaches. Over the last five years, our team of over 50 biologists has been focused on the continued development of our cancer biology platform.

- Our non-hierarchical structure and highly cooperative organizational culture allows us to access the cross-functional capabilities needed to develop, maintain and continually improve our new generation cancer biology platform.

Our robust preclinical and clinical pipeline demonstrates our significant commitment and ability to devote the necessary time, energy and resources required to build, validate and continue to advance our cancer biology platform. Our platform has enabled us to advance four candidates to the clinic and to become, we believe, the only company today to wholly own both a clinical-stage BTK inhibitor and PD-1 inhibitor and one of the few companies to have discovered and advanced to clinical stage, a PARP inhibitor and PD-1 inhibitor, or a BRAF inhibitor and PD-1 inhibitor, for use as combination therapy. We believe that our cancer biology platform is critical to developing rational combinations that enable us to become a leader in next-generation cancer therapies.

Our Products

We have used our cancer biology platform to develop four clinical-stage drug candidates that we believe have the potential to be best-in-class or first-in-class. In addition, we believe that each has the potential to be an important component of a drug combination addressing major unmet medical needs.

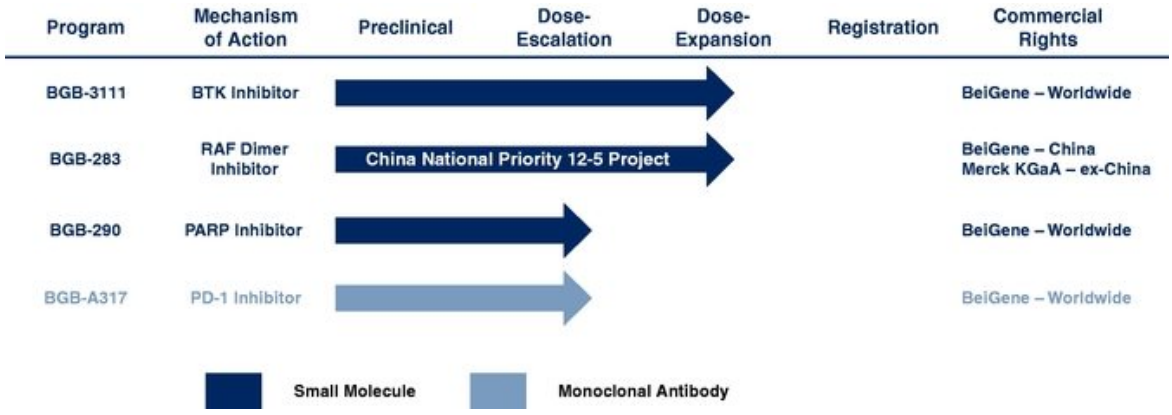
Moreover, we believe that compounds in our clinical and preclinical pipeline have the potential to be first-in-class therapeutics in China, and, as locally developed compounds, to qualify for a separate, and potentially accelerated, regulatory path.

Over time, we intend to strengthen our position with additional drug combinations utilizing our own drugs and in some cases third-party drugs to compete globally as first-in-combination and best-in-combination cancer therapies.

Our Initial Clinical Candidates

We have a pipeline of four clinical-stage drug candidates. Based on preclinical and clinical data, we believe all of our drug candidates have the potential of becoming, alone and in combination, demonstrably better than drugs currently approved to treat several types of cancers. We believe our research team's discovery of these drug candidates and our extensive preclinical portfolio of drug candidates demonstrates the value of our proprietary cancer biology platform.

The following table summarizes our clinical pipeline:



BGB-3111 is a potent and highly selective small molecule BTK inhibitor. We are currently developing BGB-3111 as a monotherapy and in combination with other therapies for the treatment of a variety of lymphomas. BGB-3111 has demonstrated higher selectivity against BTK than ibrutinib, the only BTK inhibitor currently approved by the FDA and EMA, and appears to exhibit higher potency as well.

We have completed the 25-patient dose-escalation phase of our clinical trial in Australia, and we are currently conducting the dose-expansion phase in patients with select lymphoid malignancies including chronic lymphocytic leukemia, diffuse large B-cell lymphoma, follicular lymphoma, mantle cell lymphoma, marginal zone lymphoma and Waldenström's Macroglobulinemia. We have dosed a total of 53 patients as of October 12, 2015. Available data from our completed dose-escalation trial indicate that BGB-3111 achieved up to approximately a 3.5- to 7-fold higher exposure level than the approved doses of ibrutinib. As of July 30, 2015, the cutoff date for the most recent data analysis, no protocol-defined dose-limiting toxicities, adverse events leading to drug discontinuation, or drug-related serious adverse events have been observed. Proof-of-concept has been established for BGB-3111 with clinical data indicating that BGB-3111 is a potent BTK inhibitor with objective anti-tumor activity observed in multiple types of lymphomas starting at the lowest dose tested, 40 mg once daily, or QD.

Responses as defined by standard criteria were seen in 16 of 25 patients treated in the dose-escalation phase of our clinical trial. As of July 30, 2015, the cutoff date for the most recent

data analysis, 21 of the 25 treated patients, including all 16 responders, remained on study treatment, free of disease progression.

In addition to monotherapy studies, we are currently exploring global development options for BGB-3111 including in combination with obinutuzumab, an anti-CD20 molecule monoclonal antibody recently approved for chronic lymphocytic leukemia in the United States, and potentially with BGB-A317, our proprietary PD-1 monoclonal antibody, in blood-borne and solid organ tumors.

We also filed a Clinical Trial Application in China in December 2014. With ongoing clinical trials in Australia, we believe that BGB-3111 is the first BTK inhibitor being developed in China under the domestic regulatory pathway to enter the clinic.

BGB-283 is a small molecule RAF inhibitor. We are currently developing BGB-283 as a monotherapy and in combination with other therapies for the treatment of cancers with aberrations in the mitogen-activated protein kinase, or MAPK, pathway, including BRAF mutations and KRAS/NRAS gene mutations where first generation BRAF inhibitors are not effective. The MAPK pathway is a chain of proteins in the cell that communicates 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 and is described in more detail in the section titled "—Product Pipeline—BGB-283, RAF Dimer Inhibitor—Mechanism of Action." We intend to develop BGB-283 to treat various malignancies, including colorectal cancer, non-small cell lung carcinoma, endometrial cancer, ovarian cancer, pancreatic cancer and papillary thyroid carcinoma. We believe BGB-283 has the potential to be a first-in-class RAF dimer inhibitor globally.

Currently approved first-generation BRAF inhibitors, vemurafenib and dabrafenib, are only active against the BRAF monomer. However, dimerization has been reported to be one of the key mechanisms of resistance to first generation BRAF inhibitors. BGB-283 inhibits not only the monomer but also the dimer forms of BRAF. BGB-283 has also shown encouraging results as a monotherapy and in combination therapy in our proprietary preclinical models including KRAS-driven tumors where first generation BRAF inhibitors are not effective.

We have completed the 32-patient dose-escalation phase, and we are currently conducting the dose-expansion phase of our clinical trial in Australia and New Zealand in a broad range of patient populations, including BRAF mutated melanoma, thyroid cancer, colorectal cancer, non-small cell lung cancer and other non-BRAF mutated tumors as well as KRAS/NRAS mutated endometrial cancer, colorectal cancer, non-small cell lung cancer and other KRAS/NRAS mutation bearing cancers, where first-generation BRAF inhibitors have not been effective. We have dosed a total of 81 patients as of October 12, 2015. Initial analysis of data from these trials has shown BGB-283 to be well-tolerated with a favorable safety profile. We have achieved proof-of-concept in a range of cancers including those with KRAS and BRAF mutations.

We received approval of our Clinical Trial Application for BGB-283 in China on July 16, 2015 and patient dosing in the abbreviated dose-escalation phase of our clinical trial in China has been initiated. We believe that BGB-283 is the first BRAF inhibitor to enter the clinic in China under the domestic regulatory pathway. We have granted exclusive licenses for the rights to develop and commercialize BGB-283 to Merck KGaA worldwide (outside China). We are currently conducting all clinical development and will continue to do so until Merck KGaA exercises its Continuation Option as further described in the section titled "—Collaboration with Merck KGaA."

BGB-290 is a molecularly targeted, orally available, potent and highly selective inhibitor of PARP1 and PARP2. We are currently developing BGB-290 as a monotherapy and in combination with other therapies for the treatment of homologous recombination deficient cancers, which are cancers that contain abnormalities in their DNA molecule repair mechanisms, making these cancers particularly sensitive to PARP inhibitors. We intend to initiate studies of BGB-290 in combination with

BGB-A317 for the treatment of ovarian, breast, pancreatic, prostate, small cell lung cancers and glioblastoma, and in combination with chemotherapies for the treatment of gastric cancer, small cell lung cancer, and glioblastoma.

We believe BGB-290 has the potential to be differentiated from other PARP inhibitors, including olaparib, the only PARP inhibitor currently approved by the FDA and the EMA, in terms of selectivity, DNA-trapping activity, oral bioavailability and brain penetration.

We are evaluating BGB-290 in the ongoing dose-escalation phase of our clinical trial in Australia. We have dosed a total of 35 patients as of October 12, 2015. Initial analysis of data from this trial has shown BGB-290 to be well-tolerated. Proof-of-concept has also been established, with anti-tumor activity seen starting at the lowest tested dose and data suggestive of a wide therapeutic window.

With an ongoing clinical trial in Australia, we believe BGB-290 is the first PARP inhibitor being developed in China under the domestic regulatory pathway to enter the clinic.

BGB-A317 is a humanized monoclonal antibody against the immune checkpoint receptor PD-1. We are developing BGB-A317 as a monotherapy and as a combination agent for various solid-organ and blood-borne cancers. PD-1 is a cell surface receptor that plays an important role in down-regulating the immune system by preventing the activation of certain types of white blood cell called T-cells. PD-1 inhibitors remove the blockade of immune activation by cancer cells.

We believe BGB-A317 is differentiated from the currently approved PD-1 antibodies with the ability to bind Fc gamma receptor I, or Fc γ RI, specifically engineered out, and we believe this could potentially result in improved activities. In addition, BGB-A317 has a unique binding signature to PD-1 with high affinity and superior target specificity.

We are evaluating BGB-A317 in the ongoing dose-escalation phase of our clinical trial in relapsed or refractory solid tumor patients in Australia. We have dosed a total of 33 patients as of October 12, 2015.

With an ongoing clinical trial in Australia, we believe that BGB-A317 is the first PD-1 antibody being developed in China under the domestic regulatory pathway to enter the clinic.

Our Preclinical Programs

Our proprietary cancer biology platform has also allowed us to develop several preclinical-stage drug candidates in potentially important areas. These currently consist of targeted therapies and immuno-oncology agents including a PD-L1 monoclonal antibody, an additional RAF dimer inhibitor, a TIM-3 cell surface protein monoclonal antibody, and a BTK inhibitor for non-oncology indications. We anticipate advancing one or more of our preclinical assets into the clinic in the next 18 months. We believe we have the opportunity to combine our PD-1 monoclonal antibody with other clinical-stage and preclinical candidates in our pipeline portfolio to target multiple points in the cancer immunity cycle.

Merck KGaA Collaboration

We have granted exclusive licenses to the rights to develop and commercialize BGB-283 to Merck KGaA worldwide (outside of China). We have not granted commercial rights to our other drug candidates and retain exclusive rights to BGB-283 in China. In the area of BRAF, we are limited from competing within the licensed individual patents for BGB-283, but are otherwise free to develop drug candidates directed to those targets and have active programs in those areas. We also have a limited collaboration with Merck KGaA on our BGB-290 PARP program. For more

information on our collaborations with Merck KGaA, please see the section titled "—Collaboration with Merck KGaA."

Regulatory Framework and Structural Advantages of Being a China-Based Research and Development Organization

We believe that basing our research and development effort in China offers important regulatory advantages that differentiate us from most multinational biopharmaceutical and biotechnology companies. These advantages include the following:

- Potential for more rapid approval in the world's second largest commercial market, China, due to a separate regulatory framework for locally developed drug candidates. This faster and more efficient pathway to approval creates the potential for our drug candidates to be first-in-class locally and to obtain approval in China prior to ex-China developed candidates. By developing our compounds preclinically and manufacturing them in China, we have the ability to seek product approval from the CFDA as a domestic Category 1 drug. This domestic Category 1 designation allows us to use a faster route for bringing our products to market than the Category 3 regulatory process available to multinational companies with drugs approved for marketing by major foreign drug regulatory authorities, such as the FDA or EMA. We believe the Category 1 regulatory pathway will allow us to provide patients in China more rapid access to safe and effective cancer therapies.

- The opportunity to supplement and accelerate global clinical development by accessing the Category 1 China local regulatory path for locally developed drug candidates to enable more rapid clinical trial enrollment from a pool of approximately 20–25% of the world's cancer patients. The prevalence rates for some cancers, such as lung, gastric, liver and esophageal are higher in China, and for others, such as breast and cervical, are lower.

- Currently, many global standard-of-care therapies are not approved or available in China, resulting in a significant need for innovative therapeutics with strong efficacy and safety profiles. As a result, we believe there is a higher likelihood that drug candidates that have demonstrated proof-of-concept in the clinic and become qualified for the Category 1 regulatory pathway will receive regulatory approval in China.

We believe our strategy and approach is aligned with the Chinese government's policies, and we intend to continue to work with local authorities to bring innovative therapeutics to patients in China as quickly as possible. Our commitment for advancing oncology care in China is shared by our investors, including Hillhouse Capital and CITIC PE, which have significant local market expertise.

In August 2015 the State Council issued a statement, *Opinions on reforming the review and approval process for pharmaceutical products and medical devices* , that contained several potential policy changes that could benefit the pharmaceutical industry:

- A plan to accelerate innovative drug approval with a special review and approval process, with a focus on areas of high unmet medical needs, including drugs for HIV, cancer, serious infectious diseases, orphan diseases and drugs on national priority lists.

- A plan to adopt a policy which would allow companies to act as the marketing authorization holder and to hire contract manufacturing organizations to produce drug products.

- A plan to improve the review and approval of clinical trials, and to allow companies to conduct clinical trials at the same time as they are in other countries and encourage local clinical trial organizations to participate in international multi-center clinical trials.

Detailed policies will likely be publicized in the coming months, and we expect that the CFDA review and approval process will improve over time.

Regulatory Framework for Novel Drugs in China

The CFDA categorizes domestically-manufactured innovative drug applications as Category 1 and imported innovative drug applications as Category 3.

To date, most Chinese companies' applications are filed in Category 1 if the drug has not already been approved by the FDA or EMA. Most multinational pharmaceutical companies' drug registration applications are filed in Category 3.

These two categories have distinct approval pathways as discussed below.

Category 1 Registration Process

Under Category 1, companies are required to obtain approval of a Clinical Trial Application before conducting Phase 1 clinical trials in China. Subsequently, the requirement to obtain approval of Clinical Trial Applications prior to commencing Phase 2 and Phase 3 trials is subject to the CFDA's discretion. The Category 1 registration pathway has a fast track review and approval mechanism if the drug candidate is on a national priority list. We believe the local drug registration process, Category 1, is a faster and more efficient path to approval in the Chinese market than Category 3.

Category 3 Registration Process

A Category 3 new drug is a drug that has received marketing approval in other countries, but is not yet approved in China.

In order to market an imported drug in China, companies must follow the Category 3 registration process to apply for an Import Drug License, or IDL, after the drug has received marketing approval and a Certificate of Pharmaceutical Product, or CPP, from a major foreign drug regulatory authority, such as the FDA or EMA. Compared with the Category 1 registration process, the Category 3 registration process is more complex and evolving.

The first step in the process after receipt of a CPP, is to obtain approval of a Clinical Trial Application to conduct registration studies. A pharmacokinetic study in Chinese subjects is also required. Once this study is completed, the applicant must submit the clinical data package to the CFDA along with other required information for the issuance of an IDL. The total IDL approval process typically takes more than five years from the receipt of foreign marketing approval.

Currently, the most common strategy for multinational companies is using multi-regional clinical trial, or MRCT, data to support IDL approval. Companies can apply to conduct these MRCTs prior to receiving global regulatory approval, with China as a subset within a broader MRCT. However, these MRCTs are often not designed in a way that accounts for the unique characteristics of the Chinese patient population and local standards of care. If the MRCT data does not meet the CFDA's registration requirements, the company may be required to conduct additional local clinical trials that can potentially delay market access in China for imported drugs by an additional three to four years.

It is clear that the August 2015 statement issued by the Chinese State Council, *Opinions on reforming the review and approval process for pharmaceutical products and medical devices* , will affect the approval process for new drugs, as well as those marketed in other countries but not yet in China; however, how and when this approval process will be changed is currently uncertain.

Our drug candidates are all new therapeutic agents and we have built both research and development, clinical trial capabilities, and commercial manufacturing facilities in China. As a result, we expect all of our current drug candidates will fall within the Category 1 application process. For example, we filed a Clinical Trial Application for BGB-283 as Category 1 and recently received CFDA approval for conducting clinical trials in China. Although the regulatory framework normally

requires approval of separate Clinical Trial Applications prior to initiating each phase of clinical development, in July 2015 the CFDA approved our Clinical Trial Application including all phases of our clinical trials for BGB-283. We have filed similar Clinical Trial Applications for BGB-3111 and BGB-290 and expect to file a similar Clinical Trial Application for BGB-A317 by the end of 2015.

Commercial Opportunities in China

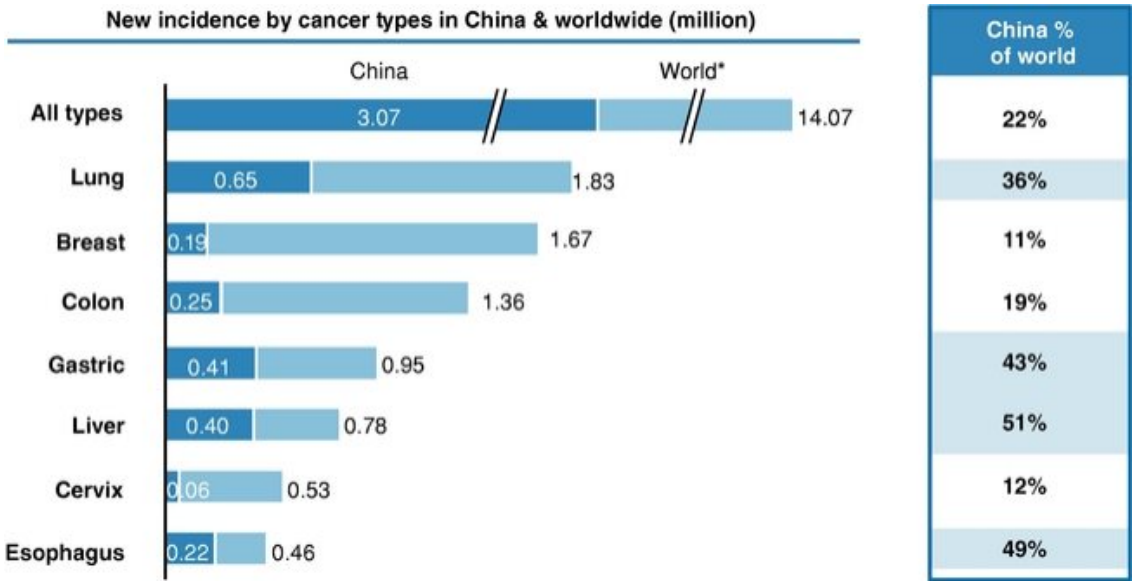
In addition to the structural and clinical advantages afforded to us by basing our research and development operations in China, we see an attractive and growing commercial oncology opportunity in our home market. We continue to retain commercial rights in China for all four of our clinical programs and all preclinical programs.

China's Pharmaceutical Market

China's pharmaceutical market has grown robustly and replaced Japan as the second largest pharmaceutical market in 2013, according to IMS Health. According to the IMS Market Prognosis published in March 2015, the Chinese pharmaceutical market was $109 billion in 2014, as compared to a $373 billion U.S. pharmaceutical market in 2014, and is expected to grow at a compound annual growth rate, or CAGR, of 9.3% over the next five years reaching $171 billion by 2019. The growth of the Chinese pharmaceutical market is attributable, in particular to:

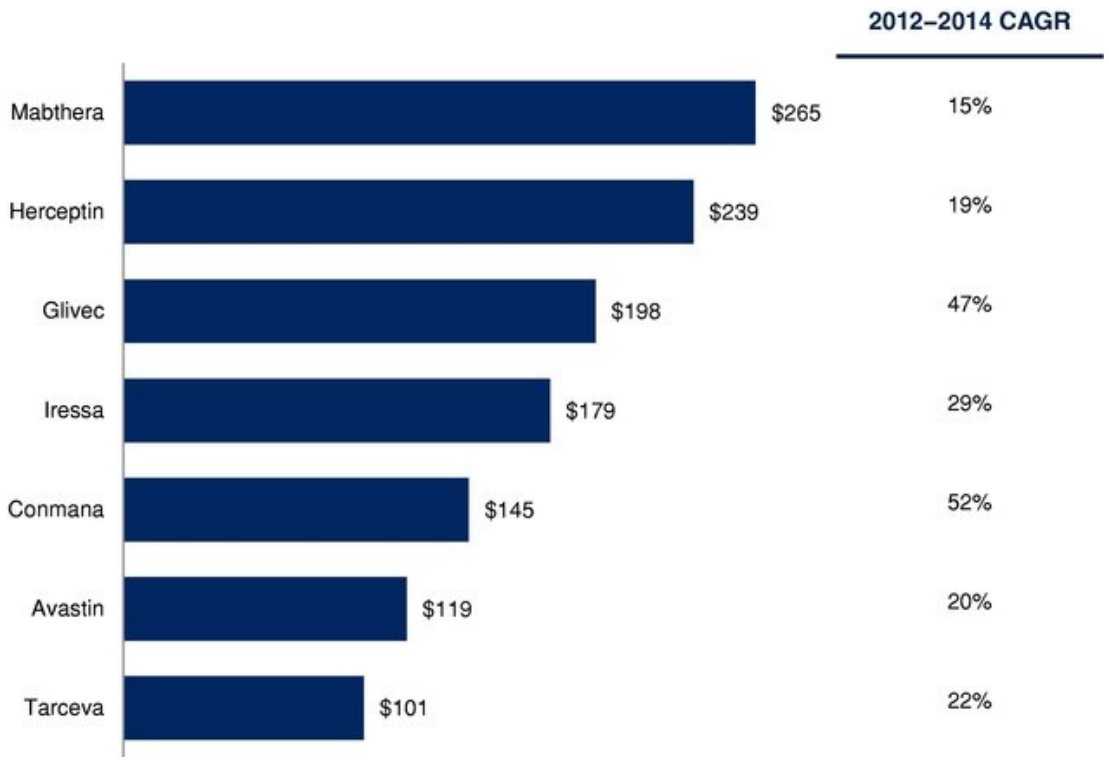
- An aging population, modern diet, lack of exercise and environmental issues that are increasing the prevalence of chronic diseases.
- Increases in disease prevalence, awareness, diagnostics and treatment rates.
- The continuous and rapid increase of personal disposable income and the establishment of basic national health insurance coverage; making health care more accessible to more patients.

China provides an opportunity to access largely untapped clinical trial pools and develop drugs for a population for whom global standard of care therapies are not available. China has nearly a quarter of the world's cancer patient population and one third to half of cancer patients in certain tumor types are in China.



The oncology market in China is estimated to have grown at a CAGR of 24% in the last decade through 2014. In recent years, sales of targeted therapy drugs in retail channels have increased rapidly. Although expensive targeted therapy drugs are not included in basic national healthcare insurance and have historically had very little coverage by provincial insurance plans, the targeted therapy drug market has continued to grow rapidly despite being an out-of-pocket market. This growth is attributable to patients' needs, willingness to pay and newly launched drugs.

2014 revenue for targeted oncology therapies in China (USD in millions) and two year historical CAGRs



Source: CFDA Southern Medicine Economic Research Institute

Introduction of Reimbursement

The State Council requires central and provincial authorities across the PRC to promote a medical insurance program for major illnesses. By the end by 2015, all urban and rural residents covered by basic medical insurance programs are required to be covered by the insurance program for major illnesses, according to a State Council policy issued on July 28, 2015. As a complement to basic insurance programs, this program is required to cover at least 50% of the medical cost incurred in connection with treating major illnesses and is supplemental to basic insurance programs. The State Council now requires provincial authorities to increase reimbursement rates over the next three years.

According to the PRC Central Government's guidance issued in March 2015, each province will decide which drugs to include in its provincial major illness reimbursement lists and the percentage of reimbursement, based on local funding. For example, Zhejiang province, located in the Yangtze river delta area with a population of 55 million, announced its provincial major illness drug reimbursement list in early 2015. The list includes 31 high-priced drugs, 15 of which are

targeted therapy agents for cancer, including Glivec, Ireesa, Erbitux, Herceptin, and Rituxan. Although it will take three years to establish comprehensive national coverage, the affordability of the high-priced, novel cancer agents to Chinese patients will improve significantly and the targeted therapy market is expected to enter a rapid growth period.

Our Mission and Strategy

Our mission is to become a global leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancer. To achieve our mission, we intend to pursue the following strategies:

- **Rapidly advance our pipeline programs through global development.** In the next 12 months, we plan to make significant advances within our clinical-stage pipeline. For BGB-3111, we have initiated a monotherapy dose-expansion trial for a variety of lymphomas. For BGB-283, we have initiated a monotherapy dose-expansion trial for a variety of BRAF, KRAS and NRAS mutated cancers. For BGB-3111 and BGB-283, we will continue to enroll multiple expansion cohorts and significantly increase the number of sites globally participating in these trials. For BGB-290, we plan to initiate a monotherapy dose-expansion trial in selected tumor types that may have sensitivity to PARP inhibition. For BGB-A317, we plan to initiate a monotherapy dose-expansion trial for various cancers. We also have a robust pipeline of preclinical programs, and are planning to advance one or more of these programs into the clinic in the next 18 months.

- **Pursue global development of combination therapies.** We believe our ownership of both molecularly targeted and immuno-oncology drugs puts us in an advantageous position to develop potentially best-in-combination or first-in-combination therapies that could produce high rates of more durable responses in patients. We have four clinical-stage, independently discovered drug candidates in important and combinable molecularly targeted and immuno-oncology drug classes including BTK inhibitor, PARP inhibitor, RAF dimer inhibitor and PD-1 inhibitor. We believe that we are the only company today to wholly own both a clinical-stage BTK inhibitor and PD-1 inhibitor and one of the few companies to have discovered, and advanced to clinical stage, a PARP inhibitor and PD-1 inhibitor, or a BRAF inhibitor and PD-1 inhibitor, for use as combination therapy. In addition to monotherapy trials, we are planning combination trials using internally discovered drug candidates as well as third-party agents. For BGB-3111, we plan to initiate combination trials with the anti-CD20 antibody, obinutuzumab, and BGB-A317. For BGB-283, we plan to initiate combination trials with other agents such as chemotherapy and BGB-A317. For BGB-290, we plan to initiate combination trials with temozolomide and BGB-A317. For BGB-A317, we plan to initiate combination trials with our clinical-stage molecularly targeted drug candidates.

- **Continue to use our cancer biology platform to discover additional candidates with best-in-class characteristics and potential for use in rational combinations.** We plan to use our cancer biology platform to discover additional drug candidates with the potential to be best-in-class monotherapies and also important components of multiple-agent combination regimens. In the last five years, we have been successful in discovering four clinical stage and numerous promising preclinical drug candidates. By further investing in and improving our cancer biology platform, we expect that the platform will continue to help us select relevant drug targets, identify potential best-in-class drug candidates and develop regimens for rational drug combinations.

- **Bring transformative oncology therapeutics to our home market in China.** We are committed to addressing the needs of cancer patients in our home market. China is one of the largest and fastest growing markets for cancer drugs worldwide, representing approximately 20–25% of the world's cancer population and an even greater proportion in

lung, liver, and gastric cancers. Because many global standard-of-care therapies are not currently approved and available in China, there is a significant unmet need for innovative cancer drugs for patients who are naive to such treatments. In addition, focusing on cancer types of high prevalence in China will aid our global development efforts in these indications. We plan to seek approval from the CFDA for our cancer drugs as domestic Category 1 drugs and strive to have our drug candidates selected and listed as national priorities. The ability to launch our cancer drugs in our home market, which has a large patient population, will also help us establish broad safety and efficacy profiles for each drug, enabling us to build a full portfolio for future drug combinations.

- **Maintain our culture as we grow our business globally.** We believe our science-driven, cooperative and non-hierarchical culture is a key strength of our organization and will continue to be instrumental to our success. As an innovative biotechnology company with research facilities in China, we have been able to attract an internationally trained research team of over 110 talented scientists. Many members of our team moved back to China from other countries to join us because they share our goals of advancing the discovery and development of drugs in China and of working with Chinese clinicians to treat their patients with innovative and effective drugs not currently available to them. We intend to maintain our patient-focused and research-driven culture as we discover and develop new drugs for China and the rest of the world.

- **Retain the value of our pipeline in our core focus area of oncology.** We currently collaborate with Merck KGaA on our BGB-283 program, but retain exclusive development and commercial rights in China. Additionally, we currently retain all worldwide development and commercial rights for our other clinical and preclinical therapeutics. We also have a limited collaboration with Merck KGaA on our BGB-290 PARP program. We intend to protect our ability to direct global preclinical studies and clinical trials for our drug candidates as monotherapy and combination therapy and to maintain exclusive rights in our home market. However, we may opportunistically evaluate additional collaboration opportunities that could increase the value of our programs by accessing the expertise or infrastructure of strategic collaborators or by developing drug candidates with potential applications outside of our strategic focus on cancer.

Product Pipeline

BGB-3111, Bruton's Tyrosine Kinase Inhibitor

BGB-3111 is a potent and highly selective small molecule BTK inhibitor. We are currently developing BGB-3111 as a monotherapy and in combination with other therapies for the treatment of a variety of lymphomas. BGB-3111 has demonstrated higher selectivity against BTK than ibrutinib, the only BTK inhibitor currently approved by the U.S. Food and Drug Administration, or FDA, and the European Medicines Agency, or EMA, and appears to exhibit higher potency as well.

We have completed the 25-patient dose-escalation phase of our clinical trial in Australia, and we are currently conducting the dose-expansion phase in patients with select lymphoid malignancies including chronic lymphocytic leukemia, diffuse large B-cell lymphoma, follicular lymphoma, mantle cell lymphoma, marginal zone lymphoma and Waldenström's Macroglobulinemia. We have dosed a total of 53 patients as of October 12, 2015. Available data from our completed dose-escalation trial indicate that BGB-3111 achieved up to approximately a 3.5- to 7-fold higher exposure level than the approved doses of ibrutinib. As of July 30, 2015, the cutoff date for the most recent data analysis, no protocol-defined dose-limiting toxicities, adverse events leading to drug discontinuation, or drug-related serious adverse events have been observed. Proof-of-concept has been established for BGB-3111 with clinical data indicating that BGB-3111 is a

potent BTK inhibitor with objective anti-tumor activity observed in multiple types of lymphomas starting at the lowest dose tested, 40 mg QD.

Mechanism of Action

BTK is a key component of the B-cell receptor, or 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. BGB-3111 is an orally active inhibitor of BTK that covalently binds to the cysteine Cys-481 of BTK, resulting in irreversible inactivation of the kinase. Nine other kinases in the human genome, including ITK, EGFR and JAK3, contain this similar cysteine residue. It has also been shown that BTK inhibitors can inhibit solid tumor growth by regulating the tumor microenvironment in preclinical animal models.

Market Opportunity

Lymphomas are a group of blood-borne cancers involving lymphatic cells of the immune system. They can be broadly categorized into non-Hodgkin's lymphomas, chronic B-cell leukemias, predominantly chronic lymphocytic leukemia, and acute B-cell leukemias. Depending on the origin of the cancer cells, lymphomas are also characterized as B-cell or T-cell lymphomas. B-cell lymphomas make up approximately 85% of non-Hodgkin's lymphomas and comprise a variety of specific diseases involving B-cells at differing stages of maturation or differentiation. Preliminary data from animal models involving BGB-3111 and third-party BTK inhibitors also suggest potential applications in solid tumors and inflammatory diseases, which could substantially expand our market opportunity.

Current Therapies and Limitations

Conventional methods of treatment of 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 BCR signaling inhibitors, primarily with the BTK inhibitor ibrutinib and the PI3K delta inhibitor idelalisib. In addition, there are other inhibitors of BCR signaling pathways in development, such as PI3K delta/gamma, IRAK4 and SYK.

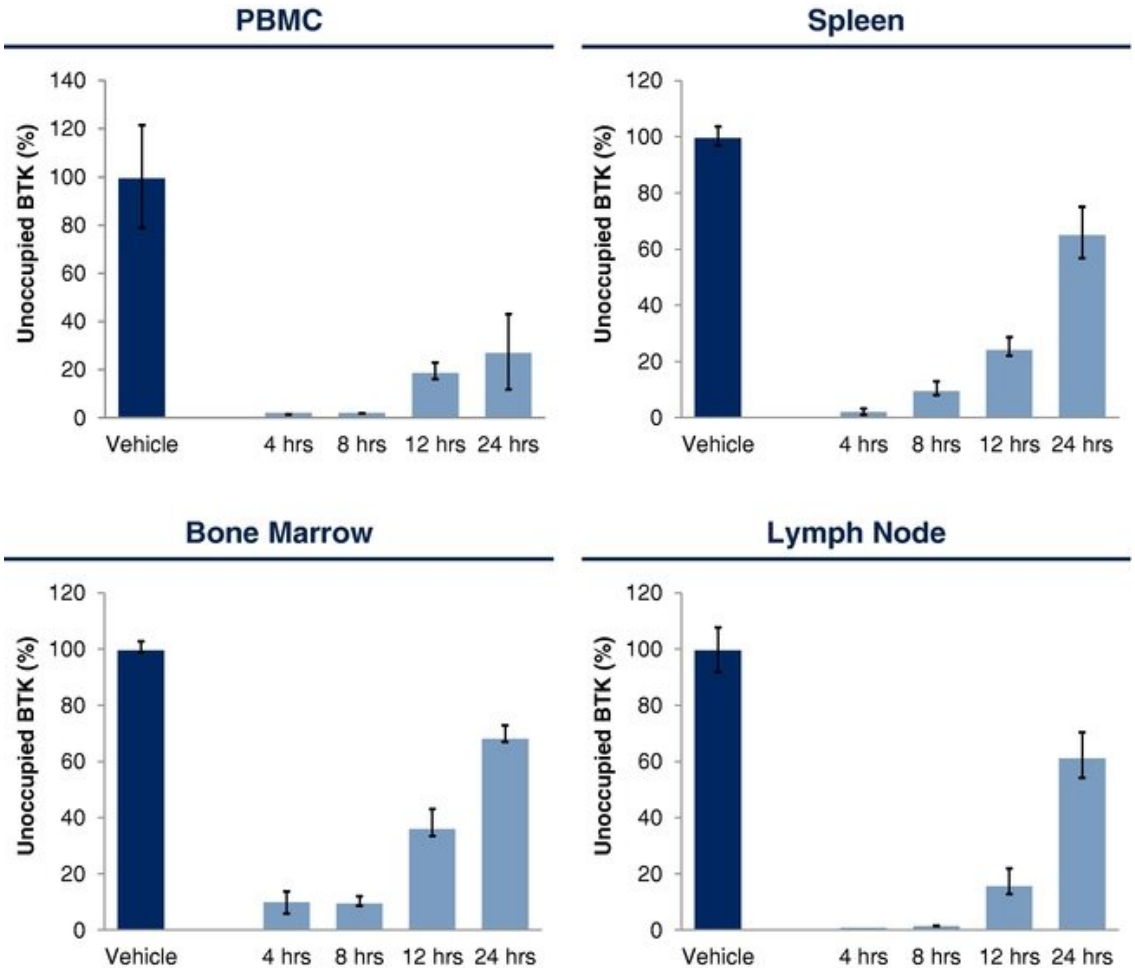
The BTK inhibitor ibrutinib was first approved by the FDA in 2013 for the treatment of patients with mantle cell lymphoma who have received at least one prior therapy. Since 2013, ibrutinib has received supplemental FDA approvals for the treatment of patients with chronic lymphocytic leukemia who have received at least one prior therapy, chronic lymphocytic leukemia patients with 17p deletion, and patients with Waldenström's Macroglobulinemia. Ibrutinib is also approved by the EMA for treatment of patients with relapsed or refractory mantle cell lymphoma, patients with chronic lymphocytic leukemia who have received at least one prior therapy, or first line in chronic lymphocytic leukemia patients with 17p deletion or TP53 gene mutation and are unsuitable for chemoimmunotherapy. The EMA has also accepted an application for potential label expansion for patients with Waldenström's Macroglobulinemia. Ibrutinib has subsequently been approved in over 40 countries, but not China. Reported U.S. sales of ibrutinib were $492 million in 2014, the first full year after launch, and $234 million in the second quarter of 2015. In addition to the approved indications, positive Phase 3 results have been announced for ibrutinib in treatment-naive chronic lymphocytic leukemia or small lymphocytic lymphoma patients aged 65 or older. Clinical data also suggest that ibrutinib has activity in other common lymphomas, such as diffuse large B-cell lymphoma and follicular lymphoma.

Despite the clinical and commercial success of ibrutinib, we believe based on its product profile that meaningful differentiation is possible in at least the following aspects:

- *Safety and tolerability.* Although ibrutinib has shown a favorable safety profile compared to traditional chemotherapies, it is associated with adverse reactions that can limit its tolerability as a chronic treatment, and in some cases can be treatment-limiting or life-threatening. These adverse reactions—including diarrhea, thrombocytopenia, or low blood platelet count, bleeding and atrial fibrillation—are believed to be due to ibrutinib's broad inhibition of kinases other than BTK, including EGFR, JAK3 and TEC.

- *Sustainable target inhibition in disease originating tissue.* Although ibrutinib induced sustained BTK inhibition when measured in the plasma of patients, our preclinical studies of ibrutinib show that target inhibition at disease originating tissues, such as bone marrow and spleen, in mice and rats was not sustained over a 24-hour period. As shown below, assays measuring the occupancy of BTK show that while a majority of BTK is occupied by a drug molecule in the blood 24 hours after dosing, less than 40% of BTK was occupied in spleen tissue, bone marrow, and lymph nodes, 24 hours after dosing.

Ibrutinib's target suppression in rats is less sustainable in tissues than in the peripheral blood mononuclear cells, or PBMCs, in blood



Note: 50 mg/kg ibrutinib used in this study, which we believe is the equivalent to the approved human dose.

- *Oral bioavailability.* Ibrutinib has shown 7–23% oral bioavailability in preclinical studies, as evidenced by the daily dose of 420 mg or 560 mg required in the clinic.

- *Combinability with ADCC-dependent antibodies.* Anti-CD20 agents, such as rituximab, obinutuzumab and ofatumumab, are considered very effective therapies for lymphomas. Several preclinical studies have demonstrated that ibrutinib, potentially due to its inhibitory activity against ITK, interferes with rituximab-medicated ADCC, which is the mechanism by which rituximab and other anti-CD20 antibodies are believed to exert their immune defense activities. Therefore, these preclinical data suggest that the activity of rituximab and other ADCC-dependent antibodies may be reduced when combined with ibrutinib.

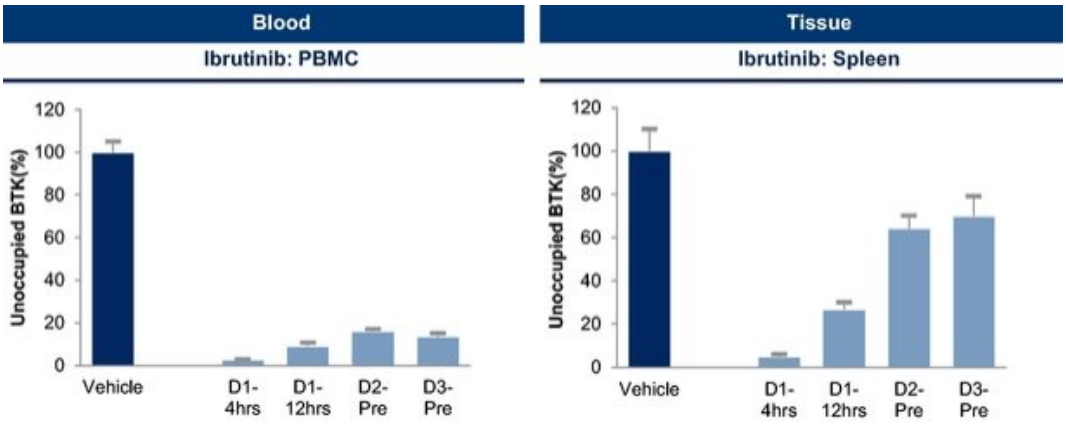
Potential Advantages of BGB-3111

We believe, based on our preclinical and clinical data, that BGB-3111 has the potential to be differentiated from ibrutinib in the following aspects:

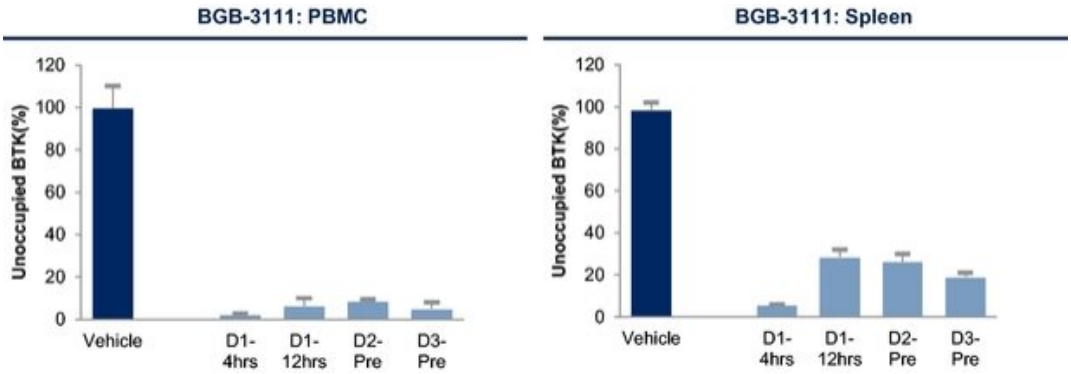
- *Better safety and tolerability.* Based on our preclinical studies, we believe BGB-3111 is more selective than ibrutinib in the inhibition of BTK and has less off target inhibition of other kinases, including EGFR, ITK, JAK3, HER2 and TEC, which we believe are associated with ibrutinib toxicity. Results from our preclinical biochemical and cellular assays show that BGB-3111 has similar potency for BTK as compared to ibrutinib while being less active against other kinase targets than ibrutinib, as reflected by the higher dose required to inhibit half the enzymatic activity, or IC_{50}. Based on the selectivity of BGB-3111 relative to ibrutinib, a 2- to 70-fold higher concentration of BGB-3111 is required to achieve similar levels of inhibition in these other targets as compared to ibrutinib. Therefore, BGB-3111 has the potential to be associated with fewer toxicities. Available data from our completed dose-escalation trial indicate that BGB-3111 achieved up to approximately a 7-fold higher exposure level than the approved doses of ibrutinib.

- *More sustained inhibition in disease originating tissue.* In our preclinical studies, BGB-3111 has demonstrated favorable pharmacokinetic properties. The comparatively high drug level of BGB-3111 in disease originating tissue as demonstrated in the clinic could potentially translate into a more complete and sustainable inhibition and a better quality of response than ibrutinib. In addition, BGB-3111's favorable safety profile may allow higher doses and more frequent dosing, which could result in more sustained target inhibition. This is currently being investigated in the clinic. At their respective clinically relevant doses in mice (QD for ibrutinib at 50 mg/kg; twice-daily, or BID, for BGB-3111 at 50 mg/kg), BGB-3111 showed more sustained BTK occupancy in spleen than ibrutinib, albeit similar BTK occupancy in blood.

BGB-3111 achieved more sustained BTK inhibition in mice than Ibrutinib using clinically relevant dosing regimens



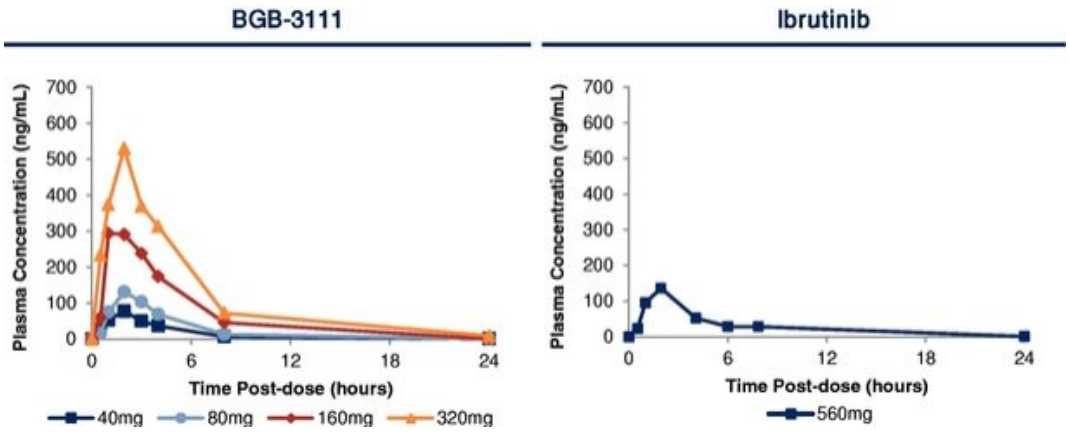
Note: Ibrutinib is given 50 mg/kg once a day; D1 stands for day 1; D2 stands for day 2; D3 stands for day 3; Pre stands for pre-dose.



Note: BGB-3111 is given 50 mg/kg twice a day; D1 stands for day 1; D2 stands for day 2; D3 stands for day 3; Pre stands for pre-dose.

- *Better oral bioavailability*. BGB-3111 has shown oral bioavailability of 25–47% in our preclinical animal studies. Based on human data generated in our dose-escalation trial compared to reported data for ibrutinib, BGB-3111 has better oral bioavailability than ibrutinib. As illustrated in the graph below, pharmacokinetic clinical data show a robust and dose-dependent increase in drug exposure and the drug exposure of BGB-3111 at 80 mg QD was comparable to that reported for ibrutinib at 560 mg QD. In addition, the free drug concentration of BGB-3111 at 40 mg QD was comparable to that reported for ibrutinib at 560 mg QD.

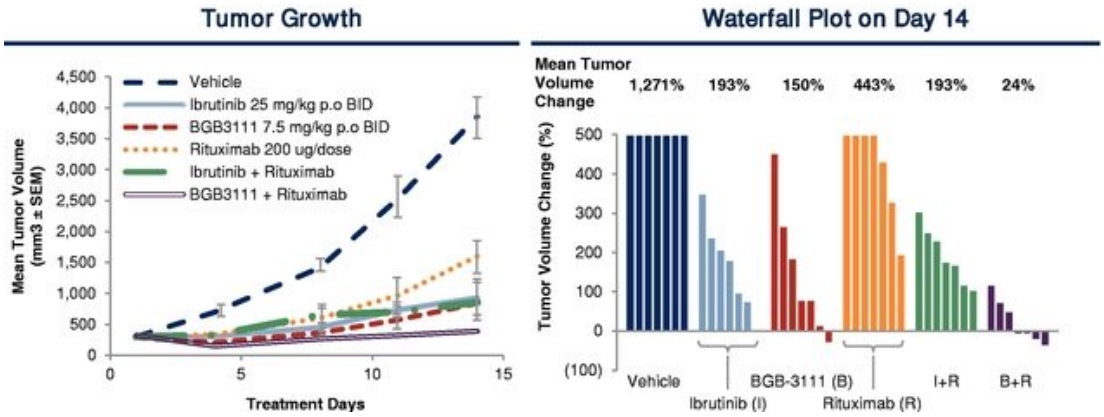
Human pharmacokinetics of BGB-3111 and ibrutinib



Source: Adapted from Advani et al., JCO (2013)

- *Better combinability with ADCC-dependent antibodies.* Our preclinical data show that BGB-3111 has less off-target inhibition for ITK than ibrutinib in biochemical and cell models. BGB-3111 displayed a more limited inhibitory effect on rituximab-induced ADCC than ibrutinib in cell-based studies. As shown in the graph below, in a human mantle cell lymphoma xenograft model the addition of rituximab to ibrutinib did not improve tumor activity as compared to ibrutinib as a monotherapy. However, the combination of rituximab and BGB-3111 demonstrated improved anti-tumor activity as compared to either as a monotherapy. We believe this may translate into better activity in patients when BGB-3111 is combined with rituximab or other ADCC-dependent antibody therapies.

BGB-3111 exhibited better combination activity with rituximab than ibrutinib in animal models



Summary of Clinical Results

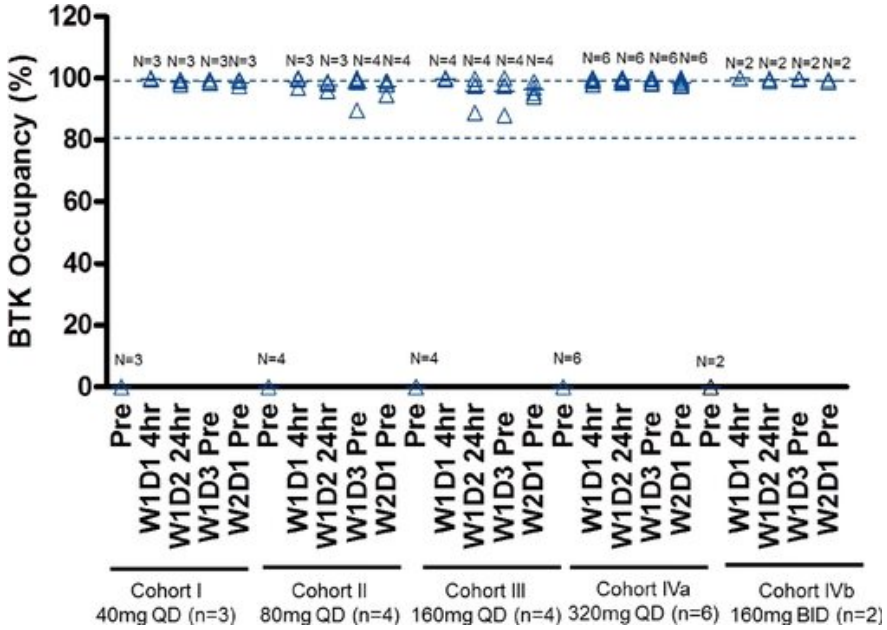
BGB-3111 has completed the dose-escalation phase of our multi-center, open-label clinical trial in Australia and is currently in the 100-patient expansion-cohort part of the trial. As of October 12, 2015, a total of 53 patients have been dosed in this trial.

The dose-escalation phase of our clinical trial for BGB-3111 started in August 2014. The trial, conducted in Australia, was designed to assess the safety, tolerability, pharmacokinetic properties

and efficacy of BGB-3111 as a monotherapy. In the dose-escalation phase of our clinical trial, a total of 25 patients with relapsed or refractory non-Hodgkin's lymphoma and chronic lymphocytic leukemia with a median of two prior therapies were enrolled in five dose cohorts (40, 80, 160, and 320 mg QD; 160 mg BID). No dose-limiting toxicities have been encountered and the maximum tolerated dose was not reached. We determined the recommended dose for the dose-expansion phase of our clinical trial based on our pharmacokinetics, pharmacodynamics, safety and efficacy evaluation of BGB-3111.

The initial results of the dose-escalation phase of our clinical trial are shown below. Consistent with BGB-3111's pharmacokinetic profile, as shown below, complete and sustained 24-hour BTK occupancy in the blood was demonstrated in all patients, starting at the lowest dose of 40 mg QD.

Ongoing clinical trial data show sustained full BTK occupancy by BGB-3111



Note: 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. W1D2, W1D3 and W2D1 are all pre-dose samples.

As of July 30, 2015, the cutoff date for the most recent data analysis, among the 25 patients treated in the dose-escalation trial, while treatment for four patients was discontinued due to progressive disease, treatment was not discontinued from any patients due to adverse events. No patients experienced drug-related serious adverse effects or adverse event-related deaths. Of 21 $\geq$ grade 3 adverse events, three were assessed by investigators as potentially drug-related—all were self-limiting neutropenia in chronic lymphocytic leukemia patients, two of whom had neutropenia at baseline. No grade 3/4 bleeding events were recorded. Four patients had a baseline history of atrial fibrillation/flutter, and no exacerbation or new event of atrial fibrillation/flutter was reported. Drug-related adverse events are summarized in the table below.

Drug-related adverse events reported in the dose-escalation phase of our clinical trial of BGB-3111

System	All Grade		Grade 3-4		Doses				
	n (pts)	% (n=25)	n (pts)	% (n=25)	40 mg QD (n=4)	80 mg QD (n=5)	160 mg QD (n=6)	320 mg QD (n=6)	160mg BID (n=4)
Gastrointestinal Disorders									
Diarrhea	1	4%	0	0				1	
Dyspepsia	1	4%	0	0		1			
Mouth Ulceration	1	4%	0	0			1		
Nausea	1	4%	0	0		1			
Gastroesophageal Reflux Disease	1	4%	0	0					1
Skin and Subcutaneous Tissue Disorders									
Petechia	6	24%	0	0	1	1		4	
Bruising	4	16%	0	0	1			2	1
Rash	2	8%	0	0	1	1			
Skin Lesion	1	4%	0	0			1		
Nervous System Disorders									
Neuropathy Peripheral	2	8%	0	0	1		1		
Infections and Infestations									
Lower Respiratory Tract Infection	1	4%	0	0				1	
Herpes Simplex	1	4%	0	0			1		
Blood and Lymphatic System Disorders									
Neutropenia	4	16%	3	12%		1		3	
Renal and Urinary Disorders									
Haematuria	1	4%	0	0				1	
Musculoskeletal and Connective Tissue Disorders									
Myalgia	1	4%	0	0					1
Eye Disorders									
Periorbital Oedema	1	4%	0	0		1			
General Disorders and Administration Site Conditions									
Fatigue	3	12%	0	0	1		1		1

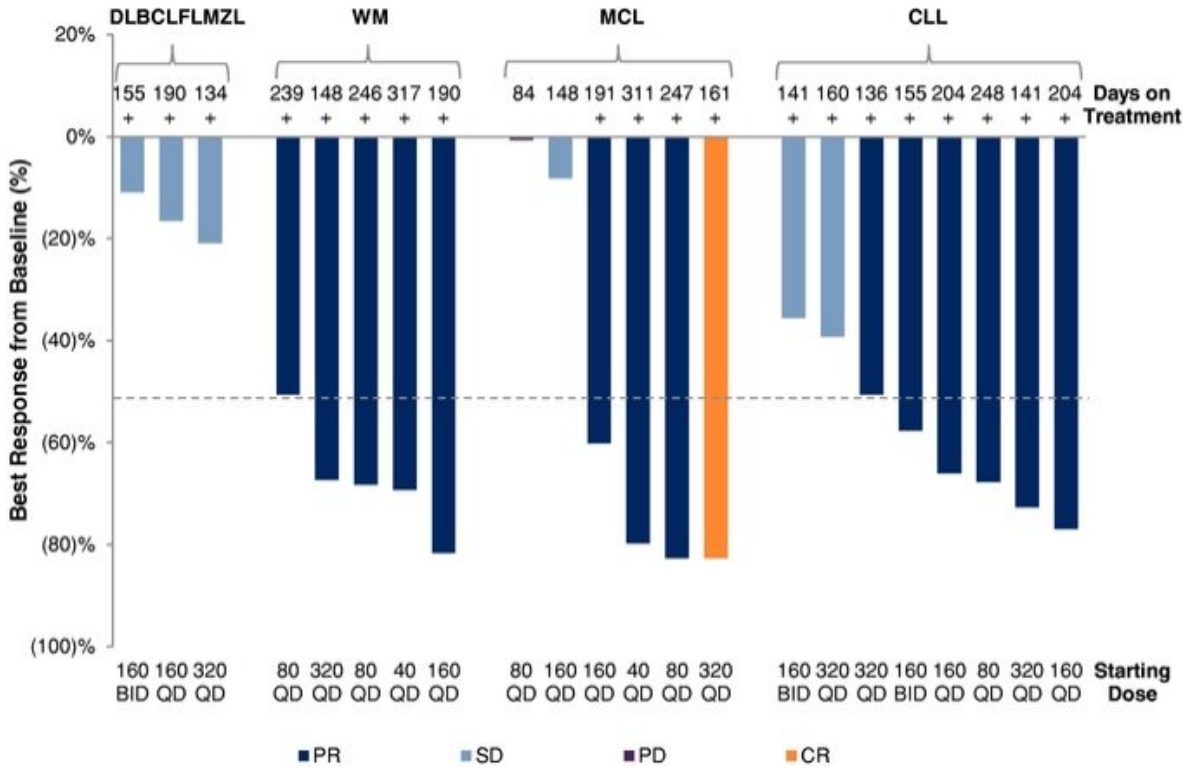
Note: Adverse events were reported pursuant to Common Terminology Criteria for Adverse Events v4.03 (patients with baseline cytopenias remained evaluable for neutropenia and thrombocytopenia). Data as of July 30, 2015.

Early clinical data indicate that BGB-3111 is a potent BTK inhibitor with objective anti-tumor activity observed in multiple types of lymphomas starting at the lowest dose tested. As of July 30, 2015, the cutoff date for the most recent data analysis, preliminary data show that among 25 patients treated in the dose-escalation phase of our clinical trial, 16 patients had an objective response including one patient with a complete response and 15 patients with a partial response. Best responses are:

- Of the eight chronic lymphocytic leukemia patients treated, six had a partial response and two had stable disease.
- Of the six mantle cell lymphoma patients treated, one had a complete response, three had a partial response, one had stable disease and one had progressive disease.
- Of the six Waldenström's Macroglobulinemia patients treated, five had a partial response and one had progressive disease.
- An additional partial response was seen in a hairy cell leukemia patient.

In addition to five patients with stable disease, all responders remained on BGB-3111 treatment as of July 30, 2015 with the duration of ongoing treatment ranging from four to 10 months. A waterfall plot of all evaluable patients is shown below. In summary, we believe our clinical data support our further investigation of BGB-3111 as a potentially safe, well-tolerated and highly active BTK inhibitor.

Best response in 22 patients with chronic lymphocytic leukemia, non-Hodgkin's lymphoma and Waldenström's Macroglobulinemia



Note: Best responses evaluated by CT scan (sum of the products of greatest transverse diameters, or SPD, CLL, NHL patients) or IgM levels (WM patients) are shown. Patients were evaluated by CT scan or IgM levels, in the case of Waldenström's Macroglobulinemia. Patients not included: one patient with hairy cell leukemia with a partial response and two patients who progressed before restaging. Responses were determined per histology-specific standard criteria (non-Hodgkin's lymphoma IWG criteria 2014; modified chronic lymphocytic leukemia IWG criteria 2015; Waldenström's Macroglobulinemia IWWM criteria 2013). Data as of July 30, 2015.

In April 2015, we initiated the multi-cohort dose-expansion phase of the ongoing clinical trial in patients with different subtypes of lymphomas, including chronic lymphocytic leukemia, diffuse large B-cell lymphoma, follicular lymphoma, mantle cell lymphoma, marginal zone lymphoma and Waldenström's Macroglobulinemia. As of October 12, 2015, 53 patients have been enrolled in the dose-expansion phase of our clinical trial.

Late in 2015, we expect to start a combination trial of BGB-3111 with the CD20 antibody obinutuzumab in patients with chronic lymphocytic leukemia and other lymphomas. In addition, on the basis of the supportive preclinical combination data discussed below, we plan to explore the combination of BGB-3111 with our PD-1 antibody BGB-A317. We are also evaluating later stage trials for various lymphomas.

In China, we plan to start an abbreviated dose-escalation trial followed by potential registration trials in chronic lymphocytic leukemia, mantle cell lymphoma and Waldenström's Macroglobulinemia. In addition, because obinutuzumab is not approved in China, we plan to conduct a combination trial with the CD20 antibody rituximab in chronic lymphocytic leukemia and non-Hodgkin's lymphoma.

We plan to present our data from the dose-escalation phase of our clinical trial at a medical conference in the fourth quarter of 2015. We also plan to present data from the dose-expansion phase of our clinical trial starting in 2016. We plan to initiate our combination trials of BGB-3111 in late 2015 to 2016 and plan to present the data from our combination trials in 2016 or 2017.

BGB-283, RAF Dimer Inhibitor

BGB-283 is a small molecule RAF inhibitor. We are currently developing BGB-283 as a monotherapy and in combination with other therapies for the treatment of cancers with aberrations in the MAPK pathway, including BRAF mutations and KRAS/NRAS mutations where first generation BRAF inhibitors are not effective. We intend to develop BGB-283 to treat various malignancies, including colorectal cancer, non-small cell lung carcinoma, endometrial cancer, ovarian cancer, pancreatic cancer and papillary thyroid carcinoma. Currently approved first-generation BRAF inhibitors, vemurafenib and dabrafenib, are only active against the BRAF monomer. BGB-283 inhibits not only the monomer but also the dimer forms of BRAF. We believe BGB-283 has the potential to be a first-in-class RAF dimer inhibitor globally.

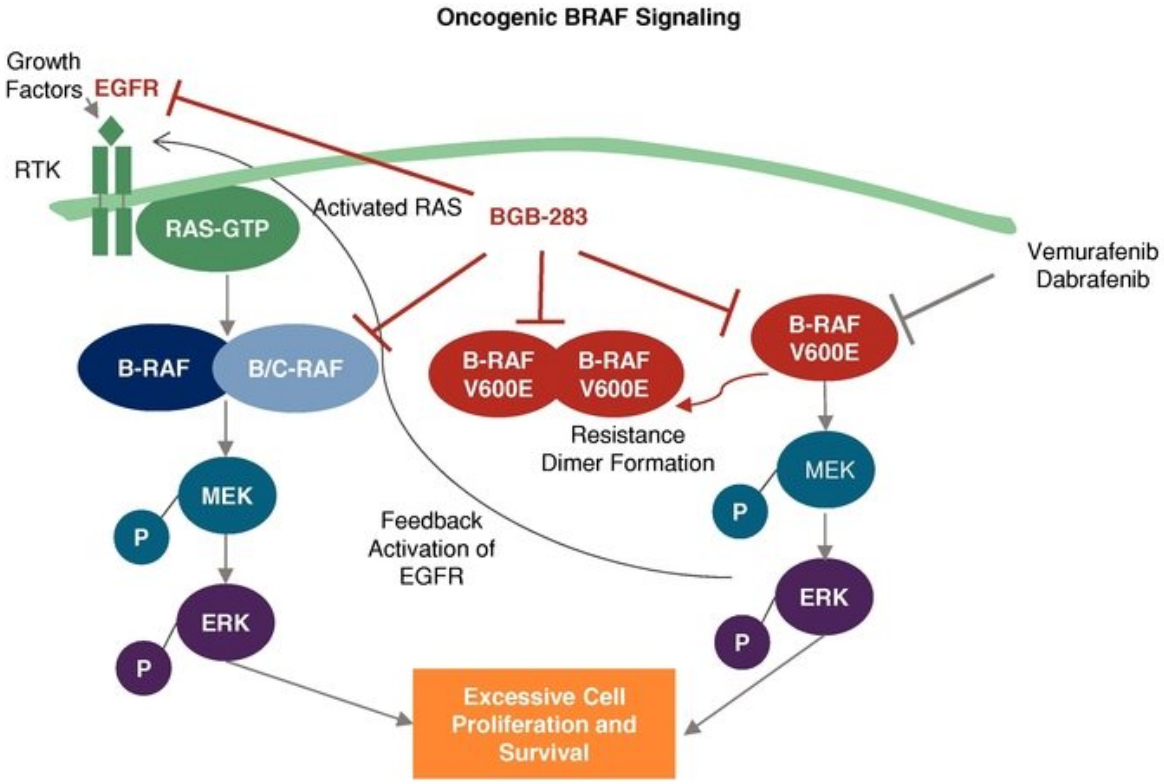
We have completed the 32-patient dose-escalation phase, and we are currently conducting the dose-expansion phase, of our clinical trial in Australia and New Zealand in a broad range of patient populations, including BRAF mutated melanoma, thyroid cancer, colorectal cancer, non-small cell lung cancer and other non-BRAF mutated tumors as well as KRAS/NRAS mutated endometrial cancer, colorectal cancer, non-small cell lung cancer and other KRAS/NRAS mutation bearing cancers, where first-generation BRAF inhibitors have not been effective. We have dosed a total of 81 patients as of October 12, 2015. Initial analysis of data from these trials has shown BGB-283 to be well-tolerated with a favorable safety profile. We have achieved proof-of-concept in a range of cancers including those with KRAS and BRAF mutations. We have granted exclusive licenses for the rights to develop and commercialize BGB-283 to Merck KGaA worldwide (outside China). We are currently conducting all clinical development and will continue to do so until Merck KGaA exercises its Continuation Option as further described in the section titled "—Collaboration with Merck KGaA."

Mechanism of Action

The MAPK pathway is a chain of proteins that communicates a signal from a receptor on the surface of a cell to the DNA in the nucleus of the cell. The pathway includes a small G protein (RAS) and three protein kinases (RAF, MEK, and ERK). A kinase is an enzyme that catalyzes the transfer of a phosphate group from a donor molecule to an acceptor. This process often acts as an "on" or "off" switch to regulate cellular signaling. The MAPK pathway plays an essential role in regulating cell proliferation and survival. Activation of the RAS-RAF-MEK-ERK kinase cascade by external stimuli transduces signals from the plasma membrane into the cell nucleus to control gene expression and determine cell fate. Aberrant activation of the MAPK signal transduction pathway is frequently found in different types of cancers, contributing to increased cell division, suppressed apoptosis, and enhanced cell motility and invasion. In many cancers, a defect in the MAPK pathway leads to uncontrolled tumor growth. The two key components of the MAPK pathway, BRAF and RAS, are two of the most frequently mutated genes in human cancers. BRAF is one of the three kinases that belong to the RAF kinase family. There are three members: ARAF, BRAF and CRAF. BRAF is the most frequently mutated oncogene in this kinase superfamily. Mutated BRAF and RAS lead to activation of the MAPK pathway and promote tumor development and growth. Functions of BRAF in the MAPK pathway are key to cell proliferation and survival. Mutations that lead to activation of BRAF promote cell transformation and proliferation and thus positively correlate with tumor development and growth. The most frequent BRAF mutation, BRAF V600E, causes constitutive activation of the kinase as well as insensitivity to negative feedback mechanisms. The mutated BRAF signals as a monomer, independent of upstream growth stimuli. It has been found

that RAF kinases can homo- and heterodimerize and form homodimer or heterodimer of RAF proteins. Dimerization has been reported to be one of the key mechanisms of resistance to first-generation BRAF inhibitors, such as vemurafenib and dabrafenib. The three most common molecular mechanisms of acquired resistance of BRAF V600E melanomas to RAF inhibitors—NRAS mutation, splicing of BRAF V600E that produce a truncated BRAF kinase, and BRAF V600E overexpression due to gene amplification—all result in dimerization of BRAF V600E. First-generation BRAF inhibitors only inhibit the BRAF V600E monomer form at physiologically meaningful concentrations, as shown in the right pathway in the figure below. In contrast, BGB-283 has been shown to inhibit both BRAF V600E monomer and RAF dimer in BRAF inhibitor sensitive and resistant melanoma cell models, which is involved in signaling downstream from RAS, as shown in the left pathway in the figure below. We believe this feature of BGB-283 may help to address the drug resistance issues in BRAF mutated tumors and further expand its utility into RAS mutated patient populations.

BGB-283 inhibits RAF dimers and EGFR in addition to BRAF V600E kinase



Source: Adapted from Wan PTC, et al.

Market Opportunity

We believe BGB-283 has applications in both BRAF mutated cancers and RAS, including KRAS and NRAS, mutated cancers. The oncogenic BRAF V600E mutation was detected in approximately 8% of all human solid tumors, including approximately 45% of papillary thyroid cancers. Mutations in any one of the three RAS genes, HRAS, NRAS or KRAS, are among the most common events in human tumorigenesis. KRAS mutations are detected prominently in colorectal

cancer, non-small cell lung carcinoma and pancreatic cancer. Additionally, notable KRAS or NRAS mutation rates have been reported in melanoma, ovarian cancer, endometrial cancer, bladder cancer, biliary cancer, thyroid cancer, leukemia and multiple myeloma.

The table below illustrates the limited activity of first-generation, FDA-approved BRAF inhibitors outside of melanoma, non-small cell lung cancer and thyroid cancers. The table also shows that these first-generation BRAF inhibitors do not exhibit activity against KRAS and NRAS mutations.

Ability of BGB-283 to address numerous unmet medical needs for KRAS/NRAS and BRAF mutations

			Opportunities for 2nd-gen RAF dimer inhibitor			
	Incidences		BRAF V600E (Opportunity for 1st-gen BRAF inhibitor)		KRAS / NRAS (New opportunities for 2nd-gen RAF dimer inhibitor)	
Indication	US*	World**	Mutation %	Response to 1st-gen BRAF inhibitor	Mutation %	Response to 1st-gen BRAF inhibitor
Melanoma	76,100	232,100	50%	51–53%	22%	No
Colorectal	136,800	1,360,600	10%	5%	36%	No
NSCLC	188,000	1,551,000	1–3%	42%	23%	No
Thyroid	63,000	298,100	44%	29%	14%	No
Pancreatic	46,400	337,900	7%	Not reported	63%	No
Ovarian	22,000	238,700	11%	Not reported	18%	No
Endometrial	52,600	319,600	2%	Not reported	10–30%	No
AML	18,900	352,000	2%	Not reported	18%	No
Multiple Myeloma	24,100	114,300	2.8%	Not reported	39%	No

* 2014 estimates; ** 2012 estimates; NSCLC: non-small cell lung carcinoma; AML: acute myeloid leukemia

Current Therapies and Limitations

Small molecules that selectively target mutant BRAF have shown considerable efficacy in melanoma patients with the BRAF V600E mutation. Vemurafenib and dabrafenib are first-generation BRAF inhibitors approved by the FDA to treat late-stage BRAF V600E mutant melanoma. The limitations of the first-generation BRAF inhibitors are listed below:

- *Limited activity towards RAF dimers.* Vemurafenib and dabrafenib have not demonstrated significant activity outside of melanoma, thyroid, and non-small cell lung cancers with BRAF V600E mutation. One potential explanation for the limited activity of these first-generation BRAF inhibitors beyond BRAF V600E mutant cancers is that they inhibit only the BRAF V600E monomer and do not inhibit the RAF dimers.

- *Limited activity in KRAS/NRAS mutated cancers.* To date, first-generation BRAF inhibitors have not demonstrated activity in RAS mutated cancers. Efforts in developing RAS-directed molecular therapeutics have been limited by the difficulty in selectively targeting the RAS GTPase family of enzymes with small-molecule inhibitors. A number of mitogen/extracellular signal-regulated kinase, or MEK, inhibitors have been developed and tested clinically but have very limited activity in patients with RAS mutated cancers.

- *Limited activity against EGFR.* A number of studies have suggested that feedback activation of EGFR and MAPK signaling upon BRAF inhibition may contribute to the poor response of colorectal cancer patients to the first generation BRAF inhibitors. First generation BRAF

inhibitors do not have inhibitory activity against EGFR and as a result are not able to sequester the feedback activation of EGFR upon BRAF inhibition.

- *Rapid development of resistance.* Despite the success of first-generation BRAF inhibitors in treating metastatic melanoma patients, they are limited by the durability of response. For example, in previously treated metastatic melanoma patients with BRAF V600E mutation who were treated with vemurafenib, approximately 52% of the patients had an objective response, corresponding to significant tumor shrinkage but the median duration of response was only 6.5 months. Only rarely do tumors regress completely in the clinic, and for most patients the therapeutic effects are temporary as resistance to the therapies develops. Studies have shown that the majority of these resistance cases are caused by increased RAF dimer formation in response to treatment with first-generation BRAF inhibitors, resulting in the restoration of extracellular signal-regulated kinase, or ERK, signaling and insensitivity to drug treatment.

Potential Advantages of BGB-283

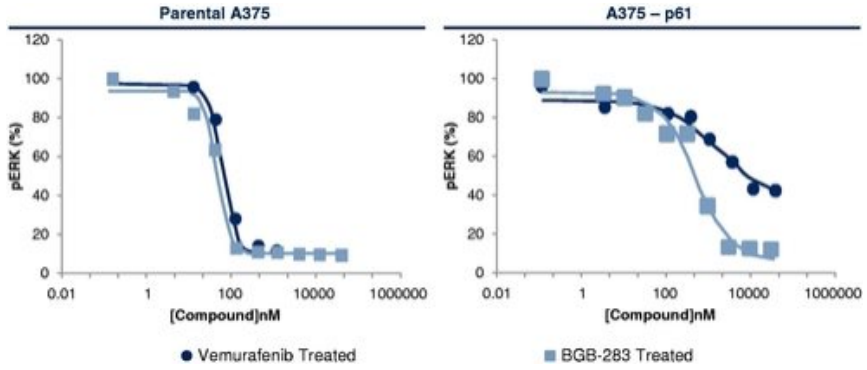
BGB-283 is a novel inhibitor of RAF, in both monomeric and dimeric forms. BGB-283 has demonstrated potent and reversible inhibitory activities against RAF family kinases, including wild-type ARAF, BRAF, CRAF and BRAF V600E, in biochemical assays. In addition, BGB-283 has shown potent inhibitory activity against EGFR in biochemical assays using EGFR kinases, cancer cell lines, and xenograft models. In BRAF wild-type cells that harbor the KRAS mutations, treatment with BGB-283 resulted in much reduced up-regulation of pERK, a phosphorylated form of ERK, compared with vemurafenib in cancer cell models.

In preclinical testing, BGB-283 also retained inhibitory activity in vemurafenib-resistant BRAF splicing isoform p61-BRAF V600E. Data generated in preclinical studies using biochemical, cell-based and animal studies suggest that BGB-283 could offer significant patient benefit in inhibiting tumors with aberrations in the RAF MAPK/ERK pathway, including BRAF mutations and KRAS/NRAS mutations as either monotherapy or in combination with other cancer therapies.

We believe BGB-283 has the potential to be differentiated from other drug candidates currently under development and from approved first-generation BRAF inhibitors due to the following:

- *Increased inhibitory activity against RAF dimers.* BGB-283's increased inhibitory activity against RAF dimers may potentially address resistances associated with increased RAF dimer formation in response to treatment with first-generation BRAF inhibitors. As noted above, most known molecular mechanisms of resistance to RAF inhibitors induce RAF dimerization. As such, BGB-283's ability to inhibit RAF dimers and target disregulated MAPK pathways resistant to first-generation BRAF inhibitors could result in a clinically significant effect. In preclinical testing, we compared dimer inhibition activity of BGB-283 to vemurafenib in p61-BRAF V600E, which is resistant to vemurafenib. BGB-283 and vemurafenib are both active in melanoma cell line A375, resulting in the complete shutdown of the signaling as measured by pERK. However, in the mutant cell line A375-p61 containing RAF dimer, vemurafenib only led to partial blockage of the signaling pathway, whereas BGB-283 resulted in complete inhibition of pERK.

Expression of p61-BRAF-V600E (dimer forming BRAF truncation mutant) result in resistance of A375 melanoma cells to vemurafenib while BGB-283 retains potent activity



- *Increased activity in KRAS/NRAS mutated cancers.* We believe that BGB-283's RAF dimer activity could translate into anti-tumor activity in KRAS/NRAS mutated cancers. Anti-tumor activities were observed in preclinical KRAS/NRAS mutant cancer models *in vivo* . BGB-283 was shown to have activity in 15 KRAS mutant cancer mouse models including:

  - four different primary tumor derived colorectal cancer models (ranging from 67–93% tumor growth inhibition at day 14);
  - three different primary tumor derived lung cancer models (79–100+% tumor growth inhibition at day 14);
  - one primary tumor derived pancreatic cancer model (96% tumor growth inhibition at day 14); and
  - seven xenograft models including one colorectal (95% tumor growth inhibition at day 14), one lung (100+% tumor growth inhibition at day 14), and five endometrial (86–100+% tumor growth inhibition at day 14).

- *Increased inhibitory activity against EGFR.* BGB-283 has demonstrated inhibitory activity against EGFR. The reported response rate of vemurafenib in BRAF V600E colorectal cancer is only 5%. Two independent studies suggested that EGFR feedback activation could be one of the main mechanisms of the observed resistance to first-generation BRAF inhibitors. BGB-283 has demonstrated good EGFR inhibitory activity in both *in vitro* and *in vivo* preclinical models. BGB-283's activity against EGFR may help address the EGFR feedback activation observed in BRAF V600E colorectal cancer tumors.

- *Differentiated resistance profile.* BGB-283 has shown inhibitory activity against RAF dimers. An increase in RAF dimers has been observed to be a major resistance mechanism to first-generation BRAF inhibitors. A differentiated resistance profile has been observed in preclinical models for BGB-283.

Summary of Clinical Results

The dose-escalation phase of our multi-center, open-label clinical trial was completed in June 2015. This trial was designed to assess the safety, tolerability and pharmacokinetic properties of BGB-283 as a monotherapy. Thirty-two relapsed or refractory solid tumor patients with BRAF or KRAS/NRAS mutations were enrolled in the trial in seven dose cohorts across five sites in Australia and New Zealand.

To date, BGB-283 has been well-tolerated with a favorable safety profile. Dose-limiting toxicity was reversible, peripheral thrombocytopenia. Based on preliminary safety data, most of the reported drug-related adverse events have been mild or moderate, with thrombocytopenia being the most frequent severe adverse event, reported in approximately 10% of the patients. The severe adverse events that were considered to be drug-related included two cases of fever, one case of fatigue, one case of dehydration and three cases of thrombocytopenia. Drug-related adverse events were observed in 3–39% of patients, including fatigue, rash, hand-foot syndrome, thrombocytopenia and anorexia. Cutaneous malignancies such as squamous cell carcinomas, which have been observed with the approved first-generation BRAF inhibitors, have not been observed in patients treated with BGB-283.

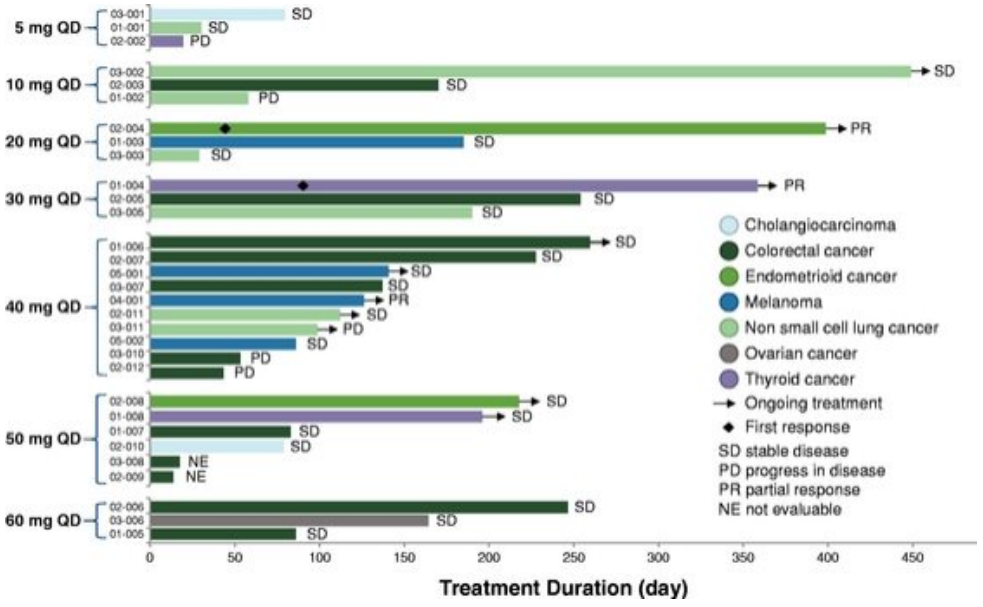
BGB-283 showed a dose dependent pharmacokinetic profile, and plasma concentrations of BGB-283 increased proportionally from 5 mg through 50 mg. The mean half-life of BGB-283 was approximately 110 hours.

In addition, in the 29 patients who are evaluable for efficacy, 24 patients achieved stable disease or better and significant anti-tumor activities were observed in four of those patients including:

- one patient with a partial response in KRAS mutated endometrial cancer,
- one patient with KRAS mutated non-small cell lung cancer with a transient response; that patient has been on BGB-283 for over 475 days,
- one thyroid cancer patient with BRAF V600E mutation with a partial response, and
- one melanoma patient with BRAF V600E mutation with a partial response.

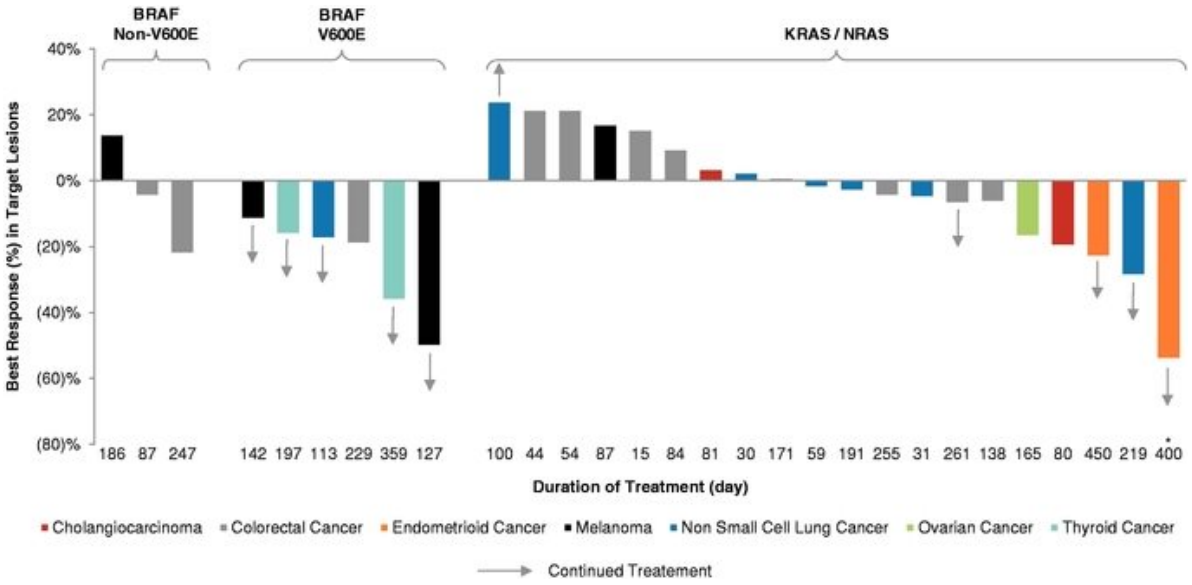
All of these four responders were on BGB-283 treatment as of last data cutoff date of June 30, 2015 with a duration of ongoing treatment of 13, 15, 12 and four months, respectively. Treatment response of all patients who could be evaluated is shown below, based on dose levels and tumor type.

Treatment response and duration by dose and tumor type in dose-escalation phase of our clinical trial of BGB-283



The chart below shows the best anti-tumor response for all evaluable patients as measured by change in the length of target lesions.

Best objective responses in the dose-escalation phase of our clinical trial of BGB-283



In July 2015, we initiated a multi-arm dose-expansion phase of our clinical trial in solid tumors with BRAF mutations and/or aberrations in the MAPK pathway, including thyroid cancer, colorectal cancer, non-small cell lung cancer and other non-V600E BRAF mutated cancers, and KRAS/NRAS mutated endometrial cancer, colorectal cancer, non-small cell lung cancer and other KRAS/NRAS mutated cancers. In addition, BGB-283 has shown immune sensitization and enhancement of T-cell function in preclinical studies, supporting its combination with cancer immunotherapies such as agents targeting PD-1. We have also planned trials that combine BGB-283 and BGB-A317, our PD-1 antibody.

In China, we have obtained approval of our Clinical Trial Application for BGB-283. We have initiated an abbreviated dose-escalation trial in China, which we anticipate will be followed by larger studies in BRAF V600E thyroid cancer, BRAF V600E melanoma and potentially other indications where objective responses have been observed in the international dose-expansion trials. We have 81 patients enrolled as of October 12, 2015 and are exploring alternative dosing schedules, for example, one week of dosing followed by one week without dosing.

We plan to present the data from the dose-escalation phase of our clinical trial at a medical conference in 2016. We also plan to present data from the dose-expansion phase of our clinical trial starting in 2016.

BGB-290, PARP Inhibitor

BGB-290 is a molecularly targeted, orally available, potent and highly selective inhibitor of PARP1 and PARP2. We are currently developing BGB-290 as a monotherapy and in combination with other therapies for the treatment of homologous recombination deficient cancers, which are cancers that contain abnormalities in their DNA repair mechanism making these cancers particularly sensitive to PARP inhibitors. We intend to initiate studies of BGB-290 in combination with BGB-A317 for the treatment of ovarian, breast, pancreatic, prostate, small cell lung cancers and glioblastoma and in combination with chemotherapies for the treatment of gastric cancer, small cell lung cancers, and glioblastoma. We believe BGB-290 has the potential to be differentiated from other PARP

inhibitors, including olaparib, the only PARP inhibitor currently approved by the FDA and the EMA, in terms of selectivity, DNA-trapping activity, oral bioavailability and brain penetration.

We are evaluating BGB-290 in the ongoing dose-escalation phase of our clinical trial in Australia. We have dosed a total of 35 patients as of October 12, 2015. Initial analysis of data from this trial has shown BGB-290 to be well-tolerated. Proof-of-concept has also been established, with anti-tumor activity seen starting at the lowest tested dose and data suggestive of a wide therapeutic window.

Mechanism of Action

PARP family members PARP1 and PARP2 are involved in DNA replication and transcriptional regulation and 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 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 BRCA1/2 genes, key players in homologous recombination, are highly sensitive to PARP inhibition, a phenomenon called "synthetic lethality" that 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 lethal concept has been broadened to include sporadic tumors that display a so-called "BRCAness" profile, a gene expression profile that resembles that of a BRCA deficient tumor. BRCAness 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.

Another potential therapeutic utility of PARP inhibitors is rational combination therapy. PARP proteins are key factors in DNA repair pathways, in particular, base-excision-repair, which is critical for the repair of DNA lesions caused by chemotherapeutic agents and radiation. PARP inhibitors are known to potentiate cytotoxicity of DNA-alkylating agents such as platinum compounds, temozolomide and ionizing radiation and can be used in combination with these agents in treating various cancers.

Market Opportunity

- *Glioblastoma multiforme*. This is one of the frequently occurring tumors in the central nervous system. More than 10,000 cases are diagnosed annually in the United States. Despite aggressive treatment, glioblastoma multiforme still has a dismal prognosis: the five-year survival rate of newly diagnosed patients with glioblastoma multiforme, who have received standard concurrent and adjuvant temozolomide, is less than 10%. BGB-290 has shown positive combination activity with temozolomide in both temozolomide sensitive and resistant tumor models.

- *BRCA mutant and BRCAness tumors.* Based on a recent population-based cohort of Australian ovarian cancer patients, BRCA1/2 mutations are found in approximately 14% of ovarian cancer patients and approximately 17% of patients diagnosed with high-grade serous ovarian cancers. Further, in the United States, BRCA1/2 mutations are found in approximately 5–10% of breast cancers. The BRCAness profile has been observed in up to 50% of high-grade serous ovarian cancers and in 66–69% of breast cancer patients with the triple-negative subtype (approximately 15–20% of breast cancer cases).

- *Small cell lung cancer.* Small cell lung cancer is an aggressive malignancy accounting for approximately 15–18% of all lung cancers. Approximately 31,000 patients are diagnosed annually with small cell lung cancer in the United States. Although newly diagnosed patients

often achieve objective responses with first-line cytotoxic treatments, such as platinum-etoposide based chemotherapy combined with early thoracic radiotherapy, early relapses are common. In addition, tumor metastasis to the brain is frequent among small cell lung cancer patients. In our preclinical human patient biopsy-derived tumor models, BGB-290 has shown superior combination activity with the standard first-line cytotoxic treatments, platinum plus etoposide.

- *Gastric cancer.* Gastric cancer is the fifth most common cancer worldwide, with over 40% of new cases coming from China. In China, the incidence rate for gastric cancer was 23.7 per 100,000 in 2014, corresponding to over 300,000 new cases annually. At the time of diagnosis of gastric cancer, the rate of metastasis is close to 50%. The cornerstone of therapy is surgery with adjuvant chemotherapy or chemoradiation when applicable. However, treatment of advanced or metastatic gastric cancer has not recently progressed, and the median survival rate is less than one year. ATM is a serine/threonine protein kinase that plays a critical role in response to DNA damage. It regulates the signaling and the initiation of cell cycle checkpoint in response to DNA-damaging agents such as ionizing radiation. In ATM-low gastric cancer patients, which account for 13–22% of the gastric cancer patient population, a paclitaxel-plus-olaparib combination significantly prolonged patient overall survival in a Phase 2 study.

Current Therapies and Limitations

There are several PARP inhibitors that are either approved (olaparib) or are in advanced clinical development, including veliparib, rucaparib, niraparib, and talazoparib.

- *Safety and tolerability.* Current PARP inhibitors have shown significant toxicities in various areas. High frequency of myelosuppression, including anemia, neutropenia, and thrombocytopenia, has been reported with several PARP inhibitors in the clinic, including talazoparib, niraparib, and olaparib. Only rucaparib has reported a high incidence of elevation of liver enzymes associated with the drug treatment.

- *Limited DNA-trapping activity.* Veliparib has reported a lower response rate in BRCA mutated cancer patients. Veliparib's lower response rate is believed to be related to its weak reported DNA-trapping activity, which is the ability of a compound to trap PARP proteins at damaged DNA sites and lead to enhanced cytotoxicity to the tumor cells.

- *Formulation/oral availability.* Formulation for certain PARP inhibitors has proven to be challenging, potentially requiring the need for a significant number of capsules to achieve desired dosing levels. As a related issue, certain PARP inhibitors, such as olaparib, have poor bioavailability.

Potential Advantages of BGB-290

BGB-290 is a highly potent and selective PARP inhibitor with favorable drug metabolism and pharmacokinetic properties. BGB-290 has shown favorable PARP1 and PARP2 selectivity in biochemical assays and has demonstrated improved specificity compared to other PARP inhibitors, such as olaparib, in cell line proliferation screens. Enhanced selectivity could potentially translate into a better safety and tolerability profile over existing PARP inhibitors. We believe a favorable safety and tolerability profile could be particularly advantageous for the combined use of BGB-290 with immune checkpoint inhibitors or chemotherapeutic agents.

- *Brain penetration.* BGB-290 has shown significant brain penetration in preclinical models. The brain/plasma ratio in mice after oral dosing of 10 mg/kg BGB-290 was approximately 18%, as shown in the following table. We believe the only other PARP inhibitor currently in development that has shown significant brain penetration is veliparib, which appears to be

significantly less potent compared to other PARP inhibitors and has minimal DNA-trapping activity.

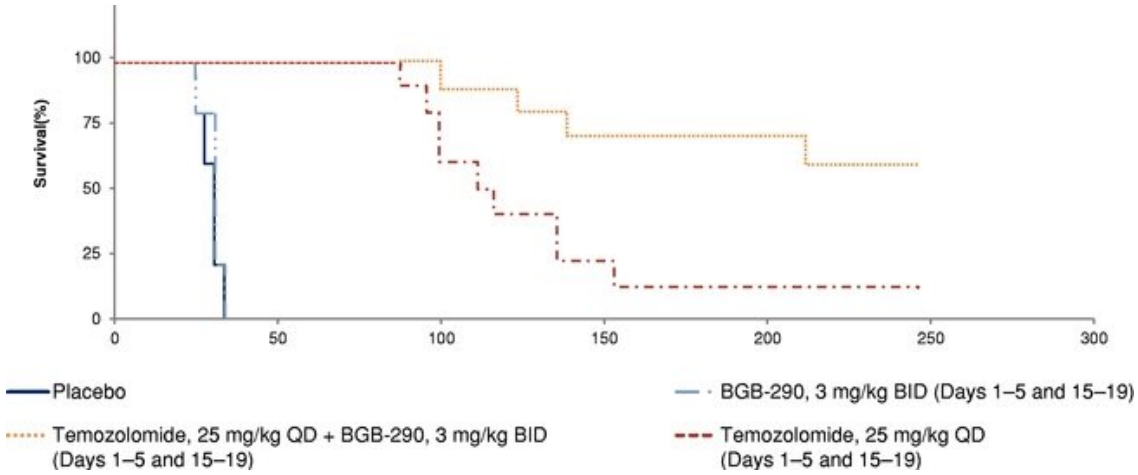
Brain penetration of PARP inhibitors in mice

Compound	Brain / Plasma (%)
BGB-290 10 mg/kg p.o.	18%
Niraparib 50 mg/kg p.o.	9%
Olaparib 50 mg/kg p.o.	2%
Talazoparib 3 mg/kg p.o.	2%
Veliparib 50 mg/kg p.o.	38%

Note: Due to lack of oral availability of rucaparib in our experiment, its brain penetration was not studied in mice.

As shown in the figure below, BGB-290 demonstrated strong synergistic anti-tumor effects with temozolomide in treating intracranially implanted glioblastoma multiforme, consistent with its ability to cross the blood-brain barrier. In patient-derived small cell lung cancer xenograft models, BGB-290 significantly enhanced the anti-tumor activity of chemotherapy (etoposide plus carboplatin) during the concomitant treatment stage and kept animals in a tumor-free condition throughout their maintenance treatment. One of the major risk factors for small cell lung cancer patients is the high risk of brain metastases. Due to BGB-290's ability to penetrate the blood-brain barrier, we believe BGB-290 could provide a clear advantage over other PARP inhibitors in treating small cell lung cancer patients.

BGB-290 enhanced temozolomide's effect in intracranial glioblastoma multiforme model



- *Greater selectivity potentially leading to improved safety and tolerability.* BGB-290 is a highly active and selective PARP1 and PARP2 inhibitor in biochemical and cellular assays. Based on the preliminary data reported by investigators in the ongoing dose-escalation phase of our clinical trial of BGB-290 the only drug-related adverse events that occurred in over 10% of patients are nausea (38%), fatigue (28%), vomiting (14%) and diarrhea (10%). Drug-related adverse events are summarized below.

Drug-related adverse events in the ongoing dose-escalation phase of our clinical trial of BGB-290. (Data as of June 30, 2015.)

	All Grade		Grade 3-4		Patient number in each cohort						
Description	n(pts)	%(N=29)	n(pts)	%(N=29)	2.5mg BID n=4	5mg BID n=3	10mg BID n=3	20mg BID n=3	40mg BID n=6	60 mg BID n=6	80mg BID n=4
Gastrointestinal disorders											
Nausea	11	38%	0		2			1	4	3	1
Vomiting	4	14%	0		1				2	1	
Diarrhea	3	10%	0			1			2		
Dry mouth	1	3%	0					1			
General disorders and administration site conditions											
Fatigue	8	28%	0		1	1		2	2	1	1
Nervous system disorders											
Lethargy	2	7%	0					1		1	
Dysgeusia	1	3%	0					1			
Hypoesthesia	1	3%	0			1					
Blood and lymphatic system disorders											
Neutropenia	2	7%	1	3%					1		1
Anemia	1	3%	1	3%					1		
Thrombocytopenia	1	3%	0						1		
Metabolism and nutrition disorders											
Hypophosphatemia	1	3%	1	3%					1		
Hypokalemia	1	3%	1	3%				1			
Decreased appetite	1	3%	0							1	
Vascular disorders											
Hot flush	1	3%	0					1			

- *Strong DNA-trapping activity.* BGB-290 also demonstrates potent DNA-trapping activity. PARP inhibitors are reported to trap PARP protein at damaged DNA sites, creating more cytotoxic DNA lesions. The potency of DNA-trapping for PARP inhibitors is shown to be better correlated with tumor cell growth-inhibition than inhibition of PARP enzyme activity. BGB-290 has demonstrated potent activity across multiple assays: DNA-trapping, enzymatic and cellular inhibition of PARP and tumor cell growth inhibition.

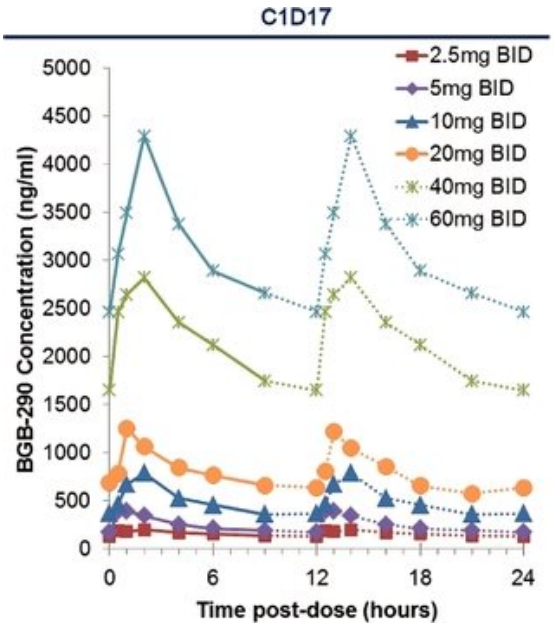
DNA-trapping activity of PARP inhibitors correlates with inhibition of tumor cell growth in BRCA mutant MDA-MB-436 cells

Compound	DNA Trapping FP Assay IC_{50} (nM)	PARP1 Enzymatic IC_{50} (nM)	Cellular PARylation IC_{50} (nM)	Anti-proliferation (MDA-MB-436) EC_{50} (nM)
BGB-290	13	1.3	0.24	41
Olaparib	16	1.9	0.47	21
Veliparib	400	5.4	2.7	820
Rucaparib	24	2.2	0.41	27
Niraparib	387	5.9	3.9	84
Talazoparib	3.2	3.3	0.13	0.5

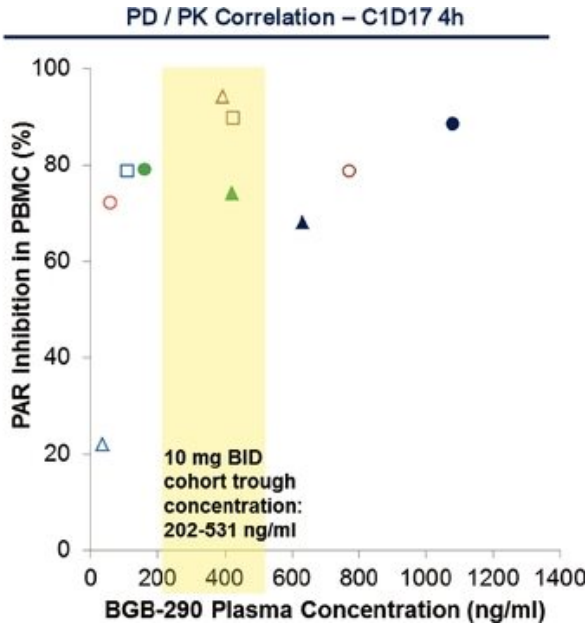
Note: DNA trapping fluorescent polarization assay measures the ability of a compound to trap PARP1 protein on nicked DNA. PARP1 Enzymatic assay measures the inhibition of catalytic activity of PARP1. Cellular PARylation assay measures the inhibition of the increase of cellular poly ADP ribose level after stimulation by hydrogen peroxide. Anti-proliferation assay measures the inhibition of cellular growth in MDA-MB-436 cells.

- *Good oral bioavailability and potent target inhibition.* In preclinical animal models, BGB-290 shows good oral bioavailability. BGB-290 has demonstrated bioavailability of 71–76% in animal studies. In the ongoing dose-escalation phase of our clinical trial, we observed a linear and dose-dependent pharmacokinetic profile for BGB-290 with approximately two-fold accumulation at steady state, as shown in the figure below. BGB-290 induced robust poly ADP ribose, or PAR, inhibition in PBMCs even at the first dose level and sustained PAR inhibition in PBMC was expected at a steady state dose of 10 mg BID or greater.

Pharmacokinetics and pharmacodynamics in the dose-escalation phase of our clinical trial of BGB-290



Note: C1D17 stands for cycle 1 day 17.



Note: C1D17 stands for cycle 1 day 17.
Each symbol represents one patient.

Summary of Clinical Results

BGB-290 is being evaluated in an ongoing dose-escalation phase of our multi-center, open-label clinical trial, which was initiated in July 2014. As of June 30, 2015, the cutoff date for the most recent data analysis, this trial conducted at three sites in Australia, had enrolled 29 relapsed or refractory solid tumor patients in seven cohorts receiving monotherapy BGB-290 in doses ranging from 2.5 mg BID to 80 mg BID. Although one patient receiving 40 mg BGB-290 BID experienced a dose-limiting toxicity of persistent grade 2 nausea, to date the maximum tolerated dose has not been reached in the clinical trial. Since the last data cutoff on June 30, 2015, investigators have reported one case of grade 3 anemia as a serious adverse event (hospitalization for packed cell transfusion) in a patient receiving 80 mg BID of BGB-290 although it was not considered a dose-limiting toxicity and the patient did not discontinue treatment.

Among the 19 ovarian cancer patients treated, 14 patients were evaluated as of June 30, 2015. Three patients have not yet been evaluated for response; one patient withdrew from the trial prior to the first disease assessment, and one patient was not evaluable due to lack of measurable disease.

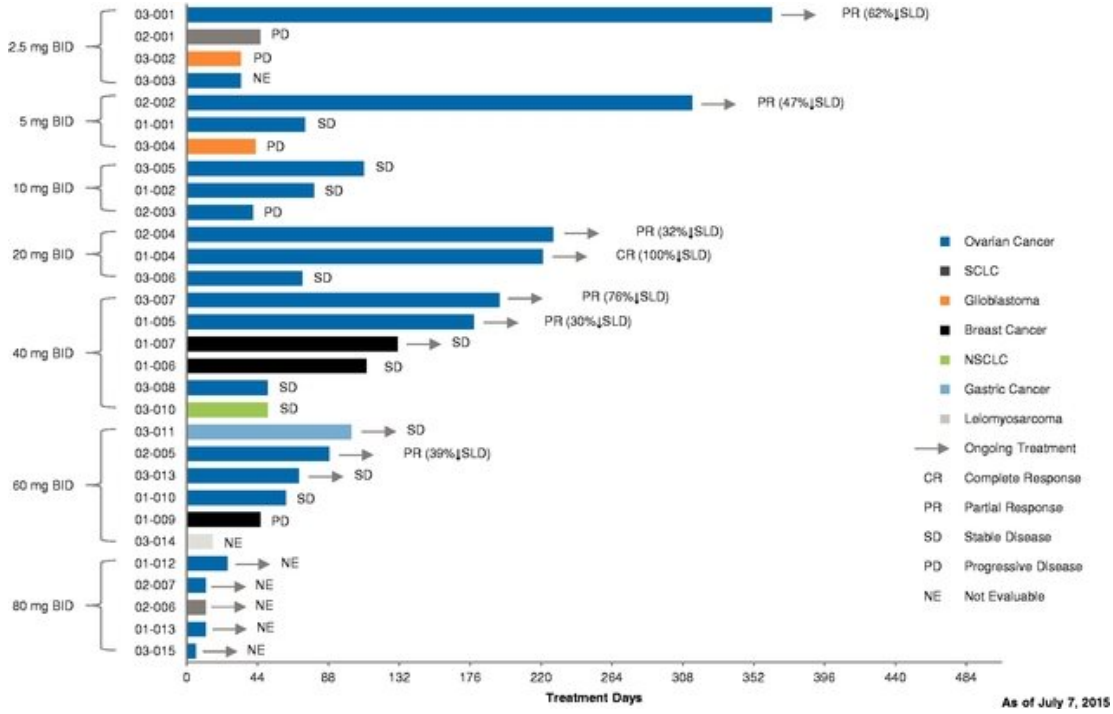
- Of the 14 evaluated patients with ovarian cancer, seven had an objective response, including six with a partial response and one with a complete response. All seven responders remained on BGB-290 treatment as of June 30, 2015 with the duration of ongoing treatment ranging from three to 12 months.

- Of the ten ovarian cancer patients evaluated with germ-line BRCA mutation, five had an objective response.

- Of the three ovarian cancer patients evaluated with germ-line BRCA wild-type, two had an objective response.

Treatment duration and response of all patients is shown below, based on dose levels and tumor type.

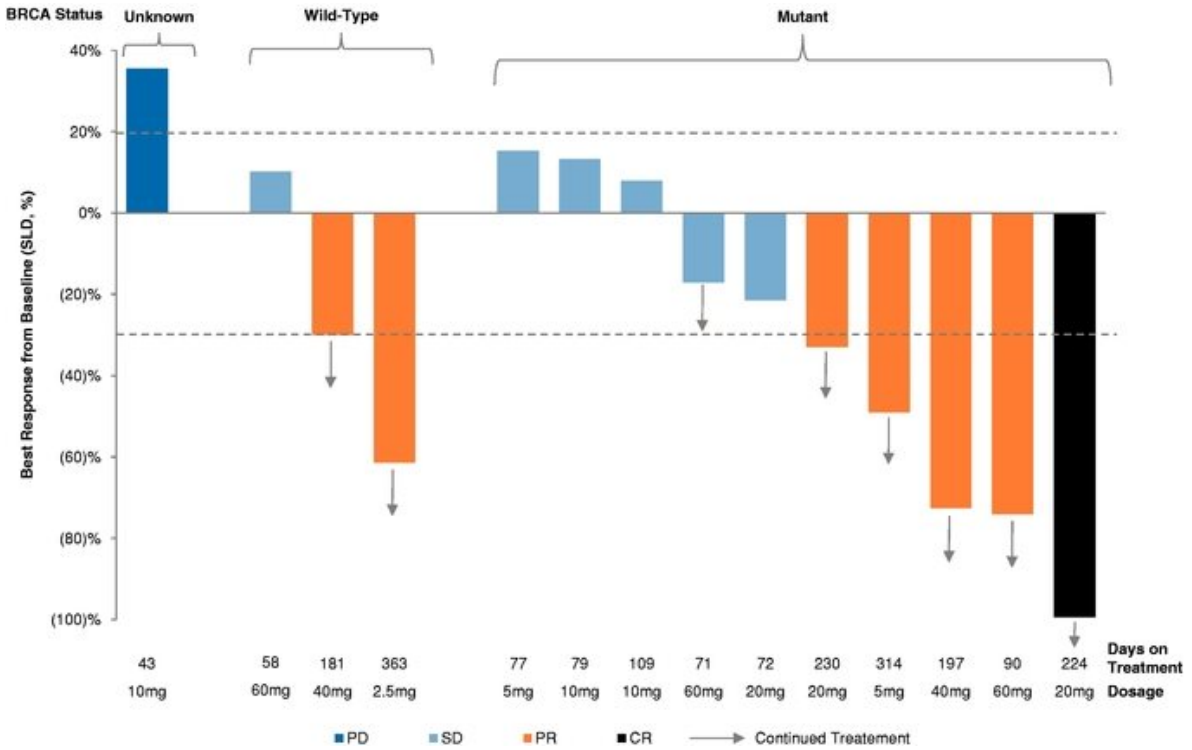
Treatment response and duration by dose and by tumor response in the dose-escalation phase of our clinical trial of BGB-290



Note: Best response is listed next to each bar graph.

The treatment response of ovarian cancer patients based on BRCA status is shown below.

Best response in all evaluable ovarian cancer patients (as defined by % change in sum of longest diameter)



We plan to commence a combination trials with temozolomide in glioblastoma multiforme. In addition, based on the observation that germ-line BRCA mutant tumors often have been reported to have genome instability and increased effector T-cells in tumors, we plan to start a combination trial with BGB-A317, our PD-1 antibody, in solid tumors.

In China, we plan to pursue monotherapy approval in BRCA mutant ovarian cancer and breast cancer, two cancers whose unmet medical needs have not been addressed. We also plan to explore combination trials with paclitaxel in gastric cancer and platinum/etoposide in small cell lung cancers.

We plan to present the data from the dose-escalation phase of our clinical trial at a medical conference in the fourth quarter of 2015 or in 2016.

BGB-A317, PD-1 Antibody

BGB-A317 is a humanized monoclonal antibody against the immune checkpoint receptor PD-1. We are developing BGB-A317 as a monotherapy and as a combination agent for various solid-organ and blood-borne cancers. 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-1 inhibitors remove the blockade of immune activation by cancer cells. We believe BGB-A317 is differentiated from the currently approved PD-1 antibodies with the ability to bind Fc gamma receptor I specifically engineered out, and we believe this could potentially result in improved activities. In addition, BGB-A317 has a unique binding signature to PD-1 with high affinity and superior target specificity.

We are evaluating BGB-A317 in the ongoing dose-escalation phase of our clinical trial in relapsed or refractory solid tumor patients in Australia. As of October 12, 2015, we have dosed a total of 33 patients at dose levels of 0.5 mg/kg (n=3), 2 mg/kg (n=23), and 5 mg/kg (n=6), every two weeks, with 28 patients remaining on treatment. To date, BGB-A317 has been well-tolerated with a favorable safety profile. One patient receiving 5 mg/kg of BGB-A317 died due to disease progression. The patient also developed grade 3 immune-related colitis which was considered a dose-limiting toxicity. The Safety Monitoring Committee of the trial has cleared all three dose levels tested to date (0.5 mg/kg, 2 mg/kg and 5 mg/kg every two weeks) for further dose escalation with 10 mg/kg as the next dose level, and the 2 mg/kg and 5 mg/kg dose cohorts are being expanded with up to approximately 20 patients. BGB-A317 is the first drug candidate produced from our immuno-oncology biologic programs, and we believe it could serve as one of the cornerstones for our immuno-oncology combination platform.

Mechanism of Action

Cells called cytotoxic T-cells provide humans 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 poisonous proteins into them. T-cells have various mechanisms built into them that prevent them from damaging normal cells, among which is a protein called PD-1 receptor, which is expressed on the surface of T-cells. The most important signaling protein that could engage PD-1 is called PD-L1, which 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 sending the signal via PD-L1 and other cells nearby. 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 cytotoxic T-cells. BGB-A317 is a monoclonal antibody designed to specifically bind to PD-1, thereby preventing PD-L1 from engaging PD-1. Therefore, we believe BGB-A317 has the potential to restore the cytotoxic T-cell's ability to kill cancer cells. BGB-A317 belongs to a class of agents known as immune checkpoint inhibitors which are currently the most important part of a new type of anti-cancer treatment called immuno-oncology therapy.

Market Opportunity

Forecasts of the market for monotherapy PD-1 and PD-L1 antibodies have increased as new tumor types responding to these antibodies have been identified and data has accumulated regarding their potential efficacy. It is estimated that these inhibitors will reach sales of approximately $13 billion by 2023 across seven major markets (United States, France, Germany, Italy, Spain, United Kingdom and Japan).

Tumor types that have been shown to be responsive to a PD-1 antibody include several types that are common in China. These include lung, gastric and liver cancers, for which an estimated 37%, 45% and 53% of the worldwide annual incidence in 2012, respectively, was in China, according to the World Health Organization. To our knowledge, BGB-A317 is the first PD-1 antibody developed in China to enter clinical trials. Due to a distinct regulatory pathway for drug candidates manufactured in China, we believe that BGB-A317 will become an important participant in China's PD-1 antibody and immuno-oncology market.

Current Therapies and Limitations

Clinical trials of several monotherapy PD-1 and PD-L1 inhibitory antibodies have shown a signal of efficacy in a wide spectrum of cancers, including melanoma, lung cancer, kidney cancer, head and neck cancer, bladder cancer, gastric cancer, ovarian cancer, Hodgkin's lymphoma, diffuse large B-cell lymphoma, follicular lymphoma, a subtype of breast cancer known as triple-negative

breast cancer, and a subtype of colorectal and other cancers having mismatch repair deficiency. Two such PD-1 monotherapy antibodies, nivolumab and pembrolizumab, have been approved by the FDA for treating certain patients with metastatic melanoma and, in the case of nivolumab, non-small cell lung cancer.

Monotherapy PD-1 and PD-L1 antibodies have demonstrated objective responses against these tumors that can be rapid and in most cases durable. In addition, these agents can be effective against large tumors. In some tumors, including squamous and non-squamous non-small cell lung cancer, renal cell carcinoma and melanoma, randomized Phase 3 trials conducted by third parties have demonstrated superior overall survival of PD-1 antibodies compared to standard care including chemotherapy. Although some distinct toxicities associated with PD-1 and PD-L1 antibodies, overall, they have been remarkably well-tolerated.

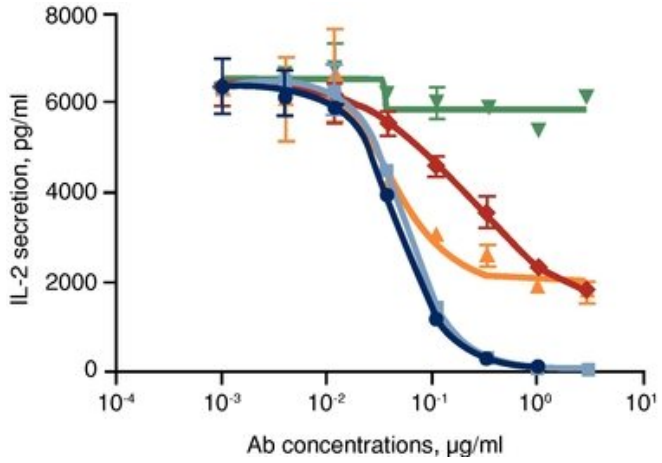
Objective responses to monotherapy PD-1 antibodies have only been seen in a minority of patients in nearly all tumor types tested with the exception of a small population of blood cancer patients with Hodgkin's lymphoma and a selected subpopulation of solid tumor patients with mismatch repair deficiency. Combination therapy with a PD-1 or PD-L1 antibody as a backbone is being explored with a wide variety of agents by the industry and clinical investigators.

Potential Advantages of BGB-A317

We believe that having BGB-A317 in addition to our multiple clinical-stage drug candidates puts us in a strong competitive position. Based on our preclinical data, we believe a strong rationale exists for combining BGB-A317 with our drug candidates BGB-3111, BGB-283 and BGB-290. In addition, we are developing several immuno-oncology candidates that we intend to combine with BGB-A317.

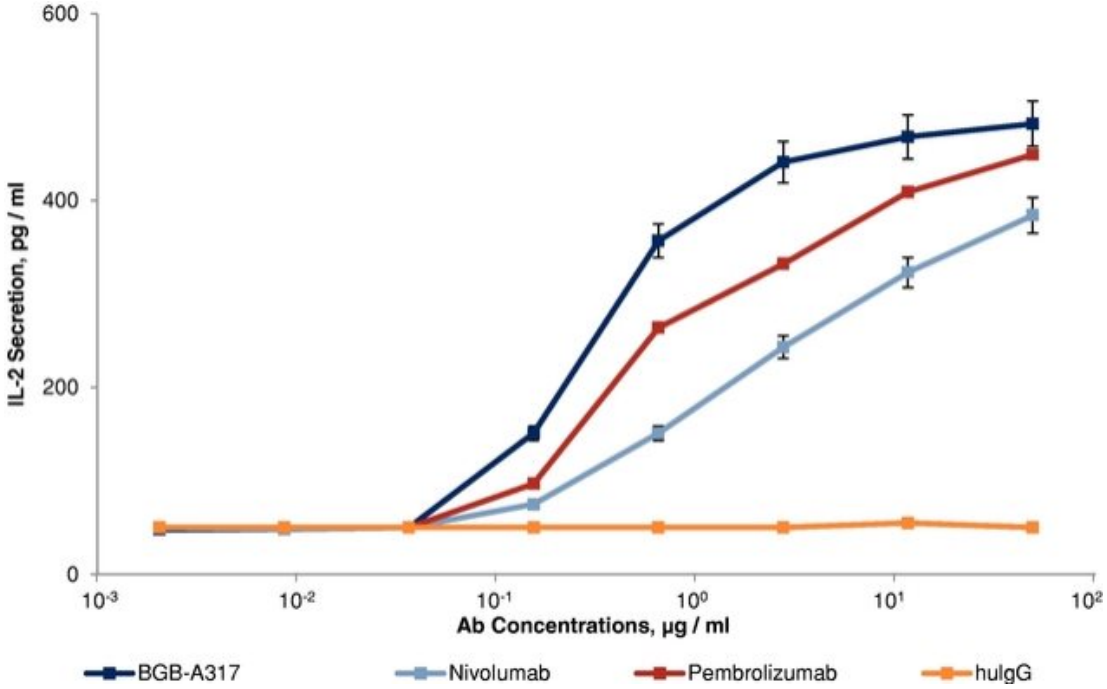
We believe BGB-A317 is differentiated from the currently approved PD-1 antibodies with the ability to bind Fc γ RI, specifically engineered out, and we believe this could potentially result in improved activities. In addition, BGB-A317 has a unique binding signature to PD-1 with high affinity and superior target specificity. BGB-A317 showed better cellular functional activities in blocking PD-1 mediated reverse signal transduction and in activating human T-cells and primary PBMCs, as shown in the figures below.

BGB-A317 showed differential inhibition to PD-1 signaling in co-culture assays using engineered human T-cell line as the signal-sensing cell

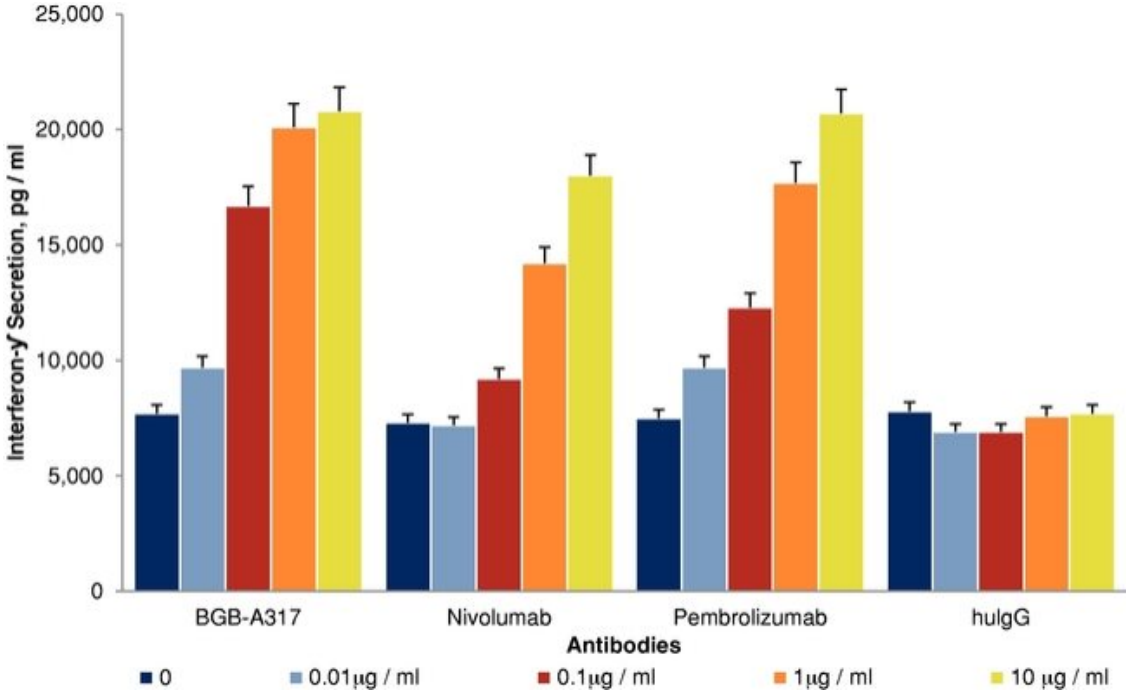


Antibodies	% maximum inhibition	IC_{50}, µg/ml
BGB-A317 Lot 1	98.4	0.049
BGB-A317 Lot 2	98.5	0.056
Nivolumab	78.1	0.208
Pembrolizumab	68.0	0.044

BGB-A317 activates human T-cells in presence of signal-initiating cells in the co-culture assay as measured by IL-2 secretion

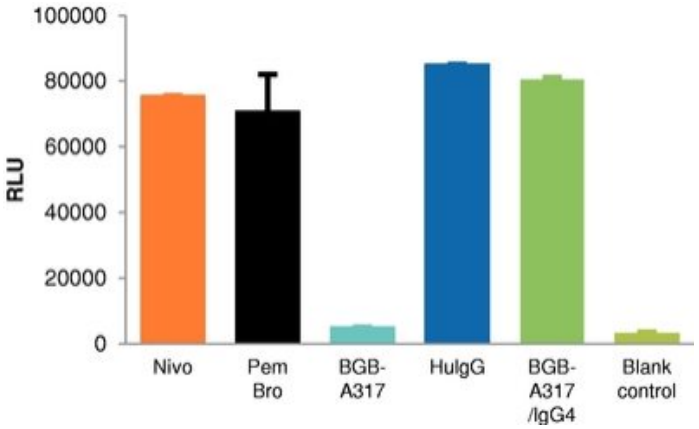


BGB-A317 activates human PBMCs in presence of signal-initiating cells in the co-culture assay as measured by IFN-γ secretion



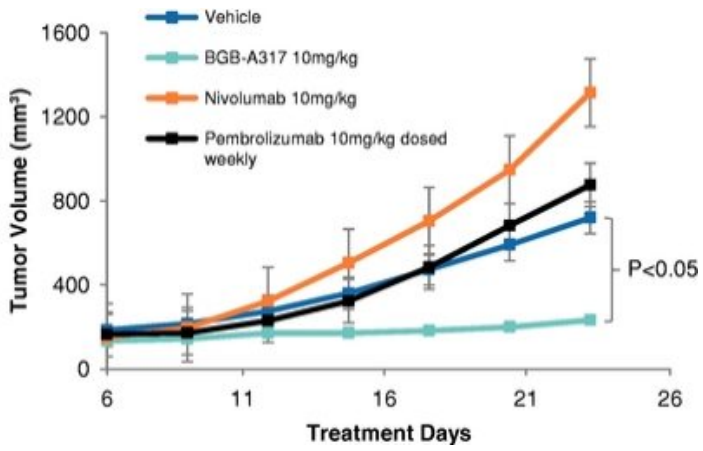
BGB-A317 has displayed significant differentiation in CDR sequences and key binding epitopes on PD-1. BGB-A317 has also displayed cell biology differentiation in lack of Fc receptor binding, which was recently shown to have a negative effect on the activity of PD-1 antibodies. BGB-A317 is differentiated from the currently approved PD-1 antibodies, nivolumab and pembrolizumab, in Fc γ RI mediated effector function. The human IgG4 antibody is well-known to bind the high-affinity Fc γ RI. As shown in the figure below, both nivolumab and pembrolizumab bind to Fc γ RI expressed on HEK293 cells that are easily detected by fluorescent antibody. In contrast, BGB-A317 has no binding to Fc γ RI. When the constant region of BGB-A317 was switched to the same IgG4S228P antibody as that of nivolumab and pembrolizumab, the resulting BGB-A317/IgG4S228P binds to Fc γ RI equally as well as nivolumab and pembrolizumab. A recent paper as well as our unpublished data show that in preclinical models Fc γ RI binding may compromise the activity of PD-1 antibodies.

Comparison of Fc γ RI-binding activities by different PD-1 antibodies assayed by cell-based binding followed by fluorescent signal detection



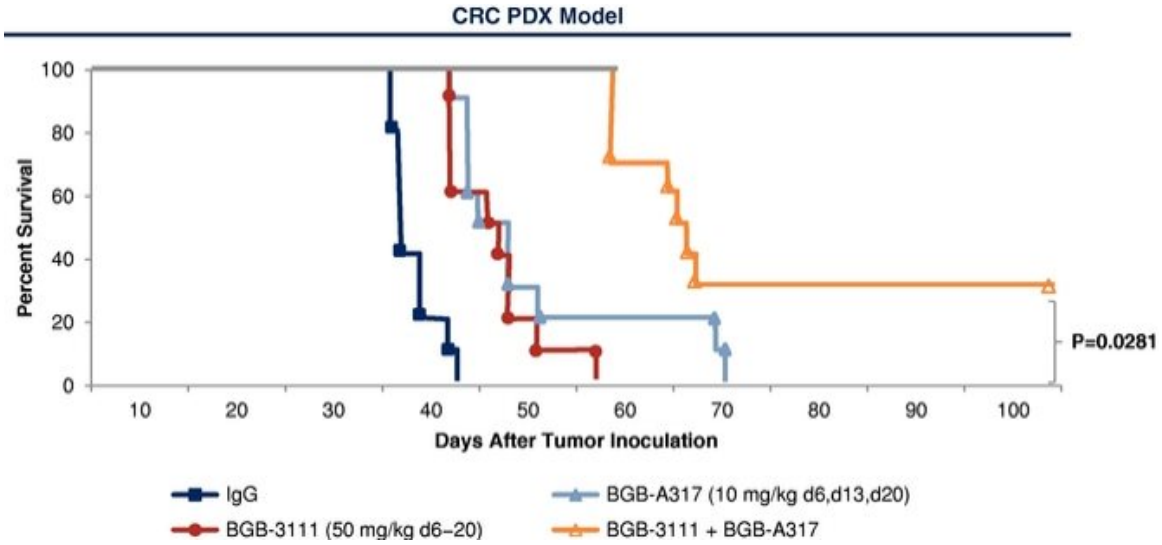
We compared the anti-cancer activity of BGB-A317 with other PD-1 antibodies in an *in vivo* mouse cancer model in which the mice bearing human cancer cells A431 and PBMCs were treated with BGB-A317, nivolumab, pembrolizumab or a vehicle using the same dose regimen. The results demonstrated that BGB-A317 significantly inhibited the tumor growth, while nivolumab and pembrolizumab did not reduce tumor growth in this model as shown in the following figure.

Comparison preclinical efficacy of BGB-A317 with currently approved PD-1 antibodies in an *in vivo* mouse tumor model



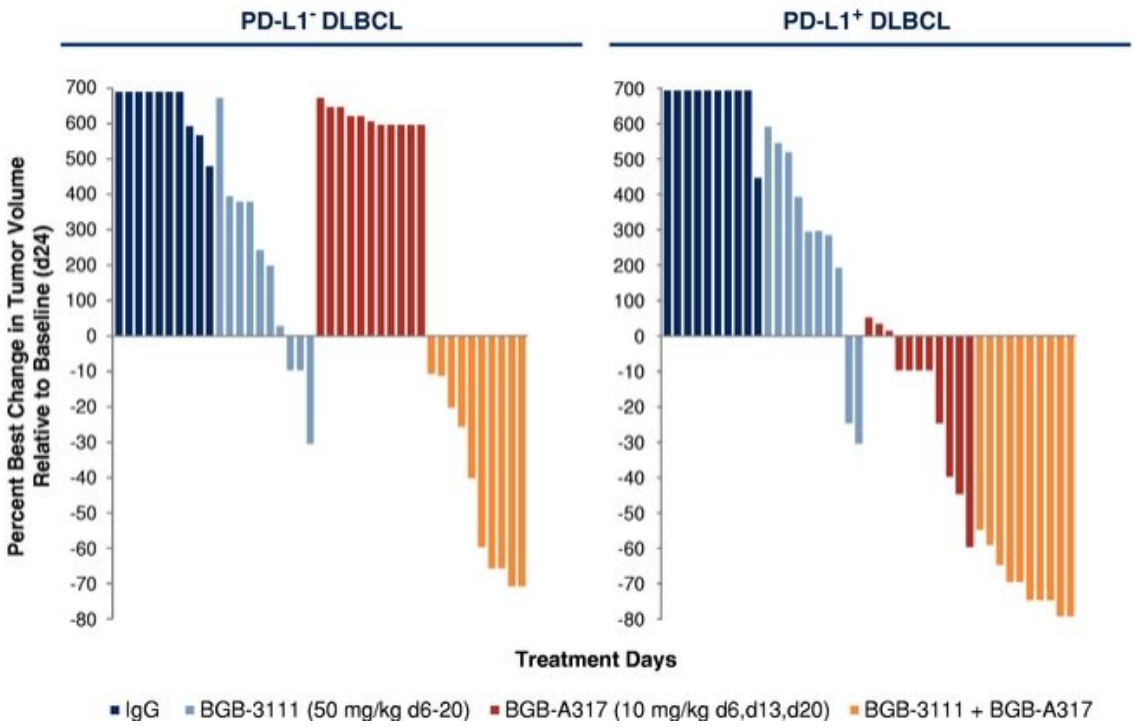
Combination with BGB-3111

We have explored the combination activity of BGB-3111 and BGB-A317 in both solid tumor and blood tumor preclinical models. In these models, human primary tumor fragments and immune cells from the same donor were co-injected into immune-deficient mice. The mice were then treated with BGB-3111 and BGB-A317 and their tumor growth and survival were followed. In the colorectal primary tumor model, shown in the figure below, the combination of BGB-3111 and BGB-A317 significantly prolonged survival.



We also explored the combination of BGB-3111 and BGB-A317 in two diffuse large B-cell lymphoma primary tumor models. In both models, BGB-3111 showed weak monotherapy activity. When used as a monotherapy BGB-A317 was only active in the PD-L1 positive tumor. However, the combination of BGB-3111 and BGB-A317 was highly active, better than either monotherapy, and induced tumor regression in both PD-L1 positive and PD-L1 negative models.

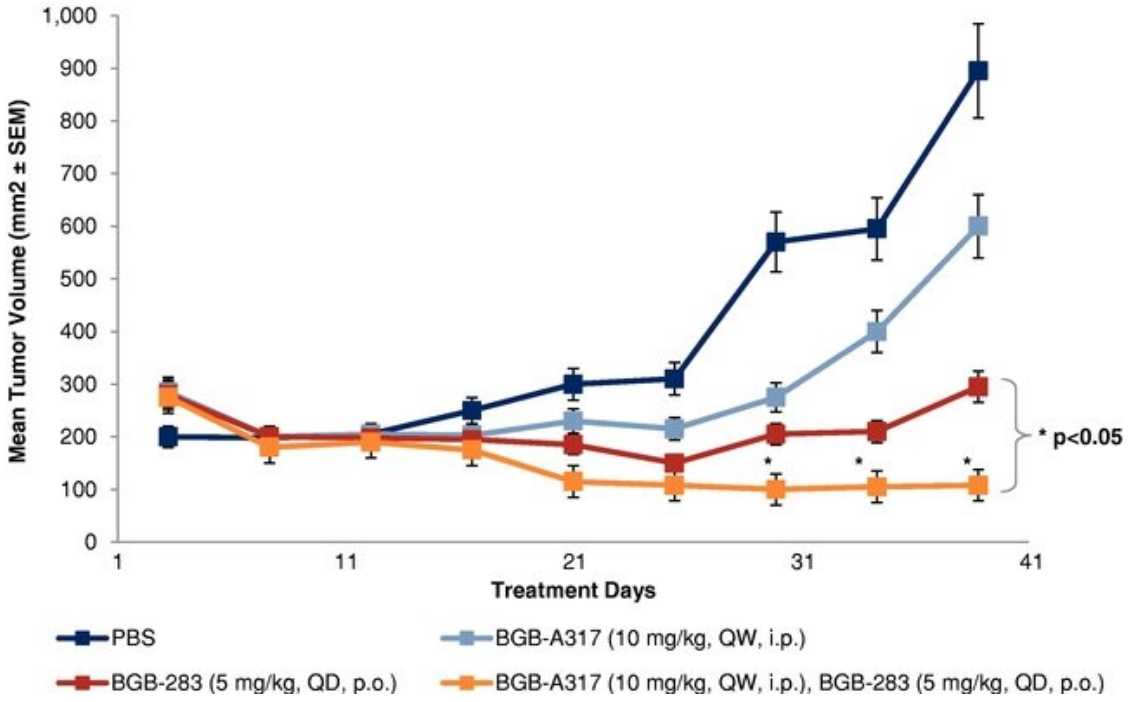
Improved activity for the combination of BGB-A317 and BGB-3111 in diffuse large B-cell lymphoma models



Combination with BGB-283

We tested the combination activity of BGB-283 and BGB-A317 in a mouse cancer model in which a human lung cancer cell line with KRAS mutation was engrafted. As shown in the figure below, the synergistic efficacy of BGB-283 and BGB-A317 is clearly demonstrated by the tumor growth curves. The tumor in the combination-treated group is significantly smaller than either of the monotherapy treatment.

Improved activity for the combination of BGB-317 and BGB-283 in a KRAS lung cancer model



Summary of Clinical Trials

In June 2015, BGB-A317 entered the dose-escalation phase of our multi-center, open-label trial for safety and toxicology evaluation in patients with advanced solid tumor. Clinical sites are active or being established in Australia and New Zealand, with the intention of opening at least one site in the United States after we have an effective IND with the FDA. We have dosed a total of 33 patients as of October 12, 2015 in three dose-escalation cohorts at 0.5, 2 and 5 mg/kg dosing levels and in one schedule-expansion cohort at a 2 mg/kg dosing level and are rapidly enrolling new patients. We plan to enroll up to 84 patients in the dose-escalation phase of the trial that could include schedule-expansion cohorts at 2 and 5 mg/kg dosing levels and eventually dose 200–300 patients in the dose-expansion phase of our clinical trial to reach proof-of-concept in tumor types known to respond to PD-1 antibodies and to explore potential differentiation in tumor types that, to date, have been insensitive or resistant to PD-1 blockade.

Once we have established a favorable safety profile of BGB-A317 in the clinic, we plan to combine BGB-A317 with our other drug candidates, including BGB-3111, BGB-283 and BGB-290, in targeted tumors and patient populations. These targets include RAF/RAS mutated cancer such as colorectal cancers, pancreatic cancer and non-small cell lung cancer for the BGB-283 combination, BRCA1/2 mutated cancers such as triple-negative breast cancer and ovarian cancer for the BGB-290 combination, and pancreatic cancer and B-cell lymphomas for the BGB-3111 combination.

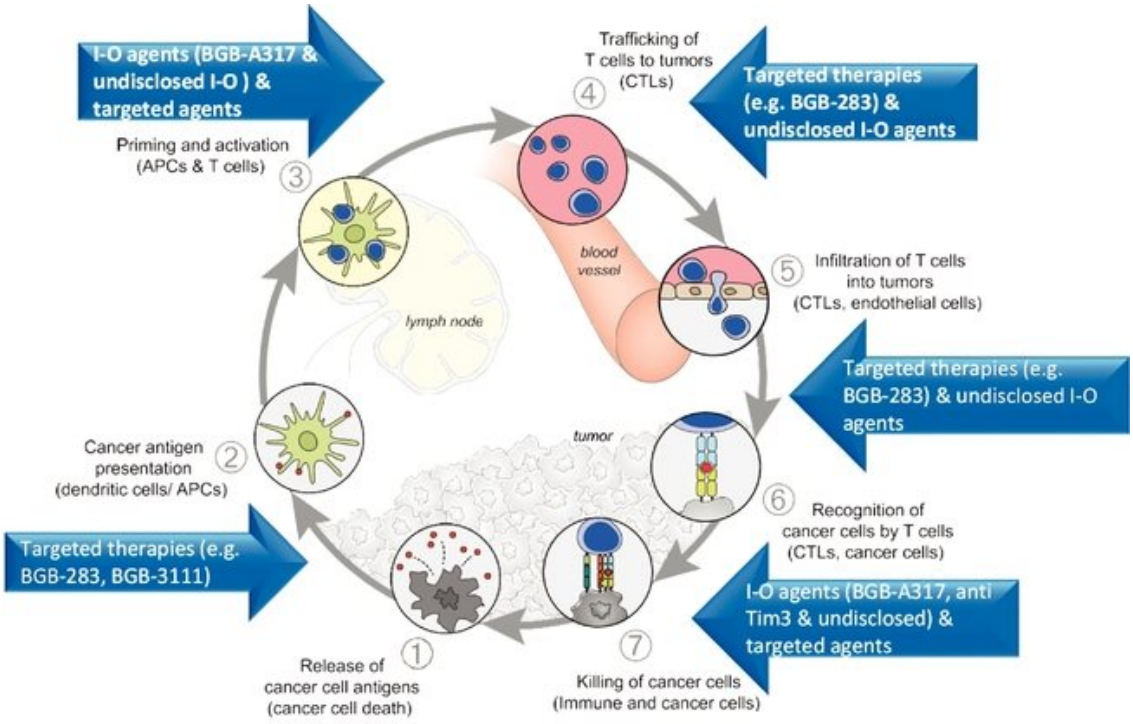
In China, we believe we have the opportunity for supplemental global enrollment in high-incidence cancers in China, for example, gastric, liver and lung cancers.

We plan to present the data from the dose-escalation phase of our clinical trial at a medical conference in 2016. We also plan to present data from the dose-expansion phase of our clinical trial potentially starting in 2016. We plan to initiate our combination trials in 2016.

Preclinical Assets

Our preclinical pipeline currently consists of targeted therapies and immuno-oncology agents including a PD-L1 monoclonal antibody, an additional RAF dimer inhibitor, a TIM-3 monoclonal antibody, and a BTK inhibitor for non-oncology indications. We anticipate advancing one or more of our preclinical assets into the clinic in the next 18 months. We believe we have the opportunity to combine our PD-1 monoclonal antibody with other clinical-stage and preclinical candidates in our pipeline portfolio to target multiple points in the cancer immunity cycle. We also seek to develop companion diagnostics that will help identify patients that are most likely to benefit from the use of our drug candidates.

Combination opportunities with our pipeline portfolio to target the cancer immunity cycle



Source: Adapted from Chen & Mellman, Immunity (2013)

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 a U.S. patent and filed patent applications in the United States and other countries 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 also 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.

Our success will depend significantly on our ability to obtain and maintain patent and other proprietary protection for our product candidates and other commercially important products, technologies, inventions and know-how, as well as on our ability to defend and enforce our patents

including any patent that we have or may issue from our patent applications, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of other parties. We also rely on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and support our development programs.

As of June 30, 2015, we own one issued U.S. patent and seven pending U.S. patent applications as well as corresponding patents and patent applications internationally. In addition, we own six pending international patent applications under the Patent Cooperation Treaty, or PCT, which we plan to file nationally in the United States and other jurisdictions. 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. 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 a new drug application approval from the FDA. The patent portfolios for our four leading product candidates as of June 30, 2015 are summarized below.

BGB-3111

We own one pending U.S. patent application directed to BGB-3111, a small molecule BTK inhibitor, and its use for the treatment of hematological malignancies. We also own a corresponding pending PCT application. We plan to file nationally based on the PCT in other jurisdictions. Any patent that may issue from the currently pending U.S. patent application would be expected to expire in 2033. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries

BGB-283

We own one pending U.S. patent application and one pending PCT application directed to BGB-283, 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 application. In addition, we plan to file nationally in the U.S. and other jurisdictions based on the pending PCT application. Any patent that may issue from the currently pending U.S. patent application would be expected to expire in 2031. If a U.S. application is filed based on the pending PCT application, a patent issuing from that application, if any, would be expected to expire in 2035. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

BGB-290

We own one pending U.S. patent application directed to BGB-290, 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. Any patent that may issue from the currently pending U.S. patent application would be expected to expire in 2031. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

BGB-A317

We are the owner of one issued U.S. patent, one pending U.S. application, and corresponding pending patent applications in other jurisdictions directed to BGB-A317, a humanized monoclonal antibody against PD-1, and its use for the treatment of cancer. The expected expiration for the

issued U.S. patent is 2033, excluding any additional term for patent term adjustments or patent term extensions. Any patent that may issue from the currently pending U.S. patent application would be expected to expire in 2033. We intend to pursue marketing exclusivity periods that are available under regulatory provisions in certain countries.

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, 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 U.S. Patent and Trademark Office, or 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.

Furthermore, the patent positions of biotechnology and pharmaceutical products and processes like those we intend to develop and commercialize are generally uncertain and involve complex legal and factual questions. No consistent policy regarding the breadth of claims allowed in such patents has emerged to date in the United States. The scope of patent protection outside the United States is even more uncertain. Changes in the patent laws or in interpretations of patent laws in the United States and other countries may diminish our ability to protect our inventions, and enforce our intellectual property rights and more generally, could affect the value of intellectual property.

Additionally, we cannot predict the breadth of claims that may be allowed or enforced in our patents or in patents owned by others. Substantial scientific and commercial research has been conducted for many years in the areas in which we have focused our development efforts, which has resulted in other parties having a number of issued patents and pending patent applications relating to such areas. Patent applications in the United States and elsewhere are generally published only after 18 months from the priority date, and the publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made. Therefore, patents and patent applications relating to drugs similar to our current drug candidates and any future drugs, discoveries or technologies we might develop may have already issued or been filed, which could prohibit us from commercializing our product candidates. Specifically, we are aware of certain U.S. patents owned by Ono Pharmaceutical Co. and licensed to Bristol-Myers Squibb Co., that are relevant to our BGB-A317 drug candidate. We are also aware of a U.S. patent owned by Pharmacyclics, Inc., which was acquired by AbbVie Inc., that is relevant to our BGB-3111 drug candidate. For more information, see "Risk Factors—Risks Related to Our Intellectual Property."

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to maintain and solidify our proprietary position for our drug candidates and technology will depend on our success in obtaining effective claims and enforcing those claims once granted. We do not know whether any of the patent applications that we may file or license from others will result in the issuance of any

patents. The issued patents that we own or may receive in the future, may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize similar drugs or duplicate our technology, business model or strategy without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drug candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

We may rely, in some circumstances, on trade secrets and unpatented know-how to protect aspects of our technology. However, trade secrets can be difficult to protect. 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. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our consultants, contractors or collaborators use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Our commercial success will also depend in part on not infringing the proprietary rights of other parties. The issuance of any patent by others with claims covering or related to aspects of our product candidates would require us to alter our development or commercial strategies, redesign our drug candidates or processes, obtain licenses or cease certain activities. Such licenses may not be available on reasonable commercial terms or at all, which could require us to cease development or commercialization of our product candidates. In addition, our breach of any license agreements or failure to obtain a license to proprietary rights that we may require to develop or commercialize our drug candidates would have a material adverse impact on us. If others have prepared and filed patent applications in the United States that also claim technology to which we have filed patent applications, we may have to participate in interference, derivation or other proceedings in the USPTO to determine issues such as priority of claimed invention or validity of such patent applications as well as our own patent applications and issued patent.

For more information on these and other risks related to intellectual property, see "Risk Factors—Risks Related to Our Intellectual Property."

Additionally, we currently use a number of unregistered trademarks and are seeking trademark protection in jurisdictions where available and appropriate. We currently have applications pending in China for BeiGene, 百济神州 and our corporate logo.

Collaboration with Merck KGaA

BGB-283

On May 24, 2013, we entered into license agreements with Merck KGaA, which we amended and restated on December 10, 2013 and which we refer to respectively as the Ex-PRC BRAF Agreement and PRC BRAF Agreement. On October 1, 2015, we further amended the Ex-PRC BRAF Agreement. Pursuant to the Ex-PRC BRAF Agreement and PRC BRAF Agreement (a) we granted to Merck KGaA an exclusive license under certain of our intellectual property rights to develop and manufacture, and, if Merck KGaA exercises its Continuation Option (described below), to commercialize and manufacture our compound BGB-283, and any other compound covered by the same existing patent rights with primary activity to inhibit wildtype or certain mutant BRAF, or the Licensed BRAF Inhibitors, in all countries of the world excluding The People's Republic of China, which we refer to as the Ex-PRC Territory, and (b) Merck KGaA granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the Licensed BRAF Inhibitors in The People's Republic of China, which we refer to as the PRC Territory.

Under the Ex-PRC BRAF Agreement, Merck KGaA has the option to continue such agreement and obtain the exclusive commercialization rights described above in the Ex-PRC Territory, which we refer to as the Continuation Option, by notifying us of such election within 60 days (depending on whether we choose to conduct certain pre-specified Phase 1 clinical trials outside of China) following Merck KGaA's receipt of the final results reports for the last of certain pre-specified Phase 1 clinical trials that we have retained the responsibility to perform. If Merck KGaA exercises its Continuation Option, it will pay us a continuation fee based on the costs of conducting the relevant trials, subject to a certain cap. If Merck KGaA does not exercise its Continuation Option, the Ex-PRC BRAF Agreement will terminate in its entirety. We have agreed to use commercially reasonable efforts to conduct certain pre-specified Phase 1 clinical trials.

Further, pursuant to the PRC BRAF Agreement, Merck KGaA has an exclusive right of first negotiation to expand its exclusive rights granted under the Ex-PRC BRAF Agreement to include the PRC Territory on terms to be mutually agreed in the event we seek to license our intellectual property rights to a third party therein. In addition, if we undergo a change of control and the Ex-PRC BRAF Agreement is still in effect, Merck KGaA has the right to do the same in exchange for pre-specified additional milestone payments for certain clinical events in the PRC Territory, but with other financial terms to be mutually agreed.

Under the Ex-PRC and PRC BRAF Agreements, we received $13 million in non-refundable payments in December 2013 following their execution. To date, we have received $5 million in milestone payments. We are additionally eligible to receive up to $32 million, $33 million and $145 million, respectively, in payments upon the successful achievement of pre-specified clinical, regulatory and commercial milestones in the Ex-PRC Territory, and another $18 million in payments upon the successful achievement of pre-specified clinical milestones in the PRC Territory. Merck KGaA also is required to pay us tiered royalties, on a country-by-country and Licensed BRAF Inhibitor-by-Licensed BRAF Inhibitor basis, on aggregate net sales of Licensed BRAF Inhibitors in the Ex-PRC Territory.

In consideration for the licenses Merck KGaA grants to us under the PRC BRAF Agreement, we are required to pay Merck KGaA a high single-digit royalty on aggregate net sales of Licensed BRAF Inhibitors in the PRC Territory.

During the term of the Ex-PRC BRAF Agreement, we and our affiliates cannot, alone or with a third-party partner, develop, manufacture, use or sell a product containing a Licensed BRAF Inhibitor in the Ex-PRC Territory. For clarity, in addition to the rights we have retained for the Licensed BRAF Inhibitors in the PRC Territory (subject to the above Merck KGaA rights), we and our affiliates have retained the ability to develop and commercialize anywhere in the world any compounds that are not the Licensed BRAF Inhibitors, for any use including as inhibitors of wildtype or mutant BRAF.

The term of the Ex-PRC BRAF Agreement continues on a country-by-country and product-by-product basis until the last to expire of Merck KGaA's payment obligations to us, unless terminated earlier by either party, and the PRC BRAF Agreement continues unless terminated as permitted by either party. Under each agreement, Merck KGaA has the right to terminate due to our uncured breach or voluntarily upon prior written notice, and Merck KGaA also has a right of first refusal to purchase our interest in the Licensed BRAF Inhibitors (and solely related intellectual property rights) in case of our insolvency and a third party has made an offer to acquire the same. We have the right to terminate these agreements due to Merck KGaA's uncured breach or for any challenge brought against our licensed patent rights.

BGB-290

On October 28, 2013, we entered into license agreements with Merck KGaA, 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 an exclusive license under certain of our intellectual property rights to develop and manufacture, and, if Merck KGaA exercised a certain continuation option, to commercialize and manufacture our compound BGB-290 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 Territory, and (b) Merck KGaA granted us an exclusive license under certain of its intellectual property rights to develop, manufacture and commercialize the Licensed PARP Inhibitors in the PRC Territory. On October 1, 2015, pursuant to a purchase of rights agreement, we repurchased all of Merck KGaA's rights under the Ex-PRC PARP Agreement, in consideration for, among other things, a one-time payment of $10 million and reduction of future milestone payments we are eligible for under the PRC PARP Agreement. In connection with such repurchase, we also agreed to provide Merck KGaA with global access to our clinical PARP supplies, including BGB-290, for its combination trials, during the certain option period. The Ex-PRC PARP Agreement was terminated, except for certain provisions therein that are needed to effectuate the continuation of the PRC PARP Agreement, including those provisions that are required in the event that Merck KGaA exercises its PRC Commercialization Option (described below).

Pursuant to the PRC PARP Agreement, if we fail to achieve national priority project status in the PRC Territory under its 12 th or 13 th five-year plan with respect to our BGB-290 PARP program in the PRC Territory by July 28, 2017, Merck KGaA can exercise its option to acquire exclusive commercialization rights under the BGB-290 PARP program in the PRC Territory, which we refer to as the PRC Commercialization Option. If, however, we do achieve such event by such time, Merck KGaA only has a right of first negotiation to acquire exclusive commercialization rights under the BGB-290 PARP program in the PRC Territory in the event we seek to license our intellectual property rights to a third party therein.

Under the Ex-PRC and PRC PARP Agreements, we received $6 million in non-refundable payments in November 2013 following their execution, and we are eligible to receive up to $7 million and $2.5 million, respectively, in payments upon the successful achievement of pre-specified clinical and regulatory milestones in the PRC Territory. In addition, if Merck KGaA exercises the PRC Commercialization Option, Merck KGaA is required to pay us a $50 million non-refundable payment upon such exercise, and we are eligible for a $12.5 million milestone payment upon the successful achievement of a certain additional regulatory event in the PRC Territory.

Under the PRC PARP Agreement, in consideration for the licenses granted to us, we are required to pay Merck KGaA 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 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's uncured breach or for any challenge brought against our licensed patent rights.

Competition

Our industry is highly competitive and subject to rapid and significant change. While we believe that our development and commercialization experience, scientific knowledge and industry relationships provide us with competitive advantages, we face competition from pharmaceutical, medical device and biotechnology companies, including specialty pharmaceutical companies, and generic drug companies, academic institutions, government agencies and research institutions.

BGB-3111 Competition

We are developing BGB-3111, a highly selective small molecule covalent BTK inhibitor, for a variety of B-cell malignancies, either as a monotherapy or in combination with other therapies.

Janssen/AbbVie's ibrutinib (IBRUVICA) is one of the currently approved drugs used for the treatment of B-cell malignancies, including patients with mantle cell lymphoma who have received at least one prior therapy, patients with chronic lymphocytic leukemia who have received at least one prior therapy, and chronic lymphocytic leukemia patients with 17p deletion. It has also recently been approved by the FDA for the treatment of Waldenström's Macroglobulinemia.

There are multiple ongoing Phase 3 trials for ibrutinib as a single agent or in combination with chemotherapeutics or target therapeutics in various B-cell malignancies, including chronic lymphocytic leukemia, mantle cell lymphoma, Waldenström's Macroglobulinemia, follicular lymphoma, diffuse large B-cell lymphoma and marginal zone lymphoma. In addition, we are aware of other BTK inhibitors in clinical development for oncology indications, including Celgene's CC-292 currently in Phase 2 trials, Ono/Gilead's Ono-4059 currently in Phase 1 trials, and Acerta's ACP-196 currently in Phase 3 trials.

BGB-283 Competition

We are developing BGB-283 as either a monotherapy or in combination with other cancer therapies for the treatment of cancers with aberrations in the MAPK pathway including BRAF mutations and KRAS/NRAS mutations. We intend to develop BGB-283 in various malignancies, including melanoma, papillary thyroid carcinoma, colorectal cancers and non-small-cell lung carcinoma.

Roche's vemurafenib (Zelboraf) and Novartis' dabrafenib (Tafinlar) 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 trametinib (Mekinist), an MEK inhibitor, is 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, non-small-cell lung cancer, hairy cell leukemia and thyroid cancer. These BRAF inhibitors include Array Biopharma's encorafenib (LGX818), currently in Phase 3 trials, and Takeda MLN-2480 (BIIB-024) and Eli Lilly's LY3009120, both in Phase 1 trials.

BGB-290 Competition

AstraZeneca's Olaparib (LYNPARZA) is approved by the FDA for treating patients with deleterious or suspected deleterious germline BRCA mutated (gBRCAm) advanced ovarian cancer who have been treated with three or more prior lines of chemotherapy. It is approved by the EMA as a maintenance treatment for patients with platinum-sensitive relapsed BRCA-mutated (germline and/or somatic) high grade serous epithelial ovarian, fallopian tube, or primary peritoneal cancer who are in complete response or partial response to platinum-based chemotherapy.

There are a number of companies with ongoing clinical trials, including AstraZeneca, Abbott, Clovis Oncology, Tesaro and BioMarin. AstraZeneca's olaparib has been approved in gBRCAm ovarian cancer and is currently in Phase 3 trials for treatment of gBRCAm breast cancer, gastric cancer, gBRCAm pancreatic cancer and other cancers with sBRCAm or homologous recombinant repair associated genetic mutations. Abbott's veliparib, in combination with other compound(s), is currently in Phase 3 trials for treatment of non-small-cell lung cancer, breast, ovarian cancers and glioblastoma multiforme. Clovis Oncology's rucaparib is currently in Phase 3 trials as a maintenance treatment in patients with platinum-sensitive, high-grade serous or endometrioid epithelial ovarian, primary peritoneal or fallopian tube cancer, Tesaro's niraparib is currently in Phase 3 trials for

platinum-sensitive ovarian cancer and gBRCAm breast cancer, and BioMarin's talazoparib is currently in Phase 3 trials for BRCAm breast cancer.

BGB-A317 Competition

Two anti-PD-1 monoclonal antibody drugs, Merck's pembrolizumab (Keytruda) and BMS's nivolumab (Opdivo), have been recently approved by the FDA for advanced melanoma patients who have failed other treatment, including ipilumumab and vemurafenib. Nivolumab has also been approved for advanced non-small-cell lung cancer patients.

There are a number of companies with ongoing clinical trials involving an anti-PD-1 or anti-PD-L1. Three anti-PD-L1 antibody drugs, Roche's Atezolizumab, AstraZeneca/Celgene's MEDI4736 and Pfizer/Merck Serono's Avelumab, together with anti-PD-1 antibodies, Merck's pembrolizumab, Bristol-Myers Squibb's nivolumab and Medivation/CureTech pidilizumab, are currently engaged in a number of Phase 2/3 trials, for treatment of multiple cancers, including non-small-cell lung cancer, head and neck squamous cell carcinoma, bladder cancer, triple-negative breast cancer, non-Hodgkin's lymphoma and melanoma. Several new anti-PD-1 antibodies have started Phase 1 trials, including AstraZeneca's MEDI0680, Regeneron's REGN2810 and Novartis' PDR001.

Many of our competitors have significantly greater financial, technical and human resources than we have. Mergers and acquisitions in the pharmaceutical, medical device and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Our commercial opportunity could be reduced or eliminated if our competitors develop or market products or other novel therapies that are more effective, safer or less costly than our current or future drug candidates, or obtain regulatory approval for their products more rapidly than we may obtain approval for our drug candidates. Our success will be based in part on our ability to identify, develop and manage a portfolio of drug candidates that are safer and more effective than competing products.

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 drug products, such as those we are developing. 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.

Drugs are also subject to other federal, state and local statutes and regulations. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable regulatory 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, among other actions, the regulatory authority's refusal to approve pending applications, withdrawal of an approval, clinical holds, untitled or warning letters, voluntary product recalls or withdrawals from the market, product seizures, total or partial suspension of production or distribution injunctions, disbarment, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties. Any agency or judicial enforcement action could have a material adverse effect on us.

U.S. Regulation

U.S. Government Regulation and Product Approval

Government authorities in the United States at the federal, state and local level extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, marketing, export and import of drug and biological products such as those we are developing. 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.

U.S. Drug Development Process

The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. 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 the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, 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 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, which must become effective before human clinical trials may begin;
- performance of adequate and well-controlled human clinical trials according to Good Clinical Practice, or GCP, to establish the safety and efficacy of the proposed product for its intended use;
- preparation and submission to the FDA of a New Drug Application, or NDA, for a drug, or a Biologics License Application, or BLA, for a biologic;
- a determination by the FDA within 60 days of its receipt of a 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 current Good Manufacturing Practices, or cGMP; and
- FDA review and approval of the NDA or BLA.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our drug candidates will be granted on a timely basis, if at all.

Once a pharmaceutical product drug 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, 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 a 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 Institutional Review Board, or 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 submitted for FDA review, and to the IRBs for approval. Protocols detail, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, and the parameters to be used to monitor subject safety.

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 at geographically dispersed clinical trial sites. These clinical trials are intended to establish the overall risk/benefit relationship of the product and provide an adequate basis for product labelling.

We refer to our Phase 1 program as dose-escalation and dose-expansion trials.

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 adverse events, 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 testing 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 drug 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 drug 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. For example, the agency will waive the application fee for the first human drug application that a small business or its affiliate submits for review. The sponsor of an approved NDA or BLA is also subject to annual product and establishment user fees.

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 FDA may refer the NDA or BLA to an advisory committee for review, evaluation and recommendation as to whether the application should be approved and under what conditions. An advisory committee is a panel of experts, including clinicians and other scientific experts, who provide advice and recommendations when requested by the FDA. The FDA is not bound by the recommendation of an advisory committee, but it considers such recommendations when making decisions.

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 could also approve the 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, and frequently by different centers at the FDA. These products are known as combination products. Specifically, under regulations issued by the FDA, a combination product may be:

- a product comprised of two or more regulated components that are physically, chemically, or otherwise combined or mixed and produced as a single entity;
- two or more separate products packaged together in a single package or as a unit and comprised of drug and device products, device and biological products, or biological and drug products;
- a drug, device, or biological product packaged separately that according to its investigational plan or proposed labeling is intended for use only with an approved individually specified drug, device, or biological product where both are required to achieve the intended use, indication, or effect and where upon approval of the proposed product the labeling of the approved product would need to be changed, e.g., to reflect a change in intended use, dosage form, strength, route of administration, or significant change in dose; or
- any investigational drug, device, or biological product packaged separately that according to its proposed labeling is for use only with another individually specified investigational drug, device, or biological product where both are required to achieve the intended use, indication, or effect.

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. Thus, if the primary mode of action of a device-drug combination product is attributable to the drug product, the FDA center responsible for premarket review of the drug product would have primary jurisdiction for the combination product. The FDA has also established an Office of Combination Products to address issues surrounding combination products and provide more certainty to the regulatory review process. That office serves as a focal point for combination product issues for agency reviewers and industry. It is also responsible for developing guidance and regulations to clarify the regulation of combination products, and for

assignment of the FDA center that has primary jurisdiction for review of combination products where the jurisdiction is unclear or in dispute.

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 applicable user fees. 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 measurement of laboratory 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

The Food and Drug Administration Safety and Innovation Act, or FDASIA, amended the FDCA to require the FDA 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, 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, and taking steps to ensure that the design of the clinical trials is as efficient as practicable.

Priority Review

Based on results of the Phase 3 clinical trial(s) submitted in a NDA or BLA, upon the request of an applicant, the FDA may grant the NDA 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. Moreover, each component of a combination product retains their regulatory status (as a drug or biologic, for example) and is subject to the requirements established by the FDA for that type of component. 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. We rely, and expect to continue to rely, on third parties for the production of clinical quantities of our drug candidates. Future FDA and state inspections may identify compliance issues at the facilities of our contract manufacturers that may disrupt production or distribution or may require substantial resources to correct.

The FDA may withdraw a product approval 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 recalls or 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.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or reinterpreted by the agency in ways that may significantly affect our business and our drug candidates. It is impossible to predict whether further legislative or FDA regulation or policy changes will be enacted or implemented and what the impact of such changes, if any, may be.

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 Act. The Hatch-Waxman Act permits 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 new drug application, 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, 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, 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 to an existing exclusivity or statutory delay in approval resulting from a patent certification. This six-month exclusivity, which runs from the end of other exclusivity or patent period, may be granted based on the voluntary completion of a pediatric clinical trial in accordance with an FDA-issued "Written Request" for such a clinical trial.

Biosimilars and Exclusivity

The Patient Protection and Affordable Care Act signed into law on March 23, 2010, includes a subtitle called the Biologics Price Competition and Innovation Act of 2009, or BPCI Act, which created an abbreviated approval pathway for biological products shown to be similar to, or interchangeable with, an FDA-licensed reference biological product. This amendment to the PHSA attempts to minimize duplicative testing. 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 biologics' 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 identity of the active moiety if it is a drug composed of small molecules, or of the 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. 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.

Pediatric Information

Under the Pediatric Research Equity Act of 2003, NDAs, BLAs or supplements must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The FDASIA amended the FDCA to require that a sponsor who is planning to submit a marketing application for a product that includes a new active ingredient, new indication, new dosage form, new dosing regimen or new route of administration submit an initial Pediatric Study Plan, or PSP, within 60 days of an end-of-Phase 2 meeting or as may be agreed between the sponsor and the FDA. The initial PSP must include an outline of the pediatric study or studies that the sponsor plans to conduct, including study objectives and design, age groups, relevant endpoints and statistical approach, or a justification for not including such detailed information, and any request for a deferral of pediatric assessments or a full or partial waiver of the requirement to provide data from pediatric studies along with supporting information. The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of data or full or partial waivers. The FDA and the sponsor must reach agreement on the PSP. A sponsor can submit amendments to an agreed-upon initial PSP at any time if changes to the pediatric plan need to be considered based on data collected from preclinical studies, early phase clinical trials, and/or other clinical development programs.

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 discuss 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

Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations. 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, or formulary, 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. Our drug candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective 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, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively, the Affordable Care Act, 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.

The marketability of any products for which we receive regulatory approval for commercial sale may suffer if the government and third-party payors fail to provide adequate coverage and reimbursement. In addition, an increasing emphasis on cost containment measures in the United States has increased and we expect will continue to increase the pressure on pharmaceutical pricing. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

Other Healthcare Laws and Compliance Requirements

If we obtain regulatory approval of our products, 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. The laws that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order, or recommendation of, an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs;

- federal civil and criminal false claims laws and civil monetary penalty laws, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be

presented, claims for payment from Medicare, Medicaid, or other third-party payors that are false or fraudulent, or making a false statement or record material to payment of a false claim or avoiding, decreasing, or concealing an obligation to pay money to the federal government;

- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which created new federal criminal statutes that prohibit executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters;

- the federal transparency laws, including the federal Physician Payment Sunshine Act, which is part of the Affordable Care Act, that requires applicable manufacturers of covered drugs and biologics to disclose payments and other transfers of value provided to physicians and teaching hospitals and physician ownership and investment interests;

- HIPAA, as amended by the Health Information Technology and Clinical Health Act and its implementing regulations, which imposes certain requirements relating to the privacy, security and transmission of individually identifiable health information; and

- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers, and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

The Affordable Care Act 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 Affordable Care Act provides that the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act or the civil monetary penalties statute. Many states have adopted laws similar to the federal Anti-Kickback Statute, some of which apply to the referral of patients for healthcare items or services reimbursed by any source, not only the Medicare and Medicaid programs.

The federal False Claims Act prohibits anyone from, among other things, knowingly presenting, or causing to be presented, for payment to federal programs (including Medicare and Medicaid) claims for items or services that are false or fraudulent. Although we would not submit claims directly to payors, manufacturers can be held liable under these laws if they are deemed to "cause" the submission of false or fraudulent claims by, for example, providing inaccurate billing or coding information to customers or promoting a product off-label. In addition, our future activities relating to the reporting of wholesaler or estimated retail prices for our products, the reporting of prices used to calculate Medicaid rebate information and other information affecting federal, state, and third-party reimbursement for our products, and the sale and marketing of our products, are subject to scrutiny under this law. For example, pharmaceutical companies have been prosecuted under the federal False Claims Act in connection with their off-label promotion of drugs. Penalties for a False Claims Act violation include three times the actual damages sustained by the government, plus mandatory civil penalties of between $5,500 and $11,000 for each separate false claim, the potential for exclusion from participation in federal healthcare programs, and, although the federal False Claims Act is a civil statute, conduct that results in a False Claims Act violation may also implicate various federal criminal statutes. In addition, private individuals have the ability to bring actions under the federal False Claims Act and certain states have enacted laws modeled after the federal False Claims Act.

Patient Protection and Affordable Health Care Act

In March 2010, the Affordable Care Act was enacted, which includes measures that have or will significantly change the way health care is financed by both governmental and private insurers. Among the provisions of the Affordable Care Act of greatest importance to the pharmaceutical industry are the following:

- The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services as a condition for states to receive federal matching funds for the manufacturer's outpatient drugs furnished to Medicaid patients. Effective in 2010, the Affordable Care Act made several changes to the Medicaid Drug Rebate Program, including increasing pharmaceutical manufacturers' rebate liability by raising the minimum basic Medicaid rebate on most branded prescription drugs from 15.1% of average manufacturer price, or AMP, to 23.1% of average manufacturer price, or AMP, and adding a new rebate calculation for "line extensions" (i.e., new formulations, such as extended release formulations) of solid oral dosage forms of branded products, as well as potentially impacting their rebate liability by modifying the statutory definition of AMP. The Affordable Care Act also expanded the universe of Medicaid utilization subject to drug rebates by requiring pharmaceutical manufacturers to pay rebates on Medicaid managed care utilization as of 2010 and by expanding the population potentially eligible for Medicaid drug benefits. The Centers for Medicare & Medicaid Services, or CMS, have proposed to expand Medicaid rebate liability to the territories of the United States as well. In addition, the Affordable Care Act provides for the public availability of retail survey prices and certain weighted average AMPs under the Medicaid program. The implementation of this requirement by the CMS may also provide for the public availability of pharmacy acquisition of cost data, which could negatively impact our sales.

- In order for a pharmaceutical product to receive federal reimbursement under the Medicare Part B and Medicaid programs or to be sold directly to U.S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the 340B drug pricing program. The required 340B discount on a given product is calculated based on the AMP and Medicaid rebate amounts reported by the manufacturer. Effective in 2010, the Affordable Care Act expanded the types of entities eligible to receive discounted 340B pricing, although, under the current state of the law, with the exception of children's hospitals, these newly eligible entities will not be eligible to receive discounted 340B pricing on orphan drugs when used for the orphan indication. In addition, as 340B drug pricing is determined based on AMP and Medicaid rebate data, the revisions to the Medicaid rebate formula and AMP definition described above could cause the required 340B discount to increase.

- Effective in 2011, the Affordable Care Act imposed a requirement on manufacturers of branded drugs to provide a 50% discount off the negotiated price of branded drugs dispensed to Medicare Part D patients in the coverage gap (i.e., the "donut hole").

- Effective in 2011, the Affordable Care Act imposed an annual, nondeductible fee on any entity that manufactures or imports certain branded prescription drugs, apportioned among these entities according to their market share in certain government healthcare programs, although this fee would not apply to sales of certain products approved exclusively for orphan indications.

- The Affordable Care Act required pharmaceutical and biologics manufacturers to track certain financial arrangements with physicians and teaching hospitals, including any "transfer of value" made or distributed to such entities, as well as any investment interests

held by physicians and their immediate family members. Manufacturers were required to begin tracking this information in 2013 and to report this information to CMS beginning in 2014. The reported information was made publicly available in a searchable format on a CMS website beginning in September 2014.

- As of 2010, a new Patient-Centered Outcomes Research Institute was established pursuant to the Affordable Care Act to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research. The research conducted by the Patient-Centered Outcomes Research Institute may affect the market for certain pharmaceutical products.

- The Affordable Care Act created the Independent Payment Advisory Board which, beginning in 2014, has authority to recommend certain changes to the Medicare program to reduce expenditures by the program that could result in reduced payments for prescription drugs. Under certain circumstances, these recommendations will become law unless Congress enacts legislation that will achieve the same or greater Medicare cost savings.

- The Affordable Care Act established the Center for Medicare and Medicaid Innovation within CMS to test innovative payment and service delivery models to lower Medicare and Medicaid spending, potentially including prescription drug spending. Funding has been allocated to support the mission of the Center for Medicare and Medicaid Innovation from 2011 to 2019.

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.

General Regulations on China Food and Drug Administration

In the PRC, the China Food and Drug Administration, or CFDA, monitors and supervises the administration of pharmaceutical products, as well as medical devices and equipment. The CFDA's primary responsibility includes evaluating, registering and approving new drugs, generic drugs, imported drugs and traditional Chinese medicines; approving and issuing permits for the manufacture, export and import of pharmaceutical products and medical appliances; approving the establishment of enterprises for pharmaceutical manufacture and distribution; formulating administrative rules and policies concerning the supervision and administration of food, cosmetics and pharmaceuticals; and handling significant accidents involving these products. The local provincial drug administrative authorities are responsible for supervision and administration of drugs within their respective administrative regions.

The PRC Drug Administration Law promulgated by the Standing Committee of the National People's Congress in 1984 and the Implementing Measures of the PRC Drug Administration Law promulgated by the Ministry of Health, or the MOH, in 1989 set forth the legal framework for the administration of pharmaceutical products, including the research, development and manufacturing of drugs.

The PRC Drug Administration Law was revised in December 2001 and again in April 2015. The purpose of the revisions was to strengthen the supervision and administration of pharmaceutical products and to ensure the quality and safety of those products for human use. The revised PRC Drug Administration Law applies to entities and individuals engaged in the development, production, trade, application, supervision and administration of pharmaceutical products. It

regulates and prescribes a framework for the administration of pharmaceutical preparations of medical institutions and for the development, research, manufacturing, distribution, packaging, pricing and advertisement of pharmaceutical products. Revised Implementing Measures of the PRC Drug Administration Law promulgated by the State Council took effect in September 2002, providing detailed implementing regulations for the revised PRC Drug Administration Law.

Under these regulations, we need to follow related regulations for preclinical research, clinical trials and production of new drugs.

Good Laboratories Practice Certification for Preclinical Research

To improve the quality of preclinical research, the CFDA promulgated the Administrative Measures for Good Laboratories Practice of Preclinical Laboratory in 2003 and began to conduct the certification program of Good Laboratories Practice, or the GLP. In April 2007, the CFDA issued the Circular on Measures for Certification of Good Laboratory Practice, or CFDA Circular 214, providing that the CFDA is responsible for certification of preclinical research institutions. Under CFDA Circular 214, the CFDA decides whether an institution is qualified for undertaking pharmaceutical preclinical research upon the evaluation of the institution's organizational administration, its research personnel, its equipment and facilities and its operation and management of preclinical pharmaceutical projects. If all requirements are met, a GLP Certification will be issued by the CFDA and the result will be published on the CFDA's website.

Currently for all our ongoing projects, we cooperated with CFDA certified GLP laboratories operated by Wuxi AppTec (Suzhou) Co., Ltd. and JOINN Laboratories (Beijing) to conduct the studies following GLP based on CFDA requirements.

Approval for Clinical Trials and Production of New Drugs

According to the Provisions for Drug Registration promulgated by the CFDA in 2007, Drug Administration Law promulgated and amended by the Standing Committee of the National People's Congress in 2015, Circular on Regulations for Special Approval on New Drug Registration issued by the CFDA in 2009, and Circular on Information Publish Platform for Pharmaceutical Clinical Trials issued by the CFDA in 2013, we must comply with the following procedures and obtain several approvals for clinical trials and production of new drugs.

Clinical Trial Application

Upon completion of its preclinical research, a research institution must apply for approval of a Clinical Trial Application before conducting clinical trials.

Special Examination and Approval for Domestic Category 1 Pharmaceutical Products

Domestic Category 1 New Drugs Are Eligible for Special Examination and Approval

According to Provisions for Drug Registration promulgated by the CFDA in 2007, drug registration applications are divided into three different types, namely Domestic New Drug Application, Domestic Generic Drug Application, and Imported Drug Application. Drugs fall into one of three categories, namely chemical medicine, biological product, or traditional Chinese or natural medicine. A Category 1 drug is a new drug that has never been marketed in any country. All of our clinical-stage drug candidates qualify as domestic Category 1 new drugs.

According to Provisions on the Administration of Special Examination and Approval of Registration of New Drugs, or the Special Examination and Approval Provisions promulgated by the

CFDA in July 2009, the CFDA conducts special examination and approval for new drugs registration application when:

(1) the chemical raw material medicines as well as the preparations and biological products thereof haven't been approved for marketing home and abroad;

(2) the new drugs are for treating AIDS, malignant tumors and rare diseases, etc., and have obvious advantages in clinic treatment; or

(3) the new drugs are for treating diseases with no effective methods of treatment.

The Special Examination and Approval Provisions provide that the applicant may file for special examination and approval at the stage of Clinical Trial Application if the drug candidate falls within item (1). The provisions provide that for drug candidates that fall within items (2) or (3), the application for special examination and approval must be made when filing for production.

We believe that BGB-3111, BGB-283, BGB 290 and BGB-A317 fall within items (1) and (2) above. Therefore, we may file an application for special examination and approval at the Clinical Trial Application stage, which may enable us to pursue a more expedited path to approval in China and bring therapies to patients more quickly.

The Advantages of Category 1 New Drugs over Category 3 Drugs

Category 3 drugs are new drugs which have already been marketed abroad by multinational companies, but are not yet approved in China. Compared with the application for Category 3 drugs, the application for Category 1 domestic new drugs has a more straight-forward registration pathway. According to Provisions for Drug Registration, where a special examination and approval treatment is granted, the application for clinical trial and manufacturing will be handled with priority and with enhanced communication with the Center for Drug Evaluation of the CFDA, or the CDA, which will establish a working mechanism for communicating with the applicants. If it becomes necessary to revise the clinical trial scheme or make other major alterations during the clinical trial, the applicant may file an application for communication. When an application for communication is approved, the CDA will arrange the communication with the applicant within one month.

In comparison, according to Provisions for Drug Registration, the registration pathway for Category 3 drugs is complicated and evolving. Category 3 drug applications may only be submitted after a company obtains an NDA approval and receive the CPP granted by a major regulatory authority, such as the FDA or the EMA. Multinational companies may need to apply for conducting MRCTs, which means that companies do not have the flexibility to design the clinical trials to fit the Chinese patients and standard-of-care. Category 3 drug candidates may not qualify to benefit from fast track review with priority at the Clinical Trial Application stage. Moreover, a requirement to further conduct local clinical trials can potentially delay market access by several years from its international NDA approval. Further, according to *Opinions on reforming the review and approval process for pharmaceutical products and medical devices* issued by the Chinese State Council in August 2015, which is a guideline for future legislation and CFDA examination, the drugs which have already been marketed abroad may no longer be categorized as new drugs under the PRC law in the future, and therefore may not be able to enjoy any preferential treatment for new drugs.

Our drug candidates are all new therapeutic agents and we expect that all of our current drug candidates fall under the Category 1 application process. Although the regulatory framework normally requires approval of separate Clinical Trial Applications prior to initiating each phase of clinical development, in July 2015 the CFDA approved our Clinical Trial Application including all phases of clinical trials for BGB-283. We have filed similar Clinical Trial Applications for BGB-3111 and BGB-290 and expect to file a similar Clinical Trial Application for BGB-A317 by the end of 2015.

Subsidies and Preferential Tax Treatment for "12-5 Major New Drugs Development Projects"

In 2012, the State Council adopted a "12-5 Major New Drugs Development Projects," according to which a special fund was established by the government to encourage the development of new drugs. Our BGB-283 drug candidate and another BRAF preclinical research project have been recognized as "12-5 Major New Drugs Development Projects" and received government subsidies of RMB4,260,000 ($665,885 based on the exchange rate as of August 15, 2015) and RMB2,658,400 ($415,537), respectively.

PRC Enterprise Income Tax Law and Its Implementation

The PRC Enterprise Income Tax Law, or EIT Law, and its implementation rules permit certain High and New Technologies Enterprises, or HNTEs, to enterprise income tax rate subject to these HNTEs meeting certain qualification criteria. One of our PRC subsidiaries enjoys such preferential tax treatment.

Pursuant to the Temporary Regulations on Business Tax, which were promulgated by the State Council on December 13, 1993 and effective January 1, 1994, as amended on November 10, 2008 and effective January 1, 2009, any entity or individual conducting business in a service industry is generally required to pay business tax at the rate of 5% on the revenues generated from providing such services. However, if the services provided are related to technological development and transfer, such business tax may be exempted subject to approval by the relevant tax authorities.

In November 2011, the Ministry of Finance and the State Administration of Taxation, or SAT, promulgated the Pilot Plan for Imposition of Value-Added Tax to Replace Business Tax, or the Pilot Plan. Since January 2012, the SAT has been implementing the Pilot Plan, which imposes value-added tax, or VAT, in lieu of business tax for certain industries in Shanghai. The Pilot Plan was expanded to other regions, including Beijing, in September 2012, and was further expanded nationwide beginning August 1, 2013. VAT is applicable at a rate of 6% in lieu of business taxes for certain services and 17% for the sale of goods and provision of tangible property lease services. VAT payable on goods sold or taxable services provided by a general VAT taxpayer for a taxable period is the net balance of the output VAT for the period after crediting the input VAT for the period.

Four Phases of Clinical Trials

A clinical development program consists of Phases 1, 2, 3 and 4. Phase 1 refers to the initial clinical pharmacology and safety evaluation studies in humans. Phase 2 refers to the preliminary evaluation of a drug candidate's therapeutic effectiveness and safety for particular indication(s) in patients, provide evidence and support for the design of Phase 3 clinical trial, and settle the administrative dose regimen. Phase 3 refers to clinical trials undertaken to confirm the therapeutic effectiveness of a drug. Phase 3 is used to further verify the drug's therapeutic effectiveness and safety on patients with target indication(s), to evaluate overall benefit-risk relationships of the drug, and ultimately to provide sufficient evidence for the review of drug registration application. Phase 4 refers to a new drug's post-marketing study to assess therapeutic effectiveness and adverse reactions when the drug is widely used, to evaluate overall benefit-risk relationships of the drug when used among general population or specific groups, and to adjust the administration dose, etc.

New Drug Application

When Phase 1, 2 and 3 of the clinical trials have been completed, the applicant must apply to the CFDA for approval of a new drug application. The CFDA then determines whether to approve the application according to the comprehensive evaluation opinion provided by the CDE of the

CFDA. We have obtained approval of our Clinical Trial Application for BGB-283 in the PRC, and clinical trials are expected to be initiated. We must obtain approval of a new drug application before our drugs can be manufactured and sold in the PRC market.

Good Manufacturing Practice

All facilities and techniques used in the manufacture of products for clinical use or for sale in the PRC must be operated in conformity with cGMP guidelines as established by the CFDA. Failure to comply with applicable requirements could result in the termination of manufacturing and significant fines.

Animal Test Permits

According to Regulations for the Administration of Affairs Concerning Experimental Animals promulgated by the State Science and Technology Commission in November 1988 and Administrative Measures on the Certificate for Animal Experimentation promulgated by the State Science and Technology Commission and other regulatory authorities in January 2001, performing experimentation on animals requires a Certificate for Use of Laboratory Animals. Applicants must satisfy the following conditions:

- Laboratory animals must be qualified and sourced from institutions that have Certificates for Production of Laboratory Animals;
- The environment and facilities for the animals' living and propagating must meet state requirements;
- The animals' feed and water must meet state requirements;
- The animals' feeding and experimentation must be conducted by professionals, specialized and skilled workers, or other trained personnel;
- The management systems must be effective and efficient; and
- The applicable entity must follow other requirements as stipulated by the PRC laws and regulations.

We obtained a Certificate for Use of Laboratory Animals in 2012 regarding the scope of rats and mice.

Regulations Relating to Intellectual Property Rights

Patent

General

Pursuant to the Patent Law of the PRC and its implementation rules, patents in the PRC fall into three categories, namely invention patent, utility model and design patent. Invention patent refers to a new technical solution proposed in respect of a product, method or its improvement; utility model refers to a new technical solution that is practicable for application and proposed in respect of the shape, structure or a combination of both of a product; and design patent refers to the new design of a certain product in shape, pattern or a combination of both and in color, shape and pattern combinations aesthetically suitable for industrial application. Under the Patent Law of the PRC, the term of patent protection starts from the date the patent was filed. Patents relating to utility-models and designs are effective for ten years from the initial date the patent application was filed. The Patent Law of the PRC adopts the principle of "first to file," which means where more than one person files a patent application for the same invention, a patent will be granted to the person who first filed the application.

Existing patents can become invalid or unenforceable due to a number of factors, including known or unknown prior art, deficiencies in patent application and lack of novelty in technology. In the PRC, a patent must have novelty, innovation and practical application. Under the Patent Law of PRC, novelty means that before a patent application is filed, no identical invention or utility model has been publicly disclosed in any publication in the PRC or abroad or has been publicly used or made known to the public by any other means, whether in or outside of China, nor has any other person filed with the patent authority an application that describes an identical invention or utility model and is published after the filing date. Patents in the PRC are filed with the State Intellectual Property Office, or SIPO. Normally, the SIPO publishes an application for a pharmaceutical invention 18 months after the application is filed, which may be shortened upon request by the applicant. The applicant must apply to the SIPO for a substantive examination within three years from the date the application is filed.

Article 20 of the Patent Law of the PRC provides that, for an invention or utility model completed in China, any applicant (not just Chinese companies and individuals), before filing a patent application outside of China, must first submit it to the SIPO for a confidential examination. Failure to comply with this requirement will result in the denial of any Chinese patent for the subject invention. This added requirement of confidential examination by the SIPO has raised concerns by foreign companies who conduct research and development activities in the PRC or outsource research and development activities to service providers in the PRC. Currently we have three invention patents published by SIPO and one invention patent under the application process.

Patent Enforcement

Unauthorized use of patents without consent from owners of patents, forgery of the patents belonging to other persons, or engagement in other infringement acts against patent rights, will subject the infringers to tortious liabilities. Serious offences may be subject to criminal penalties.

When a dispute arises as a result of infringement of the patent owner's patent right, PRC law requires that the parties first attempt to settle the dispute through consultation between them. However, if the dispute cannot be settled through consultation, the patent owner, or an interested party who believes the patent is being infringed, may either file a civil legal suit or file an administrative complaint with the relevant patent administration authority under the SIPO. A PRC court may issue a preliminary injunction upon the patent owner's or an interested party's request before instituting any legal proceedings or during the proceedings. Damages for infringement are calculated as either the loss suffered by the patent holder arising from the infringement or the benefit gained by the infringer from the infringement. If it is difficult to ascertain damages in this manner, damages may be determined by using a reasonable multiple of the license fee under a contractual license. As in other jurisdictions, with one notable exception, the patent owner in the PRC has the burden of proving that the patent is being infringed. However, if the owner of a manufacturing process patent alleges infringement of its patent, the alleged infringer has the burden of proving that it has not infringed. To our knowledge, there are no disputes as to our infringement of any third party's patent.

Medical Patent Compulsory License

According to the Patent Law of the PRC, the SIPO may grant a compulsory license for manufacturing patented drugs and exporting them to countries or regions covered under relevant international treaties to which the People's Republic of China has acceded.

Exemptions for Unlicensed Manufacture, Use and Import of Patented Drugs

According to the Patent Law of the PRC, any person may manufacture, use or import patented drugs for the purpose of providing information required for administrative examination and approval without authorization granted by the patent owner.

Trade Secrets

According to the Anti-Unfair Competition Law of the PRC, the term "trade secrets" refers to technical information and business information that is unknown to the public, that has utility and may create business interest or profit for its legal owners or holders, and that is maintained as a secret by its legal owners or holders.

Under this law, business persons are prohibited from employing the following methods to infringe trade secrets: (1) obtaining the trade secrets from the legal owners or holders by any unfair methods such as stealing, solicitation or coercion; (2) disclosing, using or permitting others to use the trade secrets obtained illegally under item (1) above; or (3) disclosing, using or permitting others to use the trade secrets, in violation of any contractual agreements or any requirements of the legal owners or holders to keep such trade secrets in confidence. If a third party knows or should have known of the above-mentioned illegal conduct but nevertheless obtains, uses or discloses trade secrets of others, the third party may be deemed to have committed a misappropriation of the others' trade secrets. The parties whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties in the amount of RMB 10,000–200,000. Alternatively, persons whose trade secrets are being misappropriated may file lawsuits in a PRC court for loss and damages caused by the misappropriation.

The measures to protect trade secrets include oral or written agreements or other reasonable measures to require the employees of, or persons in business contact with, legal owners or holders to keep trade secrets confidential. Once the legal owners or holders have asked others to keep trade secrets confidential and have adopted reasonable protection measures, the requested persons bear the responsibility for keeping the trade secrets confidential.

Regulations Relating to Foreign Exchange and Dividend Distribution

Foreign Exchange Regulation

The Foreign Exchange Administration Regulations, most recently amended in August 2008, 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 is required when Renminbi 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.

In August 2008, SAFE issued the Circular on the Relevant Operating Issues Concerning the Improvement of the Administration of the Payment and Settlement of Foreign Currency Capital of Foreign-Invested Enterprises, or SAFE Circular 142, regulating the conversion by a foreign-invested enterprise of foreign currency-registered capital into Renminbi by restricting how the converted Renminbi may be used. In addition, SAFE promulgated Notice on Issues concerning Further Clarifying and Regulating the Foreign Exchange Administration under Some Capital Accounts, or Circular 45, on November 9, 2011 to clarify the application of SAFE Circular 142. Under SAFE Circular 142 and Circular 45, Renminbi capital converted from foreign currency registered capital of

a foreign-invested enterprise may only be used for purposes within the business scope approved by the applicable government authority and may not be used for equity investments within the PRC. In addition, SAFE strengthened its oversight of the flow and use of the Renminbi capital converted from foreign currency registered capital of foreign-invested enterprises. The use of such Renminbi capital may not be changed without SAFE's approval, and such Renminbi capital may not, in any case, be used to repay Renminbi loans whose proceeds were not used. Furthermore, SAFE promulgated Notice on Issues Concerning Strengthening Administration of Foreign Exchange Services in November 2010, which tightens the regulation over settlement of net proceeds from overseas offerings, such as our initial public offering, and requires, among other things, the authenticity of settlement of net proceeds from offshore offerings to be closely examined and the net proceeds to be settled in the manner described in our prospectus or otherwise approved by our board of directors. Violations of these SAFE regulations may result in severe monetary or other penalties, including confiscation of earnings derived from such violation activities, a fine of up to 30% of the RMB funds converted from the foreign invested funds or in the case of a severe violation, a fine ranging from 30% to 100% of the Renminbi funds converted from the foreign-invested funds.

In November 2012, SAFE promulgated the Circular of Further Improving and Adjusting Foreign Exchange Administration Policies on Foreign Direct Investment, which substantially amends and simplifies the current foreign exchange procedure. Pursuant to this circular, the opening of various special purpose foreign exchange accounts, such as pre-establishment expenses accounts, foreign exchange capital accounts and guarantee accounts, the reinvestment of Renminbi proceeds by foreign investors in the PRC, and remittance of foreign exchange profits and dividends by a foreign-invested enterprise to its foreign shareholders no longer require the approval or verification of SAFE, and multiple capital accounts for the same entity may be opened in different provinces, which was not previously possible. In addition, SAFE promulgated the Circular on Printing and Distributing the Provisions on Foreign Exchange Administration over Domestic Direct Investment by Foreign Investors and the Supporting Documents in May 2013, which specifies that the administration by the SAFE or its local branches over direct investment by foreign investors in the PRC will be conducted by way of registration, and banks must process foreign exchange business relating to the direct investment in the PRC based on the registration information provided by SAFE and its branches.

Under the Circular of the SAFE on Further Improving and Adjusting the Policies for Foreign Exchange Administration under Capital Accounts promulgated by the SAFE on January 10, 2014 and effective from February 10, 2014, administration over the outflow of the profits by domestic institutions has been further simplified. In principle, a bank is no longer required to examine transaction documents when handling the outflow of profits of no more than the equivalent of $50,000 by a domestic institution. When handling the outflow of profits exceeding the equivalent of $50,000, the bank, in principle, is no longer required to examine the financial audit report and capital verification report of the domestic institution, provided that it must examine, according to the principle of transaction authenticity, the profit distribution resolution of the board of directors (or the profit distribution resolution of the partners) relating to this profit outflow and the original copy of its tax record-filing form. After each profit outflow, the bank must affix its seal to and endorsements on the original copy of the relevant tax record-filing form to indicate the actual amount of the profit outflow and the date of the outflow.

On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Exchange Capital of Foreign-invested Enterprises, or SAFE Circular 19, which became effective on June 1, 2015. According to SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises may be settled on a discretionary basis, meaning that the foreign exchange capital in the capital account of a foreign-invested enterprise for which

the rights and interests of monetary contribution has been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise. The proportion of such discretionary settlement is temporarily determined as 100%. The Renminbi converted from the foreign exchange capital will be kept in a designated account, and if a foreign-invested enterprise needs to make further payment from such account, it still must provide supporting documents and go through the review process with the banks.

Furthermore, SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises must adhere to the principles of authenticity and self-use within the business scope of enterprises. 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:

1. directly or indirectly used for the payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations;

2. directly or indirectly used for investment in securities, unless otherwise provided by relevant laws and regulations;

3. directly or indirectly used for granting the entrusted loans in RMB, unless permitted by the scope of business, repaying the inter-enterprise borrowing (including advances by the third party), or repaying the bank loans in RMB that have been sub-lent to the third party; and/or

4. paying the expenses related to the purchase of real estate that is not for self-use, except for the foreign-invested real estate enterprises.

Our PRC subsidiaries' distributions to the offshore parent and carrying out cross-border foreign exchange activities shall comply with the various SAFE registration requirements described above.

Share Option Rules

Under the Administration Measures on Individual Foreign Exchange Control issued by the People's Bank of China on December 25, 2006, all foreign exchange matters involved in employee share ownership plans and share option plans in which PRC citizens participate require approval from SAFE or its authorized branch. In addition, under the Notices on Issues concerning the Foreign Exchange Administration for Domestic Individuals Participating in Share Incentive Plans of Overseas Publicly-Listed Companies, or Share Option Rules, issued by the SAFE on February 15, 2012, PRC residents who are granted shares or share options by companies listed on overseas stock exchanges under share incentive plans are required to (1) register with the SAFE or its local branches; (2) retain a qualified PRC agent, which may be a PRC subsidiary of the overseas listed company or another qualified institution selected by the PRC subsidiary, to conduct the SAFE registration and other procedures with respect to the share incentive plans on behalf of the participants; and (3) retain an overseas institution to handle matters in connection with their exercise of share options, purchase and sale of shares or interests and funds transfers. We will make efforts to comply with these requirements upon completion of our initial public offering.

Regulation of Dividend Distribution

The principal laws, rules and regulations governing dividend distribution by foreign-invested enterprises in the PRC are the Company Law of the PRC, as amended, the Wholly Foreign-owned Enterprise Law and its implementation regulations, and the Equity Joint Venture Law and its implementation regulations. Under these laws, rules and regulations, 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. 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 the 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.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Manufacturing and Supply

We lease an approximately 140 square meter manufacturing facility in Beijing, PRC, which produces and supplies preclinical and clinical trial materials for some of our small molecule drug candidates. In addition, we expect to lease a 9,000 square meter manufacturing facility in Suzhou, PRC. At the Suzhou manufacturing facility, we intend to produce drug candidates for clinical or, in the future, commercial use. We expect this facility to consist of one oral-solid-dosage production line for small molecule drug products and one pilot plant for monoclonal antibodies. We also outsource to a limited number of external service providers the production of some drug substances and drug products, and we expect to continue to do so to meet the preclinical and clinical requirements of our drug candidates. For example, cell line and process development for BGB-A317 was completed by Boehringer Ingelheim, and it is currently manufacturing BGB-A317 in China. We do not have a long-term agreement with these third parties. We have framework agreements with most of our external service providers, under which they generally provide services to us on a short-term, project-by-project basis.

Currently, we obtain drug raw materials for our manufacturing activities from multiple suppliers who we believe have sufficient capacity to meet our demands. In addition, we believe that adequate alternative sources for such supplies exist. However, a risk exists that an interruption supplies would materially harm our business. We typically order raw materials and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements.

Manufacturing is subject to extensive regulations that impose various procedural and documentation requirements governing record keeping, 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 drug candidates operate under cGMP conditions. cGMP are regulatory requirements for the production of pharmaceuticals that will be used in humans. For most of our manufacturing processes a back-up cGMP manufacturer is in place or can easily be identified.

Employees

As of September 30, 2015, we had 174 full-time employees and two part-time employees. Of these, 137 are engaged in full-time research and development and laboratory operations and 37 are engaged in full-time general and administrative functions. As of September 30, 2015, 175 of our employees were located in the PRC and one was located in the United States. We have also engaged and may continue to engage independent contractors to assist us with our operations. 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.

Facilities

Our research and development center is located in Changping, Beijing, PRC, where we lease approximately 6,000 square meters of office, laboratory and manufacturing space. The lease for this facility expires in 2021. Our 9,000 square meter manufacturing facility is expected to be located in Suzhou, PRC. Our clinical development office is located in downtown Beijing, PRC. We also have offices in the Greater Boston area, United States. We lease all of our facilities and believe our current facilities are sufficient to meet our needs.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Directors and Executive Officers

Our executive officers and directors and their respective ages and positions as of October 15, 2015:

Name	Age	Position(s)
Executive Officers:		
John V. Oyler	47	Founder, Chief Executive Officer, Chairman and Director
Howard Liang, Ph.D.	52	Chief Financial Officer and Chief Strategy Officer
Jason Yang, M.D., Ph.D.	51	Senior Vice President, Head of Clinical Development
Wendy Yan	50	Senior Vice President, Head of Regulatory Affairs
Non-Management Directors:		
Michael Goller	40	Director
Donald W. Glazer	71	Director
Ranjeev Krishana	41	Director
Ji Li*	47	Director
Ke Tang	35	Director
Qingqing Yi	43	Director
Xiaodong Wang, Ph.D.	52	Director Nominee

* Mr. Li intends to resign from our board of directors prior to the effectiveness of the registration statement.
(1) Member of the Audit Committee.
(2) Member of the Compensation Committee.
(3) Member of the Nominating and Corporate Governance Committee.

The following is a biographical summary of the experience of our executive officers and directors. There are no family relationships among any of our directors or executive officers.

Executive Officers

John V. Oyler is our Founder and has served as our principal executive officer and a member of our board of directors since 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. in 2010. 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 1997 to 2002, Mr. Oyler was a Founder and the President of Telephia, Inc. which was sold to The Nielsen Company in 2007. From 1997 to 1998, Mr. Oyler served as Co-Chief Executive Officer of Genta Incorporated (NASDAQ: GNTA), an oncology-focused biopharmaceutical company. Mr. Oyler began his career as a management consultant at McKinsey & Company. Mr. Oyler received his B.S. from Massachusetts Institute of Technology and MBA from Stanford University. Mr. Oyler's qualifications to sit on our board of directors include his extensive leadership, executive, managerial, business and pharmaceutical and biotechnology company experience, along with his years of industry experience in the development and commercialization of pharmaceutical products.

Howard Liang, Ph.D. joined our company in July 2015 as our Chief Financial Officer and Chief Strategy Officer. Dr. Liang has more than 20 years of combined experience on Wall Street as an analyst covering the biotechnology and pharmaceutical sectors and as a scientist in the

biopharmaceutical industry. 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 joining 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 and both his MBA and Ph.D. in Biochemistry and Molecular Biology from the University of Chicago.

Jason Yang, M.D., Ph.D. has served as our Senior Vice President, Head of Clinical Development since July 2014. Prior to joining us, Dr. Yang served as an Oncology Medical Director in Clinical Development and other roles at Covance Inc. from 2011 to 2014. Prior to his time at Covance, Dr. Yang served as a Senior Principal Scientist in cancer biomarker at Pfizer, Inc. for seven years since 2004, and as a research scientist in cancer genomics at Tularik Inc. (acquired by Amgen Inc. in 2004) for six years since 1998. Dr. Yang was a post-doctoral fellow at The Howard Hughes Medical Institute in Chemical Biology with Dr. Stuart Schreiber at Harvard University. Dr. Yang received his Ph.D. in Biochemistry and Molecular Genetics from the University of Texas Southwestern Medical Center while conducting cutting-edge research on cholesterol transcription regulation with Nobel Laureates Drs. Michael Brown and Joseph Goldstein. Dr. Yang received his M.S. in Medicine from Nanjing Medical University, and his M.D. from Hubei Medical College, Xianning.

Wendy Yan has served as our Senior Vice President, Head of Regulatory Affairs since August 2014. Prior to joining us, Ms. Yan served in various positions, including Director, Head of Regulatory Affairs for China, and Global Regulatory Strategist, at Bayer HealthCare AG from 2008 to 2014. Prior to that, Ms. Yan served at GlaxoSmithKline Pharmaceutical China as both a director and Head of Regulatory Affairs. Ms. Yan also served as a Senior Regulatory Affair Manager at AstraZeneca plc. previously. Ms. Yan received her M.B.A. from Staffordshire University. She began her career at the Beijing Drug Control Institute and is a licensed pharmacist, having received her Bachelor of Medicine from Beijing Traditional Medicine University.

Non-Employee Directors

Michael Goller has served as a member of our board of directors since April 2015. Mr. Goller has been with Baker Bros. Advisors LP since 2005 and currently serves as a Managing Director. 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 holds a B.S. in Molecular and Cell Biology from The Pennsylvania State University and Masters degrees in each of Biotechnology (School of Engineered and Applied Sciences) and Business Administration (Wharton School) from the University of Pennsylvania. We believe that Mr. Goller is qualified to serve on our board of directors based on his experience in the life sciences industry and for his knowledge in financial and corporate development matters.

Donald W. Glazer has served as a member of our board of directors 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 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 1997, Mr. Glazer worked at Ropes & Gray LLP, from 1978 as a Partner. 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; J.D. from Harvard Law School, where he was an editor of the Harvard Law Review; and L.L.M. from the University of Pennsylvania Law School. 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. Glazer's qualifications to sit on our board of directors include his extensive leadership, executive, managerial, business, and corporate legal experience.

Ranjeev Krishana has served as a member of our board of directors 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 holds a B.A. in Economics and Political Science from Brown University, and a Masters of Public Policy from Harvard University. We believe Mr. Krishana's knowledge of the healthcare sector across international markets qualifies him to serve on our board of directors.

Ji Li has served as a member of our board of directors since January 2015. Mr. Li intends to resign from our board of directors prior to the effectiveness of the registration statement. Mr. Li has served as Vice President of Business Development and Licensing at Merck Sharp & Dohme Corp. since December 2013. Mr. Li is responsible for the search, scientific evaluation and due diligence for late-stage inbound and outbound opportunities sponsored by Merck Research Laboratories, or MRL. He also leads the coordination of MRL input into Merck's Global Human Health Business Development—and Corporate Development—sponsored activities to ensure appropriate alignment. Mr. Li also serves as a key member of the Global Clinical Development Leadership Team. From August 2010 to August 2013, Mr. Li served as Executive Licensing Director for External Research and Development at Amgen, where he led the company's efforts in sourcing and evaluation of product partnering opportunities across all therapeutic areas and at all stages of drug development. We believe Mr. Li's experience in the healthcare sector qualifies him to serve on our board of directors.

Ke Tang has served as a member of our board of directors since October 2014. Mr. Tang has been a Vice President at CITIC PE Private Equity Funds Management Co., Ltd. since 2013. Mr. Tang has also served as an Executive Director of Changsheng Medial, a medical service company focusing on renal diseases from July 2014. From 2012 to 2013, Mr. Tang served as Investment Manager at the Principal Investment Department at Goldman Sachs Group, responsible for private equity investments in China. Before that, Mr. Tang served as an Associate and Executive Director at the investment banking division of Goldman Sachs Asia from 2008 to 2012. Mr. Tang holds a B.A. from Southeast University and an MBA from Kellogg School of Management at Northwestern University. We believe Mr. Tang's knowledge of the healthcare sector, along with his extensive experience in capital markets, qualifies him to serve on our board of directors.

Qingqing Yi has served as a member of our board of directors since October 2014. Mr. Yi is a Principal at Hillhouse Capital Group, or Hillhouse. 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. He received a B.S in Engineering from Shanghai Maritime University, as well as an MBA from University of Southern California. We believe Mr. Yi's extensive experience in capital markets and knowledge of the healthcare sector qualifies him to serve on our board of directors.

Xiaodong Wang, Ph.D. is our Founder and has served as the Chairman of our scientific advisory board since 2011. Dr. Wang will become a member of our board of directors upon the completion of this offering. 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 Ph.D. in Biochemistry from the University of Texas Southwestern Medical Center and B.S. in Biology from Beijing Normal University. 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. We believe that Dr. Wang's extensive experience in cancer drug research, combined with his experience in the biotech industry, qualify him to serve as a member of our board of directors.

Composition of Our Board of Directors

Our board of directors currently consists of seven members, all of whom were elected pursuant to the board composition provisions of our voting agreement, which is described under "Certain Relationships and Related Party Transactions—Agreements with Our Shareholders" in this prospectus. These board composition provisions will terminate upon the closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and governance committee and board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity and is not limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and governance committee's and board of directors' priority in selecting board members is identification of persons who will further the interests of our shareholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape and professional and personal experiences and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal.

Our amended and restated articles of association that will become effective upon the completion of this offering also provide that our directors may be removed in the manner provided for in the amended and restated articles of association by the affirmative vote of the holders of at least % of the votes that all our shareholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors (which shall not exceed any maximum number stated therein), may be filled only by vote of a majority of our directors then in office.

Director independence. Our board of directors has determined that all members of the board of directors, except and , are independent, as determined in

accordance with the rules of the NASDAQ Stock Market. In making such independence determination, our board of directors considered the relationships that each such non-employee director has with us and all other facts and circumstances that the board of directors deemed relevant in determining their independence, including the beneficial ownership of our share capital by each non-employee director. In considering the independence of the directors listed above, our board of directors considered the association of our directors with the holders of more than 5% of our share capital. Upon the closing of this offering, we expect that the composition and functioning of our board of directors and each of our committees will comply with all applicable requirements of and the rules and regulations of the U.S. Securities and Exchange Commission, or SEC. There are no family relationships among any of our directors or executive officers.

Staggered board. In accordance with the terms of our amended and restated memorandum and articles of association that will become effective upon the completion of this offering, our board of directors will be divided into three classes, Class I, Class II and Class III, with each class serving staggered three-year terms. Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of shareholders in the year in which their term expires.

- Our Class I directors will be and ;
- Our Class II directors will be and ; and
- Our Class III directors will be and .

Our amended and restated memorandum and articles of association that will become effective upon the completion of this offering provide that the authorized number of directors may be changed only by ordinary resolution of the shareholders. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class shall consist of one third of the board of directors.

The division of our board of directors into three classes with staggered three-year terms may delay or prevent shareholder efforts to effect a change of our management or a change in control.

Board's Role in Risk Oversight

Our board of directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our board of directors performs this oversight role by using several different levels of review. In connection with its reviews of our operations and corporate functions, our board of directors addresses the primary risks associated with those operations and corporate functions. In addition, our board of directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our board committees also oversees the management of our risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Financial Officer reports to the audit committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our audit committee meets privately with representatives from our independent registered public accounting firm and our Chief Financial Officer. The audit committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our board of directors regarding these activities.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates pursuant to a separate charter adopted by our board of directors. The composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the NASDAQ Stock Market and SEC rules and regulations.

Audit Committee

, and currently serve on the audit committee, which is chaired by . Our board of directors has determined that each member of the audit committee is "independent" for audit committee purposes as that term is defined in the rules of the SEC and the applicable rules of the NASDAQ Stock Market. Our board of directors has designated an "audit committee financial expert," as defined under the applicable rules of the SEC. The audit committee's responsibilities include:

- appointing, approving the compensation of, and assessing the independence of our independent registered public accounting firm;
- approving auditing and permissible non-audit services, and the terms of such services, to be provided by our independent registered public accounting firm;
- reviewing the internal audit plan with the independent registered public accounting firm and members of management responsible for preparing our financial statements;
- reviewing and discussing with management and the independent registered public accounting firm our annual and quarterly financial statements and related disclosures as well as critical accounting policies and practices used by us;
- reviewing the adequacy of our internal control over financial reporting;
- establishing policies and procedures for the receipt and retention of accounting-related complaints and concerns;
- recommending, based upon the audit committee's review and discussions with management and the independent registered public accounting firm, whether our audited financial statements shall be included in our Annual Report on Form 10-K;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements and accounting matters;
- preparing the audit committee report required by the SEC rules to be included in our annual proxy statement;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing quarterly earnings releases.

Compensation Committee

, and currently serve on the compensation committee, which is chaired by . Our board of directors has determined that each member of the

compensation committee is "independent" as that term is defined in the applicable rules of the NASDAQ Stock Market. The compensation committee's responsibilities include:

- annually reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer;
- evaluating the performance of our Chief Executive Officer in light of such corporate goals and objectives and determining the compensation of our Chief Executive Officer;
- reviewing and approving the compensation of our other executive officers;
- reviewing and establishing our overall management compensation, philosophy and policy;
- overseeing and administering our compensation and similar plans;
- evaluating and assessing potential current compensation advisors in accordance with the independence standards identified in the applicable rules of ;
- retaining and approving the compensation of any compensation advisors;
- reviewing and approving our policies and procedures for the grant of equity-based awards;
- reviewing and making recommendations to the board of directors with respect to director compensation;
- preparing the compensation committee report required by the SEC rules to be included in our annual proxy statement;
- reviewing and discussing with management the compensation discussion and analysis to be included in our annual proxy statement or Annual Report on Form 10-K; and
- reviewing and discussing with the board of directors corporate succession plans for the Chief Executive Officer and other key officers.

Nominating and Corporate Governance Committee

, and currently serve on the nominating and corporate governance committee, which is chaired by . Our board of directors has determined that each member of the nominating and corporate governance committee is "independent" as that term is defined in the applicable rules of the NASDAQ Stock Market. The nominating and corporate governance committee's responsibilities include:

- developing and recommending to the board of directors criteria for board and committee membership;
- establishing procedures for identifying and evaluating board of director candidates, including nominees recommended by shareholders;
- identifying individuals qualified to become members of the board of directors;
- recommending to the board of directors the persons to be nominated for election as directors and to each of the board's committees;
- developing and recommending to the board of directors a set of corporate governance guidelines; and
- overseeing the evaluation of the board of directors and management.

Our board of directors may establish other committees from time to time.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time during the prior three years been one of our officers or employees. None of our executive officers currently serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Corporate Governance

Prior to the completion of this offering, we will adopt a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. Following the completion of this offering, a current copy of the code will be posted on the Corporate Governance section of our website, which is located at *www.beigene.com* . If we make any substantive amendments to, or grant any waivers from, the code of business conduct and ethics for any officer, we will disclose the nature of such amendment or waiver on our website or in a current report on Form 8-K.

Limitation of Liability

Insofar as indemnification for liabilities arising under the U.S. Securities Act of 1933, as amended may be permitted to our directors, officers or controlling persons, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

EXECUTIVE COMPENSATION

Executive Compensation Overview

Historically, our executive compensation program has reflected our growth and development-oriented corporate culture. To date, the compensation of John V. Oyler, our Chief Executive Officer and Chairman, and the other executive officers identified in the summary compensation table below, who we refer to as the named executive officers, has consisted of a combination of base salary, bonuses and long-term incentive compensation in the form of shares and share options. Our executive officers and all salaried employees are also eligible to receive health and welfare benefits.

As we transition from a private company to a publicly-traded company, we will evaluate our compensation values and philosophy and compensation plans and arrangements as circumstances require. At a minimum, we expect to review executive compensation annually with input from a compensation consultant if and when determined appropriate by the compensation committee. As part of this review process, we expect the board of directors and the compensation committee to apply our values and philosophy, while considering the compensation levels needed to ensure our executive compensation program remains competitive. We will also review whether we are meeting our retention objectives and the potential cost of replacing a key employee.

Compensation Tables

Summary Compensation Table—2014

The following table presents information regarding the total compensation awarded to, earned by, and paid to our Chief Executive Officer and the two most highly-compensated executive officers (other than the Chief Executive Officer) who were serving as executive officers of our wholly-owned PRC subsidiary at the end of the last completed fiscal year for services rendered in all capacities to us for the year ended December 31, 2014. These individuals are our named executive officers for 2014.

Name and Principal Position	Year	Salary ($)(1)	Bonus ($)	Option Awards ($)(2)	All Other Compensation ($)(1)	Total ($)
John V. Oyler *Founder, Chief Executive Officer and Chairman*	2014	97,664(3)	1,272,073(4)	—	13,751(5)	1,383,488(6)
Jason Yang *Senior Vice President, Head of Clinical Development*	2014	116,129(7)	—	9,300	21,801(8)	147,230
Wendy Yan *Senior Vice President, Head of Regulatory Affairs*	2014	68,510(9)	—	18,375	5,093(10)	91,978

(1) Payment in Renminbi was translated into dollars based on the noon buying rate of the Federal Reserve Bank of New York for Renminbi of ¥1.00=$0.1612 at December 31, 2014.

(2) Amounts represent the aggregate grant date fair value of option awards granted to our named executive officers in 2014 computed in accordance with FASB ASC Topic 718. The assumptions used in the valuation of these awards are consistent with the valuation methodologies specified in the notes to our consolidated financial statements and discussions in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The amounts above reflect our aggregate accounting

expense for these awards and do not necessarily correspond to the actual value that will be recognized by the named executive officers.

(3) Represents base salary earned by Mr. Oyler for services as our Chief Executive Officer and Chairman during 2014. Mr. Oyler's annual base salary starting October 1, 2014 was $350,000.

(4) The bonus amount of $1,272,073 paid to Mr. Oyler in 2014 was awarded by the board of directors after our Series A preferred share financing in recognition of Mr. Oyler's leadership and contributions to our company and his substantially below market compensation from our company from our founding in 2010 through the Series A preferred share financing. The size of this bonus is not indicative of future bonus awards to Mr. Oyler.

(5) Mr. Oyler is entitled to living expense assistance in connection with his commuting to our offices in Beijing, China. This amount represents $13,751 attributable to the use of a company car.

(6) From 2010 to 2014, Mr. Oyler advanced us funds from time to time pursuant to loan agreements between Mr. Oyler and us, which provide that, at Mr. Oyler's option, the outstanding balance under such loan agreements may convert into securities of our company on the same terms and conditions as the subordinated convertible promissory note we entered into with Merck Sharp & Dohme Research GmbH, including a 20% conversion discount after a qualified financing. On October 7, 2014, pursuant to the terms of the loan agreements, $7,360,000 outstanding balance of such indebtedness converted into 13,629,629 Series A preferred shares, which included approximately $1,840,000 in conversion discount. Under FASB ASC Topic 718, the conversion discount is considered a compensation expense to our company as opposed to a loan repayment to Mr. Oyler. This amount does not include the $1,840,000 discount. See "Certain Relationships and Related Party Transactions" for further information.

(7) Represents base salary earned by Dr. Yang for services as our Senior Vice President, Head of Clinical Development during 2014. Dr. Yang's annual base salary during this period was $240,000.

(8) Dr. Yang is entitled to living expense assistance. This amount represents (i) $2,060 reimbursement of health insurance premiums and (ii) $19,741 housing allowance.

(9) Represents base salary earned by Ms. Yan for services as our Senior Vice President, Head of Regulatory Affairs during 2014. Ms. Yan's annual base salary during this period was $164,424.

(10) Ms. Yan is entitled to living expense assistance in connection with her commuting to our offices in Beijing, China. This amount represents $5,093 attributable to the use of a company car.

Employment Agreements with Our Executive Officers

Prior to this offering, we intend to enter into an employment agreement with our Chief Executive Officer. We have entered into employment agreements with each of our other executive officers.

Howard Liang, Ph.D. On July 13, 2015, we entered into an employment agreement with Dr. Liang for the position of Chief Financial and Chief Strategy Officer. Dr. Liang currently receives a base salary of $350,000, which is subject to review and adjustment in accordance with company policy. Dr. Liang is eligible for an annual merit bonus of up to $105,000, based on performance as determined by our compensation committee. Dr. Liang was also granted an option to purchase up to 4,900,000 ordinary shares, which vests over four years. Dr. Liang is eligible to participate in our employee benefit plans generally available to our executive employees, subject to the terms of

those plans. Dr. Liang's employment has no specified term, but can be terminated at will by either party. Dr. Liang may be terminated with cause, in certain cases upon 30 days' written notice, in which event he would then be entitled to certain accrued obligations. Dr. Liang may also be terminated without cause, and if so he would receive his base salary during a nine-month severance period and other benefits including partial option vesting acceleration and health and dental insurance payments, unless Dr. Liang breaches his confidentiality obligations. Dr. Liang may terminate his employment with good reason 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 him without cause, subject to his execution of a release of claims and unless he breaches his confidentiality obligations. Dr. Liang may also terminate his employment without good reason upon 90 days' written notice and would then only be entitled to certain accrued obligations.

Jason Yang, M.D., Ph.D. On July 7, 2014, we entered into an employment contract with Dr. Yang for the position of Senior Vice President, Head of Clinical Development. Dr. Yang's employment contract has a three-year term that expires on July 6, 2017. Dr. Yang currently receives a base salary of $20,000 per month, which is subject to annual review and adjustment in accordance with company policy. Dr. Yang is also eligible for an annual merit bonus of up to 20% of his annual base salary, payable at our discretion. Dr. Yang is eligible to participate in our employee benefit plans generally available to our executive employees, subject to the terms of those plans. Dr. Yang is entitled to living expense assistance, including reimbursement of health insurance premiums and housing allowance. Dr. Yang may be terminated for cause without notice and terminated without cause upon the occurrence of specified conditions with 30 days' prior written notice. Where severance pay is mandated by law, Dr. Yang may be entitled to such severance pay in the amount mandated by law when his employment is terminated.

Wendy Yan. Under an employment agreement that became effective on August 1, 2014, Ms. Yan has served as our Senior Vice President, Head of Regulatory Affairs. Ms. Yan's employment contract has a three-year term that expires on July 31, 2017. Ms. Yan currently receives a base salary of ¥85,000 per month, which is subject to annual review and adjustment in accordance with company policy. Ms. Yan is also eligible for a merit bonus, in an amount at our discretion. Ms. Yan is eligible to participate in our employee benefit plans generally available to our executive employees, subject to the terms of those plans. Ms. Yan is entitled to living expense assistance in connection with her commuting to our offices in Beijing, China. Ms. Yan may be terminated for cause without notice and terminated without cause upon the occurrence of specified conditions with 30 days' prior written notice. Where severance pay is mandated by law, Mr. Yan may be entitled to such severance pay in the amount mandated by law when her employment is terminated.

Outstanding Equity Awards at Fiscal Year-End Table—2014

The following table summarizes, for each of our named executive officers, the number of ordinary shares underlying outstanding share options held as of December 31, 2014.

	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price ($)	Option Expiration Date
John V. Oyler	—	—(1)	—	—	—
Jason Yang	—	1,000,000(2)	—	$ 0.01	5/22/2024
Wendy Yan	—	1,250,000(3)	—	$ 0.01	7/20/2024

(1) On July 19, 2015, Mr. Oyler was granted an option to purchase 11,400,500 ordinary shares at an exercise price of $0.50 per share. 20% of our ordinary shares subject to this option become exercisable on July 19, 2016, and the balance becomes exercisable in 48 successive equal monthly installments, subject to continued service.

(2) 20% of our ordinary shares subject to this option became exercisable on July 7, 2015, and the balance becomes exercisable in 48 successive equal monthly installments, subject to continued service.

(3) 20% of our ordinary shares subject to this option became exercisable on August 1, 2015, and the balance becomes exercisable in 48 successive equal monthly installments, subject to continued service.

Non-Employee Director Compensation

In 2014, we did not pay the non-employee members of our board of directors for their service as a director other than for reimbursement of expenses. Our policy has been and will continue to be to reimburse any non-employee directors who are not affiliated with an institutional investor of the company for travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors and committees of the board of directors. We intend to put in place a formal director compensation policy for all of our non-employee directors before the completion of this offering.

Compensation Risk Assessment

We believe that although a portion of the compensation provided to our executive officers and other employees is performance-based, our executive compensation program does not encourage excessive or unnecessary risk taking. This is primarily due to the fact that our compensation programs are designed to encourage our executive officers and other employees to remain focused on both short-term and long-term strategic goals, in particular in connection with our pay-for-performance compensation philosophy. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

Indemnification of Officers and Directors

We have agreed to indemnify our directors and officers in certain circumstances. See "Certain Relationships and Related Party Transactions—Indemnification Agreements."

Equity Compensation Plans and Other Benefit Plans

The two equity incentive plans described in this section are the BeiGene, Ltd. 2011 Option Plan, or the 2011 Plan, and the BeiGene, Ltd. 2015 Option and Incentive Plan, or the 2015 Plan. Prior to this offering, we granted awards to eligible participants under the 2011 Plan. Following the closing of this offering, we expect to grant awards to eligible participants only under the 2015 Plan.

2011 Plan

The 2011 Plan was approved by our board of directors on April 15, 2011 and was most recently amended on April 17, 2015. Under the 2011 Plan, 43,560,432 ordinary shares have been reserved for issuance in the form of share options.

The shares issuable pursuant to awards granted under the 2011 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 Plan.

The 2011 Plan is administered by our board of directors or, at the discretion of our board of directors, 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 Plan and options issued under the 2011 Plan, and to make decisions and resolve disputes regarding the 2011 Plan, in each case subject to the provisions of the 2011 Plan.

The option exercise price of each option granted under the 2011 Plan is determined by our board of directors 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 of directors 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 Plan are not transferable by the holder except by will or intestacy, and the shares issuable under the 2011 Plan may only be transferred in compliance with the 2011 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 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 of directors may amend or discontinue the 2011 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 September 30, 2015, options to purchase 30,149,830 ordinary shares were outstanding under the 2011 Plan. Our board of directors has determined not to make any further awards under the 2011 Plan following the closing of this offering. Ordinary shares that were originally reserved for issuance under our 2011 Plan but were not issued or subject to awards under the 2011 Plan on the effective date of our 2015 Plan, and shares subject to outstanding options or forfeiture restrictions under our 2011 Plan on the effective date of our 2015 Plan that are subsequently forfeited or terminated for any reason before being exercised, will become available for awards under our 2015 Plan.

2015 Plan

On , 2015, our board of directors adopted and our shareholders approved our 2015 Plan to replace the 2011 Plan. Our 2015 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 2015 Plan will become effective on the date immediately preceding the closing of this offering.

We have initially reserved ordinary shares for the issuance of awards under the 2015 Plan. The 2015 Plan provides that the number of ordinary shares reserved and available for issuance will automatically increase each January 1, beginning on January 1, 2016, by % of the outstanding number of ordinary shares on the immediately preceding December 31 or such lesser number of ordinary shares as determined by our compensation committee. This number is subject to adjustment in the event of an share split, share dividend or other change in our capitalization. In addition, shares not needed to fulfill any obligations under the 2011 Plan will also be available for issuance under the 2015 Plan.

The ordinary shares we issue pursuant to awards granted under the 2015 Plan will be authorized but unissued ordinary shares or ordinary shares that we reacquire. The ordinary 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 ordinary shares, expire or are otherwise terminated (other than by exercise) under the 2015 Plan and the 2011 Plan will be added back to the ordinary shares available for issuance under the 2015 Plan.

The 2015 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 2015 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 2015 Plan.

The 2015 Plan permits the granting of options to purchase ordinary shares that are not intended to qualify as incentive share options under Section 422 of the Internal Revenue Code, as amended, or the Code. The exercise price of each share option will be determined by the compensation committee but may not be less than 100% of the fair market value of our ordinary shares on the date of grant. The term of each share option will be fixed by the compensation

committee and may not exceed 10 years from the date of grant. The compensation committee will determine at what time or times each option may be exercised.

The 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.

The 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. The compensation committee may also grant cash-based awards to participants subject to such conditions and restrictions as it may determine. The compensation committee may also grant ordinary shares that are free from any restrictions under the 2015 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.

The compensation committee may grant cash bonuses under the 2015 Plan to participants, subject to the achievement of certain performance goals.

The 2015 Plan provides that, upon the effectiveness, of a "sale event," as defined in the 2015 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 2015 Plan shall terminate. In addition, in connection with the termination of the 2015 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 of directors may amend or discontinue the 2015 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 2015 Plan may require the approval of our shareholders.

No awards may be granted under the 2015 Plan after the date that is ten years from the date of shareholder approval of the 2015 Plan. No awards under the 2015 Plan have been made prior to the date hereof.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements, we describe below transactions and series of similar transactions, during our last three fiscal years, to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our share capital, or any member of the immediate family of the foregoing persons, had or will have a direct or indirect material interest.

Compensation arrangements for our directors and named executive officers are described elsewhere in this prospectus.

Sales and Purchases of Securities

Preferred Share Financings

Series A Preferred Share Financing

In October 2014, we issued and sold an aggregate of 116,785,517 shares of our Series A preferred shares for an aggregate consideration of $74,490,234.23 to certain investors, pursuant to the share purchase agreements entered into with these investors. In connection with the Series A preferred share financing, we also issued warrants to purchase up to 2,592,593 ordinary shares to entities affiliated with Baker Bros. Advisors LP, which have an exercise price of $0.675 per share, and convertible notes to entities affiliated with Baker Bros. Advisors LP, which converted into Series A preferred shares in the Series A preferred share financing.

The following table summarizes the participation in the Series A preferred share financing by any of our directors, executive officers, holders of more than 5% of our voting securities, or any member of the immediate family of the foregoing persons.

Name	Series A Preferred Shares	Aggregate Purchase Price Paid
Entities affiliated with Baker Bros. Advisors LP(1)	49,537,036	$ 33,437,500.00
Merck Sharp & Dohme Research GmbH(2)	18,518,519	$ 10,000,000.00
Hillhouse BGN Holdings Limited(3)	14,814,814	$ 10,000,000.00
CB Biotech Investment Limited(4)	14,814,814	$ 10,000,000.00
John V. Oyler(5)	14,326,356	$ 7,830,291.51

(1) Consists of (i) 44,572,171 shares held by Baker Brothers Life Sciences, L.P.; (ii) 582,747 shares held by 14159, L.P.; and (iii) 4,382,118 shares held by 667, L.P. These entities hold, in the aggregate, more than 5% of our capital shares. Each of Michael Goller, Managing Director at Baker Bros. Advisors LP and Ranjeev Krishana, Head of International Investments at Baker Bros. Advisors LP, is a member of our board of directors.

(2) Ji Li, Vice President of Business Development and Licensing at Merck Sharp & Dohme Corp., of which Merck Sharp & Dohme Research GmbH is an affiliate, is a member of our board of directors.

(3) Qingqing Yi, Principal at Hillhouse Capital, of which Hillhouse BGN Holdings Limited is an affiliate, is a member of our board of directors.

(4) Ke Tang, Vice President at CITIC PE Private Equity Funds Management Co., Ltd., of which CB Biotech Investment Limited is an affiliated fund, is a member of our board of directors.

(5) John V. Oyler is our Founder, Chief Executive Officer and Chairman and a member of our board of directors.

Series A-2 Preferred Share Financing

On April 21, 2015, we issued and sold an aggregate of 83,205,124 shares of our Series A-2 preferred shares for an aggregate consideration of $97,349,995.08 to certain investors, pursuant to the share purchase agreement entered into with these investors.

The following table summarizes the participation in the Series A-2 preferred share financing by any of our directors, executive officers, holders of more than 5% of our voting securities, or any member of the immediate family of the foregoing persons.

Name	Series A-2 Preferred Shares		Aggregate Purchase Price Paid
Entities affiliated with Baker Bros. Advisors LP(1)	28,205,128	$	32,999,999.76
Merck Sharp & Dohme Research GmbH(2)	5,128,205	$	5,999,999.85
Hillhouse BGN Holdings Limited(3)	15,811,965	$	18,499,999.05
CB Biotech Investment Limited(4)	4,786,324	$	5,599,999.08

(1) Consists of (i) 26,292,961 shares held by Baker Brothers Life Sciences, L.P.; and (ii) 1,912,167 shares held by 667, L.P. These entities hold, in the aggregate, more than 5% of our capital shares. Each of Michael Goller, Managing Director at Baker Bros. Advisors LP and Ranjeev Krishana, Head of International Investments at Baker Bros. Advisors LP, is a member of our board of directors.

(2) Ji Li, Vice President of Business Development and Licensing at Merck Sharp & Dohme Corp., of which Merck Sharp & Dohme Research GmbH is an affiliate, is a member of our board of directors.

(3) Qingqing Yi, Principal at Hillhouse Capital, of which Hillhouse BGN Holdings Limited is an affiliate, is a member of our board of directors.

(4) Ke Tang, Vice President at CITIC PE Private Equity Funds Management Co., Ltd., of which CB Biotech Investment Limited is an affiliated fund, is a member of our board of directors.

Consulting Arrangements

Donald W. Glazer, a member of our board of directors, has been providing strategic consulting services to our company since our inception in 2010. As full compensation of his consulting services, on November 24, 2010, in connection with the initial formation of our company, we issued 4,000,000 ordinary shares to Mr. Glazer at $0.0001 per share to vest over five years. Those shares will be fully vested in 2016. We also reimburse Mr. Glazer for the out of pocket expenses incurred in connection with his consulting services.

Debt Arrangements

On February 2, 2011, we issued an 8% senior note for an aggregate principal amount of $10 million to Merck Sharp & Dohme Research GmbH, or MSD. Such note remains outstanding and will mature in February 2016. On February 2, 2011 and November 16, 2011, we issued a subordinated convertible promissory note to MSD for an aggregate principal amount of $10 million, which converted into 18,518,519 Series A preferred shares on October 7, 2014. On February 1,

2013, we issued a $3 million subordinated convertible promissory note to MSD, which was repaid in full on October 31, 2013.

From 2010 to 2014, Mr. Oyler advanced us funds from time to time pursuant to loan agreements between Mr. Oyler and us, which provide that, at Mr. Oyler's option, the outstanding balance under such loan agreements may convert into securities of our company on the same terms and conditions as the subordinated convertible promissory note we issued to MSD, including a 20% conversion discount at a qualified financing. During 2012, 2013 and 2014, Mr. Oyler advanced approximately $5,131,000, $249,000 and $103,000, respectively, to us. The advances bore interest at 6% to 15%.

In 2013, we repaid advances amounting to approximately $731,000 in cash and by issuance of 13,433,334 ordinary shares. From January 1, 2014 through October 7, 2014, we repaid advances amounting to approximately $1,285,000 in cash and by issuance of 6,069,000 ordinary shares. On October 7, 2014, $7,360,000 remaining outstanding balance of such indebtedness converted into 13,629,629 Series A preferred shares.

During 2012, we issued 8%–15% convertible promissory notes due March 21, 2017 and warrants to purchase our preferred shares up to 10% of the convertible promissory notes' principal amount concurrently for an aggregate principal amount of $650,000 to Mr. Oyler. On October 7, 2014, the outstanding balance of such convertible promissory notes converted into 696,727 Series A preferred shares. The warrants exercisable for 57,777 Series A Preferred Shares issued to Mr. Oyler in connection with the convertible promissory notes remain outstanding.

Employment Agreements

For more information regarding employment agreements with certain of our executive officers, see "Executive Compensation—Employment Agreements with Our Executive Officers."

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 amended and restated memorandum and articles of association to be effective upon the completion of this offering 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 have previously entered into and intend to enter into new agreements to indemnify our directors and executive officers. These agreements will, 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.

Agreements With Our Shareholders

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. Our investors' rights agreement, or Investors' Rights Agreement, provides those certain holders of our preferred shares with the right to demand that we file a registration statement, subject to certain limitations, and to request that their share capital be covered by a registration statement that we are otherwise filing. See "Description of Share Capital—Registration Rights" for additional information.

The right of first refusal and co-sale agreement, or Co-Sale Agreement, provides for rights of first refusal and co-sale rights with respect to sales of securities by certain holders of our ordinary shares. The rights of first refusal, co-sale rights and participation rights under the Co-Sale Agreement and Investors' Right Agreement do not apply to this offering. The Investors' Rights Agreement further provides certain holders of our preferred shares and ordinary shares with a participation right to purchase their pro rata share of new securities that we may propose to sell and issue, subject to specified exceptions. The voting agreement contains provisions with respect to the election of our board of directors and its composition.

The primary rights under each of the (1) Investors' Rights Agreement, (2) the Co-Sale Agreement and (3) the voting agreement will terminate upon the closing of this offering, other than certain registration rights for certain holders of our preferred shares and ordinary shares.

In connection with the issuance of notes to MSD, we entered into a securityholder's agreement with MSD, pursuant to which MSD has right to designate a director, information right and right of first offer at a company sale event. These rights will terminate immediately prior to the completion of this offering.

Other Transactions

We have granted share options to our executive officers. For a description of these share options, see "Executive Compensation."

Policies for Approval of Related Party Transactions

Following the closing of this offering, the audit committee of our board of directors will have the primary responsibility for reviewing and approving or disapproving "related party transactions," which are transactions between us and related persons in which the aggregate amount involved exceeds or may be expected to exceed $120,000 and in which a related person has or will have a direct or indirect material interest. For purposes of this policy, a related person will be defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our voting securities, in each case since the beginning of the most recently completed year, and their immediate family members. Our audit committee charter will provide that the audit committee shall review and approve or disapprove any related party transactions. As of the date of this prospectus, we have not adopted any formal standards, policies or procedures governing the review and approval of related party transactions, but we expect that our audit committee will do so in the future.

All of the transactions described above were entered into prior to the adoption of this policy. Accordingly, each was approved by disinterested members of our board of directors after making a determination that the transaction was executed on terms no less favorable than those that could have been obtained from an unrelated third party.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information known to us regarding beneficial ownership of our share capital as of June 30, 2015 by:

- each person, our group of affiliated persons, known by us to be the beneficial owner of more than 5% of any class our voting securities;
- each of our named executive officers;
- each of our directors and director nominee; and
- all of our executive officers, directors and director nominee as a group.

Beneficial ownership is determined in accordance with the rules of the U.S. Securities and Exchange Commission and generally includes voting or investment power with respect to securities. Except as noted by footnote, and subject to community property laws where applicable, we believe based on the information provided to us that the persons and entities named in the table below have sole voting and investment power with respect to all securities shown as beneficially owned by them.

The table lists applicable percentage ownership based on 308,608,069 ordinary shares outstanding as of June 30, 2015, which includes 199,990,641 ordinary shares resulting from the conversion of all outstanding preferred shares upon the closing of this offering, as if this conversion had occurred as of June 30, 2015 and includes 1,784,035 issued but unvested restricted shares, and also lists applicable percentage ownership based on ordinary shares assumed to be outstanding after the closing of this offering assuming the underwriters do not exercise their option to purchase additional ADSs. These amounts assume the conversion of all of our outstanding preferred shares into ordinary shares, which will occur immediately prior to the closing of this offering. Options or warrants to purchase ordinary shares that are exercisable within 60 days of June 30, 2015 are deemed to be beneficially owned by the persons holding these options or warrants for the purpose of computing percentage ownership of that person, but are not treated as outstanding for the purpose of computing any other person's ownership percentage.

Unless otherwise noted below, the address of each person listed on the table is: c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, Grand Cayman KY1-1108, Cayman Islands.

Name and Address of Beneficial Owner	Number of Ordinary Shares Beneficially Owned Prior to this Offering	Percentage of Ordinary Shares Beneficially Owned	
		Prior to this Offering	After this Offering
5% or Greater Shareholders			
Entities affiliated with Baker Bros. Advisors LP(1)	80,334,757	25.8%	
Hillhouse BGN Holdings Limited(2)	30,626,779	9.9	
Merck Sharp & Dohme Research GmbH(3)	23,646,724	7.7	
CB Biotech Investment Limited(4)	19,601,138	6.4	
Named Executive Officers, Directors and Director Nominee			
John V. Oyler(5)	77,882,537	25.2	
Jason Yang(6)	216,667	*	
Wendy Yan(7)	250,000	*	
Michael Goller	—	—	
Donald W. Glazer(8)	8,032,000	2.6	
Ranjeev Krishana	—	—	
Ji Li	—	—	
Ke Tang	—	—	
Qingqing Yi	—	—	
Xiaodong Wang(9)	16,905,375	5.5	
All Directors, Director Nominee and Executive Officers as a Group (11 persons) (10)	103,286,579	33.4%	

* Represents beneficial ownership of less than one percent.

(1) Consists of (i) 44,572,171 ordinary shares issuable upon conversion of Series A preferred shares, 26,292,961 ordinary shares issuable upon conversion of Series A-2 preferred shares and 2,296,890 ordinary shares issuable upon exercise of a warrant currently exercisable and directly held by Baker Brothers Life Sciences, L.P.; (ii) 4,382,118 ordinary shares issuable upon conversion of Series A preferred shares, 1,912,167 ordinary shares issuable upon conversion of Series A-2 preferred shares and 238,850 ordinary shares issuable upon exercise of a warrant currently exercisable and directly held by 667, L.P.; and (iii) 582,747 ordinary shares issuable upon conversion of Series A preferred shares and 56,853 ordinary shares issuable upon exercise of a warrant currently exercisable and directly held by 14159, L.P. Baker Bros. Advisors LP is the investment advisor of each of these funds and has sole voting and investment power with respect to the shares held by these funds. 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. Julian C. Baker and Felix J. Baker disclaim beneficial ownership of all shares except to the extent of their pecuniary interest. The address for each of these entities is 667 Madison Avenue, 21st Floor, New York, NY 10065.

(2) Consists of (i) 14,814,814 ordinary shares issuable upon conversion of Series A preferred shares; and (ii) 15,811,965 ordinary shares issuable upon conversion of Series A-2 preferred shares. Hillhouse BGN Holdings Limited is owned by Hillhouse Fund II, L.P., which is a Cayman Islands limited partnership. Hillhouse Capital Management, Ltd. acts as the sole management company of Hillhouse Fund II, L.P. Mr. Lei Zhang may be deemed to have

controlling power over Hillhouse Capital Management, Ltd. Mr. Lei Zhang disclaims beneficial ownership of all of the shares held by Hillhouse Fund II, L.P., except to the extent of his pecuniary interest therein. The registered address of Hillhouse BGN Holdings Limited is c/o Citco B.V. I. Limited, Flemming House, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands.

(3) Consists of (i) 18,518,519 ordinary shares issuable upon conversion of Series A preferred shares; and (ii) 5,128,205 ordinary shares issuable upon conversion of Series A-2 preferred shares directly held by Merck Sharp & Dohme Research GmbH. The directors of Merck Sharp & Dohme Research GmbH are Christoph Brombacher, Franz Escherich, Cedric Kineider, Michael Rowley and Mehmet Yavuz, who may be deemed to have voting and dispositive power over the shares held by Merck Sharp & Dohme Research GmbH. Christoph Brombacher, Franz Escherich, Cedric Kineider, Michael Rowley and Mehmet Yavuz disclaim beneficial ownership of all shares except to the extent of their pecuniary interest. The address for this entity is Weystrasse 20, CH-6000, Lucerne 6, Switzerland.

(4) Consists of (i) 14,814,814 ordinary shares issuable upon conversion of Series A preferred shares; and (ii) 4,786,324 ordinary shares issuable upon conversion of Series A-2 preferred shares directly held by CB Biotech Investment Limited, which is wholly owned by CPEChina Fund, L.P., a Cayman Islands limited partnership. CITIC PE Associates, L.P. is a Cayman Islands limited partnership and acts as the sole general partner of CPEChina Fund, L.P. CITIC PE Funds Limited is a Cayman Islands exempted company with limited liability and acts as the sole general partner of CITIC PE Associates, L.P. The directors of CITIC PE Funds Limited, Mr. Jianbiao Zhu and Ms. Ching Nar Cindy Chan may be deemed to have controlling power over CITIC PE Funds Limited. Each of Mr. Jianbiao Zhu and Ms. Ching Nar Cindy Chan disclaims beneficial ownership of all of the shares held by CB Biotech Investment Limited, except to the extent of his or her pecuniary interest therein. The address for CB Biotech Investment Limited is c/o Maples Corporate Services (BVI) Limited, Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands.

(5) Consists of (i) 58,381,969 ordinary shares held directly by Mr. Oyler; (ii) 9,340,603 ordinary shares issuable upon conversion of Series A preferred shares held directly by Mr. Oyler; (iii) 10,000,000 ordinary shares held for the benefit of Mr. Oyler in a Roth IRA PENSCO trust account; (iv) 57,777 ordinary shares issuable upon exercise of warrant exercisable within 60 days after June 30, 2015; and (v) 102,188 ordinary shares held by The John Oyler Legacy Trust for the benefit of his minor child, for which Mr. Oyler disclaims beneficial ownership.

(6) Consists of 216,667 shares issuable to Dr. Yang upon exercise of share options exercisable within 60 days after June 30, 2015.

(7) Consists of 250,000 shares issuable to Ms. Yan upon exercise of share options exercisable within 60 days after June 30, 2015.

(8) Consists of (i) 5,132,000 ordinary shares held directly by Mr. Glazer; (ii) 2,500,000 ordinary shares held for the benefit of Mr. Glazer in a Roth IRA PENSCO trust account; and (iii) 400,000 ordinary shares held by Mr. Glazer's spouse, for which Mr. Glazer disclaims beneficial ownership.

(9) Consists of (i) 16,381,475 ordinary shares held directly by Dr. Wang; (ii) 328,035 shares issuable to Dr. Wang upon exercise of share options exercisable within 60 days after June 30, 2015; and (iii) 195,865 ordinary shares held in a UTMA account for Dr. Wang's minor child, for which Dr. Wang disclaims beneficial ownership.

(10) Includes 852,479 ordinary shares issuable upon exercise of options and warrants within 60 days of June 30, 2015.

DESCRIPTION OF SHARE CAPITAL

We are an exempted company incorporated in the Cayman Islands with limited liability and our affairs are governed by our memorandum and articles of association, and the Companies Law (as amended) of the Cayman Islands, which we refer to as the Cayman Companies Law, and the common law of the Cayman Islands.

As of June 30, 2015, our authorized share capital was $72,000 divided into (1) 500,000,000 ordinary shares, par value $0.0001 per share, (2) 120,000,000 Series A preferred shares, par value $0.0001 per share and (3) 100,000,000 Series A-2 preferred shares, par value $0.0001 per share. As of June 30, 2015, there were 108,617,428 ordinary shares issued and outstanding, which included 1,784,035 issued but unvested restricted shares. All of our issued and outstanding preferred shares will convert into 199,990,641 ordinary shares concurrently with the completion of this initial public offering. Following completion of this offering, our authorized capital will be $ divided into ordinary shares with a par value of $0.0001 per share.

Our amended and restated memorandum and articles of association, or our articles, will become effective upon completion of this offering and will replace our existing memorandum and articles of association in its entirety. The following are summaries of material provisions of our articles, as they are expected to become effective upon completion of this offering, and the Cayman Companies Law insofar as they relate to the material terms of our ordinary shares. Under our articles, our name will continue to be BeiGene, Ltd.

The following discussion primarily concerns ordinary shares and the rights of holders of ordinary shares. The holders of ADSs will not be treated as our shareholders and will be required to surrender their ADSs for cancellation and withdrawal from the depositary facility in which the ordinary shares are held in accordance with the provisions of the deposit agreement in order to exercise directly shareholders' rights in respect of the ordinary shares. The depositary will agree, so far as it is practical, to vote or cause to be voted the amount of ordinary shares represented by ADSs in accordance with the non-discretionary written instructions of the holders of such ADSs. See "Description of American Depositary Shares—Voting Rights."

Ordinary Shares

General

All of our issued and outstanding ordinary shares are fully paid and non-assessable. Our ordinary shares are issued in registered form, and are issued when registered in our register of members. Each holder of our ordinary shares will be entitled to receive a certificate in respect of such ordinary shares. Our shareholders who are non-residents of the Cayman Islands may freely hold and vote their ordinary shares. We may not issue shares to bearer.

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 Cayman 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.

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 no less than three-fourths 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 Cayman 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 authorized share capital, consolidating and dividing all or any of our share capital into shares of larger amounts than our existing shares and cancelling any authorized 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 of directors, 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 of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of ordinary shares;
- the instrument of transfer is properly stamped, if required;
- the ordinary share transferred is fully paid and free of any lien in favor 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.

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 Cayman 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 Cayman 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.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our board of directors 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 Cayman 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 of directors. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors 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 authorized by our articles. Under the Cayman 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 such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Cayman 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 of directors may issue preferred shares, without further action by the shareholders. See "—Differences in Corporate Law—Directors' Power to Issue Shares."

General Meetings of Shareholders

Shareholders' meetings may be convened by a majority of our board of directors or our Chairman. As a Cayman Islands exempted company, we are not obligated by the Cayman 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 of directors.

The Cayman 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 one-third of the voting rights 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 10 days but no more than 60 days 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 consists of any one or more shareholders present in person or by proxy, holding shares representing in aggregate not less than one-third 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 of directors will be 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 shall initially serve until the first annual general meeting of shareholders following the effectiveness of our articles upon completion of this offering, or the Articles Effectiveness Date; directors assigned to Class II shall initially serve until the second annual general meeting of shareholders following the Articles Effectiveness Date; and directors assigned to Class III shall initially serve until the third annual general meeting of shareholders following the Articles Effectiveness Date. Our articles provide that upon completion of this offering, the Class I directors will initially consist of and ; the Class II directors will initially consist of and ; and the Class III directors will initially consist of and . Commencing with the first annual general meeting of shareholders following the Articles Effectiveness Date, 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 directors. We have no provisions relating to retirement of directors upon reaching any age limit.

A nominating and corporate governance committee of the board of directors shall have the right to determine the persons who shall stand for election as directors for the remainder of the places available for election to our board of directors. Each of the compensation committee and the nominating and corporate governance committee shall consist of at least three directors and the majority of the committee members shall be independent within the meaning of the NASDAQ Stock

Market rules. The audit committee shall consist of at least three directors, all of whom shall be independent within the meaning of the NASDAQ Stock Market rules and will meet the criteria for independence set forth in Rule 10A-3 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, by the end of the one year transition period for companies following an initial public offering.

In the event that the appointment of any person standing for election as a director fails to be approved by a simple majority of votes cast at a duly constituted general meeting, the nominating and corporate governance committee shall have the power to appoint a different person to the board to be a director until the next annual general meeting of shareholders after such appointment. Such appointment shall become effective upon the nominating and corporate governance committee giving a written notice duly signed by majority of the members of the nominating and corporate governance committee to the company, without the requirement for any further vote or approval by the shareholders or the board. In the event of a casual vacancy on the board due to the resignation, death or removal of a director, the nominating and corporate governance committee shall have the right to appoint a person to the board to be a director until the next annual general meeting of shareholders after such appointment. The board of directors may expand the maximum number of directors on the board, subject to any maximum number determined from time to time by the shareholders at a general meeting. The nominating and corporate governance committee shall be entitled to appoint any directors up to the maximum number of directors on the board, if any.

A director will be removed from office automatically if, among other things, the director (1) dies or becomes bankrupt or makes any arrangement or composition with his creditors generally; or (2) is found of unsound mind; or (3) resigns his office by notice in writing to our company. In addition, any director may be removed by ordinary resolution, with or without cause.

Proceedings of Board of Directors

Our articles provide that our business is to be managed and conducted by our board of directors. 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 Cayman 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.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under Cayman 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 amended and restated memorandum and 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 Cayman Companies Law, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Restrictive Provisions

Under our amended articles of association, in connection with any change of control, merger or sale of our company, the holders of our ordinary shares shall receive the same consideration with respect to their ordinary shares in connection with any such transaction.

Exempted Company

We are an exempted company with limited liability incorporated under the Cayman Companies Law. The Cayman Companies Law distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except for the exemptions and privileges listed below:

- an exempted company does not have to file an annual return of its shareholders with the Registrar of Companies;

- an exempted company's register of members is not open to inspection;

- an exempted company does not have to hold an annual general meeting;

- an exempted company may issue no par value, negotiable or bearer shares;

- an exempted company may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance);

- an exempted company may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;

- an exempted company may register as a limited duration company; and

- an exempted company may register as a segregated portfolio company.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company.

Upon completion of this offering, we will be subject to reporting and other informational requirements of the Exchange Act, as applicable to U.S. domestic issuers. The NASDAQ Stock Market rules require that every company listed on the NASDAQ hold an annual general meeting of shareholders. In addition, our articles allow directors to call an extraordinary general meeting of shareholders pursuant to the procedures set forth in our articles.

Register of Members

Under the Cayman Companies Law, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Companies Law, the register of members of our company is prima facie evidence of the matters set out in the register (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Companies Law to have legal title to the shares as set against its name in the register of members. Upon completion of this offering, the register of members will be immediately updated to record and give effect to the issuance of shares by us to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their names.

If the name of any person is incorrectly entered in or omitted from our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our company, the person or member aggrieved (or any member of our company or our company itself) may apply to the Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Cayman 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 Cayman Companies Law and the current Companies Act of England. In addition, the Cayman Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of certain significant differences between the provisions of the Cayman Companies Law applicable to us and the comparable laws applicable to companies incorporated in the State of Delaware in the United States.

Mergers and Similar Arrangements

The Cayman 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 authorized by (1) a special resolution of the shareholders of each constituent company, and (2) such other authorization, 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.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders. For this purpose a subsidiary is a company of which at least 90% of the issued shares entitled to vote are owned by the parent company.

The consent of each holder of a fixed or floating security interest of a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Except in certain limited circumstances, a dissenting shareholder of a Cayman Islands constituent company is entitled to payment of the fair value of his or her shares upon dissenting from a merger or consolidation. The exercise of such dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, except for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

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 Cayman 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, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits

In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule, a derivative action may not be brought by a minority shareholder. However, based on English law authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands courts can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) so that a non-controlling shareholder may be permitted to commence a class action against or derivative actions in the name of the company to challenge:

- an act that is illegal or *ultra vires* with respect to the company and is therefore incapable of ratification by the shareholders;
- an act that, although not *ultra vires* , requires authorization by a qualified (or special) majority (that is, more than a simple majority) that has not been obtained; and
- an act that constitutes a "fraud on the minority" where the wrongdoers are themselves in control of the company.

Indemnification of Directors and Executive Officers and Limitation of Liability

The Cayman 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, such as to provide indemnification against civil fraud or the consequences of committing a crime. 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. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. In addition, we intend to enter into indemnification agreements with our directors and executive officers that will provide such persons with additional indemnification beyond that provided in our articles.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Anti-Takeover Provisions in Our Articles

Some provisions of our articles may discourage, delay or prevent a change in control of our company or management that shareholders may consider favorable, including limitations on shareholder rights to nominate or remove directors, as well as provisions that authorize our board of directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders.

Under the Cayman Companies Law, our directors may only exercise the rights and powers granted to them under our articles, as amended and restated from time to time, for what they believe in good faith to be in the best interests of our company and for a proper purpose.

Directors' Fiduciary Duties

Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director act in a manner he or she reasonably believes to be in the best interests of the corporation. He or she must not use his or her corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interests of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, a director must prove the transaction was procedurally fair and provided fair value to the corporation.

As a matter of Cayman law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore owes the following duties to the company—a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so), a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care, and these authorities are likely to be followed in the Cayman Islands.

Shareholder Proposals

Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. The Delaware General Corporation Law does not provide shareholders an express right to put any proposal before the annual meeting of shareholders, but in keeping with common law, Delaware corporations generally afford shareholders an opportunity to make proposals and nominations provided that they comply with the notice provisions in the certificate of incorporation or bylaws. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings.

The Cayman 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 allow our shareholders holding not less than one-third of the voting rights entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so

requisitioned to a vote at such meeting. However, our shareholders may propose only ordinary resolutions to be put to a vote at such meetings and shall have no right to propose resolutions with respect to the election, appointment or removal of directors. Our articles provide no other right to put any proposals before annual general meetings or extraordinary general meetings. As a Cayman Islands exempted company, we are not obligated by law to call shareholders' annual general meetings. However, our corporate governance guidelines require us to call such meetings every year.

Cumulative Voting

Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. As permitted under the Cayman Companies Law, our articles do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors

Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our articles, our shareholders generally do not have the right to remove directors. Directors will be removed from office automatically if, among other things, the director (1) dies or becomes bankrupt or makes any arrangement or composition with his creditors generally; or (2) is found of unsound mind; or (3) resigns his office by notice in writing to our company. Any director may be removed by ordinary resolution, with or without cause.

Transactions with Interested Shareholders

The Delaware General Corporation Law contains a business combination statute applicable to Delaware public corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation or bylaws that is approved by its shareholders, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting stock or who or which is an affiliate or associate of the corporation and owned 15% or more of the corporation's outstanding voting stock within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors.

The Cayman Companies Law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although the Cayman Companies Law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding Up

Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board of directors.

Under the Cayman Companies Law and our articles, our company may be wound up only upon resolution of shareholders holding 100% of the total voting rights entitled to vote or if the winding up is initiated by our board of directors, by either a special resolution of our members or, if our company is unable to pay its debts as they fall due, by an ordinary resolution of our members. In addition, a company may be wound up by an order of the courts of the Cayman Islands. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so.

Variation of Rights of Shares

Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under the Cayman Companies Law and our articles, if our share capital is divided into more than one class of shares, we may materially and adversely vary the rights attached to any class only with the consent in writing of the holders of not less than three-fourths 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.

Amendment of Governing Documents

Under the Delaware General Corporation Law, a corporation's certificate of incorporation may be amended only if adopted and declared advisable by the board of directors and approved by a majority of the outstanding shares entitled to vote, and the bylaws may be amended with the approval of a majority of the outstanding shares entitled to vote and may, if so provided in the certificate of incorporation, also be amended by the board of directors. Under the Cayman Companies Law and our articles, our articles may only be amended by special resolution of our shareholders, and in the case of amendments of certain provisions (as described in "—Ordinary Shares—Voting Rights" above), such special resolution shall require the affirmative vote of at least 95% of the votes cast by shareholders at a general meeting of the shareholders.

Rights of Non-Resident or Foreign Shareholders

There are no limitations imposed by our articles on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our articles governing the ownership threshold above which shareholder ownership must be disclosed.

Directors' Power to Issue Shares

Under our articles, our board of directors is empowered to issue or allot shares or grant options, restricted shares, restricted share units, or RSUs, 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 of directors 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. Our board of directors, without shareholder approval, may issue preferred shares with voting, conversion or other rights that could adversely affect the voting power and other rights of holders of our ordinary shares. Subject to the directors' duty of acting in the best interest of our company, preferred shares can be issued quickly with terms calculated to delay or prevent a change in control of us or make removal of management more difficult. Additionally, the issuance of preferred shares may have the effect of decreasing the market price of the ordinary shares, and may adversely affect the voting and other rights of the holders of ordinary shares.

Inspection of Books and Records

Holders of our ordinary shares will have no general right under the Cayman Companies Law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find More Information."

Registration Rights

Upon the completion of this offering, the holders of our registrable shares, as described in the Investors' Rights Agreement, including shares issuable upon the conversion of preferred shares or their permitted transferees, are entitled to rights with respect to the registration of these shares under the Securities Act. These rights are provided under the terms of the Investors' Rights Agreement, and include demand registration rights, short-form registration rights and piggyback registration rights. All fees, costs and expenses of underwritten registrations will be borne by us and all selling expenses, including underwriting discounts and selling commissions, will be borne by the holders of the shares being registered.

Demand Registration Rights

Upon the completion of this offering, the holders of shares of our ordinary shares, including shares issued upon the conversion of preferred shares and issuable upon exercise of the warrants, or their permitted transferees, are entitled to demand registration rights. Under the terms of the Investors' Rights Agreement, we will be required, upon the written request of holders (other than key holders) of at least 11.37%, or key holders of at least 13.71%, of the registrable securities, including ordinary shares, ordinary shares issued pursuant to conversion of our preferred shares or derivative securities held by the holders or key holders, to file a registration statement covering, and use our commercially reasonable efforts to effect the registration of the shares requested to be registered for public resale. We are required to effect only two registrations pursuant to this provision of the Investors' Rights Agreement. A demand for registration may not be made until six months after the completion of this offering.

Short Form Registration Rights

Upon the completion of this offering, the holders of shares of our ordinary shares, including shares issued upon the conversion of preferred shares and issuable upon exercise of the warrants, or their permitted transferees are also entitled to short form registration rights. If at any time we are eligible to file a registration statement on Form S-3, upon the written request of holders of at least 11.37% (other than key holders), or key holders of at least 13.71%, of the registrable securities, including ordinary shares, ordinary shares issued pursuant to conversion of our preferred shares or derivative securities held by the holders or key holders, to sell registrable securities at an aggregate price of at least $5,000,000, we will be required to file a registration statement covering, and use our commercially reasonable efforts to effect a registration of, such shares. We are required to effect only two registrations in any 12-month period pursuant to this provision of the Investors' Rights Agreement.

Piggyback Registration Rights

Upon the completion of this offering, the holders of shares of our ordinary shares, including shares issued upon the conversion of preferred shares and issuable upon exercise of the warrants, or their permitted transferees, are entitled to piggyback registration rights. If we register any of our securities either for our own account or for the account of other security holders, the holders of these shares are entitled to include their shares in the registration. Subject to certain exceptions, we and the underwriters may limit the number of shares included in the underwritten offering if the underwriters believe that including these shares would adversely affect the offering.

Indemnification

Our Investors' Rights Agreement contains customary cross-indemnification provisions, under which we are obligated to indemnify holders of registrable securities in the event of material misstatements or omissions in the registration statement attributable to us, and they are obligated to indemnify us for material misstatements or omissions attributable to them.

Expiration of Registration Rights

The registration rights granted under the investors' rights agreement will terminate on the fifth anniversary of the completion of this offering.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

Citibank, N.A. has agreed to act as the depositary bank for the American Depositary Shares. Citibank's depositary offices are located at 388 Greenwich Street, New York, New York 10013. American Depositary Shares are frequently referred to as "ADSs" and represent ownership interests in securities that are on deposit with the depositary bank. ADSs may be represented by certificates that are commonly known as "American Depositary Receipts" or "ADRs." The depositary bank typically appoints a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank Hong Kong, located at 10/F, Two Harbourfront, ww, Tak Fung Street, Hung Hom, Kowloon, Hong Kong.

We have appointed Citibank as depositary bank pursuant to a deposit agreement. A copy of the deposit agreement is on file with the SEC under cover of a Registration Statement on Form F-6. You may obtain a copy of the deposit agreement from the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549 and from the SEC's website (www.sec.gov). Please refer to Registration Number 333- when retrieving such copy.

We are providing you with a summary description of the material terms of the ADSs and of your material rights as an owner of ADSs. Please remember that summaries by their nature lack the precision of the information summarized and that the rights and obligations of an owner of ADSs will be determined by reference to the terms of the deposit agreement and not by this summary. We urge you to review the deposit agreement in its entirety. The portions of this summary description that are italicized describe matters that may be relevant to the ownership of ADSs but that may not be contained in the deposit agreement.

Each ADS represents the right to receive, and to exercise the beneficial ownership interests in, ordinary shares that are on deposit with the depositary bank and/or custodian. An ADS also represents the right to receive, and to exercise the beneficial interests in, any other property received by the depositary bank or the custodian on behalf of the owner of the ADS but that has not been distributed to the owners of ADSs because of legal restrictions or practical considerations. The custodian, the depositary bank and their respective nominees will hold all deposited property for the benefit of the holders and beneficial owners of ADSs. The deposited property does not constitute the proprietary assets of the depositary bank, the custodian or their nominees. Beneficial ownership in the deposited property will under the terms of the deposit agreement be vested in the beneficial owners of the ADSs. The depositary bank, the custodian and their respective nominees will be the record holders of the deposited property represented by the ADSs for the benefit of the holders and beneficial owners of the corresponding ADSs. A beneficial owner of ADSs may or may not be the holder of ADSs. Beneficial owners of ADSs will be able to receive, and to exercise beneficial ownership interests in, the deposited property only through the registered holders of the ADSs, the registered holders of the ADSs (on behalf of the applicable ADS owners) only through the depositary bank, and the depositary bank (on behalf of the owners of the corresponding ADSs) directly, or indirectly, through the custodian or their respective nominees, in each case upon the terms of the deposit agreement.

If you become an owner of ADSs, you will become a party to the deposit agreement and therefore will be bound to its terms and to the terms of any ADR that represents your ADSs. The deposit agreement and the ADR specify our rights and obligations as well as your rights and obligations as owner of ADSs and those of the depositary bank. As an ADS holder you appoint the depositary bank to act on your behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of the ordinary shares will continue to be governed by the laws of the Cayman Islands, which may be different from the laws in the United States.

In addition, applicable laws and regulations may require you to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. You are solely responsible for complying with such reporting requirements and obtaining such approvals. Neither the depositary bank, the custodian, us or any of their or our respective agents or affiliates shall be required to take any actions whatsoever on your behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations.

As an owner of ADSs, we will not treat you as one of our shareholders and you will not have direct shareholder rights. The depositary bank will hold on your behalf the shareholder rights attached to the ordinary shares underlying your ADSs. As an owner of ADSs you will be able to exercise the shareholders rights for the ordinary shares represented by your ADSs through the depositary bank only to the extent contemplated in the deposit agreement. To exercise any shareholder rights not contemplated in the deposit agreement you will, as an ADS owner, need to arrange for the cancellation of your ADSs and become a direct shareholder.

As an owner of ADSs, you may hold your ADSs either by means of an ADR registered in your name, through a brokerage or safekeeping account, or through an account established by the depositary bank in your 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 you decide to hold your ADSs through your brokerage or safekeeping account, you must rely on the procedures of your broker or bank to assert your rights as ADS owner. Banks and brokers typically hold securities such as the ADSs through clearing and settlement systems such as DTC. The procedures of such clearing and settlement systems may limit your ability to exercise your rights as an owner of ADSs. Please consult with your broker or bank if you have any questions concerning these limitations and procedures. All ADSs held through DTC will be registered in the name of a nominee of DTC. This summary description assumes you have opted to own the ADSs directly by means of an ADS registered in your name and, as such, we will refer to you as the "holder." When we refer to "you," we assume the reader owns ADSs and will own ADSs at the relevant time.

The registration of the ordinary shares in the name of the depositary bank or the custodian shall, to the maximum extent permitted by applicable law, vest in the depositary bank or the custodian the record ownership in the applicable ordinary shares with the beneficial ownership rights and interests in such ordinary shares being at all times vested with the beneficial owners of the ADSs representing the ordinary shares. The depositary bank or the custodian shall at all times be entitled to exercise the beneficial ownership rights in all deposited property, in each case only on behalf of the holders and beneficial owners of the ADSs representing the deposited property.

Dividends and Distributions

As a holder of ADSs, you generally have the right to receive the distributions we make on the securities deposited with the custodian. Your receipt of these distributions may be limited, however, by practical considerations and legal limitations. Holders of ADSs will receive such distributions under the terms of the deposit agreement in proportion to the number of ADSs held as of the specified record date, after deduction the applicable fees, taxes and expenses.

Distributions of Cash

Whenever we make a cash distribution for the securities on deposit with the custodian, we will deposit the funds with the custodian. Upon receipt of confirmation of the deposit of the requisite funds, the depositary bank will arrange for the funds to be converted into U.S. dollars and for the distribution of the U.S. dollars to the holders, subject to the Cayman Islands laws and regulations.

The conversion into U.S. dollars will take place only if practicable and if the U.S. dollars are transferable to the United States. The depositary bank will apply the same method for distributing the proceeds of the sale of any property (such as undistributed rights) held by the custodian in respect of securities on deposit.

The distribution of cash will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. The depositary bank will hold any cash amounts it is unable to distribute in a non-interest bearing account for the benefit of the applicable holders and beneficial owners of ADSs until the distribution can be effected or the funds that the depositary bank holds must be escheated as unclaimed property in accordance with the laws of the relevant states of the United States.

Distributions of Shares

Whenever we make a free distribution of the ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of the ordinary shares with the custodian. Upon receipt of confirmation of such deposit, the depositary bank will either distribute to holders new ADSs representing the ordinary shares deposited or modify the ADS-to-ordinary share ratio, in which case each ADS you hold will represent rights and interests in the additional ordinary shares so deposited. Only whole new ADSs will be distributed. Fractional entitlements will be sold and the proceeds of such sale will be distributed as in the case of a cash distribution.

The distribution of new ADSs or the modification of the ADS-to-ordinary share ratio upon a distribution of the ordinary shares will be made net of the fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes or governmental charges, the depositary bank may sell all or a portion of the new ordinary shares so distributed.

No such distribution of new ADSs will be made if it would violate a law (i.e., the U.S. securities laws) or if it is not operationally practicable. If the depositary bank does not distribute new ADSs as described above, it may sell the ordinary shares received upon the terms described in the deposit agreement and will distribute the proceeds of the sale as in the case of a distribution of cash.

Distributions of Rights

Whenever we intend to distribute rights to purchase additional ordinary shares, we will give prior notice to the depositary bank and we will assist the depositary bank in determining whether it is lawful and reasonably practicable to distribute rights to purchase additional ADSs to holders.

The depositary bank will establish procedures to distribute rights to purchase additional ADSs to holders and to enable such holders to exercise such rights if it is lawful and reasonably practicable to make the rights available to holders of ADSs, and if we provide all of the documentation contemplated in the deposit agreement (such as opinions to address the lawfulness of the transaction). You may have to pay fees, expenses, taxes and other governmental charges to subscribe for the new ADSs upon the exercise of your rights. The depositary bank is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to purchase new ordinary shares other than in the form of ADSs.

The depositary bank will *not* distribute the rights to you if:

- We do not timely request that the rights be distributed to you or we request that the rights not be distributed to you; or
- We fail to deliver satisfactory documents to the depositary bank; or
- It is not reasonably practicable to distribute the rights.

The depositary bank will sell the rights that are not exercised or not distributed if such sale is lawful and reasonably practicable. The proceeds of such sale will be distributed to holders as in the case of a cash distribution. If the depositary bank is unable to sell the rights, it will allow the rights to lapse.

Elective Distributions

Whenever we intend to distribute a dividend payable at the election of shareholders either in cash or in additional shares, we will give prior notice thereof to the depositary bank and will indicate whether we wish the elective distribution to be made available to you. In such case, we will assist the depositary bank in determining whether such distribution is lawful and reasonably practicable.

The depositary bank will make the election available to you only if it is reasonably practicable and if we have provided all of the documentation contemplated in the deposit agreement. In such case, the depositary bank will establish procedures to enable you to elect to receive either cash or additional ADSs, in each case as described in the deposit agreement.

If the election is not made available to you, you will receive either cash or additional ADSs, depending on what a shareholder in the Cayman Islands would receive upon failing to make an election, as more fully described in the deposit agreement.

Other Distributions

Whenever we intend to distribute property other than cash, ordinary shares or rights to purchase additional ordinary shares, we will notify the depositary bank in advance and will indicate whether we wish such distribution to be made to you. If so, we will assist the depositary bank in determining whether such distribution to holders is lawful and reasonably practicable.

If it is reasonably practicable to distribute such property to you and if we provide all of the documentation contemplated in the deposit agreement, the depositary bank will distribute the property to the holders in a manner it deems practicable.

The distribution will be made net of fees, expenses, taxes and governmental charges payable by holders under the terms of the deposit agreement. In order to pay such taxes and governmental charges, the depositary bank may sell all or a portion of the property received.

The depositary bank will *not* distribute the property to you and will sell the property if:

- We do not request that the property be distributed to you or if we ask that the property not be distributed to you; or
- We do not deliver satisfactory documents to the depositary bank; or
- The depositary bank determines that all or a portion of the distribution to you is not reasonably practicable.

The proceeds of such a sale will be distributed to holders as in the case of a cash distribution.

Redemption

Whenever we decide to redeem any of the securities on deposit with the custodian, we will notify the depositary bank in advance. If it is practicable and if we provide all of the documentation contemplated in the deposit agreement, the depositary bank will provide notice of the redemption to the holders.

The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary bank will convert the redemption funds received into U.S. dollars upon the terms of the deposit agreement and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary bank. You may have to pay fees, expenses, taxes and other governmental charges upon the redemption of your ADSs. If less than all ADSs are being redeemed, the ADSs to be retired will be selected by lot or on a *pro rata* basis, as the depositary bank may determine.

Changes Affecting Ordinary Shares

The ordinary shares held on deposit for your ADSs may change from time to time. For example, there may be a change in nominal or par value, split-up, cancellation, consolidation or any other reclassification of such ordinary shares or a recapitalization, reorganization, merger, consolidation or sale of assets of the Company.

If any such change were to occur, your ADSs would, to the extent permitted by law, represent the right to receive the property received or exchanged in respect of the ordinary shares held on deposit. The depositary bank may in such circumstances deliver new ADSs to you, amend the deposit agreement, the ADRs and the applicable Registration Statement(s) on Form F-6, call for the exchange of your existing ADSs for new ADSs and take any other actions that are appropriate to reflect as to the ADSs the change affecting the ordinary shares. If the depositary bank may not lawfully distribute such property to you, the depositary bank may sell such property and distribute the net proceeds to you as in the case of a cash distribution.

Issuance of ADSs upon Deposit of Ordinary Shares

Upon completion of this offering, the ordinary shares being offered pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary bank will issue ADSs to the underwriters named in this prospectus. After the completion of this offering, the ordinary shares that are being offered for sale pursuant to this prospectus will be deposited by us with the custodian. Upon receipt of confirmation of such deposit, the depositary bank will issue ADSs to the underwriters named in this prospectus.

After the closing of this offer, the depositary bank may create ADSs on your behalf if you or your broker deposit ordinary shares with the custodian. The depositary bank will deliver these ADSs to the person you indicate only after you pay any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Your ability to deposit ordinary shares and receive ADSs may be limited by U.S. and Cayman Islands legal considerations applicable at the time of deposit.

The issuance of ADSs may be delayed until the depositary bank or the custodian receives confirmation that all required approvals have been given and that the ordinary shares have been duly transferred to the custodian. The depositary bank will only issue ADSs in whole numbers.

When you make a deposit of the ordinary shares, you will be responsible for transferring good and valid title to the depositary bank. As such, you will be deemed to represent and warrant that:

- The ordinary shares are duly authorized, validly issued, fully paid, non-assessable and legally obtained.
- All preemptive (and similar) rights, if any, with respect to such ordinary shares have been validly waived or exercised.
- You are duly authorized to deposit the ordinary shares.
- The ordinary shares presented for deposit are free and clear of any lien, encumbrance, security interest, charge, mortgage or adverse claim, and are not, and the ADSs issuable upon such deposit will not be, "restricted securities" (as defined in the deposit agreement).
- The ordinary shares presented for deposit have not been stripped of any rights or entitlements.

If any of the representations or warranties are incorrect in any way, we and the depositary bank may, at your cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations.

Transfer, Combination and Split Up of ADRs

As an ADR holder, you will be entitled to transfer, combine or split up your ADRs and the ADSs evidenced thereby. For transfers of ADRs, you will have to surrender the ADRs to be transferred to the depositary bank and also must:

- ensure that the surrendered ADR is properly endorsed or otherwise in proper form for transfer;
- provide such proof of identity and genuineness of signatures as the depositary bank deems appropriate;
- provide any transfer stamps required by the State of New York or the United States; and
- pay all applicable fees, charges, expenses, taxes and other government charges payable by ADR holders pursuant to the terms of the deposit agreement, upon the transfer of ADRs.

To have your ADRs either combined or split up, you must surrender the ADRs in question to the depositary bank with your request to have them combined or split up, and you must pay all applicable fees, charges and expenses payable by ADR holders, pursuant to the terms of the deposit agreement, upon a combination or split up of ADRs.

Withdrawal of Ordinary Shares Upon Cancellation of ADSs

As a holder, you will be entitled to present your ADSs to the depositary bank for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian's offices. Your ability to withdraw the ordinary shares held in respect of the ADSs may be limited by U.S. and Cayman Islands considerations applicable at the time of withdrawal. In order to withdraw the ordinary shares represented by your ADSs, you will be required to pay to the depositary bank the fees for cancellation of ADSs and any charges and taxes payable upon the transfer of the ordinary shares. You assume the risk for delivery of all funds and securities upon withdrawal. Once canceled, the ADSs will not have any rights under the deposit agreement.

If you hold ADSs registered in your name, the depositary bank may ask you to provide proof of identity and genuineness of any signature and such other documents as the depositary bank may deem appropriate before it will cancel your ADSs. The withdrawal of the ordinary shares

represented by your ADSs may be delayed until the depositary bank receives satisfactory evidence of compliance with all applicable laws and regulations. Please keep in mind that the depositary bank will only accept ADSs for cancellation that represent a whole number of securities on deposit.

You will have the right to withdraw the securities represented by your ADSs at any time except for:

- Temporary delays that may arise because (i) the transfer books for the ordinary shares or ADSs are closed, or (ii) the ordinary shares are immobilized on account of a shareholders' meeting or a payment of dividends.
- Obligations to pay fees, taxes and similar charges.
- Restrictions imposed because of laws or regulations applicable to ADSs or the withdrawal of securities on deposit.

The deposit agreement may not be modified to impair your right to withdraw the securities represented by your ADSs except to comply with mandatory provisions of law.

Voting Rights

As a holder, you generally have the right under the deposit agreement to instruct the depositary bank to exercise the voting rights for the ordinary shares represented by your ADSs. The voting rights of holders of ordinary shares are described in "Description of Share Capital."

At our request, the depositary bank will distribute to you any notice of shareholders' meeting received from us together with information explaining how to instruct the depositary bank to exercise the voting rights of the securities represented by ADSs.

If the depositary bank timely receives voting instructions from a holder of ADSs, it will endeavor to vote the securities (in person or by proxy) represented by the holder's ADSs as follows:

- *In the event of voting by show of hands* , the depositary bank will vote (or cause the custodian to vote) all ordinary shares held on deposit at that time in accordance with the voting instructions received from a majority of holders of ADSs who provide timely voting instructions.
- *In the event of voting by poll* , the depositary bank will vote (or cause the Custodian to vote) the ordinary shares held on deposit in accordance with the voting instructions received from the holders of ADSs.

In the event of voting by poll, holders of ADSs in respect of which no timely voting instructions have been received shall be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us to vote the ordinary shares represented by such holders' ADSs; provided, that no such instruction shall be deemed given and no such discretionary proxy shall be given with respect to any matter as to which we inform the depositary that we do not wish such proxy to be given; provided, further, that no such discretionary proxy shall be given (x) with respect to any matter as to which we inform the depositary that (i) there exists substantial opposition, or (ii) the rights of holders of ADSs or the shareholders of our company will be materially adversely affected, and (y) in the event that the vote is on a show of hands.

Please note that the ability of the depositary bank to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure you that you will receive voting materials in time to enable you to return voting instructions to the depositary bank in a timely manner.

Fees and Charges

As an ADS holder, you will be required to pay the following fees under the terms of the deposit agreement:

Service	Fees
• **Issuance of ADSs upon deposit of shares (excluding issuances as a result of distributions of shares)**	**Up to U.S. 5¢ per ADS issued**
• **Cancellation of ADSs**	**Up to U.S. 5¢ per ADS canceled**
• **Distribution of cash dividends or other cash distributions (i.e., sale of rights and other entitlements)**	**Up to U.S. 5¢ per ADS held**
• **Distribution of ADSs pursuant to (i) stock dividends or other free stock distributions, or (ii) exercise of rights to purchase additional ADSs**	**Up to U.S. 5¢ per ADS held**
• **Distribution of securities other than ADSs or rights to purchase additional ADSs (i.e., spin-off shares)**	**Up to U.S. 5¢ per ADS held**
• **ADS Services**	**Up to U.S. 5¢ per ADS held on the applicable record date(s) established by the depositary bank**

As an ADS holder you will also be responsible to pay certain charges such as:

- taxes (including applicable interest and penalties) and other governmental charges;
- the registration fees as may from time to time be in effect for the registration of the ordinary shares on the share register and applicable to transfers of the ordinary shares to or from the name of the custodian, the depositary bank or any nominees upon the making of deposits and withdrawals, respectively;
- certain cable, telex and facsimile transmission and delivery expenses;
- the expenses and charges incurred by the depositary bank in the conversion of foreign currency;
- the fees and expenses incurred by the depositary bank in connection with compliance with exchange control regulations and other regulatory requirements applicable to the ordinary shares, ADSs and ADRs; and
- the fees and expenses incurred by the depositary bank, the custodian, or any nominee in connection with the servicing or delivery of deposited property.

ADS fees and charges payable upon (i) deposit of the ordinary shares against issuance of ADSs and (ii) surrender of ADSs for cancellation and withdrawal of the ordinary shares are charged to the person to whom the ADSs are delivered (in the case of ADS issuances) and to the person who delivers the ADSs for cancellation (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into DTC or presented to the depositary bank via DTC, the ADS issuance and cancellation fees and charges may be deducted from distributions made through DTC, and may be charged to the DTC participant(s) receiving the ADSs or the DTC participant(s) surrendering the ADSs for cancellation, as the case may be, on behalf of the beneficial owner(s)

and will be charged by the DTC participant(s) to the account(s) of the applicable beneficial owner(s) in accordance with the procedures and practices of the DTC participant(s) as in effect at the time. ADS fees and charges in respect of distributions and the ADS service fee are charged to the holders as of the applicable ADS record date. In the case of distributions of cash, the amount of the applicable ADS fees and charges is deducted from the funds being distributed. In the case of (i) distributions other than cash and (ii) the ADS service fee, holders as of the ADS record date will be invoiced for the amount of the ADS fees and charges and such ADS fees and charges may be deducted from distributions made to holders of ADSs. For ADSs held through DTC, the ADS fees and charges for distributions other than cash and the ADS service fee may be deducted from distributions made through DTC, and may be charged to the DTC participants in accordance with the procedures and practices prescribed by DTC and the DTC participants in turn charge the amount of such ADS fees and charges to the beneficial owners for whom they hold ADSs.

In the event of refusal to pay the depositary bank fees, the depositary bank may, under the terms of the deposit agreement, refuse the requested service until payment is received or may set off the amount of the depositary bank fees from any distribution to be made to the ADS holder. Certain of the depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of the ADS offering. Note that the fees and charges you may be required to pay may vary over time and may be changed by us and by the depositary bank. You will receive prior notice of such changes. The depositary bank may reimburse us for certain expenses incurred by us in respect of the ADR program, by making available a portion of the ADS fees charged in respect of the ADR program or otherwise, upon such terms and conditions as we and the depositary bank agree from time to time.

Amendments and Termination

We may agree with the depositary bank to modify the deposit agreement at any time without your consent. We undertake to give holders 30 days' prior notice of any modifications that would materially prejudice any of their substantial rights under the deposit agreement. We will not consider to be materially prejudicial to your substantial rights any modifications or supplements that are reasonably necessary for the ADSs to be registered under the Securities Act or to be eligible for book-entry settlement, in each case without imposing or increasing the fees and charges you are required to pay. In addition, we may not be able to provide you with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law.

You will be bound by the modifications to the deposit agreement if you continue to hold your ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent you from withdrawing the ordinary shares represented by your ADSs (except as permitted by law).

We have the right to direct the depositary bank to terminate the deposit agreement. Similarly, the depositary bank may in certain circumstances on its own initiative terminate the deposit agreement. In either case, the depositary bank must give notice to the holders at least 30 days before termination. Until termination, your rights under the deposit agreement will be unaffected.

After termination, the depositary bank will continue to collect distributions received (but will not distribute any such property until you request the cancellation of your ADSs) and sell the securities held on deposit. After the sale, the depositary bank will hold the proceeds from such sale and any other funds then held for the holders of ADSs in a non-interest bearing account. At that point, the depositary bank will have no further obligations to holders other than to account for the funds then held for the holders of ADSs still outstanding (after deduction of applicable fees, taxes and expenses).

Books of Depositary

The depositary bank will maintain ADS holder records at its depositary office. You may inspect such records at such office during regular business hours but solely for the purpose of communicating with other holders in the interest of business matters relating to the ADSs and the deposit agreement.

The depositary bank will maintain in New York facilities to record and process the issuance, cancellation, combination, split-up and transfer of ADSs. These facilities may be closed from time to time, to the extent not prohibited by law.

Limitations on Obligations and Liabilities

The deposit agreement limits our obligations and the depositary bank's obligations to you. Please note the following:

- We and the depositary bank are obligated only to take the actions specifically stated in the deposit agreement without negligence or bad faith.
- The depositary bank disclaims any liability for any failure to carry out voting instructions, for any manner in which a vote is cast or for the effect of any vote, provided it acts in good faith and in accordance with the terms of the deposit agreement.
- The depositary bank disclaims any liability for any failure to determine the lawfulness or practicality of any action, for the content of any document forwarded to you on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in the ordinary shares, for the validity or worth of the ordinary shares, for any tax consequences that result from the ownership of ADSs, for the credit-worthiness of any third party, for allowing any rights to lapse under the terms of the deposit agreement, for the timeliness of any of our notices or for our failure to give notice.
- We and the depositary bank will not be obligated to perform any act that is inconsistent with the terms of the deposit agreement.
- We and the depositary bank disclaim any liability if we or the depositary bank are prevented or forbidden from or subject to any civil or criminal penalty or restraint on account of, or delayed in, doing or performing any act or thing required by the terms of the deposit agreement, by reason of any provision, present or future of any law or regulation, or by reason of present or future provision of any provision of our memorandum and articles of association, or any provision of or governing the securities on deposit, or by reason of any act of God or war or other circumstances beyond our control.
- We and the depositary bank disclaim any liability by reason of any exercise of, or failure to exercise, any discretion provided for in the deposit agreement or in our memorandum and articles of association or in any provisions of or governing the securities on deposit.
- We and the depositary bank further disclaim any liability for any action or inaction in reliance on the advice or information received from legal counsel, accountants, any person presenting ordinary shares for deposit, any holder of ADSs or authorized representatives thereof, or any other person believed by either of us in good faith to be competent to give such advice or information.
- We and the depositary bank also disclaim liability for the inability by a holder to benefit from any distribution, offering, right or other benefit that is made available to holders of the ordinary shares but is not, under the terms of the deposit agreement, made available to you.

- We and the depositary bank may rely without any liability upon any written notice, request or other document believed to be genuine and to have been signed or presented by the proper parties.

- We and the depositary bank also disclaim liability for any consequential or punitive damages for any breach of the terms of the deposit agreement.

- No disclaimer of any Securities Act liability is intended by any provision of the deposit agreement.

Pre-Release Transactions

Subject to the terms and conditions of the deposit agreement, the depositary bank may issue to broker/dealers ADSs before receiving a deposit of the ordinary shares. These transactions are commonly referred to as "pre-release transactions," and are entered into between the depositary bank and the applicable broker/dealer. The deposit agreement limits the aggregate size of pre-release transactions (not to exceed 30% of the ordinary shares on deposit in the aggregate) and imposes a number of conditions on such transactions (i.e., the need to receive collateral, the type of collateral required, the representations required from brokers, etc.). The depositary bank may retain the compensation received from the pre-release transactions.

Taxes

You will be responsible for the taxes and other governmental charges payable on the ADSs and the securities represented by the ADSs. We, the depositary bank and the custodian may deduct from any distribution the taxes and governmental charges payable by holders and may sell any and all property on deposit to pay the taxes and governmental charges payable by holders. You will be liable for any deficiency if the sale proceeds do not cover the taxes that are due.

The depositary bank may refuse to issue ADSs, to deliver, transfer, split and combine ADRs or to release securities on deposit until all taxes and charges are paid by the applicable holder. The depositary bank and the custodian may take reasonable administrative actions to obtain tax refunds and reduced tax withholding for any distributions on your behalf. However, you may be required to provide to the depositary bank and to the custodian proof of taxpayer status and residence and such other information as the depositary bank and the custodian may require to fulfill legal obligations. You are required to indemnify us, the depositary bank and the custodian for any claims with respect to taxes based on any tax benefit obtained for you.

Foreign Currency Conversion

The depositary bank will arrange for the conversion of all foreign currency received into U.S. dollars if such conversion is practical, and it will distribute the U.S. dollars in accordance with the terms of the deposit agreement. You may have to pay fees and expenses incurred in converting foreign currency, such as fees and expenses incurred in complying with currency exchange controls and other governmental requirements.

If the conversion of foreign currency is not practical or lawful, or if any required approvals are denied or not obtainable at a reasonable cost or within a reasonable period, the depositary bank may take the following actions in its discretion:

- Convert the foreign currency to the extent practical and lawful and distribute the U.S. dollars to the holders for whom the conversion and distribution is lawful and practical.

- Distribute the foreign currency to holders for whom the distribution is lawful and practical.

- Hold the foreign currency (without liability for interest) for the applicable holders.

Governing Law/Waiver of Jury Trial

The deposit agreement and the ADRs will be interpreted in accordance with the laws of the State of New York. The rights of holders of the ordinary shares (including the ordinary shares represented by ADSs) is governed by the laws of the Cayman Islands.

AS A PARTY TO THE DEPOSIT AGREEMENT, YOU WAIVE YOUR RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT OR THE ADRs AGAINST US AND/OR THE DEPOSITARY BANK.

SHARES AND AMERICAN DEPOSITARY SHARES ELIGIBLE FOR FUTURE SALE

Upon completion of this offering, we will have ADSs outstanding representing approximately % of our ordinary shares (or ADSs outstanding representing approximately % of our ordinary shares, if the underwriters exercise in full their option to purchase additional ADSs), based on the number of ordinary shares outstanding as of , 2015. This does not include ordinary shares, representing % of our outstanding ordinary shares immediately after this offering, that will not be subject to lock-up agreements and may be freely converted into ADSs after this offering from time to time. All of the ADSs sold in this offering and the ordinary shares they represent will be freely transferable by persons other than our "affiliates" without restriction or further registration under the Securities Act. Rule 144 under the Securities Act defines an "affiliate" of a company as a person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, our company. All outstanding ordinary shares prior to this offering are "restricted securities" as that term is defined in Rule 144 because they were issued in a transaction or series of transactions not involving a public offering. Restricted securities, in the form of ADSs or otherwise, may be sold only if they are the subject of an effective registration statement under the Securities Act or if they are sold pursuant to an exemption from the registration requirement of the Securities Act such as those provided for in Rule 144 or 701 promulgated under the Securities Act, which rules are summarized below. Restricted ordinary shares may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S under the Securities Act. This prospectus may not be used in connection with any resale of the ADSs acquired in this offering by our affiliates.

Sales of substantial amounts of the ADSs in the public market could materially and adversely affect prevailing market prices of the ADSs. Prior to this offering, there has been no public market for our ordinary shares or ADSs, and while we have applied to list the ADSs on the NASDAQ, we cannot assure you that a regular trading market will develop in the ADSs. We do not expect that a trading market will develop for our ordinary shares not represented by ADSs.

Lock-up Agreements

In connection with this offering, all of our directors and executive officers and certain holders of our shares, who collectively held substantially all ordinary shares (assuming conversion of all of our outstanding preferred shares) as of , 2015, and substantially all of our optionholders who are not shareholders, have signed lock-up agreements which, subject to certain exceptions, prevent them from selling any of our ordinary shares or ADSs, or any securities convertible into or exercisable or exchangeable for ordinary shares or ADSs for a period of not less than 180 days from the date of this prospectus without the prior written consent of each of the representatives. The representatives may in their sole discretion and at any time without notice release some or all of the shares or ADSs subject to lock-up agreements prior to the expiration of the 180-day period. See "Underwriting" for a discussion of certain transfer restrictions. When determining whether or not to release shares or ADSs from the lock-up agreements, the representatives may consider, among other factors, the shareholder's reasons for requesting the release, the number of shares or ADSs for which the release is being requested and market conditions at the time. In addition, our optionholders who have not executed lock-up agreements are nevertheless subject to similar restrictions set forth in the option agreements executed in connection with our 2011 Plan.

Rule 144

In general, under Rule 144 as currently in effect, a person who has beneficially owned our restricted securities for at least six months is entitled to sell the restricted securities without registration under the Securities Act, subject to certain restrictions. Persons who are our affiliates

(which may include persons beneficially owning 10% or more of our outstanding shares) may sell within any three-month period a number of restricted securities that does not exceed the greater of the following:

- 1% of the number of our ordinary shares then outstanding, in the form of ADSs or otherwise, which will equal approximately ordinary shares immediately after this offering; and
- the average weekly trading volume of the ordinary shares, in the form of ADSs or otherwise, on during the four calendar weeks preceding the date on which notice of the sale is filed with the U.S. Securities and Exchange Commission, or SEC.

Such sales are also subject to manner-of-sale provisions, notice requirements and the availability of current public information about us.

In general, under Rule 144 as currently in effect, once we have been subject to the public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, persons who are not our affiliates and have beneficially owned our restricted securities for more than six months but not more than one year may sell the restricted securities without registration under the Securities Act subject to the availability of current public information about us. Persons who are not our affiliates and have beneficially owned our restricted securities for more than one year may freely sell the restricted securities without registration under the Securities Act.

Rule 701

Beginning 90 days after the date of this prospectus, persons other than affiliates who purchased ordinary shares under a written compensatory plan or contract may be entitled to sell such shares in the United States in reliance on Rule 701 under the Securities Act, or Rule 701. Rule 701 permits affiliates to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. Rule 701 further provides that non-affiliates may sell these shares in reliance on Rule 144 subject only to its manner-of-sale requirements. However, the Rule 701 shares would remain subject to any applicable lock-up arrangements and would only become eligible for sale when the lock-up period expires.

Registration Rights

Upon completion of this offering, certain holders of our ordinary shares or their transferees will be entitled to request that we register their ordinary shares under the Securities Act, following the expiration of the lock-up agreements described above. See "Description of Share Capital—Registration Rights."

Share Option Plans

We intend to file one or more registration statements on Form S-8 under the Securities Act to register our shares issued or reserved for issuance under our share option plans. The first such registration statement is expected to be filed soon after the date of this prospectus and will automatically become effective upon filing with the SEC. Accordingly, shares registered under such registration statement will be available for sale in the open market, unless such shares are subject to vesting restrictions with us or the lock-up restrictions described above. As of , 2015, we estimate that such registration statement on Form S-8 will cover approximately shares.

TAXATION

The following is a summary of the material Cayman Islands, PRC and United States federal income tax consequences relevant to an investment in the ADSs and ordinary shares. The discussion is not intended to be, nor should it be construed as, legal or tax advice to any particular prospective purchaser. The discussion is based on laws and relevant interpretations thereof as of the date of this prospectus, all of which are subject to change or different interpretations, possibly with retroactive effect. The discussion does not address U.S. state or local tax laws, or tax laws of jurisdictions other than the Cayman Islands, the People's Republic of China and the United States. You should consult your own tax advisors with respect to the consequences of acquisition, ownership and disposition of the ADSs and ordinary shares. To the extent that this discussion relates to matters of Cayman Islands tax law, it is the opinion of Mourant Ozannes, our special Cayman Islands counsel. To the extent that the discussion relates to PRC tax laws and regulations, it is the opinion of Fangda Partners, our special PRC counsel.

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 us or to any holder of the ADSs and ordinary shares. There are no other taxes likely to be material to us levied by the Government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or 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 by our company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of the ADSs and ordinary shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of the ADSs or ordinary shares, as the case may be, nor will gains derived from the disposal of the ADSs or ordinary shares be subject to Cayman Islands income or corporation tax.

People's Republic of China Taxation

Under the EIT Law, an enterprise established outside of China with a "de facto management body" within China is considered a "resident enterprise," which means that it is treated in a manner similar to a Chinese enterprise for enterprise income tax purposes. Although the implementation rules of the EIT Law define "de facto management body" as a managing body that exercises substantive and overall management and control over the production and business, personnel, accounting books and assets of an enterprise, the only official guidance for this definition currently available is set forth in the Notice Regarding the Determination of Chinese-Controlled Offshore Incorporated Enterprise as PRC Tax Resident Enterprises on the Basis of De Facto Management Bodies, or Circular 82, issued by the State Administration of Taxation, which provides guidance on the determination of the tax residence status of a Chinese-controlled offshore incorporated enterprise, defined as an enterprise that is incorporated under the laws of a foreign country or territory and that has a PRC enterprise or enterprise group as its primary controlling shareholder. Although BeiGene, Ltd. does not have a PRC enterprise or enterprise group as our 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 the PRC.

According to Circular 82, a Chinese-controlled offshore incorporated enterprise will be regarded as a PRC tax resident by virtue of having a "de facto management body" in China and will be subject to PRC enterprise income tax on its worldwide income only if all of the following criteria are met:

- the primary location of the enterprise's senior executives of the day-to-day operational management and senior management departments performing their duties is in the PRC;
- decisions relating to the enterprise's financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC;
- the enterprise's primary assets, accounting books and records, company seals, and board and shareholder meeting minutes are located or maintained in the PRC; and
- 50% or more of voting board members or senior executives habitually reside in the PRC.

Currently, some of the members of our management team are located in China. However, we do not believe that we meet all of the conditions outlined in the immediately preceding paragraph. BeiGene, Ltd. and its offshore subsidiaries are incorporated outside the PRC. As a holding company, our key assets and records, including the resolutions and meeting minutes of our board of directors and the resolutions and meeting minutes of our shareholders, are located and maintained outside the PRC. However, we are not aware of any offshore holding companies with a corporate structure similar to ours that has been deemed a PRC "resident enterprise" by the PRC tax authorities. Accordingly, we believe that BeiGene, Ltd. and its offshore subsidiaries should not be treated as a "resident enterprise" for PRC tax purposes if the criteria for "de facto management body" as set forth in Circular 82 were deemed applicable to us. However, as the tax residency 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" as applicable to our offshore entities, we will continue to monitor our tax status.

The implementation rules of the EIT Law provide that, (1) if the enterprise that distributes dividends is domiciled in the PRC or (2) if gains are realized from transferring equity interests of enterprises domiciled in the PRC, then such dividends or capital gains are treated as China-sourced income. It is not clear how "domicile" may be interpreted under the EIT Law, and it may be interpreted as the jurisdiction where the enterprise is a tax resident. Therefore, if we are considered as a PRC tax resident enterprise for PRC tax purposes, any dividends we pay to our overseas shareholders or ADS holders as well as gains realized by such shareholders or ADS holders from the transfer of our shares or ADSs may be regarded as China-sourced income. 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 up to 10% (or 20% in the case of non-PRC individual ADS holders or shareholders) and gains realized by non-PRC resident enterprise 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). It is also unclear whether, if we are considered a PRC resident enterprise, holders of our shares or ADSs would be able to claim the benefit of income tax treaties or agreements entered into between China and other countries or areas.

Material United States Federal Income Tax Considerations

The following summary describes the material United States federal income tax consequences of the ownership and disposition of our ordinary shares and ADSs as of the date of this prospectus. The discussion set forth below is applicable only to United States Holders (described below). Except where noted, this summary deals only with United States Holders that are initial purchasers of the ordinary shares and ADSs and that will hold such ordinary shares and ADSs as capital

assets for U.S. federal income tax purposes. This summary does not address all U.S. federal income tax matters that may be relevant to a particular United States Holder. As used herein, the term "United States Holder" means a beneficial owner of an ordinary share or ADS that is for United States federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more United States persons has or have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable United States Treasury regulations to be treated as a United States person.

This summary does not represent a detailed description of all of the United States federal income tax consequences that may be applicable to you if you are subject to special treatment under the United States federal income tax laws, including if you are:

- a dealer in securities or currencies;
- a financial institution;
- a regulated investment company;
- a real estate investment trust;
- an insurance company;
- a tax-exempt organization;
- a person holding our ordinary shares or ADSs as part of a hedging, integrated or conversion transaction, a constructive sale or a straddle;
- a trader in securities that has elected the mark-to-market method of tax accounting;
- a person who owns or is deemed to own 10% or more of our voting stock;
- a partnership or other pass-through entity for United States federal income tax purposes; or
- a person whose "functional currency" is not the United States dollar.

The discussion below is based upon the provisions of the Internal Revenue Code of 1986, as amended, or the Code, current (and, to the extent noted below, proposed) Treasury regulations, rulings and judicial decisions thereunder, and the income tax treaty between the United States and the PRC, or the Treaty, as of the date of this prospectus, and such authorities may be replaced, revoked or modified, perhaps retroactively, and may be subject to differing interpretations which could result in United States federal income tax consequences different from those discussed below. In addition, this summary is based, in part, upon representations made by the depositary to us and assumes that the deposit agreement, and all other related agreements, will be performed in accordance with their terms.

If a partnership (or any other entity or arrangement that is treated as a partnership for U.S. federal income tax purposes) holds our ordinary shares or ADSs, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If you are a partnership holding our ordinary shares or ADSs or a partner in such a partnership, you should

consult your tax advisors as to the particular U.S. federal income tax consequences of owning and disposing of our ordinary shares or ADSs.

This summary does not address all aspects of U.S. federal income tax, does not deal with all tax considerations that may be relevant to stockholders in light of their personal circumstances and does not address the Medicare tax imposed on certain net investment income or any state, local, foreign, gift, estate or alternative minimum tax considerations. If you are considering the purchase of our ordinary shares or ADSs, you should consult your own tax advisors concerning the United States federal income tax consequences to you in light of your particular situation as well as any consequences arising under the laws of any other taxing jurisdiction.

ADSs

If you own ADSs, for United States federal income tax purposes, you generally will be treated as the owner of the underlying ordinary shares that are represented by such ADSs. Accordingly, deposits or withdrawals of ordinary shares for ADSs will not be subject to United States federal income tax.

Taxation of Dividends

Subject to the discussion under "—Passive Foreign Investment Company" below, the gross amount of distributions on the ADSs or ordinary shares (including any amounts withheld in respect of PRC withholding taxes) generally will be taxable as dividends to the extent paid out of our current or accumulated earnings and profits, as determined under United States federal income tax principles. Such income (including withheld taxes) will be includable in your gross income as ordinary income on the day actually or constructively received by you, in the case of the ordinary shares, or by the depositary, in the case of ADSs. Such dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations under the Code. The following discussion assumes that any dividends will be paid in U.S. dollars.

With respect to non-corporate United States investors, certain dividends received from a qualified foreign corporation may be subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on ordinary shares (or American depository shares backed by such shares) that are "readily tradable" on an "established securities market" in the United States. We have applied to list the ADSs on the NASDAQ. Internal Revenue Service guidance indicates that ADSs listed on the NASDAQ will be readily tradable on an established securities market in the United States. There can be no assurance that the ADSs will be considered readily tradable on an established securities market in subsequent years. Non-corporate United States Holders that do not meet a minimum holding period requirement during which they are not protected from the risk of loss or that elect to treat the dividend income as "investment income" pursuant to Section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property, even if the minimum holding period has been met. The rate reduction will also not apply if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. In light of the discussion in "—Passive Foreign Investment Company" below, if you are a non-corporate United States Holder, you should assume that dividends generally will not constitute "qualified dividend income" eligible for reduced rates of taxation.

In the event that we were deemed to be a PRC resident enterprise under the EIT Law, you may be subject to PRC withholding taxes on distributions paid to you with respect to the ADSs or ordinary shares. See "—People's Republic of China Taxation." In that case, subject to certain

conditions and limitations, PRC withholding taxes on dividends generally will be treated as foreign taxes eligible for credit against your United States federal income tax liability. For purposes of calculating the foreign tax credit, dividends paid on the ADSs or ordinary shares will be treated as foreign-source income and will generally constitute passive category income. However, in certain circumstances, if you have held the ADSs or ordinary shares for less than a specified minimum period during which you are not protected from risk of loss, or are obligated to make payments related to the dividends, you will not be allowed a foreign tax credit for any PRC withholding taxes imposed on dividends paid on the ADSs or ordinary shares. If you are eligible for Treaty benefits, any PRC taxes on dividends will not be creditable against your United States federal income tax liability to the extent withheld at a rate exceeding the applicable Treaty rate. The rules governing the foreign tax credit are complex. You are urged to consult your tax advisor regarding the availability of the foreign tax credit under your particular circumstances. In lieu of claiming a credit, you may elect to deduct such PRC taxes in computing your taxable income, subject to applicable limitations. An election to deduct foreign taxes instead of claiming foreign tax credits must apply to all foreign taxes paid or accrued in the taxable year.

To the extent that the amount of any distribution on the ADSs or ordinary shares exceeds our current and accumulated earnings and profits for a taxable year, as determined under United States federal income tax principles, the distribution will first be treated as a tax-free return of capital, causing a reduction in your adjusted tax basis in the ADSs or ordinary shares (thereby increasing the amount of gain, or decreasing the amount of loss, to be recognized by you on a subsequent disposition of the ADSs or ordinary shares), and the balance in excess of adjusted tax basis will be taxed as capital gain recognized on a sale or exchange, as described below under "—Taxation of Capital Gains." However, we may not keep earnings and profits in accordance with United States federal income tax principles. Therefore, a distribution to you may be treated as a dividend (as discussed above).

Passive Foreign Investment Company

The determination of whether any corporation is a "passive foreign investment company" within the meaning of Section 1297 of the Code, or PFIC, for a taxable year depends, in part, on the application of complex U.S. federal income tax rules, which are subject to differing interpretations. In addition, whether any corporation will be a PFIC for any taxable year depends on the composition and character of assets and income and value of the assets of such corporation (which may be determined, in part, based on the market value of the corporation's ADSs or ordinary shares, which may be volatile) over the course of each such taxable year and, as a result, cannot be predicted with certainty as of the date hereof. Each U.S. Holder should consult its own tax advisors regarding our PFIC status and the PFIC status of our subsidiaries.

In general, we will be a PFIC for any taxable year in which:

- at least 75% of our gross income is passive income; or
- at least 50% of the average value of our assets, determined on a quarterly basis, is attributable to assets that produce or are held for the production of passive income.

For this purpose, passive income generally includes dividends, interest, royalties and rents (other than royalties and rents derived in the active conduct of a trade or business and not derived from a related person). Cash and cash equivalents, even if held as working capital, are considered to be assets that produce passive income. If we directly or indirectly own at least 25% (by value) of the stock of another corporation, we will be treated, for purposes of the PFIC tests, as owning our proportionate share of the other corporation's assets and receiving our proportionate share of the other corporation's income.

We believe that we were a PFIC during the taxable year ended December 31, 2014. Based on current business plans and financial expectations (including that this offering will result in a substantial percentage of our assets being held in cash and cash equivalents), we expect that we will be a PFIC for the current taxable year and may be a PFIC in future taxable years. We believe we were a controlled foreign corporation, or CFC, prior to this offering. In general, for purposes of the PFIC asset test, if we were a non-publicly traded CFC for the year being tested then asset value is measured by the adjusted tax basis of our assets. If we were a publicly traded CFC or not a CFC, the total value of our assets may be measured in part by the market value of our ordinary shares, which is subject to change. There is some uncertainty as to how to value assets if we were a CFC for the year in question and were publicly traded for part but not all of the year, as may be the case for our taxable year ending December 31, 2015. Valuing our assets by tax basis rather than fair market value may make it more likely that we are a PFIC in the current year.

If we are a PFIC, for any taxable year during a U.S. Holder's holding period, then certain adverse rules may affect the U.S. federal income tax consequences to a U.S. Holder as a result of the acquisition, ownership and disposition of our ADSs or ordinary shares.

If we are a PFIC for any taxable year during which you own our ADSs or ordinary shares, we will generally continue to be treated as a PFIC with respect to your ADSs or ordinary shares for all succeeding years during which you own such ADSs or ordinary shares, even if we cease to meet the threshold requirements for PFIC status unless you elect to recognize gain as if you had sold your ADSs or ordinary shares as of the last day of the last taxable year for which we were a PFIC. You will generally be required to file Internal Revenue Service Form 8621 if you own the ADSs or ordinary shares in any taxable year in which we are a PFIC.

If we are a PFIC for any taxable year during which you own the ADSs or ordinary shares and you do not make a mark-to-market election or a "QEF election," each as discussed below, you will generally be subject to special tax rules with respect to any "excess distribution" received and any gain realized from a sale or other disposition, including a pledge, of ADSs or ordinary shares. Any distributions received in a taxable year that are greater than 125% of the average annual distributions received during the shorter of the three preceding taxable years or your holding period for the ADSs or ordinary shares will be treated as excess distributions. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the ADSs or ordinary shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we were a PFIC, will be taxed as ordinary income; and
- the amount allocated to each other taxable year will be subject to tax at the highest tax rate in effect for that taxable year for individuals or corporations, as appropriate, and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such taxable year.

In addition, certain non-corporate United States Holders will not be eligible for reduced rates of taxation on any dividends received from us if we are a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. See "—Taxation of Dividends."

If we are a PFIC for any taxable year during which you own the ADSs or ordinary shares and any of our non-United States subsidiaries or other entities in which we directly or indirectly own equity interests is also a PFIC or a lower-tier PFIC, you would be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of these rules and will be subject to U.S. federal income tax according to the PFIC rules described above on (i) certain distributions by a lower-tier PFIC and (ii) a disposition of shares of a lower-tier PFIC, in

each case as if you owned such shares directly, even though you have not received the proceeds of those distributions or dispositions. You are urged to consult your tax advisors about the application of the PFIC rules to any of our subsidiaries.

In certain circumstances, in lieu of being subject to the general tax treatment for PFICs discussed above, you may make an election to include gain on the stock of a PFIC as ordinary income under a mark-to-market method, provided that such stock is "regularly traded" on a "qualified exchange." Under current law, the mark-to-market election may be available to United States Holders of ADSs if the ADSs are listed on the NASDAQ, which constitutes a qualified exchange, and are "regularly traded" for purposes of the mark-to-market election (for which no assurance can be given). The ADSs will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the ADSs are traded on a qualified exchange on at least 15 days during each calendar quarter.

If you make an effective mark-to-market election, you will include in ordinary income any gain you recognize in a taxable year that we are a PFIC, in an amount equal to the excess of the fair market value of your ADSs at the end of the taxable year over your adjusted tax basis in the ADSs. You will be entitled to deduct as an ordinary loss in each such taxable year the excess of your adjusted tax basis in the ADSs over their fair market value at the end of the taxable year, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. If you make an effective mark-to-market election, in each year that we are a PFIC any gain you recognize upon the sale or other disposition of your ADSs will be treated as ordinary income and any loss will be treated as ordinary loss, but only to the extent of the net amount previously included in income as a result of the mark-to-market election. Your adjusted tax basis in the ADSs will be increased by the amount of any income inclusion and decreased by the amount of any deductions under the mark-to-market rules. If you make an effective mark-to-market election, distributions paid on ADSs will be treated as discussed under "—Taxation of Dividends." If you make a mark-to-market election, it will be effective for the taxable year for which the election is made and all subsequent taxable years unless the ADSs are no longer regularly traded on a qualified exchange or the Internal Revenue Service consents to the revocation of the election. You are urged to consult your tax advisor about the availability of the mark-to-market election, and whether making the election would be advisable in your particular circumstances. In particular, you should consider carefully the impact of a mark-to-market election with respect to your ADSs given that we may own interests in lower-tier PFICs for which a mark-to-market election may not be available.

Alternatively, you may avoid the general tax treatment for PFICs described above by electing to treat us (and each lower-tier PFIC) as a "qualified electing fund" under Section 1295 of the Code, or QEF, for each of the taxable years during your holding period that we are a PFIC. If a QEF election is not in effect for the first taxable year in your holding period in which we are a PFIC, a QEF election can only be made if you elect to recognize gain as if you had sold the ADSs or ordinary shares for their fair market value on the first day of your taxable year in which the PFIC becomes a QEF pursuant to the QEF election. The gain recognized on this deemed sale would be subject to the general tax treatment of PFICs discussed above. We intend to determine our PFIC status at the end of each taxable year and to satisfy any applicable record keeping and reporting requirements that apply to a QEF, and will endeavor to provide to you, for each taxable year that we determine we are or may be a PFIC, a PFIC Annual Information Statement containing the information necessary for you to make a QEF election with respect to us (and any of our subsidiaries which are lower-tier PFICs). We may elect to provide such information on our website. However, there can be no assurances that we will make the necessary information available to you.

We will endeavor to cause any lower-tier PFIC to provide to a U.S. Holder the information that may be required to make or maintain a QEF election with respect to the lower-tier PFIC. However,

there is no assurance that we will have timely knowledge of the status of any such lower-tier PFIC. In addition, we may not hold a controlling interest in any such lower-tier PFIC and thus there can be no assurance we will be able to cause the lower-tier PFIC to provide the required information. U.S. Holders are urged to consult their own tax advisors regarding the tax issues raised by lower-tier PFICs.

You are urged to consult your own tax advisors regarding the procedure for making a QEF election.

If you make a QEF election, you will be currently taxable on your *pro rata* share of the QEF's ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is a PFIC, even if no dividend distributions were received. Any distributions we make out of our earnings and profits that were previously included in your income under the QEF election would not be taxable to you. Your tax basis in your ADSs or ordinary shares would be increased by an amount equal to any income included under the QEF election and decreased by any amount distributed on the ADSs or ordinary shares that is not included in your income. In addition, you will recognize capital gain or loss on the disposition of ADSs or ordinary shares in an amount equal to the difference between the amount realized and your adjusted tax basis in the ADSs or ordinary shares, each as determined in U.S. dollars. You will not be currently taxed on the ordinary income and net capital gain of a QEF for any year that the QEF is not a PFIC.

Based on the nature of our and our subsidiaries' expected income, the expected composition of our and our subsidiaries' assets and our and our subsidiaries' business plans and financial expectations, we do not currently expect to have significant ordinary earnings or net capital gain in any taxable year in which we or our subsidiaries may be a PFIC. Accordingly, it may be advisable to make a QEF election if we or our subsidiaries are a PFIC for any taxable year. Accurate predictions of the nature of our and our subsidiaries' income and the composition of our and our subsidiaries' assets, however, are particularly difficult in view of the volatile nature of the earnings patterns in technological industries such as emerging pharmaceutical and biotechnology industries. Accordingly, there can be no assurance that our expectations described above will be fulfilled. You should consult your tax adviser concerning the merits of making a QEF election if we are a PFIC for any taxable year. In order to make a QEF Election, you must attach a completed IRS Form 8621, including a PFIC Annual Information Statement, to your timely filed United States federal income tax return.

Taxation of Capital Gains

For United States federal income tax purposes, you will recognize taxable gain or loss on any sale or exchange of ADSs or ordinary shares in an amount equal to the difference between the amount realized for the ADSs or ordinary shares and your tax basis in the disposed-of ADSs or ordinary shares. Subject to the discussion under "—Passive Foreign Investment Company" above, such gain or loss will generally be capital gain or loss. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by you will generally be treated as United States source gain or loss. However, if we were treated as a PRC resident enterprise for EIT Law purposes and PRC tax were imposed on any gain, and if you are eligible for the benefits of the Treaty, you may elect to treat such gain as PRC source gain under the Treaty. If you are not eligible for the benefits of the Treaty or you fail to make the election to treat any gain as PRC source, then you may not be able to use the foreign tax credit arising from any PRC tax imposed on the disposition of the ADSs or ordinary shares unless such credit can be applied (subject to applicable limitations) against tax due on other income derived from foreign sources. You are also urged to consult your tax advisor regarding the tax consequences in case

any PRC tax is imposed on gain on a disposition of the ADSs or ordinary shares, including the availability of the foreign tax credit and the election to treat any gain as PRC source, under your particular circumstances.

Information Reporting and Backup Withholding

In general, information reporting will apply to dividends in respect of the ADSs or ordinary shares and the proceeds from the sale, exchange or redemption of the ADSs or ordinary shares that are paid to you within the United States (and in certain cases, outside the United States), unless you are an exempt recipient. A backup withholding tax may apply to such payments if you fail to provide a taxpayer identification number or certification of other exempt status or, in the case of dividend payments, if you fail to report in full your dividend and interest income.

Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against your United States federal income tax liability provided the required information is furnished to the Internal Revenue Service in a timely manner.

Under the Hiring Incentives to Restore Employment Act of 2010, if you are an individual (or, under proposed regulations, a certain type of entity controlled by individuals), you are required to report information relating to your ownership of ADSs or ordinary shares, subject to certain exceptions (including an exception for ADSs or ordinary shares held in accounts maintained by certain financial institutions (in which case the accounts may be reportable if maintained by non-U.S. financial institutions)), by attaching a complete Internal Revenue Service Form 8938, Statement of Specified Foreign Financial Assets, with your tax return for each year in which you own ADSs or ordinary shares. You are urged to consult your own tax advisors regarding information reporting requirements relating to your ownership of the ADSs or ordinary shares.

UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the ADSs being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of ADSs indicated in the following table. Goldman, Sachs & Co., Morgan Stanley & Co. LLC and Cowen and Company, LLC are the representatives of the underwriters.

Underwriters	Number of ADSs
Goldman, Sachs & Co	
Morgan Stanley & Co. LLC	
Cowen and Company, LLC	
Robert W. Baird & Co. Incorporated	
Total	

The underwriters are committed to take and pay for all of the ADSs being offered, if any are taken, other than the ADSs covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional ADSs from us to cover sales by the underwriters of a greater number of ADSs than the total number set forth in the table above. They may exercise that option for 30 days. If any ADSs are purchased pursuant to this option, the underwriters will severally purchase ADSs in approximately the same proportion as set forth in the table above.

The following table shows the per ADS and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional ADSs.

Paid by Us	No Exercise	Full Exercise
Per ADS	$	$
Total	$	$

ADSs sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any ADSs sold by the underwriters to securities dealers may be sold at a discount of up to $ per ADS from the initial public offering price. After the initial offering of the ADSs, the representatives may change the offering price and the other selling terms. The offering of the ADSs by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors and holders of substantially all of our ordinary shares have agreed that we will not 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 (including, without limitation, ordinary shares or other securities with respect to which we, our officers, directors and holders have beneficial ownership within the rules and regulations of the SEC and securities

which may be issued upon exercise of an option or warrant), without the prior consent of the representatives, other than transfers of such 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 this 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 locked-up person's 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 locked-up person's securities would result in those 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 locked-up person's securities or a right of first refusal with respect to transfers of such securities, provided that any filing made pursuant to Section 16(a) of the Exchange Act will include a footnote noting the purpose of the transaction;

(i) as contemplated by the underwriting agreement and the sale of the securities to the underwriters in connection with the offering; 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 1933, as amended) 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 locked-up person's securities subject to the provisions of the lock-up agreement and there will be no further transfer of such locked-up person's securities 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 180-day period described above and, with respect to clauses (a) 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.

The 180-day restricted period described in the preceding paragraph will be automatically extended if: we cease to be an "emerging growth company" and (1) during the last 17 days of the 180-day restricted period we issue an earnings release or announces material news or a material event; or (2) prior to the expiration of the 180-day restricted period, we announce that we will release earnings results during the 15-day period following the last day of the 180-day period, in which case the restrictions described in the preceding paragraph will continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release of the announcement of the material news or material event.

Prior to the offering, there has been no public market for our ordinary shares or ADSs. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the ADSs, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have submitted an application to list the ADSs on the NASDAQ under the symbol "BGNE."

In connection with the offering, the underwriters may purchase and sell ADSs in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of ADSs than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional ADSs for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional ADSs or purchasing ADSs in the open market. In determining the source of ADSs to cover the covered short position, the underwriters will consider, among other things, the price of ADSs available for purchase in the open market as compared to the price at which they may purchase additional ADSs pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional ADSs for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing ADSs in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the ADSs in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of ADSs made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased ADSs sold by, or for the account of, such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the ADSs, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the ADSs. As a result, the price of the ADSs may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the NASDAQ, in the over-the-counter market or otherwise.

At our request, the underwriters have reserved up to % of the ADSs offered by this prospectus for sale, at the initial public offering price, through a directed share program to our directors, officers, employees and business associates. There can be no assurance that any of the reserved ADSs will be so purchased. The number of ADSs available for sale to the general public in this offering will be reduced to the extent that the reserved ADSs are purchased in the directed share program. Any reserved ADSs not purchased through the directed share program will be offered to the general public on the same basis as the other ADSs offered hereby.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of ADSs offered.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately $.

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees 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, and such investment and trading activities may involve or relate to our assets, securities and/or instruments (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the ADSs offered by this prospectus in any jurisdiction where action for that purpose is required. The ADSs offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such ADSs be distributed or published in any jurisdiction, except

under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any ADSs offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of ADSs to the public in that Relevant Member State prior to the publication of a prospectus in relation to the ADSs which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of ADSs to the public in that Relevant Member State at any time:

(a) to any legal entity that is a qualified investor as defined in the Prospectus Directive;

(b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of ADSs shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of ADSs to the public" in relation to any ADSs in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the ADSs to be offered so as to enable an investor to decide to purchase or subscribe the ADSs, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Directive) (i) who have professional experience in matters relating to investments falling within Article 19 (5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order") and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as "relevant persons").

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on this document or any of its contents.

Canada

The ADSs may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations* . Any resale of the ADSs must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The ADSs may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), and no advertisement, invitation or document relating to the ADSs may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to ADSs which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the ADSs may not be circulated or distributed, nor may the ADSs be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the ADSs are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, ADSs, debentures and units of ADSs and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the ADSs under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The securities have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

LEGAL MATTERS

We are being represented by Goodwin Procter LLP with respect to certain legal matters of United States federal securities and New York State law. The underwriters are being represented as to United States federal securities and New York State law matters by Davis Polk & Wardwell LLP. The validity of the ordinary shares represented by the ADSs offered in this offering and legal matters as to Cayman Islands law will be passed upon for us by Mourant Ozannes. Certain legal matters as to PRC law will be passed upon for us by Fangda Partners and for the underwriters by Jun He Law Offices. Goodwin Procter LLP may rely upon Mourant Ozannes with respect to matters governed by Cayman Islands law and Fangda Partners with respect to matters governed by PRC law. As of the date of this prospectus, certain investment funds associated with, and partners of, Goodwin Procter LLP beneficially owned less than % of our outstanding equity securities.

EXPERTS

The consolidated financial statements of BeiGene, Ltd. at December 31, 2013 and 2014, and for the years then ended, appearing in this prospectus and registration statement have been audited by Ernst & Young Hua Ming LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the U.S. Securities and Exchange Commission, or SEC, a registration statement on Form S-1 (File Number 333-) under the Securities Act with respect to the ADSs we are offering by this prospectus. A related registration statement on Form F-6 will be filed with the SEC to register the ADSs. This prospectus does not contain all of the information included in the registration statement. For further information pertaining to us and the ADSs, you should refer to the registration statement and to its exhibits. Whenever we make reference in this prospectus to any of our contracts, agreements or other documents, the references are not necessarily complete, and you should refer to the exhibits attached to the registration statement for copies of the actual contract, agreement or other document.

Upon the closing of the offering, we will be subject to the informational requirements of the Securities Exchange Act of 1934 and will file annual, quarterly and current reports, proxy statements and other information with the SEC. You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at *www.sec.gov* . You may also read and copy any document we file with the SEC at its public reference facility at 100 F Street, N.E., Room 1580, Washington, D.C. 20549.

You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Washington, D.C. 20549. Please call the Securities and Exchange Commission at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

We intend to furnish the depositary with our annual reports, which will include a review of operations and annual audited consolidated combined financial statements prepared in conformity with U.S. GAAP, and all notices of shareholders' meetings and other reports and communications that are made generally available to our shareholders. The depositary will make such notices, reports and communications available to holders of ADSs and will mail to all record holders of ADSs the information contained in any notice of a shareholders' meeting received by the depositary from us.

GLOSSARY OF SCIENTIFIC TERMS

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

ADCC	Means antibody-dependent cellular cytotoxicity, a mechanism of cell-mediated immune defense.
ALK	Means anaplastic lymphoma kinase, an enzyme encoded in humans by the ALK gene. ALK mutations are associated with certain lung cancers.
ATM	Means ataxia telangiectasia mutated, a serine/threonine protein kinase that plays a critical role in response to DNA damage.
BRAF	Means a human gene that makes the B-raf protein involved in sending internal cell signals that direct cell growth. In cells expressing mutant BRAF V600E and in conditions of low RAS-GTP, all RAF isoforms exist predominantly as monomers. However, unlike wild-type RAFs, monomeric BRAF V600E is hyperactive. Under conditions where RAS is activated or other BRAF induced resistance, RAF isoforms form dimers (two copies of RAF proteins bind together).
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.
BCR	Means B-cell receptor, a specialized receptor protein that allows a B-cell to bind to specific antigens.
BID	Means *bis in die* or "twice daily," the frequency that a medical prescription or drug is taken by a patient.
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.
CD20	Means B-lymphocyte antigen CD20, a B-cell specific cell-surface molecule that is encoded by the MS4A1 gene.
CTLA-4	Means cytotoxic T-lymphocyte-associated protein 4, a protein receptor that functions as an immune checkpoint and downregulates the immune system. CTLA-4 is found on the surface of T-cells.
DNA	Means deoxyribonucleic acid, a self-replicating molecule that carries genetic information and is present in almost all living organisms.
EGFR	Means epidermal growth factor receptor. EGFR is a cell surface protein that binds to epidermal growth factor, and mutations in this gene are associated with lung cancer.
ERK	Means extracellular signal-regulated kinase, which is a downstream signaling molecule of the MAPK pathway.
Fc γ RI	Means Fc gamma receptor I, a receptor that binds the most common class of antibody, Immunoglobulin G, or IgG, including IgG1, IgG3 and IgG4. Fc γ RI is expressed in certain human immune cells including monocytes, macraphages and dendritic cells and may function to activate these immune cells. Fc γ RI has the highest affinity to IgGs among the members of the Fc gamma receptor family.

GTPase	Means a large family of hydrolase enzymes that can bind and hydrolyze guanosine triphosphate.
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.
HRAS	Means GTPase Hras, also known as transforming protein p21, an enzyme that is encoded in humans by the HRAS gene.
ITK	Means interleukin-2-inducible T-cell kinase, a tyrosine-protein kinase that is encoded in humans by the ITK gene and is highly expressed in T-cells.
JAK3	Means tyrosine-protein Janus kinase 3, a non-receptor tyrosine kinase involved in various processes including cell growth, development, or differentiation.
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."
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.
MEK	Means mitogen/extracellular signal-regulated kinase, a member of the MAPK signaling cascade that is activated in melanoma.
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.
PAR	Means poly ADP ribose. PAR chains are synthesized by Poly(ADP-ribose) polymerases on various nuclear protein acceptors usually involved in DNA replication, transcription and repair pathways.
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.

PBMC	Means a peripheral blood mononuclear cell, any blood cell that has a round, as opposed to a lobed, nucleus (*e.g.* , a lymphocyte, monocyte, or macrophage, all types of white blood cells).
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.
PDX	Means patient-derived xenograft, created when the cancerous tissue from a human patient's primary tumor is implanted directly into an immunodeficient mouse.
pERK	Means phosphorylated extracellular signal-regulated kinase, which is a modified form of the ERK protein (a downstream signaling molecule of the MAPK pathway).
QD	Means *quaque die* or "every day," the frequency that a medical prescription or drug is taken by a patient.
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.
Signaling cascade	Means a signal transduction pathway between cells where each signal transduction occurs with a primary extracellular messenger that binds to a receptor and initiates intracellular signals (i.e. molecule A activates several molecule Bs, which then in turn activate several molecule Cs).
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.
TEC	Means tyrosine-protein kinase Tec, an enzyme in humans encoded by the TEC gene. The Tec kinase is an integral component of T-cell signaling and has a distinct role in T-cell activation.
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.
Xenograft	Means the cells, tissues or organs of one species transplanted into another species.

BEIGENE, LTD.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

INDEX TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of BeiGene, Ltd.

We have audited the accompanying consolidated balance sheets of BeiGene, Ltd. (the "Company") as of December 31, 2013 and 2014, and the related consolidated statements of comprehensive loss, cash flows, and shareholders' deficit for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BeiGene, Ltd. at December 31, 2013 and 2014, and the consolidated results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

/s/ Ernst & Young Hua Ming LLP

Beijing, People's Republic of China
August 28, 2015

BEIGENE, LTD.

CONSOLIDATED BALANCE SHEETS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	December 31, 2013	December 31, 2014	Pro forma shareholders' equity at December 31, 2014
		$	$	$ (unaudited)
Assets				
Current assets:				
Cash and cash equivalents		3,926	13,898	—
Short-term investments	3	—	30,497	—
Prepaid expenses and other current assets		508	2,793	—
Total current assets		4,434	47,188	—
Property and equipment, net	4	7,052	5,931	—
Other non-current assets		312	502	—
Total non-current assets		7,364	6,433	—
Total assets		11,798	53,621	—
Liabilities and shareholders' deficit				
Current liabilities:				
Short-term bank loan	7	—	322	—
Accounts payable		2,063	2,794	—
Advances from customers		7,860	8,906	—
Accrued expenses and other payables	6	1,763	1,002	—
Subordinated Convertible Promissory Note	10	12,126	—	—
Warrant and Option liabilities	8	50	347	—
Due to related parties	14	7,872	—	—
Total current liabilities		31,734	13,371	—
Non-current liabilities:				
Senior Promissory Note	9	12,515	13,516	—
Convertible Promissory Notes	11	2,723	—	—
Deferred rental		818	798	—
Due to related parties	14	741	—	—
Other long-term liabilities		226	168	—
Total non-current liabilities		17,023	14,482	—
Total liabilities		48,757	27,853	—
Commitments and contingencies	23	—	—	—
Convertible Preferred Shares	13	—	78,809	—
Series A (par value US$0.0001 per share; 120,000,000 shares authorized; 116,785,517 shares issued and outstanding as of December 31, 2014 (December 31, 2013: nil))				
Non-controlling interests	15	1,767	—	—
Total mezzanine equity		1,767	78,809	—
Shareholders' deficit:				
Ordinary shares (par value of US$0.0001 per share; 400,000,000 shares authorized; 108,497,428 shares issued and outstanding as of December 31, 2014 (December 31, 2013: 94,516,667 shares))		9	11	23
Additional paid-in capital		3,771	7,941	86,738
Accumulated other comprehensive income	20	309	100	100
Accumulated deficit		(42,815)	(61,093)	(61,093)
Total shareholders' (deficit) equity		(38,726)	(53,041)	25,768
Total liabilities, mezzanine equity and shareholders' (deficit) equity		11,798	53,621	53,621

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

BEIGENE, LTD.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Year ended December 31, 2013 $	2014 $
Revenue			
Collaboration revenue	16	11,148	13,035
Total revenue		11,148	13,035
Operating expenses:			
Research and development		13,463	21,862
General and administrative		3,143	6,930
Total operating expenses		16,606	28,792
Loss from operations		(5,458)	(15,757)
Interest income		2	40
Interest expense (including interest expense incurred due to a related party amounting to $693 and $831 for the years ended December 31, 2013 and 2014, respectively)		(3,155)	(3,552)
Changes in fair value of financial instruments	8,10,11,14	133	(2,760)
Gain on debt extinguishment	10	—	2,883
Other income		694	806
Other expense		(110)	(206)
Loss before income tax expense		(7,894)	(18,546)
Income tax expense	5	—	—
Net loss		(7,894)	(18,546)
Less: net loss attributable to non-controlling interests		(400)	(268)
Net loss attributable to ordinary shareholders		(7,494)	(18,278)
Loss per share	17		
Basic and diluted		(0.08)	(0.18)
Weighted-average number of ordinary shares used in net loss per share calculation	17		
Basic and diluted		91,484,521	99,857,623
Pro forma basic and diluted loss per share on an as-converted basis	18	—	(0.08)
Shares used in pro forma basic and diluted loss per share computation	18	—	216,643,140
Other comprehensive income (loss), net of tax of nil:			
Foreign currency translation adjustments		176	(168)
Unrealized holding losses		—	(47)
Comprehensive loss		(7,718)	(18,761)
Less: comprehensive loss attributable to non-controlling interests		(392)	(274)
Comprehensive loss attributable to ordinary shareholders		(7,326)	(18,487)

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

BEIGENE, LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Year ended December 31, 2013 $	2014 $
Operating activities			
Net loss		(7,894)	(18,546)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation expenses	4	1,592	1,557
Share-based compensation expenses	19	(24)	6,637
Changes in fair value of financial instruments		(133)	2,760
Gain on debt extinguishment		—	(2,883)
Loss on disposal of property and equipment		21	53
Interest expense	11,12,14	2,766	3,265
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets		(277)	(2,285)
Other non-current assets		(100)	(190)
Accounts payable		(768)	731
Advances from customers		7,860	1,046
Accrued expenses and other payables		422	(761)
Deferred rental		496	(20)
Other long-term liabilities		112	(58)
Net cash provided by (used in) operating activities		4,073	(8,694)
Investing activities			
Purchases of property and equipment		(264)	(654)
Purchase of available-for-sale securities		—	(30,646)
Proceeds from disposal of available-for-sale securities		—	102
Proceeds from disposal of property and equipment		14	—
Acquisition of non-controlling interest	15	—	(2,443)
Net cash used in investing activities		(250)	(33,641)
Financing activities			
Proceeds from short-term loan	7	—	322
Proceeds from issuance of convertible promissory notes	11	—	25
Proceeds from issuance of secured guaranteed convertible promissory note	12	—	17,500
Payment of convertible preferred shares issuance cost	13	—	(80)
Proceeds from issuance of convertible preferred shares	13	—	35,500
Proceeds from exercise of share options		—	80
Proceeds due to related parties	14	249	103
Repayment to related party	14	(731)	(1,285)
Net cash (used in) provided by financing activities		(482)	52,165
Effect of foreign exchange rate changes, net		(41)	142
Net increase in cash and cash equivalents		3,300	9,972
Cash and cash equivalents at beginning of period		626	3,926
Cash and cash equivalents at end of period		3,926	13,898
Supplemental cash flow disclosures:			
Income taxes paid		—	—
Interest expense paid		334	30
Non-cash activities:			
Repayment of subordinated convertible promissory note, convertible promissory notes and secured guaranteed convertible promissory note	10,11,12	—	33,730
Repayment of due to related parties	14	134	8,204

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

BEIGENE, LTD.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Attributable to BeiGene, Ltd.							
	Ordinary Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income/(Loss) (note 20)	Accumulated Deficit	Total	Non-Controlling Interests	Total
	Shares	Amount						
Balance at December 31, 2012	85,416,667	$ 9	$ 3,662	$ 141	$ (35,321)	$ (31,509)	$ 2,159	$ (29,350)
Issuance of ordinary shares	13,433,334	—	133	—		133		133
Repurchase of forfeited unvested ordinary shares (note 19)	(4,333,334)	—	—	—	—	—	—	—
Share-based compensation	—	—	(24)	—	—	(24)	—	(24)
Net loss	—	—	—	—	(7,494)	(7,494)	(400)	(7,894)
Other comprehensive income	—	—	—	168		168	8	176
Balance at December 31, 2013	94,516,667	9	3,771	309	(42,815)	(38,726)	1,767	(36,959)
Issuance of ordinary shares	14,097,432	2	139	—	—	141	—	141
Repurchase of forfeited unvested ordinary shares (note 19)	(116,671)	—	—	—	—	—	—	—
Share-based compensation	—	—	4,797	—	—	4,797	—	4,797
Issuance of warrants in connection with the secured guaranteed convertible promissory note (note 12)	—	—	184	—	—	184	—	184
Repurchase of non-controlling interest (note 15)	—	—	(950)	—	—	(950)	(1,493)	(2,443)
Net loss	—	—	—	—	(18,278)	(18,278)	(268)	(18,546)
Other comprehensive loss	—	—	—	(209)	—	(209)	(6)	(215)
Balance at December 31, 2014	108,497,428	$ 11	$ 7,941	$ 100	$ (61,093)	$ (53,041)	$ —	$ (53,041)

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

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

1. Organization

BeiGene, Ltd. (the "Company") is a globally focused, clinical-stage biopharmaceutical company with the goal of becoming a leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancer. The Company's development strategy is based on a novel translational platform that combines their unique access to internal patient-derived biopsies with strong oncology biology. The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on October 28, 2010.

As at December 31, 2014, the Company's subsidiaries are as follows:

Name of company	Place of incorporation	Date of incorporation	Percentage of ownership by the Company	Principal activities
BeiGene (Hong Kong) Co., Limited.	Hong Kong	November 22, 2010	100%	Investment holding
BeiGene (Beijing) Co., Ltd. ("BeiGene Beijing")	The People's Republic of China ("PRC" or "China")	January 24, 2011	100%*	Medical and pharmaceutical research
BeiGene AUS Pty Ltd.	Australia	July 15, 2013	100%	Clinical trial activities
BeiGene 101 Ltd.	Cayman	August 30, 2012	100%	Medical and pharmaceutical research
BeiGene (USA) Inc., the Company's dormant wholly owned subsidiary was dissolved on December 29, 2014.				

* BeiGene Beijing became a wholly-owned subsidiary of the Company as of December 19, 2014 (note 15).

2. Summary of significant accounting policies

Basis of presentation and principles of consolidation

The consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"). The consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Use of estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and 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, identifying separate accounting units and estimating the best estimate selling price of each

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

deliverable in the Company's revenue arrangements, assessing the impairment of long-lived assets, share-based compensation expenses, realizability of deferred tax assets and the fair value of the financial instruments. Management bases the estimates on historical experience 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.

Foreign currency translation and transactions

The functional currency of the Company, BeiGene AUS Pty Ltd., BeiGene (Hong Kong) Co., Limited and BeiGene 101 Ltd. is the United States dollar ("$"). The Company's PRC subsidiary determined its functional currency to be the Chinese Renminbi ("RMB"). The determination of the respective functional currency is based on the criteria of Accounting Standard Codification ("ASC") 830, *Foreign Currency Matters* . The Company uses the United States dollar as its reporting currency. 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, respectively. Translation differences are recorded in accumulated other comprehensive loss, a component of shareholders' deficit. Transactions denominated in foreign currencies are remeasured 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 comprehensive loss.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits, which are unrestricted as to withdrawal and use. The Company considers all highly liquid investments with an original maturity date of three months or less at the date of purchase to be cash equivalents.

Short-term investments

Short-term debt investments held to maturity are carried at amortized cost when we have the ability and positive intent to hold these securities until maturity. When the Company 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 Company's fixed maturity securities met the criteria for held-to-maturity classification at December 31, 2013 and 2014.

Available-for-sale securities are stated at fair value, with the unrealized gains and losses, net of tax, reported in other comprehensive income. 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 Company assesses whether or not: (i) it has the intent to sell the security or (ii) it is more likely than not that the Company will be required to sell the security before its anticipated recovery.

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

If either of these conditions is met, the Company 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
Laboratory Equipment	3 to 5 years
Computer Software	3 to 5 years
Leasehold Improvements	Lesser of useful life or lease term

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, 2013 and 2014, there was no impairment of the value of the Company's long-lived assets.

Fair value measurements

Fair value of financial instruments

Financial instruments of the Company primarily include cash and cash equivalents, short-term investments, short-term bank loan, accounts payable, amounts due to related parties, senior promissory note, subordinated convertible promissory note, convertible promissory notes, convertible preferred shares, and warrant and option liabilities. As of December 31, 2013 and 2014, the carrying values of cash and cash equivalents, short-term bank loan, accounts payable, and amounts due to related parties approximated their fair values due to the short-term maturity of these instruments. The short-term investments represented the available-for-sale debt securities which are recorded at fair value based on quoted prices in active markets with unrealized gain or loss recorded in other comprehensive income. The warrant and option liabilities were recorded at fair value as determined on the respective issuance dates and subsequently adjusted to the fair value at each reporting date. The senior promissory note, subordinated convertible promissory note, convertible promissory notes and convertible preferred shares were initially recorded at issue price

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

net of issuance costs. The Company determined the fair values of the warrant and option liabilities with the assistance of an independent third party valuation firm.

The Company 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.

Liabilities measured at fair value on a recurring basis as of December 31, 2013 are summarized below:

	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
Option to purchase shares by rental deferral (note 8)	—	—	26
Warrants in connection with the Convertible Promissory Notes (note 11, 14)	—	—	24

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 are summarized below:

	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
Available-for-sale securities (note 3):			
Corporate fixed income bonds	27,498	—	—
U.S. treasury securities	2,999	—	—
Option to purchase shares by rental deferral (note 8)	—	—	125
Warrants in connection with the Convertible Promissory Notes (note 11, 14)	—	—	222

The Company has measured the option to purchase shares by rental deferral and the warrants in connection with the Convertible Promissory Notes at fair values on a recurring basis using significant unobservable inputs (Level 3) as of the years ended December 31, 2013 and 2014. The significant unobservable inputs used in the fair value measurement and the corresponding impacts to the fair values are presented below:

Financial instrument	Valuation techniques	Unobservable inputs	Estimation	
			2013	2014
Option to purchase shares by rental deferral	Invested capital value allocation by option-pricing model and Black-Scholes option pricing model	Invested capital value	$19,500	$145,300
		Volatility for invested capital value allocation	225%–303%	72%
		Volatility for Black-Scholes option pricing model	105%–288%	72%–101%
		Discount for lack of marketability ("DLOM")	44%	17%
Warrants in connection with the Convertible Promissory Notes	Invested capital value allocation by option-pricing model and Black-Scholes option pricing model	Invested capital value	$19,500	$145,300
		Volatility for invested capital value allocation	225%–303%	72%
		Volatility for Black-Scholes option pricing model	95%–288%	72%–104%
		DLOM	44%	17%

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

The following table presents a reconciliation of the liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the years ended December 31, 2013 and 2014.

	Warrant and option liabilities $
Balance as of December 31, 2012	183
Recognized during the year	—
Unrealized gain	(133)
Settlement	—
Balance as of December 31, 2013	50
Recognized during the year	37
Unrealized loss	260
Settlement	—
Balance as of December 31, 2014	347
The amount of total gain for the year ended December 31, 2013 included in losses	133
The amount of total loss for the year ended December 31, 2014 included in losses	(260)

Realized and unrealized (gain)/losses for the years ended December 31, 2013 and 2014 was recorded as "Changes in fair value of financial instruments" in the consolidated statements of comprehensive loss.

Revenue recognition

The Company 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 Company'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")

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

of selling price if VSOE does not exist. If neither VSOE nor TPE exists, the Company 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 Company'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 Company. The Company 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.

As the Company acts as the principal under its arrangements, and research and development services are also part of its ongoing major or central operations, it recognizes the allocated consideration related to reimbursements of research and development costs 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 Company'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 Company elected not to adopt the milestone method of revenue recognition under ASC 605-28.

Targets related to the Company'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 Company 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 Company's development activities, the Company would account for the commercial event targets in the same manner as royalties, with collaboration revenue recognized upon achievement of the target. To date, the products have not progressed to the development stages contemplated by the development based targets and none of the products have been approved. Hence, no revenue has

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

been recognized related to the product development targets, royalties or commercial event based targets in any of the periods presented.

Any subsequent payments to be made to the collaborator such as profit sharing payments based on net sales that are not related to research and development services would be recorded as expenses from the collaborative arrangement. To date, no payments have been made to the collaborator.

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 Company'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 Company's research and development services and have no alternative future uses.

Clinical trial costs are a significant component of the Company's research and development expenses. The Company has a history of contracting with third parties that perform various clinical trial activities on behalf of the Company in the ongoing development of the Company's product candidates. Expenses related to clinical trials are accrued based on the Company'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 Company 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 accompanying consolidated financial statements for the years ended December 31, 2013 and 2014.

Government grants

Government financial incentives that involve no conditions or continuing performance obligations of the Company are recognized as other non-operating income upon receipt.

BEIGENE, LTD.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

Leases

Leases are classified at the inception date as either a capital lease or an operating lease. The Company 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 Company has no capital leases for the years presented.

All other leases are accounted for as operating leases wherein rental payments are expensed on a straight-line basis over the periods of their respective lease terms. The Company leases office space and employee accommodation 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 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 Company 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 Company'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. The Company adopted ASU No. 2013-02, *Comprehensive Income (Topic 220)* ("ASU 2013-02") in January 2013. There was no material impact to the Company's consolidated financial statements upon adoption.

Stock-based compensation

Awards granted to employees

The Company applies ASC 718, *Compensation — Stock Compensation* ("ASC 718"), to account for its employee share-based payments. In accordance with ASC 718, the Company determines whether an award should be classified and accounted for as a liability award or equity award. All the Company'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 are calculated using an option pricing model. The Company 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

2. Summary of significant accounting policies (Continued)

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 Company uses 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 the Company 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 Company, with the assistance of an independent third party valuation firm, determined the fair value of the stock options granted to employees. The binomial option pricing model was applied in determining the estimated fair value of the options granted to employees.

Awards granted to non-employees

The Company 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 Company had paid cash for the services provided by the non-employees in accordance with ASC 505-50, *Equity-based payments to non-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 Company recognizes incremental compensation cost in the period the modification occurs. For unvested awards, the Company 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 Company recognizes is the cost of the original award.

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2. Summary of significant accounting policies (Continued)

Modification of employment status

When a nonemployee becomes an employee and continues to vest in the award, the fair value of the award should be remeasured on the date the individual becomes an employee. Compensation charges based on the remeasured fair value will be accounted for prospectively from the date of the change in employment status over the remaining vesting period. The fair value of the award subsequently will not be remeasured unless the award is modified or settled.

Derivative instruments

ASC 815, *Derivatives and Hedging,* requires all contracts which meet the definition of a derivative to be recognized in the consolidated financial statements as either assets or liabilities and recorded at fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income/loss or in shareholders' deficit as a component of other comprehensive income depending on the use of the derivative and whether it qualifies for hedge accounting. Changes in fair values of derivatives not qualified as hedges are reported in the consolidated statements of comprehensive loss. The estimated fair values of derivative instruments are determined at discrete points in time based on the relevant market information. These estimates are calculated with reference to the market rates using industry standard valuation techniques with the assistance of an independent third party valuation firm.

Income taxes

The Company 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 and laws 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.

The Company evaluates its uncertain tax positions using the provisions of ASC 740, *Income Taxes* , which requires that realization of an uncertain income tax position be recognized in the financial statements. The benefit to be recorded in the financial statements is the amount most likely to be realized assuming a review by tax authorities having all relevant information and applying current conventions. It is the Company's policy to recognize interest and penalties related to unrecognized tax benefits, if any, as a component of income tax expense. No unrecognized tax benefits and related interest and penalties were recorded in any of the periods presented.

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

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2. Summary of significant accounting policies (Continued)

undistributed earnings as if all the earnings for the reporting period had been distributed. The Company's convertible preferred shares and restricted stock are participating securities because they have contractual rights to share in the profits of the Company.

However, both the convertible preferred shares and restricted stock 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 Company 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 stock, 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 Company's consolidated statements of comprehensive loss.

Unaudited pro forma shareholders' equity and loss per share

Pursuant to the Company's memorandum and articles of association, upon the completion of the Company's initial public offering on the New York Stock Exchange, or the Nasdaq Stock Market or any other stock exchange acceptable to Baker Bros. Advisors LP (the "Qualified IPO"), the outstanding convertible preferred shares will automatically be converted into ordinary shares. Unaudited pro forma shareholders' equity as of December 31, 2014, as adjusted for the reclassification of the convertible preferred shares from mezzanine equity to shareholders' equity, is set forth on the consolidated balance sheets.

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding as of December 31, 2014, and assumes the automatic conversion of all of the Company's convertible preferred shares into weighted-average shares of ordinary stock upon the closing of the Company's Qualified IPO, as if it had occurred on January 1, 2014.

Segment information

In accordance with ASC 280, *Segment Reporting* , the Company's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and assessing performance of the Company as a whole and hence, the Company has only one reportable segment. The Company does not distinguish between markets or segments for the purpose of internal reporting. As the Company's long-lived assets and revenue are substantially located in and derived from the PRC, no geographical segments are presented.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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2. Summary of significant accounting policies (Continued)

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, 2013 and 2014, $3,926 and $13,898 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 Company 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, 2013 and 2014, the Company had debt security investments amounting to nil and $30,497, respectively. The Company's debt security investments comprise of corporate fixed income bonds and U.S. treasury securities. The Company believes that the corporate bonds and the US treasury securities are of high credit quality and continually monitors the credit worthiness of these institutions.

Customer concentration risk

For the years ended December 31, 2013 and 2014, substantially all of the Company's revenue has been generated solely from one customer, Merck KGaA ("Merck KGaA").

Business, customer, political, social and economic risks

The Company participates in a dynamic high technology industry and believes that changes in any of the following areas could have a material adverse effect on the Company'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 technologies and industry standards; changes in clinical research organizations; changes in certain strategic relationships or customer relationships; regulatory considerations; copyright regulations; and risks associated with the Company's ability to attract and retain employees necessary to support its growth. The Company's operations could be also adversely affected by significant political, economic and social uncertainties in the PRC.

Currency convertibility risk

A majority of the Company's expenses and a significant portion of the Company's 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 United States 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

2. Summary of significant accounting policies (Continued)

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. There was appreciation of RMB against US$ of approximately 2.9% in the year ended December 31, 2013 and depreciation of 2.4% in the year ended December 31, 2014, respectively. While the international reaction to the RMB appreciation has generally been positive, there remains significant international pressure on the PRC government to adopt an even more flexible currency policy, which could result in a further and more significant appreciation of the RMB against the United States dollar.

Recent accounting pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* (Topic 606) ("ASU 2014-09"), which will supersede the revenue recognition requirements in Topic 605, *Revenue Recognition* , and most industry-specific guidance when it becomes effective. ASU 2014-09 affects any entity that enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets unless those contracts are within the scope of other standards. The core principle of ASU 2014-09 is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. On August 13, 2015, the FASB approved ASU 2015-14— *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,* which is a one year deferral of ASU 2014-09. ASU 2014-09 is now effective for annual and interim reporting periods beginning after December 15, 2017, and entities can transition to the standard either retrospectively or as a cumulative-effect adjustment as of the date of adoption. The Company is currently evaluating the method of adoption to be utilized as well as the impact ASU 2014-09 will have on its consolidated financial statements.

In June 2014, the FASB issued ASU No. 2014-10, *Development Stage Entities ("Topic 915"): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation* ("ASU 2014-10"). ASU 2014-10 removes all incremental financial reporting requirements from GAAP for development stage entities. The Company early adopted this standard in its consolidated financial statements on January 1, 2012.

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2. Summary of significant accounting policies (Continued)

As a result of the early adoption of ASU 2014-10, the accompanying consolidated financial statements do not include the incremental reporting requirements previously required by Topic 915.

In June 2014, the FASB issued ASU No. 2014-12 *, Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period* ("ASU 2014-12"). The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. For all entities, the amendments in ASU 2014-12 are effective for annual and interim reporting periods beginning after December 15, 2015. Earlier adoption is permitted. The adoption of ASU 2014-12 is not expected to have a material impact on the Company's financial position, results of operations or cash flows.

In August 2014, the FASB issued ASU No. 2014-15, *Presentation of Financial Statements — Going Concern* (Subtopic 205-40): *Disclosures of Uncertainties about an Entity's Ability to Continue as a Going Concern* ("ASU 2014-15"). ASU 2014-15 requires management to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date that the financial statements are issued or are available to be issued. ASU 2014-15 also requires management to disclose certain information depending on the results of the going concern evaluation. The provisions of ASU 2014-15 are effective for annual periods ending after December 15, 2016, and for interim and annual periods thereafter. Early adoption is permitted. The Company will be required to perform an annual assessment of its ability to continue as a going concern when this standard becomes effective on January 1, 2017; however, the adoption of this guidance is not expected to impact the Company's financial position, results of operations or cash flows.

In April 2015, the FASB issued ASU No. 2015-03, *Interest — Imputation of Interest* ("ASU 2015-03"). To simplify presentation of debt issuance costs, ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs are not affected by the amendments in this Update. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. The Company is currently in the process of evaluating the impact of adoption of ASU 2015-03 on the consolidated financial statements and related disclosures.

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3. Short-term investments

Short-term investments as of December 31, 2014 consist of the following available-for-sale exchange-traded debt securities:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value (net carrying amount)
	$	$	$	$
Corporate fixed income bonds	27,545	—	47	27,498
U.S. treasury securities	2,999	—	—	2,999
Total	30,544	—	47	30,497

During the years ended December 31, 2013 and 2014, the net adjustment to unrealized holding losses on available-for-sale securities in other comprehensive income totaled nil and $47, respectively. Contractual maturities of all debt securities as of December 31, 2014 were within one year. The Company does not intend to sell the investment in corporate fixed income bonds and it is not more likely than not that the Company will be required to sell the investment before recovery of its amortized cost basis, which may be maturity. Therefore, the Company does not consider the investment in corporate fixed income bonds to be other-than-temporarily impaired at December 31, 2014.

4. Property and equipment

Property and equipment consist of the following:

	December 31,	
	2013	2014
	$	$
Office equipment	228	223
Electronic equipment	373	378
Laboratory equipment	4,349	4,635
Computer software	151	147
Leasehold improvements	5,381	5,385
	10,482	10,768
Less accumulated depreciation and amortization	(3,430)	(4,837)
Property and equipment, net	7,052	5,931

Depreciation expenses for the years ended December 31, 2013 and 2014 were $1,592 and $1,557, respectively.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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5. 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.

Australia

BeiGene AUS Pty Ltd., incorporated in Australia is subject to corporate income tax at a rate of 30%. BeiGene AUS Pty Ltd. has no taxable income for all periods presented and therefore, no provision for income taxes is required.

Hong Kong

BeiGene (Hong Kong) Co., Limited is incorporated in Hong Kong. Companies registered in Hong Kong are subject to Hong Kong Profits Tax on the taxable income as reported in their respective statutory financial statements adjusted in accordance with relevant Hong Kong tax laws. The applicable tax rate is 16.5% in Hong Kong. For the years ended December 31, 2013 and 2014, 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 (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.

PRC

BeiGene Beijing is subject to the statutory rate of 25% for the years ended December 31, 2013 and 2014 in accordance with the Enterprise Income Tax law (the "EIT Law"), which was effective since January 1, 2008. Under the EIT Law, domestic enterprises and foreign investment enterprises are subject to a unified 25% enterprise income tax rate, except for certain entities that enjoyed the tax holidays. Under the EIT Law, dividends paid by PRC enterprises out of profits earned post-2007 to non-PRC tax resident investors are subject to PRC withholding tax of 10%. A lower withholding tax rate may be applied based on applicable tax treaty with certain jurisdictions.

The EIT Law also provides that enterprises established under the laws of foreign countries or regions and whose "place of effective management" is located within the PRC are considered PRC tax resident enterprises and subject to PRC income tax at the rate of 25% on worldwide income. The definition of "place of effective management" refers to an establishment that exercises, in substance, overall management and control over the production and business, personnel, accounting, properties and other aspects of an enterprise. As of December 31, 2014, no detailed interpretation or guidance has been issued to define "place of effective management." Furthermore, as of December 31, 2014, the administrative practice associated with interpreting and applying the concept of "place of effective management" is unclear. If the Company is deemed as a PRC tax resident, it would be subject to PRC tax under the EIT Law. The Company has analyzed the applicability of this law and will continue to monitor the related development and application.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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5. Income taxes (Continued)

Loss before income taxes consists of:

	Year ended December 31,	
	2013	2014
	$	$
Cayman	2,669	(5,487)
PRC	(6,276)	(5,808)
Others	(4,287)	(7,251)
	(7,894)	(18,546)

There is no provision for income taxes because the Company and all of its wholly owned subsidiaries are in a current loss position for all the periods presented.

Significant components of deferred tax assets are as follows:

	Year ended December 31,	
	2013	2014
	$	$
Deferred tax assets, non-current portion:		
Net operating losses carryforward	6,228	9,656
Less valuation allowance	(6,228)	(9,656)
Total deferred tax assets	—	—

Valuation allowances have been provided on the 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. The Company recorded a full valuation allowance against deferred tax assets of all its consolidated entities because all entities were in a cumulative loss position as of December 31, 2013 and 2014.

As of December 31, 2014, the Company had net operating losses of approximately $36,957, which can be carried forward to offset taxable income. The net operating loss will start to expire in 2017 if not utilized.

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6. Accrued expenses and other payables

	December 31,	
	2013	2014
	$	$
Payroll payables	924	101
Accrued operating expenses	741	605
Other payables	98	296
	1,763	1,002

7. Short-term bank loan

On April 8, 2014, the Company obtained a RMB denominated loan with a principal amount of $322 from China Merchants Bank at an annual interest rate of 7.8% based on a 30% premium of the market rate published by the PBOC. The short-term bank loan matures in one year and is guaranteed by the non-controlling shareholder of a subsidiary. Interest expense and guarantee fee of $18 and $7 was recognized for the year ended December 31, 2014, respectively. The short-term bank loan was fully repaid on April 3, 2015.

8. Warrant and option liabilities

	December 31,	
	2013	2014
	$	$
Option to purchase shares by rental deferral (note i)	26	125
Warrants in connection with the Convertible Promissory Notes (Note 11, 14)	24	222
	50	347

(i) 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. The Option shall be exercisable, in whole or in part, after the closing date of a transaction consummated by the Company to issue ordinary shares or preferred shares convertible into ordinary shares of gross proceeds of at least $25,000 (the "Option Qualified Financing") and prior to the expiration of the Option. If not previously exercised, the Option shall expire on the earlier of the closing of any reorganization, merger or consolidation of the Company or a sale, lease or other disposition of all or substantially all of the assets of the Company (the "Sale Event"); immediately prior to the closing of an initial public offering of the ordinary shares of the Company on a nationally or internationally recognized exchange (the "Initial Public Offering"); or the termination of the lease. If an Initial Public Offering or Sale Event occurs prior to the Option Qualified Financing, this Option shall be

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8. Warrant and option liabilities (Continued)

exercisable, in whole or in part, immediately prior to the closing of the Initial Public Offering or Sale Event.

Number of shares

The holder of the Option shall have the right by exercising the Option to purchase up to the number of ordinary shares that equals the quotient obtained by dividing (x) 110% of the total amount of rent deferred at the time of exercise by (y) the Exercise Price.

Exercise price

The exercise price per share (the "Exercise Price") shall be equal to:

i. in the case of an Option Qualified Financing, the price per share paid by purchasers of ordinary shares issued in an Option Qualified Financing, or if the shares sold in an Option Qualified Financing are preferred shares convertible into ordinary shares, a price per share equal to the price per share paid for such preferred shares divided by the number of ordinary shares into which such preferred shares are initially convertible.

ii. in the case of Initial Public Offering, a percentage of the price to the public in the Initial Public Offering (A) equal to 50% if such offering occurs on or prior to the first anniversary of the issuance of the Option or (B) if such offering occurs after that date, 50% reduced by 1% a month through the month on which such offering occurs, provided that such percentage shall in no event be reduced below 25%.

iii. in the case of a Sale Event, a percentage of the value per share of the consideration paid in the Sale Event (A) equal to 50% if the Sale Event occurs prior to or on the first anniversary of the issuance of the Option or (B) if such Sale Event occurs after that date, 50% reduced by 1% a month through the month on which such Sale Event occurs, provided that such percentage shall in no event be reduced to below 25%.

Accounting for the Option

The Option is a freestanding instrument and is recorded as liability in accordance with ASC 480, *Distinguishing Liabilities from Equity* . The Option was initially recognized at fair value with subsequent changes in fair value recorded in losses. The Option has not been exercised as of December 31, 2014. During the years ended December 31, 2013 and 2014, the Company recognized a gain from the decrease in fair value of $83 and a loss from the increase in fair value of $99, respectively. The Company determined the fair value of the Option with the assistance of an independent third party valuation firm.

9. 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 $10,000 (the "Senior Promissory Note"). The Senior Promissory Note bears an interest

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9. Senior promissory note (Continued)

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. To date, none of the Events of Default have occurred. The Senior Promissory Note was initially recorded as a long-term liability carried at amortized cost of $10,000 and subsequently accreted to the amount payable upon maturity using the effective interest method. Interest accrued as of December 31, 2013 and 2014 amounted to $2,515 and $3,516, respectively.

10. Subordinated convertible promissory note

In 2011, the Company issued a subordinated convertible promissory note to Merck Sharp (the "Subordinated Convertible Promissory Note") for an aggregate principal amount of $10,000.

The key features of the Subordinated Convertible Promissory Note are as follows:

Interest

The Subordinated Convertible Promissory Note bears an interest of 8% compounding per annum.

Conversion Date

Unless earlier converted, or repaid, the Subordinated Convertible Promissory Note will automatically be converted in full on the second anniversary of the issuance date (the "Conversion Date"). On February 1, 2013, Conversion Date was extended to February 2, 2014. On January 30, 2014, Conversion Date was extended to June 2, 2014. On May 27, 2014, Conversion Date was extended to August 2, 2014. On July 29, 2014, Conversion Date was extended to September 30, 2014. On September 30, 2014, Conversion Date was extended to October 7, 2014.

Conversion Features and Rates

Conversion following the Second Pharma Financing

If on or prior to the Conversion Date, the Company has consummated a sale of the Company's securities to a pharma company of at least $20,000 (the "Second Pharma Financing"), but has not consummated a further sale of the Company's securities to a pharma company after

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10. Subordinated convertible promissory note (Continued)

the Second Pharma Financing ("the "Third Pharma Financing") or a sale of the Company's preference shares in a single or series of transactions with aggregate gross proceeds of at least US$10,000 (the "CB Qualified Financing"), then, on the Conversion Date, the principal amount shall be automatically converted into such number of the Company's ordinary shares that equals 19.9% of the Company's ordinary shares equivalents.

Conversion following the Third Pharma Financing

If on or prior to the Conversion Date, the Company has consummated a Third Pharma Financing, but has not consummated a CB Qualified Financing, then, on the Conversion Date, the principal amount shall be automatically converted into such number of the Company's ordinary shares that equals 16.6% of the Company's ordinary shares equivalents.

Conversion upon a CB Qualified Financing

If on or prior to the Conversion Date, the Company has consummated a CB Qualified Financing then at the closing of the CB Qualified Financing, the principal amount shall automatically be converted into that number of preference shares sold by the Company in the CB Qualified Financing as is equal to the principal amount divided by eighty percent (80%) of the CB Qualified Financing purchase price.

Other Conversion

If on or prior to the Conversion Date, the Company has not consummated a Second Pharma Financing, Third Pharma Financing or a CB Qualified Financing, then, on the Conversion Date, the principal amount shall be automatically converted into such number of the Company's ordinary shares that equals 33.0% of the Company's ordinary shares equivalents.

Conversion in connection with Company Sale

If the Company consummates a company sale with a third party other than Merck Sharp (the "Company Sale"), the principal amount shall be converted, automatically upon consummation of such Company Sale, into the number of ordinary shares into which the Subordinated Convertible Promissory Note would have converted if the date of consummation of such Company Sale had been the Conversion Date.

Pursuant to the first amendment of the Subordinated Convertible Promissory Note on February 1, 2013, the *Conversion in connection with Company Sale* clause was replaced by the following clause:

Repayment of the principal amount in full unless Merck Sharp elects to convert the principal amount into the number of ordinary shares equal to (A) 200% of the outstanding principal amount if the Company Sale occurs on or prior to the first anniversary of the issuance of the Subordinated Convertible Promissory Note, or (B) if a Company Sale occurs after that date, a percentage equal

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10. Subordinated convertible promissory note (Continued)

to 200% increasing monthly by 8% through the month in which the Company Sale occurs, provided that such percentage shall not be above 400%.

The first amendment also added a conversion option in connection with the Initial Public Offering. If an Initial Public Offering occurs within two years and prior to a CB Qualified Financing, then the outstanding principal amount and all accrued and unpaid interest shall be automatically converted into the number of ordinary shares offered in the Initial Public Offering immediately prior to the closing of the Initial Public Offering, at a conversion price equal to a percentage of the price to the public in the Initial Public Offering (A) equal to 50% if such offering occurs on or prior to the first anniversary of the issuance of the Subordinated Convertible Promissory Note or (B) if such offering occurs after that date, 50% reduced by 1% a month through the month on which such offering occurs, provided that such percentage shall in no event be reduced to below 25%.

Redemption

Upon the occurrence of any of the Events of Default, the outstanding principal and accrued interest of the Subordinated Convertible Promissory Note will become due and payable in full.

Accounting for the Subordinated Convertible Promissory Note

As the Subordinated Convertible Promissory Note will 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 requires bifurcation because it is not clearly and closely related to the debt host that involves a substantial discount. Since there is no conversion feature embedded in the Subordinated Convertible Promissory Note, no beneficial conversion feature was recorded during the years ended December 31, 2013 and 2014. There are no other embedded derivatives that are required to be bifurcated.

The Subordinated Convertible Promissory Note was initially recorded as long-term debt equal to the $10,000 proceeds received net of the fair value of the bifurcated embedded redemption feature of an immaterial value on the issuance date. During the year ended December 31, 2013, the change in the fair value of the redemption feature was immaterial. During the year ended December 31, 2014, the Company recognized a loss of $2,500 from the increase in fair value of the redemption feature in losses. Interest is accrued on the Subordinated Convertible Promissory Note using the effective interest method. Interest accrued as of December 31, 2013 amounted to $2,126. The amendments to the Subordinated Convertible Promissory Note did not result in debt extinguishment accounting.

Conversion

In October 2014, the Company issued 52,592,590 Series A Preferred Shares for cash consideration of $35,500 (note 13), which met the criteria of a *Conversion upon a CB Qualified Financing* . As a result, the Subordinated Convertible Promissory Note was automatically converted into 18,518,519 Series A Preferred Shares in total. Upon the conversion, the Company recognized a

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10. Subordinated convertible promissory note (Continued)

gain on debt extinguishment of $2,883 due to the forfeiture of interest as only the principal amount of the Subordinated Convertible Promissory Note was eligible for conversion.

11. Convertible promissory notes and warrants

During the year ended December 31, 2012, the Company entered into agreements with several investors to issue convertible promissory notes (the "Convertible Promissory Notes"), and related warrants to purchase the Company's preference shares up to 10% of the Convertible Promissory Notes' principal amount (the "Warrants") concurrently for an aggregate principal amount of $2,385. During the year ended December 31, 2014, the Company entered into agreements with several investors to issue Convertible Promissory Notes and related Warrants concurrently for an aggregate principal amount of $25.

The key features of the Convertible Promissory Notes are as follows:

Maturity Date

Unless earlier converted, the Convertible Promissory Notes shall be due and payable on the earlier of (i) the fifth anniversary of the issuance date, or (ii) upon the occurrence of any Events of Default.

Interest

The Convertible Promissory Notes bear interest of 8% per annum for the first three years and 15% per annum for the remaining term.

Conversion features and rates

(a) Automatic Conversion at Qualified Financing

If the Company sells its preferred shares for aggregate gross proceeds of at least $25,000 (the "Qualified Financing") on or prior to the maturity date, the outstanding principal amount of the Convertible Promissory Notes and all accrued and unpaid interest shall automatically convert into fully paid and nonassessable preferred shares issued in such Qualified Financing at the issue price of the preferred shares, and on the same terms and conditions as those applicable to the other purchasers.

(b) Automatic Conversion at Initial Public Offering

If the closing of Initial Public Offering occurs on or prior to the maturity date and a Qualified Financing, the outstanding principal amount of the Convertible Promissory Notes and all accrued and unpaid interest shall convert into fully paid and nonassessable ordinary shares offered in the Initial Public Offering immediately prior to the closing of the Initial Public Offering, at a conversion price equal to a percentage of the price to the public in the Initial Public Offering (A) equal to 50% if such offering occurs on or prior to the first anniversary of the issuance of the Convertible Promissory Notes or (B) if such offering occurs after that date, 50% reduced by 1% a month

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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11. Convertible promissory notes and warrants (Continued)

through the month on which such offering occurs, provided that such percentage shall in no event be reduced below 25%.

(c) Automatic Conversion at Sale Event

If any Sale Event occurs on or prior to the maturity date, a Qualified Financing or an Initial Public Offering, the outstanding principal amount of the Convertible Promissory Notes and all accrued and unpaid interest shall convert into such number of fully paid and nonassessable ordinary shares of the Company as is equal in value to (A) 200% of the outstanding principal amount of the Convertible Promissory Notes and all accrued and unpaid interest if the Sale Event occurs on or prior to the first anniversary of the issuance of this Note, or (B) if a Sale Event occurs after that date, a percentage equal to 200% increasing monthly by 8% through the month in which the Sale Event occurs, provided that such percentage shall in no event be above 400%.

Redemption

Upon the occurrence of any of the Events of Default, the investors may, with the written consent of investors holding more than 50% of the aggregate outstanding principal amount of the Convertible Promissory Notes declare all outstanding obligations payable by the Company to be immediately due and payable.

The key features of the Warrants are as follows:

Exercise Period

If not previously exercised, the Warrants shall expire on the earlier of (a) the closing of a Sale Event; or (b) immediately prior to the closing of the Company's Initial Public Offering.

The Warrants shall be exercisable, in whole or in part, after the closing date of a Qualified Financing and prior to the expiration of the Warrants.

Number of shares to be purchased

The holders of the Warrants shall have the right to purchase up to the number of preferred shares that equals the quotient obtained by dividing (x) equal to 10% of the principal amount of the Convertible Promissory Note by (y) the Exercise Price (as defined below), prior to the expiration of the Warrants.

Exercise Price

The exercise price per Share (the "Exercise Price") shall be equal to:

i. in the case of a Qualified Financing, the price per share paid by the other purchasers of the shares issued in a Qualified Financing;

ii. in the case of the Initial Public Offering, a percentage of the price to the public in the Initial Public Offering (A) equal to 50% if such offering occurs on or prior to the first

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11. Convertible promissory notes and warrants (Continued)

anniversary of the issuance of the Warrants or (B) if such offering occurs after that date, 50% reduced by 1% a month through the month on which such offering occurs, provided that such percentage shall in no event be reduced to below 25%; or

iii. in the case of a Sale Event, a percentage of the value per share of the consideration paid in the Sale Event (A) equal to 50% if the Sale Event occurs prior to or on the first anniversary of the issuance of the Warrants or (B) if such Sale Event occurs after that date, 50% reduced by 1% a month through the month on which such Sale Event occurs, provided that such percentage shall in no event be reduced to below 25%.

Accounting for the Convertible Promissory Notes and the Warrants

The Warrants are freestanding instruments and are recorded as liabilities in accordance with ASC480. The Convertible Promissory Note was initially recorded as long-term debt equal to the proceeds received of $2,385 and $25, net of the fair value allocated to the Warrants of $92 and nil, respectively, in 2012 and 2014. The Warrants are initially recognized at fair value, with subsequent changes in fair value recorded in losses. For the years ended December 31, 2013 and 2014, the Company recognized a gain from the decrease in fair value of the Warrants of $39 and a loss from the increase in fair value of $127, respectively. As the Convertible Promissory Notes will 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. The in-substance redemption feature requires bifurcation because it is not clearly and closely related to the debt host that involves a substantial discount. The bifurcated embedded redemption feature had an immaterial value on the respective issuance dates. For the years ended December 31, 2013 and 2014, changes in fair value of the redemption feature were immaterial.

The Convertible Promissory Note is subsequently accreted to the amount payable upon maturity using the effective interest method. Interest accrued as of December 31, 2013 amounted to $430. Since there is no conversion feature embedded in the Convertible Promissory Notes, no beneficial conversion feature was recorded. The Company determined the value of the Warrants with the assistance of an independent third party valuation firm.

Conversion

In October 2014, the Company issued 52,592,590 Series A Preferred Shares for cash consideration of $35,500 (note 13), which met the criteria of an *Automatic Conversion at Qualified Financing* . As a result, the Convertible Promissory Notes were automatically converted into 4,310,279 Series A Preferred Shares in total. No gain or loss resulted from the debt extinguishment. The Warrants in connection with the Convertible Promissory Notes were not exercised and remain outstanding as of December 31, 2014.

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12. Secured guaranteed convertible promissory note and warrants

On August 12, 2014, the Company issued secured guaranteed convertible promissory note (the "Secured Guaranteed Convertible Promissory Note") and warrants to purchase up to 2,592,593 ordinary shares of the Company (the "BB Warrants") to entities affiliated with Baker Bros. Advisors LP (collectively, "Baker Brothers") for an aggregate principal amount of $17,500.

The key features of the Secured Guaranteed Convertible Promissory Note are as follows:

Maturity Date

Unless earlier converted, the Secured Guaranteed Convertible Promissory Note shall be due and payable on the earlier of (i) February 12, 2015, or (ii) upon the occurrence of any of the Events of Default.

Interest

The Secured Guaranteed Convertible Promissory Note bears interest of 10% per annum, provided that the accrued interest shall not be less than three months of interest in the aggregate.

Prepayment

The Company may prepay the Secured Guaranteed Convertible Promissory Note, without premium or penalty, in whole or in part, with accrued interest to the date of such prepayment on the amount prepaid.

Conversion

Upon issuance of the preferred shares to investors of at least $31,500 (the "BB Qualified Financing") on or prior to the Maturity Date, the outstanding principal amount of the Secured Guaranteed Convertible Promissory Note and all accrued and unpaid interest shall automatically convert into fully paid and nonassessable preferred shares issued in such BB Qualified Financing at the conversion price and on the same terms and conditions as those applicable to the other purchasers.

Participation right

If the BB Qualified Financing does not occur within the 45-day exclusivity period, the Company shall permit the funds advised by Baker Brothers to invest $10,000 in the aggregate in the first equity financing of at least $25,000 the Company engages in with unrelated third parties at the same price per share on the same terms and conditions as those of the lead investor in such equity financing.

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12. Secured guaranteed convertible promissory note and warrants (Continued)

The key features of the BB Warrants are as follows:

Exercise Period

If not previously exercised, the BB Warrants shall expire on the earlier of (a) the exercise of the participation right by Baker Brothers; (ii) the closing of a Sale Event; (iii) the closing of the Qualified IPO; or (iv) August 12, 2019.

Exercise Price

The exercise price shall be $0.68 per ordinary share.

Accounting for the Secured Guaranteed Convertible Promissory Note and the BB Warrants

The BB Warrants are freestanding instruments that represent a right to purchase the Company's ordinary shares (which are not redeemable), and do not impose an obligation to the Company. Further, the BB Warrants are indexed to the Company's stock and can only be settled by the issuance of Company's ordinary shares. In addition, the BB Warrants meet all the criteria required by ASC 815 for equity classification and thus, the BB Warrants are classified in equity. The BB Warrants are not remeasured as long as they continue to meet the conditions for equity classification.

The principal amount of $17,500 was initially allocated to the Secured Guaranteed Convertible Promissory Note and the BB Warrants based on relative fair value method. As the Secured Guaranteed Convertible Promissory Note will be share-settled by a number of shares with a fair value equal to the 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.

The in-substance redemption feature requires bifurcation because it is not clearly and closely related to the debt host that involves a substantial discount. The Secured Guaranteed Convertible Promissory Note was initially recorded as a short-term liability equal to $17,316. The value allocated to the BB Warrants was $184, which was recorded in equity. The bifurcated embedded redemption feature was of an immaterial value on the issuance date. For the period from the issuance date to immediately before conversion, the change in the fair value of the redemption feature was immaterial. The Secured Guaranteed Convertible Promissory Note is subsequently accreted to the amount payable upon maturity using the effective interest method. Since there is no conversion feature embedded in the Subordinated Convertible Promissory Note, no beneficial conversion feature was recorded. The Company determined the fair value of the BB Warrants with the assistance of an independent third party valuation firm.

Conversion

In October 2014, the Company issued 52,592,590 Series A Preferred Shares for cash consideration of $35,500 (note 13), which met the criteria of a *BB Qualified Financing* . As a result, the Secured Guaranteed Convertible Promissory Note was automatically converted into 26,574,074

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12. Secured guaranteed convertible promissory note and warrants (Continued)

Series A Preferred Shares in total. No gain or loss was resulted from the debt extinguishment. The BB Warrants were not exercised and remain outstanding as of December 31, 2014. The BB Warrants continue to meet the conditions for equity classification as of December 31, 2014.

13. 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 $0.0001 per share for cash consideration of $35,500 or $0.68 per share. At the same time, the Subordinated Convertible Promissory Note (note 10), Convertible Promissory Notes (note 11), Secured Guaranteed Convertible Promissory Note (note 12), advances and Convertible Promissory Notes due to the related party (note 14) were automatically converted into 64,192,927 Series A Preferred Shares in aggregate.

The significant terms of the Series A Preferred Shares are summarized below.

Dividends

The holders of the Series A Preferred Shares shall be entitled to receive dividends accruing at the rate of 8% per annum. In addition, holders of the Series A 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 Series A Preferred Shares shall have the right to vote the number of votes per ordinary share into which their Series A Preferred Shares could be converted, and shall vote along with the ordinary shares, on all matters in respect to 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 Series A Preferred Shares agreements ("Liquidation Transaction"), the holders of Series A 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 Series A original issue price, plus accrued but unpaid dividends; or (ii) such amount per share as would have been payable had all Series A Preferred Shares been converted into ordinary shares immediately prior to such liquidation, dissolution, winding up or deemed liquidation event.

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13. Convertible preferred shares (Continued)

Conversion rights

(i) Optional conversion: Each Series A 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 Series A original issue price by the Series A conversion price, which is initially equal to the Series A original issue price. All unpaid, cumulative dividends on the Series A Preferred Shares shall no longer be payable.

(ii) Automatic conversion: All outstanding Series A Preferred Shares shall automatically be converted into ordinary shares at the then effective Series A conversion price upon (i) the closing of a Qualified IPO; or (ii) the date and time, or the occurrence of an event, specified by vote or written consent of the holders of at least 78.9% of the then outstanding Series A Preferred Shares. Upon conversion of the Series A Preferred Shares, all unpaid, cumulative dividends on the Series A 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 Series A 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 Series A Preferred Shares

The Series A 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 Series A Preferred Shares have a liquidation preference and will not receive the same form of consideration upon the occurrence of the conditional event as the ordinary shareholders would. The initial carrying amount of the Series A Preferred Shares of $78,809 is the issue price at the date of issuance of $78,889 net of issuance costs of $80. The holders of Series A 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 not 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

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13. Convertible preferred shares (Continued)

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, the most favorable conversion price used to measure the beneficial conversion feature of the Series A Preferred Shares was $0.68. No beneficial conversion feature was recognized for the Series A Preferred Shares as the fair value per ordinary share at the commitment date was $0.28, 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 Series A Preferred Shares are not redeemable currently, and is not probable that the Series A 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 Series A Preferred Shares until it is probable that they will become redeemable. The liquidation preference amount was $75,878 as of December 31, 2014.

14. Related party balances and transactions

(a) The Company had the following related party transactions for the periods presented:

	For the year ended December 31,	
	2013	2014
	$	$
Consulting service fee paid to shareholders(1)	100	100
Advances due to senior executives(2)	249	103
Repayment of advances by cash(2)	(731)	(1,285)
Repayment of advances by issuance of ordinary shares(2)	(134)	(61)
Interest accrued on advances due to senior executives(2)	626	775
Interest on Convertible Promissory Note(3)	67	56
Repayment of indebtedness due to senior executives by issuance of preferred shares(4)	—	(8,143)
Total	177	(8,455)

(1) During the years ended December 31, 2013 and 2014, shareholders provided consulting services to the Company at a fee of $100 and $100, respectively.

(2) During the years ended December 31, 2013 and 2014, senior executives advanced $249 and $103, respectively, to the Company. The advances bear interest at a rate comparable to the interest rate borne by the Company on its outstanding third party debt. During the year ended December 31, 2013, the Company repaid advances amounting to $731 and $134 in cash and issuance of ordinary shares, respectively. The excess of the fair value of the ordinary shares over the amount due to the senior executives amounting to $4 (note 19) was recognized in losses immediately. On

14. Related party balances and transactions (Continued)

September 15, 2014, the Company entered into a supplemental agreement with the senior executives to clarify its original intention that the indebtedness including interest expense can be converted into convertible preferred shares based on the same conversion terms in the Subordinated Convertible Promissory Note agreement the Company entered into with Merck Sharp (note 10). For the period from January 1, 2014 through October 7, 2014, the Company repaid advances amounting to $1,285 and $61 in cash and by issuance of 6,069,000 ordinary shares with fair value of $61, respectively.

(3) During the year ended December 31, 2012, the Company issued Convertible Promissory Notes and related Warrants to the senior executives for an aggregate principal amount of $650. The Warrants are initially recognized at fair value of $25, with subsequent changes in fair value recorded in losses. For the years ended December 31, 2013 and 2014, the Company recognized a gain from the decrease in fair value of the Warrants of $11 and a loss from the increase in fair value of $34, respectively. The terms and conditions underlying the Convertible Promissory Notes and related Warrants are the same as the Convertible Promissory Notes, and Warrants issued to all the other holders (note 11).

(4) On October 7, 2014, all outstanding indebtedness due to senior executives was settled by the issuance of the Company's Series A Preferred Shares with fair value of $9,983. The advances outstanding (including interest expense), and the Convertible Promissory Notes (including interest expense) were converted into 13,629,629 and 1,160,426 of the Company's Series A Preferred Shares, respectively (note 13). The difference of $1,840 was recognized in losses as a result of the settlement of indebtedness (note 19). The Warrants originally issued to the senior executives in connection with the Convertible Promissory Notes were not converted and remain outstanding as of December 31, 2014.

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14. Related party balances and transactions (Continued)

(b) Balances due to related parties

	As of December 31,	
	2013	2014
	$	$
Current liabilities		
Advances due to senior executives	6,825	—
Interest accrued on advances due to senior executives	1,047	—
Total	7,872	—
Non-current liabilities		
Convertible Promissory Notes	625	—
Interest on Convertible Promissory Notes	116	—
Total	741	—

The ending balances (including interest) above are accumulated balances due to senior executives.

Except as disclosed above, balances with related parties are unsecured and repayable upon demand.

15. Non-controlling interests

On April 9, 2012, Zhongguancun Development Group ("ZDG") acquired a 7% equity interest in Beigene Beijing for $2,389. Due to a capital injection by the Company into Beigene Beijing during the year ended December 31, 2013, ZDG's equity interest was diluted to 5% as of December 31, 2013. The non-controlling interests balance for the periods presented represents the interest of ZDG in Beigene Beijing based on its proportionate interests in Beigene Beijing adjusted for its proportionate share of losses from operations. The non-controlling interests are classified as mezzanine equity as they are contingently redeemable at the option of ZDG upon the occurrence of any events of default as stipulated in the agreement between ZDG and the Company. The redemption amount is ZDG's capital contribution plus accrued interest computed on the basis of the actual number of days that have elapsed from ZDG's capital contribution date to the redemption date. On December 19, 2014, ZDG exercised its option and the Company repurchased the outstanding equity interest held by ZDG for $2,443. The acquisition of the non-controlling interest by the Company is accounted for as an equity transaction. The difference between the consideration transferred and the carrying amount of the non-controlling interest of $950 is recognized as an adjustment to additional paid-in capital.

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15. Non-controlling interests (Continued)

A reconciliation of the carrying amounts of BeiGene Beijing is as follows:

	December 31,			
	2013		2014	
	Company	Non-controlling interests	Company	Non-controlling interests
	$	$	$	$
Beginning balance	22	2,159	1,006	1,767
Capital contribution	6,700	—	5,000	—
Repurchase of non-controlling interest	—	—	1,493	(1,493)
Transactions with owners acting in their capacity as owners	—	—	—	—
Net loss	(5,875)	(400)	(5,540)	(268)
Other comprehensive income (loss)	159	8	(132)	(6)
Ending balance	1,006	1,767	1,827	—

16. Research and development collaborative arrangements

The Company has developed and controls certain technology and proprietary materials related to its proprietary BRAF inhibitor ("BRAF," "BGB-283") and poly (ADP-ribose) polymerase inhibitor ("PARP," "BGB-290"). In 2013, Merck KGaA and the Company entered into worldwide research and development collaborative arrangements for BRAF and PARP ("Collaborative Arrangements"), respectively. Upon execution of the Collaborative Arrangements, the Company delivered to Merck KGaA the exclusive right to develop and commercialize the BRAF and PARP inhibitors worldwide except PRC ("Ex-PRC"). The Company has retained the exclusive right to develop and commercialize the BRAF and PARP inhibitors in PRC.

Under the terms of the BRAF Collaborative Arrangements, the Company has received an upfront non-refundable payment and upfront Phase I research and development fees in 2013. Upon the dosing of the 5 th patient in 2014, the Company received an additional Phase I research and development fee. Subsequent to the completion of the Phase I research and development phase, the Company may be eligible to receive product development payments based on the successful achievement of development and regulatory goals, commercial event payments based on the successful achievement of commercialization goals, and royalty payments based on a predetermined percentage of Merck KGaA's aggregate annual net sales of all products in the Ex-PRC territories for a period not to exceed ten years from the date of the first commercial sale. In addition, the Company will pay Merck KGaA profit sharing payments amounting to a predetermined percentage of aggregate annual net sales of BGB-283 products in PRC for a period not to exceed ten years from the date of the first commercial sale.

Under the terms of the PARP Collaborative Arrangements, the Company has received an upfront non-refundable payment and upfront Phase I research and development fees in 2013. Upon

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16. Research and development collaborative arrangements (Continued)

the dosing of the 5 th patient in 2014, the Company received an additional Phase I research and development fee. Subsequent to the completion of the Phase I research and development phase, the Company may be eligible to receive product development payments based on the successful achievement of development and regulatory goals, commercial event payments based on the successful achievement of commercialization goals, and royalty payments based on a predetermined percentage of Merck KGaA's aggregate annual net sales of all products in the Ex-PRC territories for a period not to exceed ten years from the date of the first commercial sale. In addition, the Company will pay Merck KGaA profit sharing payments amounting to a predetermined percentage of aggregate annual net sales of BGB-290 products in PRC for a period not to exceed ten years from the date of the first commercial sale.

The Company has determined that the deliverables related to the collaboration with Merck KGaA, including the licenses of exclusive rights granted to Merck KGaA, as well as the Company's performance obligations to provide Phase I research and development services, will be accounted for as separate units of accounting. This determination was made because each deliverable has a stand-alone value to Merck KGaA and the arrangement does not include a right of return for any deliverable. The Company is recognizing the upfront non-refundable license fee upon the delivery of the license right and the reimbursement of the Phase I research and development services on a straight-line basis over the performance period of three years from the execution date of the respective collaboration arrangements. The Company has made an allocation of revenue recognized as collaboration revenue between the license and the services. This allocation is based upon the relative selling price determined using the BESP of each deliverable. Management utilized a discounted cash-flow model and considered a variety of factors in determining the best estimate of selling price of each deliverable, including, but not limited to: the rights that Merck KGaA was granted under the license, the early stage of the product candidates, the relative risks of successful development of the product candidates, the size of the potential market for the product candidates, competing products and the life-cycle of the product candidates. There have been no significant changes in either the selling price or the method or assumptions used to determine the selling price for a specific unit of accounting during any of the periods presented.

The Company did not elect the milestone method of revenue recognition under ASC 605-28. Therefore, the additional Phase I research and development fees related to the 5th patient dosing will be combined with the other consideration received in the arrangement, being the license and Phase I research and development reimbursements. Based on the above, the additional fee related to the 5th patient dosing will be allocated based on the relative selling price percentages determined for the separate units of account at the inception of the Collaborative Arrangements. Upon completion of the 5th patient dosing, the fee allocated to the license will be recognized immediately and the fee allocated to research and development reimbursements will be recognized on a straight-line basis over the performance period under the cumulative catch-up approach. The 5th patient dosing was completed, and the Company received $5,000 for BRAF and $9,000 for PARP on May 14, 2014 and September 17, 2014, respectively.

License revenue was approximately $9,758 and $6,679 while research and development revenue was approximately $1,382 and $6,275 million of the collaboration revenue for the years

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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16. Research and development collaborative arrangements (Continued)

ended December 31, 2013 and 2014, respectively. The Company recorded advances from customers related to the collaboration of approximately $7,860 and $8,906 at December 31, 2013 and 2014 respectively.

To date, the products have not progressed to the development stages contemplated by the development based targets and none of the products have been approved. Hence, no revenue has been recognized related to the product development targets, royalties or commercial event based targets in any of the periods presented. In addition, no payments have been made to the collaborator for any of the periods presented.

Other revenue

The Company provided research and development services to other customers in the PRC amounting to $8 and $81, respectively, for the years ended December 31, 2013 and 2014.

17. Loss per share

Loss per share was calculated as follows:

	For the year ended December 31	
	2013	**2014**
Numerator:		
Net loss attributable to ordinary shareholders for computing basic and diluted loss per ordinary share	$ (7,494)	$ (18,278)
Denominator:		
Weighted average number of ordinary shares outstanding for computing basic and diluted loss per ordinary share	91,484,521	99,857,623
Basic and diluted loss per share	$ (0.08)	$ (0.18)

For the years ended December 31, 2013 and 2014, the computation of basic loss per share using the two-class method was not applicable as the Company was in a net loss position.

The effects of all convertible preferred shares, stock options, restricted stock, subordinated convertible promissory note, convertible promissory notes, the secured guaranteed convertible promissory note, warrants and option to purchase ordinary or preferred shares were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive during the years ended December 31, 2013 and 2014.

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18. Unaudited pro forma net loss per share

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding and assumes the automatic conversion of all of the Company's Series A Preferred Shares (note 13) as of December 31, 2014, into 116,785,517 weighted-average shares of ordinary stock upon the closing of the Company's Qualified IPO, as if it had occurred on January 1, 2014. The Company believes the unaudited pro forma net loss per share provides material information to investors, as the automatic conversion of the Company's Series A Preferred Shares and the disclosure of pro forma net loss per ordinary share provides an indication of net loss per ordinary share that is comparable to what will be reported by the Company as a public company following the closing of the Qualified IPO.

The following table summarizes the unaudited pro forma net loss per share attributable to ordinary shareholders:

	Year ended December 31, 2014
Numerator:	
Net loss attributable to ordinary shareholders	$ (18,278)
Denominator:	
Weighted average number of ordinary shares used in net loss per share attributable to ordinary shareholders — basic and diluted	99,857,623
Add: adjustment to reflect assumed effect of automatic conversion of Series A Preferred Shares	116,785,517
Pro forma weighted average number of shares outstanding — basic and diluted	216,643,140
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted	$ (0.08)

The effects of all convertible preferred shares, stock options, restricted stock, subordinated convertible promissory note, convertible promissory notes, the secured guaranteed convertible promissory note, warrant and option to purchase ordinary or preferred shares were excluded from the calculation of diluted pro forma net loss as their effect would have been anti-dilutive.

19. Share-based compensation

Share options

On April 15, 2011, the Board of Directors approved the 2011 Share Incentive Plan (the "Plan"), which is administered by the Board of Directors or any of its committees such as the Option Committee. Under the 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 and October 6,

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FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

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19. Share-based compensation (Continued)

2014, 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 and 30,560,432 ordinary shares, respectively. These options granted have a contractual term of 10 years and generally vest over a five year period, with 20% of the awards vesting one calendar year after the grant date and the remainder of the awards vesting on a monthly basis thereafter.

Under the Plan the Company granted 9,849,429 and 3,766,000 options to employees, as well as 1,401,000 and 125,000 options to non-employees, during the years ended December 31, 2013 and 2014, respectively.

As of December 31, 2014, share-based awards to purchase 21,779,991 ordinary shares were outstanding and share-based awards to purchase 8,780,441 ordinary shares were available for future grant under the Plan.

Modification of exercise price

On April 22, 2013, the Option Committee resolved to reduce the exercise price of 9,177,357 options related to certain individuals from $0.20 per share to $0.01 per share. The fair value of the share options immediately after the modification was higher than that immediately before the modification. Incremental compensation costs related to vested options amounting to $14 were recognized immediately. Incremental compensation costs related to unvested options amounting to $17 will be recognized over the remaining vesting period.

There were no other modifications to the Company's share option arrangements for the periods presented.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

19. Share-based compensation (Continued)

The following table summarizes the Company's employee share option activities under the share option plans:

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual term	Aggregate intrinsic value
		$	$	Years	$
Outstanding at December 31, 2013	19,552,606	0.02	0.02	8.39	—
Granted	3,766,000	0.01	0.01	—	—
Exercised*	(2,654,447)	0.02	0.02	—	737
Forfeited	(1,078,670)	0.02	0.01	—	—
Outstanding at December 31, 2014	19,585,489	0.02	0.02	7.74	—
Exercisable as of December 31, 2014	12,282,008	0.02	—	7.28	3,366
Vested or expected to vest at December 31, 2014	20,346,354	0.02	—	7.67	5,642

* Represents share options exercised for which corresponding ordinary shares have not been issued.

The aggregate intrinsic value in the table above represents the difference between the fair value of Company's ordinary shares as at the balance sheet date and the exercise price. Total intrinsic value of options exercised for the years ended December 31, 2013 and 2014 was nil and $737, respectively.

The total weighted average grant-date fair value of the equity awards granted during the years ended December 31, 2013 and 2014 were $0.01 and $0.01 per option, respectively. The total fair value of the equity awards vested during the years ended December 31, 2013 and 2014 were $55 and $87, respectively.

As of December 31, 2014, there was $123 of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 3.21 years. Total unrecognized compensation cost may be adjusted for future changes in estimated forfeitures.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

19. Share-based compensation (Continued)

The following table summarizes the Company's non-employee share option activities under the share option plans:

	Number of options	Weighted average exercise price	Weighted average grant date fair value	Weighted average remaining contractual term	Aggregate intrinsic value
		$	$	Years	$
Outstanding at December 31, 2013	3,030,410	0.06	0.02	8.38	—
Granted	125,000	0.01	0.01	—	—
Exercised	(960,908)	0.01	0.02	—	278
Forfeited	—	—	—	—	—
Outstanding at December 31, 2014	2,194,502	0.08	0.02	7.58	—
Exercisable as of December 31, 2014	900,125	0.15	—	6.75	133
Vested or expected to vest at December 31, 2014	2,194,502	0.08	—	7.58	482

The aggregate intrinsic value in the table above represents the difference between the fair value of Company's ordinary share as at the balance sheet date and the exercise price. Total intrinsic value of options exercised for the years ended December 31, 2013 and 2014 was nil and $278, respectively.

The total weighted average grant-date fair value of the equity awards granted during the years ended December 31, 2013 and 2014 were $0.01 and $0.01 per option, respectively. The total fair value of the equity awards vested during the years ended December 31, 2013 and 2014 were $2 and $251, respectively.

As of December 31, 2014, there was $374 of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested share-based awards which are expected to be recognized over a weighted-average period of 3.10 years. Total unrecognized compensation cost may be adjusted for future changes in estimated forfeitures.

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 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 has no historical exercise patterns as reference, thus the exercise multiple is based on management's estimation, which the Company believes is

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

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19. Share-based compensation (Continued)

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. The estimated fair value of the ordinary shares, at the option grant dates, was determined with assistance from an independent third party valuation firm. The Company's management is ultimately responsible for the determination of the estimated fair value of its ordinary shares.

The following table presents the assumptions used to estimate the fair values of the share options granted in the years presented:

	Year ended December 31,	
	2013	**2014**
Fair value of ordinary share	0.01	0.30
Risk-free interest rate	1.4%~3.0%	1.9%~2.6%
Expected exercise multiple	2.2~2.8	2.2~2.8
Expected volatility	102%~107%	99%~104%
Expected dividend yield	0%	0%
Contractual life	10 years	10 years

Restricted stock

Forfeiture of unvested restricted stock

As stipulated in the stock subscription agreement executed between the Company and the employees, upon the forfeiture of unvested restricted stock, the Company will repurchase the unvested restricted stock at par value of $0.0001 per ordinary share (the original consideration paid by the employees on the issuance date). On February 6, 2013, and October 15, 2014, the Company repurchased 4,333,334 and 116,671 unvested restricted stock that were forfeited for $0.43, and $0.01, respectively.

Modification of restricted stock

On November 3, 2010, a consultant was issued with 4,000,000 ordinary shares (the "Consultant"). On May 18, 2012, the Board of Directors approved a resolution that 1,000,000 out of the 4,000,000 ordinary shares granted to the Consultant would vest immediately effective on May 2, 2012 ("Modification Date"). The total incremental compensation cost for the modification was $25, which was recognized on Modification Date. Subsequently on February 2, 2013 (the "Date of the Change in Employment Status"), the Company's shareholders nominated the Consultant to be a member of the Board of Directors.

Under the terms of the original stock subscription agreement, the individual retains the restricted stock on a change in status; hence, there is no modification to account for. The fair value of the restricted stock to the Consultant has been re-measured on the Date of the Change in Employment Status and compensation charges have been accounted for prospectively over the remaining vesting period. The fair value of the ordinary share on February 2, 2013 amounted to

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19. Share-based compensation (Continued)

$0.01 per ordinary share. The Consultant had 2,555,556 unvested ordinary shares as of February 2, 2013. There were no other modifications to the Company's restricted stock arrangements for the periods presented.

The following table summarizes the Company's employee restricted stock activities:

	Numbers of shares	Weighted average grant date fair value
		$
Outstanding at December 31, 2013	1,694,449	0.05
Granted	9,021,000	0.09
Vested	(9,021,000)	0.09
Forfeited	(116,671)	0.05
Outstanding at December 31, 2014	1,577,778	0.05
Expected to vest at December 31, 2014	1,577,778	0.05

The following table summarizes the Company's non-employee restricted stock activities:

	Numbers of shares	Weighted average grant date fair value
		$
Outstanding at December 31, 2013	4,116,667	0.05
Granted	1,616,000	0.25
Vested	(4,216,000)	0.12
Forfeited	—	—
Outstanding at December 31, 2014	1,516,667	0.05
Expected to vest at December 31, 2014	1,516,667	0.05

The fair value of restricted stock on the grant date was derived from the fair value of the underlying ordinary shares. The Company, with the assistance of an independent third party valuation firm, determined the fair value of the underlying ordinary shares. The aggregate fair value of the restricted stock at the grant dates were determined to be $5,959 and such amount shall be recognized as compensation expense using the straight-line method for all restricted stock granted with graded vesting. As of December 31, 2014, there was $652 of total unrecognized share-based compensation expenses, net of estimated forfeitures, related to unvested restricted shares, which are expected to be recognized over a weighted-average period of 1.00 years. Total unrecognized compensation cost may be adjusted for future changes in estimated forfeitures.

Other awards granted

On April 5, 2013, the Company issued 13,433,334 fully vested ordinary shares to senior executives to settle advances due amounting to $134. The total fair value of the ordinary shares

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FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

19. Share-based compensation (Continued)

issued to the senior executives amounted to $138. The excess of the fair value of the ordinary shares over the amount due to senior executives amounting to $4 was recognized in losses immediately. On July 20, 2014, the Company issued 6,069,000 fully vested ordinary shares with fair value of $61 to senior executives to settle advances due amounting to $61.

On October 7, 2014, the Company issued 14,790,055 Series A Preferred Shares with fair value of $9,983 to senior executives in exchange for their surrender of $8,143 indebtedness that the Company owed them, pursuant to an agreement, dated September 15, 2014 (note 14). The difference amounting to $1,840 was recognized in losses immediately with a corresponding credit entry to mezzanine equity (note 14).

The following table summarizes total compensation cost recognized for the years ended December 31, 2013 and 2014:

	Year ended December 31,	
	2013	2014
	$	$
Research and development	(79)	4,030
General and administrative	55	2,607
	(24)	6,637

The compensation benefit in 2013 is primarily due to the decrease in the fair value of the awards granted to non-employees during the year-ended December 31, 2013 as compared to the corresponding period in the prior year.

20. Accumulated other comprehensive income

The movement of accumulated other comprehensive income is as follows:

	Foreign currency translation adjustments	Unrealized losses	Total
Balance as of December 31, 2012	141	—	141
Other comprehensive income	168	—	168
Balance as of December 31, 2013	309	—	309
Other comprehensive loss	(162)	(47)	(209)
Balance as of December 31, 2014	147	(47)	100

21. Restricted net assets

The Company's ability to pay dividends may depend on the Company receiving distributions of funds from its PRC subsidiary. Relevant PRC statutory laws and regulations permit payments of

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

21. Restricted net assets (Continued)

dividends by the Company's PRC subsidiary only out of its retained earnings, if any, as determined in accordance with PRC accounting standards and regulations. The results of operations reflected in the consolidated financial statements prepared in accordance with U.S. GAAP differ from those reflected in the statutory financial statements of the Company's PRC subsidiary.

In accordance with the company law of the PRC, a domestic enterprise is required to provide statutory reserves of at least 10% of its annual after-tax profit until such reserve has reached 50% of its respective registered capital based on the enterprise's PRC statutory accounts. A domestic enterprise is also required to provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise's PRC statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company's PRC subsidiary was established as domestic invested enterprise and therefore is subject to the above mentioned restrictions on distributable profits.

During the years ended December 31, 2013 and 2014, no appropriation to statutory reserves was made because the PRC subsidiary had substantial losses during such periods.

As a result of these PRC laws and regulations subject to the limit discussed above that require annual appropriations of 10% of after-tax income to be set aside, prior to payment of dividends, as general reserve fund, the Company's PRC subsidiary is 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 subsidiary from transferring funds to the Company in the form of dividends, loans and advances. As of December 31, 2013 and 2014, amounts restricted are the net assets of the Company's PRC subsidiary, which amounted to $1,006 and $1,827, respectively.

22. Employee defined contribution plan

Full time employees of the Company 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 subsidiary make contributions to the government for these benefits based on certain percentages of the employees' salaries. The Company has no legal obligation for the benefits beyond the contributions made. The total amounts for such employee benefits, which were expensed as incurred, were $938 and $1,030 for the years ended December 31, 2013 and 2014, respectively. The Company did not have full time employees in its remaining wholly owned subsidiaries mainly because the relevant activities were outsourced to third party service providers.

23. Commitments and Contingencies

Exit costs

During the year ended December 31, 2012, the Company terminated a license agreement and as a result it closed the associated operations that were based in one office in Beijing, PRC. The closure of the office and related operations were completed by the end of February 2013. The

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2014

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

23. Commitments and Contingencies (Continued)

cumulative exit costs incurred were mainly attributed to one-time employee termination benefits, rental contract termination costs, and write-off of leasehold improvements, which amounted to $280, $38, and $35, respectively. Exit costs of $280 and $73 were included in the general and administrative expenses during the years ended December 31, 2012 and 2013, respectively. There were no other exit costs or commitments other than those disclosed above for the periods presented.

Operating lease commitments

The Company leases office facilities under non-cancelable operating leases expiring on different dates. 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 Company by entering into these leases. Total expenses under these operating leases were $939 and $940 for the years ended December 31, 2013 and 2014, respectively.

Future minimum payments under non-cancelable operating leases consist of the following as of December 31, 2014:

	$
Year ending December 31:	
2015	1,109
2016	1,087
2017	915
2018	915
2019 and thereafter	1,985
	6,011

24. Subsequent Events

On April 9, 2015, the Company incorporated a new subsidiary, BeiGene (Suzhou) Co., Ltd. in Suzhou, PRC.

On April 17, 2015, the Board of Directors approved an increase in the number of shares available for issuance under the 2011 Share Incentive Plan by 13,000,000 shares to 40,100,000 shares.

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 $0.0001 per share for an aggregate purchase price of $97,350 or $1.17 per share. The Series A-2 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). There are no embedded derivatives that are

24. Subsequent Events (Continued)

required to be bifurcated. No beneficial conversion feature was recognized for the Series A-2 Preferred Shares as the fair value per ordinary share at the commitment date was less than the most favorable conversion price.

On July 8, 2015, the Company incorporated a new subsidiary in Delaware, United States.

25. Events (unaudited) subsequent to the date of the report of the independent registered public accounting firm

On September 2, 2015, the Company's subsidiary, BeiGene (Suzhou) Co., Ltd. entered into a loan agreement with Suzhou Industrial Park and China Construction Bank, to borrow $18,880 at a 7% fixed annual interest rate. Fifty percent of the loan will be repaid on September 30, 2018, and the remaining balance will be repaid on September 30, 2019. This loan is secured by certain of the Company's assets.

On September 11, 2015, the Company incorporated a new subsidiary in Shanghai, PRC.

On October 1, 2015, the Company entered into a purchase of rights agreement with Merck KGaA pursuant to which, the Company will purchase from Merck KGaA all its exclusive rights to develop and commercialize the PARP inhibitors in the Ex-PRC territories for a consideration of $10,000, and reduce the future milestone payments the Company is eligible to receive under the PRC license agreement. Upon the execution of the purchase of rights agreement, Merck KGaA has no further rights and obligations in the Ex-PRC territories under the PARP Collaborative Agreements. In connection with such purchase of rights, the Company also provided Merck KGaA with global access to the Company's PARP supplies for Merck KGaA's combination clinical trials at any time during the period from October 1, 2015 until the first regulatory approval received for the commercialization of the Company's PARP inhibitor in certain major countries.

BEIGENE, LTD.

AUDITED CONSOLIDATED BALANCE SHEET AS OF DECEMBER 31, 2014 AND UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEET AS OF JUNE 30, 2015

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	December 31, 2014 $	June 30, 2015 $ (unaudited)	Pro forma shareholders' equity at June 30, 2015 $ (unaudited)
Assets				
Current assets:				
Cash and cash equivalents		13,898	25,156	—
Short-term investments	3	30,497	101,509	—
Prepaid expenses and other current assets		2,793	3,535	—
Total current assets		47,188	130,200	—
Property and equipment, net	5	5,931	6,234	—
Other non-current assets		502	531	—
Total non-current assets		6,433	6,765	—
Total assets		53,621	136,965	—
Liabilities and shareholders' deficit				
Current liabilities:				
Short-term bank loan		322	—	—
Accounts payable		2,794	4,072	—
Advances from customers		8,906	6,145	—
Accrued expenses and other payables	6	1,002	1,299	—
Senior Promissory Note		—	14,049	
Warrant and Option liabilities	7	347	549	—
Total current liabilities		13,371	26,114	—
Non-current liabilities:				
Senior Promissory Note		13,516	—	—
Deferred rental		798	798	—
Other long-term liabilities		168	140	—
Total non-current liabilities		14,482	938	—
Total liabilities		27,853	27,052	—
Commitments and contingencies	16	—	—	—
Convertible Preferred Shares	8	78,809	176,084	—
Series A (par value US$0.0001 per share; 120,000,000 shares authorized; 116,785,517 shares issued and outstanding as of June 30, 2015 (December 31, 2014: 116,785,517 shares)) and Series A-2 (par value US$0.0001 per share; 100,000,000 shares authorized; 83,205,124 shares issued and outstanding as of June 30, 2015 (December 31, 2014: nil))				
Total mezzanine equity		78,809	176,084	—
Shareholders' deficit:				
Ordinary shares (par value of US$0.0001 per share; 500,000,000 shares authorized; 108,617,428 shares issued and outstanding as of June 30, 2015 (December 31, 2014: 400,000,000 shares authorized; 108,497,428 shares outstanding))		11	11	31
Additional paid-in capital		7,941	11,166	187,230
Accumulated other comprehensive income/(loss)	14	100	(402)	(402)
Accumulated deficit		(61,093)	(76,946)	(76,946)
Total shareholders' (deficit) equity		(53,041)	(66,171)	109,913
Total liabilities, mezzanine equity and shareholders' (deficit) equity		(53,621)	136,965	136,965

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

BEIGENE, LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2015

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Six months ended June 30, 2014 $ (unaudited)	Six months ended June 30, 2015 $ (unaudited)
Revenue			
Collaboration revenue	10	5,158	2,759
Total revenue		5,158	2,759
Operating expenses:			
Research and development		7,240	16,796
General and administrative		1,502	2,340
Total operating expenses		8,742	19,136
Loss from operations		(3,584)	(16,377)
Interest income		2	526
Interest expense (including interest expense incurred due to a related party amounting to $484 and nil for the six months ended June 30, 2014 and 2015, respectively)		(1,732)	(540)
Changes in fair value of financial instruments		(145)	(202)
Disposal loss on available-for-sale securities		—	(57)
Other income		503	809
Other expense		(44)	(12)
Loss before income tax expense		(5,000)	(15,853)
Income tax expense		—	—
Net loss		(5,000)	(15,853)
Less: net loss attributable to non-controlling interests		(232)	—
Net loss attributable to ordinary shareholders		(4,768)	(15,853)
Loss per share			
Basic and diluted	11	(0.05)	(0.15)
Weighted-average number of ordinary shares used in net loss per share calculation			
Basic and diluted	11	94,516,667	108,520,761
Pro forma basic and diluted loss per share on an as-converted basis	12	—	(0.05)
Shares used in pro forma basic and diluted loss per share computation	12	—	308,511,402
Other comprehensive loss, net of tax of nil:			
Foreign currency translation adjustments		(152)	(82)
Unrealized holding losses		—	(420)
Comprehensive loss		(5,152)	(16,355)
Less: comprehensive loss attributable to non-controlling interests		(242)	—
Comprehensive loss attributable to ordinary shareholders		(4,910)	(16,355)

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

BEIGENE, LTD.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2014 AND 2015

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

	Note	Six months ended June 30, 2014 $ (unaudited)	Six months ended June 30, 2015 $ (unaudited)
Operating activities			
Net loss		(5,000)	(15,853)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation expenses	5	787	725
Share-based compensation expenses		75	3,224
Changes in fair value of financial instruments		145	202
(Gain)/loss on disposal of property and equipment		(28)	2
Disposal gain on available-for-sale securities		—	(57)
Interest expense		1,598	540
Changes in operating assets and liabilities:			
Prepaid expenses and other current assets		5	(742)
Other non-current assets		98	(29)
Accounts payable		42	1,278
Advances from customers		(115)	(2,761)
Accrued expenses and other payables		49	297
Deferred rental		(20)	—
Other long-term liabilities		(35)	(28)
Net cash used in operating activities		(2,399)	(13,202)
Investing activities			
Purchases of property and equipment		(189)	(1,028)
Purchase of available-for-sale securities		—	(90,115)
Proceeds from disposal of available-for-sale securities		—	18,678
Proceeds from disposal of property and equipment		57	3
Net cash used in investing activities		(132)	(72,462)
Financing activities			
Proceeds from short-term loan		322	—
Repayment of short-term loan		—	(322)
Payment of convertible preferred shares issuance cost	8		(75)
Proceeds from issuance of convertible preferred shares	8	—	97,350
Repayment to related party	9	(67)	—
Net cash provided by financing activities		255	96,953
Effect of foreign exchange rate changes, net		15	(31)
Net (decrease)/increase in cash and cash equivalents		(2,261)	11,258
Cash and cash equivalents at beginning of period		3,926	13,898
Cash and cash equivalents at end of period		1,665	25,156
Supplemental cash flow disclosures:			
Income taxes paid		—	—
Interest expense paid		5	—
Non-cash activities:			
Acquisitions of equipment included in accounts payable		8	36

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

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

1. Organization

BeiGene, Ltd. (the "Company") is a globally focused, clinical-stage biopharmaceutical company with the goal of becoming a leader in the discovery and development of innovative, molecularly targeted and immuno-oncology drugs for the treatment of cancer. The Company's development strategy is based on a novel translational platform that combines their unique access to internal patient-derived biopsies with strong oncology biology. The Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on October 28, 2010.

On April 9, 2015, the Company incorporated a new subsidiary, BeiGene (Suzhou) Co., Ltd. in Suzhou, PRC.

These unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") for interim financial information using accounting policies that are consistent with those used in the preparation of the Company's audited consolidated financial statements for the year ended December 31, 2014. Accordingly, these unaudited interim condensed consolidated financial statements do not include all of the information and footnotes required by U.S. GAAP for annual financial statements.

In the opinion of management, the accompanying unaudited interim condensed consolidated financial statements contain all normal recurring adjustments necessary to present fairly the financial position, operating results and cash flows of the Company for each of the periods presented. The results of operations for the six months ended June 30, 2015 are not necessarily indicative of results to be expected for any other interim period or for the full year of 2015. The consolidated balance sheet as of December 31, 2014 was derived from the audited consolidated financial statements at that date but does not include all of the disclosures required by U.S. GAAP for annual financial statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2014.

2. Summary of significant accounting policies

Basis of presentation and principles of consolidation

The unaudited interim condensed consolidated financial statements of the Company have been prepared in accordance with United States generally accepted accounting principles ("U.S. GAAP"). The unaudited interim condensed consolidated financial statements include the financial statements of the Company and its subsidiaries. All significant intercompany transactions and balances between the Company and its subsidiaries are eliminated upon consolidation.

Use of estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

period. Areas where management uses subjective judgment include, but are not limited to, estimating the useful lives of long-lived assets, identifying separate accounting units and estimating the best estimate selling price of each deliverable in the Company's revenue arrangements, assessing the impairment of long-lived assets, share-based compensation expenses, realizability of deferred tax assets and the fair value of the financial instruments. Management bases the estimates on historical experience 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.

Fair value measurements

Fair value of financial instruments

Financial instruments of the Company primarily include cash and cash equivalents, short-term investments, accounts payable, senior promissory note, convertible preferred shares, and warrant and option liabilities. As of June 30, 2015, the carrying values of cash and cash equivalents, 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 which are recorded at fair value based on quoted prices in active markets with unrealized gain or loss recorded in other comprehensive income. The warrant and option liabilities were recorded at fair value as determined on the respective issuance dates and subsequently adjusted to the fair value at each reporting date. The convertible preferred shares were initially recorded at issue price net of issuance costs. The Company determined the fair values of the warrant and option liabilities with the assistance of an independent third party valuation firm.

The Company 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.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

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.

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2014 are summarized below:

	Quoted price in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$	$	$
Available-for-sale securities:			
Corporate fixed income bonds (note 3)	27,498	—	—
U.S. treasury securities (note 3)	2,999	—	—
Option to purchase shares by rental deferral (note 7)	—	—	125
Warrants in connection with the Convertible Promissory Notes (note 7)	—	—	222

Assets and liabilities measured at fair value on a recurring basis as of June 30, 2015 are summarized below:

	Quoted price in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	$ (unaudited)	$ (unaudited)	$ (unaudited)
Available-for-sale securities:			
Corporate fixed income bonds (note 3)	96,591	—	—
U.S. treasury securities (note 3)	4,918	—	—
Option to purchase shares by rental deferral (note 7)	—	—	236
Warrants in connection with the Convertible Promissory Notes (note 7)	—	—	313

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

2. Summary of significant accounting policies (Continued)

The following table presents a reconciliation of the assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the six months ended June 30, 2015.

	Warrant and option liabilities
	$
Balance as of December 31, 2014	347
Recognized during the period	—
Unrealized loss	202
Settlement	—
Balance as of June 30, 2015 (unaudited)	549
The amount of total loss for the six months ended June 30, 2015 included in losses (unaudited)	202

Realized and unrealized gain for the six months ended June 30, 2015 was recorded as "Changes in fair value of financial instruments" in the unaudited interim condensed consolidated statements of comprehensive loss.

Deferred initial public offering ("IPO") costs

Direct costs incurred by the Company attributable to its proposed IPO of ordinary shares in the U.S. have been deferred and recorded in prepaid expenses and other current assets and will be charged against the gross proceeds received from such offering.

Unaudited pro forma shareholders' equity and loss per share

Pursuant to the Company's memorandum and articles of association, upon the completion of the Company's initial public offering on the New York Stock Exchange, or the Nasdaq Stock Market or any other stock exchange acceptable to Baker Bros. Advisors LP (the "Qualified IPO"), the outstanding convertible preferred shares will automatically be converted into ordinary shares. Unaudited pro forma shareholders' equity as of June 30, 2015, as adjusted for the reclassification of the convertible preferred shares from mezzanine equity to shareholders' equity, is set forth on the unaudited consolidated balance sheet.

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding as of June 30, 2015, and assumes the automatic conversion of all of the Company's convertible preferred shares into weighted-average shares of ordinary stock upon the closing of the Company's Qualified IPO, as if it had occurred on January 1, 2015.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

3. Short-term investments

Short-term investments as of December 31, 2014 consist of the following available-for-sale exchange-traded debt securities:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value (net carrying amount)
	$	$	$	$
Corporate fixed income bonds	27,545	—	47	27,498
U.S. treasury securities	2,999	—	—	2,999
Total	30,544	—	47	30,497

Short-term investments as of June 30, 2015 consist of the following available-for-sale exchange traded debt securities:

	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value (net carrying amount)
	$ (unaudited)	$ (unaudited)	$ (unaudited)	$ (unaudited)
Corporate fixed income bonds	96,972	—	381	96,591
U.S. treasury securities	4,957	—	39	4,918
Total	101,929	—	420	101,509

During the six months ended June 30, 2014 and 2015, the net adjustment to unrealized holding losses on available-for-sale securities in other comprehensive income totaled nil and $420, respectively. Contractual maturities of all debt securities as of June 30, 2015 were within one year. The Company does not intend to sell the investment in corporate fixed income bonds and it is not more likely than not that the Company will be required to sell the investment before recovery of its amortized cost basis, which may be maturity. Therefore, the Company does not consider the investment in corporate fixed income bonds to be other-than-temporarily impaired at June 30, 2015.

4. Income taxes

There is no provision for income taxes because the Company and all of its wholly owned subsidiaries are in a current loss position for all the periods presented.

The Company recorded a full valuation allowance against deferred tax assets of all its consolidated entities because all entities were in a cumulative loss position as of December 31, 2014 and June 30, 2015. No unrecognized tax benefits and related interest and penalties were recorded in any of the periods presented.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

5. Property and equipment

Property and equipment consist of the following:

	December 31, 2014 $	June 30, 2015 $ (unaudited)
Office equipment	223	223
Electronic equipment	378	410
Laboratory equipment	4,635	5,072
Computer software	147	194
Leasehold improvements	5,385	5,867
	10,768	11,766
Less accumulated depreciation and amortization	(4,837)	(5,532)
Property and equipment, net	5,931	6,234

Depreciation expenses for the six months ended June 30, 2014 and 2015 were $787 and $725, respectively.

6. Accrued expenses and other payables

	December 31, 2014 $	June 30, 2015 $ (unaudited)
Payroll payables	101	118
Accrued operating expenses	605	898
Other payables	296	283
	1,002	1,299

7. Warrant and option liabilities

	December 31, 2014 $	June 30, 2015 $ (unaudited)
Option to purchase shares by rental deferral	125	236
Warrants in connection with the Convertible Promissory Notes	222	313
	347	549

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

8. 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 $0.0001 per share for cash consideration of $35,500 or $0.68 per share. At the same time, the Subordinated Convertible Promissory Note, Convertible Promissory Notes, Secured Guaranteed Convertible Promissory Note, 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 $0.0001 per share for cash consideration of $97,350 or $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 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 to 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; or (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.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

8. Convertible preferred shares (Continued)

(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 IPO; 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 Series A 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 the 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 ordinary shares holders would. The initial carrying amount of the Series A-2 Preferred Shares of $97,275 is the issue price at the date of issuance of $97,350 net of issuance costs of $75. 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-2 Preferred Shares, the most favorable conversion price used to measure the beneficial conversion feature was $1.17. No beneficial conversion feature was recognized for the Series A-2 Preferred Shares as the fair value per ordinary share at the commitment date was $0.47, 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.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

8. Convertible preferred shares (Continued)

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 $206,259 as of June 30, 2015.

9. Related party balances and transactions

(a) The Company had the following related party transactions for the periods presented:

	Six months ended June 30,	
	2014	**2015**
	$	**$**
	(unaudited)	**(unaudited)**
Consulting service fee paid to shareholders(1)	50	50
Repayment of advances by cash(2)	(67)	—
Interest accrued on advances due to senior executives(2)	448	—
Interest on Convertible Promissory Note(3)	36	—
Total	467	50

(1) During the six months ended June 30, 2014 and 2015, shareholders provided consulting services to the Company at a fee of $50, and $50, respectively.

(2) Advances due to senior executives bear interest at a rate comparable to the interest rate borne by the Company on its outstanding third party debt. During the six months ended June 30, 2014, the Company repaid advances amounting to $67 in cash and accrued interest amounting to $448 on the advances outstanding that were due to the senior executives.

(3) During the six months ended June 30, 2014, the Company accrued interest amounting to $36 on the Convertible Promissory Notes outstanding that were due to the senior executives.

On October 7, 2014, all outstanding indebtedness (including interest expense) due to the senior executives was settled by the issuance of the Company's Series A Preferred Shares. There were no balances due to related parties as of December 31, 2014 and June 30, 2015.

10. Research and development collaborative arrangements

The Company did not enter into any new collaborative arrangements during the six-months ended June 30, 2015.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

10. Research and development collaborative arrangements (Continued)

License revenue was approximately $2,744 and nil while research and development revenue was approximately $2,371 and $2,759 of the collaboration revenue under historical collaborative arrangements for the six months ended June 30, 2014 and 2015, respectively. The Company recorded advances from customers related to the collaboration of approximately $8,906 and $6,145 at December 31, 2014 and June 30, 2015, respectively.

To date, the products have not progressed to the development stages contemplated by the development based targets and none of the products have been approved. Hence, no revenue has been recognized related to the product development targets, commercial event based targets or royalties in any of the periods presented. In addition, no payments have been made to the collaborator for any of the periods presented.

Other revenue

The Company provided research and development services to other customers in the PRC amounting to $43 and nil, respectively, for the six months ended June 30, 2014 and 2015.

11. Loss per share

Loss per share was calculated as follows:

	Six months ended June 30	
	2014 (unaudited)	**2015 (unaudited)**
Numerator:		
Net loss attributable to ordinary shareholders for computing basic and diluted loss per ordinary share	$ (4,768)	$ (15,853)
Denominator:		
Weighted average number of ordinary shares outstanding for computing basic and diluted loss per ordinary share	94,516,667	108,520,761
Basic and diluted loss per share	$ (0.05)	$ (0.15)

For the six months ended June 30, 2014 and 2015, the computation of basic loss per share using the two-class method was not applicable as the Company was in a net loss position.

The effects of all convertible preferred shares, stock options, restricted stock, subordinated convertible promissory note, convertible promissory notes, the secured guaranteed convertible promissory note, warrant and option to purchase ordinary or preferred shares were excluded from the calculation of diluted earnings per share as their effect would have been anti-dilutive during the six months ended June 30, 2014 and 2015.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

12. Unaudited pro forma net loss per share

The unaudited pro forma net loss per ordinary share is computed using the weighted-average number of ordinary shares outstanding and assumes the automatic conversion of all of the Company's Series A and Series A-2 Preferred Shares (note 8) as of June 30, 2015, into 199,990,641 weighted-average shares of ordinary stock upon the closing of the Company's Qualified IPO, as if it had occurred on January 1, 2015. The Company believes the unaudited pro forma net loss per share provides material information to investors, as the automatic conversion of the Company's Series A and Series A-2 Preferred Shares and the disclosure of pro forma net loss per ordinary share provides an indication of net loss per ordinary share that is comparable to what will be reported by the Company as a public company following the closing of the Qualified IPO.

The following table summarizes the unaudited pro forma net loss per share attributable to ordinary shareholders:

	Six months ended June 30, 2015 (unaudited)
Numerator:	
Net loss attributable to ordinary shareholders	$ (15,853)
Denominator:	
Weighted average number of ordinary shares used in net loss per share attributable to ordinary shareholders — basic and diluted	108,520,761
Add: adjustment to reflect assumed effect of automatic conversion of Series A and Series A-2 Preferred Shares	199,990,641
Pro forma weighted average number of shares outstanding — basic and diluted	308,511,402
Pro forma net loss per share attributable to ordinary shareholders — basic and diluted	$ (0.05)

The effects of all convertible preferred shares, stock options, restricted stock, warrant and option to purchase ordinary or preferred shares were excluded from the calculation of diluted pro forma net loss as their effect would have been anti-dilutive during the six months ended June 30, 2015.

13. Share-based compensation

On February 3, 2015, the Board of Directors approved to issue 2,621,200 options with an exercise price of $0.30.

On April 17, 2015, the Board of Directors approved an increase in the number of shares available for issuance under the 2011 Share Incentive Plan by 13,000,000 shares to 40,100,000 shares.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

13. Share-based compensation (Continued)

On April 20, 2015, the Board of Directors approved to issue 400,400 options with an exercise price of $0.50.

On June 29, 2015, the Board of Directors approved to issue 4,230,000 options with an exercise price of $0.50.

These options granted have a contractual term of 10 years and generally vest over a five year period, with 20% of the awards vesting one calendar year after the grant date and the remainder of the awards vesting on a monthly basis thereafter.

14. Accumulated other comprehensive income

The movement of accumulated other comprehensive income is as follows:

	Foreign currency translation adjustments	Unrealized losses	Total
	$	$	$
Balance as of December 31, 2014	**147**	**(47)**	**100**
Other comprehensive income before reclassifications	(82)	(477)	(559)
Amounts reclassified from accumulated other comprehensive income	—	57	57
Net current-period other comprehensive income	(82)	(420)	(502)
Balance as of June 30, 2015 (unaudited)	**65**	**(467)**	**(402)**

15. Restricted net assets

As a result of PRC laws and regulations, the Company's PRC subsidiaries and PRC Affiliated Entities are restricted in its ability to transfer a portion of its net assets to the Company. As of December 31, 2014 and June 30, 2015, amounts restricted are the net assets of the Company's PRC subsidiary, which amounted to $1,827 and $2,987, respectively.

16. Commitments and Contingencies

Operating lease commitments

The Company leases office facilities under non-cancelable operating leases expiring on different dates. 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 Company by entering into these leases. Total expenses under these operating leases were $457 and $551 for the six months ended June 30, 2014 and 2015, respectively.

BEIGENE, LTD.

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Amounts in thousands of U.S. Dollars ("$"), except for number of shares and per share data)

16. Commitments and Contingencies (Continued)

Future minimum payments under non-cancelable operating leases consist of the following as of June 30, 2015 (unaudited):

	$
Six months ending December 31, 2015:	560
Year ended December 31, 2016	1,088
Year ended December 31, 2017	915
Year ended December 31, 2018	915
Year ended December 31, 2019 and thereafter	1,986
	5,464

17. Subsequent Events

On July 8, 2015, the Company incorporated a new subsidiary in Delaware, United States.

On September 2, 2015, the Company's subsidiary, BeiGene (Suzhou) Co., Ltd. entered into a loan agreement with Suzhou Industrial Park and China Construction Bank, to borrow $18,880 at a 7% fixed annual interest rate. Fifty percent of the loan will be repaid on September 30, 2018, and the remaining balance will be repaid on September 30, 2019. This loan is secured by certain of the Company's assets.

On September 11, 2015, the Company incorporated a new subsidiary in Shanghai, PRC.

On October 1, 2015, the Company entered into a purchase of rights agreement with Merck KGaA pursuant to which, the Company will purchase from Merck KGaA all its exclusive rights to develop and commercialize the PARP inhibitors in the Ex-PRC territories for a consideration of $10,000, and reduce the future milestone payments the Company is eligible to receive under the PRC license agreement. Upon the execution of the purchase of rights agreement, Merck KGaA has no further rights and obligations in the Ex-PRC territories under the PARP Collaborative Agreements. In connection with such purchase of rights, the Company also provided Merck KGaA with global access to the Company's PARP supplies for Merck KGaA's combination clinical trials at any time during the period from October 1, 2015 until the first regulatory approval received for the commercialization of the Company's PARP inhibitor in certain major countries.

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American Depositary Shares

Representing Ordinary Shares

BeiGene, Ltd.

PROSPECTUS

Goldman, Sachs & Co. **Morgan Stanley** **Cowen and Company**

Baird

Through and including , 2015 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

PART II

Information Not Required in Prospectus

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the fees and expenses, other than underwriting discounts and commissions, which are expected to be incurred in connection with our sale of ADSs in this offering. With the exception of the registration fee payable to the SEC and the filing fee payable to FINRA, all amounts are estimates.

SEC registration fee	$ 10,070
FINRA filing fee	15,500
NASDAQ listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Miscellaneous fees and expenses	*
Total	$ *

* To be provided by amendment.

Item 14. Indemnification of Directors and Officers.

Cayman Islands law does not limit the extent to which a company's articles of association may provide 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. The registrant's articles of association provide that each officer or director of the registrant shall be indemnified out of the assets of the registrant 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.

Under the form of indemnification agreement filed as Exhibit 10.3 to this registration statement, we will agree to indemnify our directors and executive officers against certain liabilities and expenses incurred by such persons in connection with claims made by reason of their being such a director or executive officer.

The form of underwriting agreement filed as Exhibit 1.1 to this registration statement will also provide for indemnification of us and our officers and directors for certain liabilities, including liabilities arising under the Securities Act, but only to the extent that such liabilities are caused by information relating to the underwriters furnished to us in writing expressly for use in the registration statement and certain other disclosure documents.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 15. Recent Sales of Unregistered Securities.

In the three years preceding the filing of this Registration Statement, we have issued the following securities that were not registered under the Securities Act:

1. On December 2, 2010 and March 10, 2012, we issued a convertible promissory note in the principal amount of $3 million and a convertible promissory note in the principal amount of $4 million to an employee, respectively, both of which were convertible to our equity securities. These notes are no longer outstanding.

2. From March 2012 to June 2014, we have issued an aggregate principal amount of $3.06 million convertible promissory notes and warrants to certain investors. The convertible promissory notes converted into 5,470,705 Series A preferred shares in the Series A preferred financing. The warrants are exercisable for 453,315 Series A preferred shares at $0.675 per share.

3. On September 1, 2012, we issued an option to purchase shares to our landlord. The terms of the option were fixed at the closing of the Series A preferred share financing on October 7, 2014. This option is exercisable for 1,451,586 ordinary shares with an exercise price of $0.675 per share.

4. On January 31, 2013, we issued 116,667 ordinary shares to a former consultant for an aggregate purchase price of $23,332.32.

5. On February 1, 2013, we issued a convertible promissory note in the principal amount of $3 million to an investor. The convertible promissory note was repaid in full.

6. On April 5, 2013, we issued 13,433,334 ordinary shares to an employee for an aggregate purchase price of $134,333.34.

7. On July 20, 2014, we issued an aggregate of 10,637,000 ordinary shares to our employees and directors for an aggregate consideration of $106,370.

8. In October 2014, we issued and sold an aggregate of 116,785,517 shares of our Series A preferred shares for an aggregate consideration of $74,490,234.23 to certain investors. In connection with the Series A preferred share financing, we also issued warrants to purchase up to 2,592,593 ordinary shares to entities affiliated with Baker Bros. Advisors LP, which have an exercise price of $0.675 per share, and $17.5 million aggregate principal amount of convertible notes to entities affiliated with Baker Bros. Advisors LP, which converted into Series A preferred shares in the Series A preferred share financing.

9. From 2013 to 2014, we issued an aggregate principal amount of $1.45 million promissory notes and warrants to certain investors. The promissory notes are no longer outstanding. The warrants are exercisable for 214,812 Series A preferred shares at $0.675 per share.

10. On April 21, 2015, we issued and sold an aggregate of 83,205,124 shares of our Series A-2 preferred shares for an aggregate consideration of $97,349,995.08 to certain investors.

11. Since January 1, 2012, we have granted options exercisable for an aggregate of 34,204,629 ordinary shares to certain employees and consultants of our company under

our 2011 Plan. The number of options and the related weighted-average exercise price of each tranche of grant are detailed in below table:

Grant Date	Number of Options	Weighted-Average Exercise Price
July 6, 2012	1,449,600	$ 0.2
April 3, 2013	10,733,996	$ 0.01
May 22, 2013	314,433	$ 0.01
Oct. 25, 2013	202,000	$ 0.01
May 22, 2014	1,153,000	$ 0.01
July 20, 2014	2,738,000	$ 0.01
Feb. 3, 2015	2,621,200	$ 0.3
April 20, 2015	400,400	$ 0.5
June 29, 2015	4,230,000	$ 0.5
July 1, 2015	8,900,000	$ 0.5
July 19, 2015	1,462,000	$ 0.5

12. On July 19, 2015, we granted options to purchase 15,200,667 ordinary shares to certain employee and consultant outside our 2011 Plan at an exercise price of $0.50 per share.

We deemed the offers, sales and issuances of the securities described in paragraphs 1–10 above to be exempt from registration under the Securities Act, either (1) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and sophisticated investors and did not involve any public offering within the meaning of Section 4(a)(2) or (2) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

We deemed the grants of share options described in paragraphs 11-12 above and the issuance of ordinary shares upon the exercise of share options described in paragraph 7 above as exempt pursuant to (1) under Section 4(a)(2) of the Securities Act in that the transactions were between an issuer and members of its senior executive management and did not involve any public offering within the meaning of Section 4(a)(2), (2) under Rule 701 promulgated under the Securities Act in that the transactions were under compensatory benefit plans and contracts relating to compensation or (3) under Regulation S promulgated under the Securities Act in that offers, sales and issuances were not made to persons in the United States and no directed selling efforts were made in the United States.

All certificates representing the securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits:

The exhibits to the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Financial Statements Schedules:

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Act, may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

The Registrant hereby undertakes that:

(a) The Registrant will provide to the underwriter at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

(b) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.

(c) For the purpose of determining any liability under the Securities Act of 1933, as amended, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant has duly caused this registration statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in Grand Cayman, Cayman Islands, on October 16, 2015.

BEIGENE, LTD.

By: /s/ JOHN V. OYLER

Name: John V. Oyler
Title: *Chief Executive Officer and Chairman*

POWER OF ATTORNEY AND SIGNATURES

KNOW ALL BY THESE PRESENT, that each individual whose signature appears below hereby constitutes and appoints each of John V. Oyler and Howard Liang as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including pre-effective and post-effective amendments) to this registration statement (or any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all supplements and exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite, necessary, advisable or appropriate to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement and Power of Attorney has been signed by the following person in the capacities and on the date indicated.

Signature	Title	Date
/s/ JOHN V. OYLER John V. Oyler	Chief Executive Officer, Chairman and Director (Principal Executive Officer)	October 16, 2015
/s/ HOWARD LIANG Howard Liang	Chief Financial Officer and Chief Strategy Officer (Principal Financial and Accounting Officer)	October 16, 2015
/s/ MICHAEL GOLLER Michael Goller	Director	October 16, 2015

Signature	Title	Date
/s/ DONALD W. GLAZER Donald W. Glazer	Director	October 16, 2015
 Ji Li	Director	October 16, 2015
/s/ RANJEEV KRISHANA Ranjeev Krishana	Director	October 16, 2015
/s/ KE TANG Ke Tang	Director	October 16, 2015
/s/ QINGQING YI Qingqing Yi	Director	October 16, 2015
Puglisi & Associates By: /s/ DONALD J. PUGLISI Name: Donald J. Puglisi Title: *Managing Director*	Authorized Representative in the United States	October 16, 2015

EXHIBIT INDEX

Exhibit No.	Description of Exhibit
1.1*	Form of Underwriting Agreement
3.1	Third Amended and Restated Memorandum and Articles of Association of the Registrant, as amended and currently in effect
3.2*	Form of Amended and Restated Memorandum and Articles of Association of the Registrant, effective upon completion of this offering
4.1*	Form of Deposit Agreement among the Registrant, the Depositary and holders of the American Depositary Receipts
4.2*	Form of American Depositary Receipt (included in Exhibit 4.1)
4.3*	Specimen Certificate for Ordinary Shares
4.4	Amended and Restated Investors' Rights Agreement, dated as of April 21, 2015, by and among the Registrant and certain shareholders named therein
5.1*	Opinion of Mourant Ozannes regarding the issue of ordinary shares being registered
8.1*	Opinion of Mourant Ozannes regarding certain Cayman Islands tax matters (included in Exhibit 5.1)
8.2*	Opinion of Fangda Partners regarding certain PRC tax matters (included in Exhibit 99.1)
10.1†	2011 Option Plan, as amended and form of option agreement thereunder
10.2†*	2015 Option and Incentive Plan and forms of agreements thereunder, effective upon completion of this offering
10.3*	Form of Indemnification Agreement, to be entered into between the Registrant and its directors and officers
10.4	Lease dated February 1, 2011 by and between BeiGene (Beijing) Co., Ltd. and Beijing Xintaike Medical Device Co., Ltd. (English translation)
10.5#	Amended and Restated License Agreement for BRAF in Ex-PRC, dated December 10, 2013, by and between the Registrant and Merck KGaA
10.6#	Amended and Restated License Agreement for BRAF in PRC, dated December 10, 2013, by and between the Registrant and Merck KGaA
10.7#	License Agreement for PARP in Ex-PRC, dated October 28, 2013, by and between the Registrant and Merck KGaA
10.8#	License Agreement for PARP in PRC, dated October 28, 2013, as amended, by and between the Registrant and Merck KGaA
10.9†	Employment Agreement, dated July 13, 2015, by and between BeiGene USA, Inc. and Howard Liang
10.10†	Employment Contract, dated July 7, 2014, by and between BeiGene (Beijing) Co., Ltd. and Jason Yang
10.11†	Employment Contract, dated July 1, 2014, by and between BeiGene (Beijing) Co., Ltd. and Wendy Yan
10.12	Senior Promissory Note, dated February 2, 2011, by the Registrant in favor of Essex Chemie AG

Exhibit No.	Description of Exhibit
10.13#	Entrusted Loan Contract, dated September 2, 2015, by and between BeiGene (Suzhou) Co., Ltd.; Suzhou Industrial Park Biotech Development Co., Ltd.; and China Construction Bank (English translation)
10.14#	Purchase of Rights Agreement, dated October 1, 2015, by and between the Registrant and Merck KGaA
10.15#	Option Agreement, dated October 1, 2015, by and between the Registrant and Merck KGaA
10.16#	Amendment Agreement, dated October 1, 2015, by and between the Registrant and Merck KGaA
21.1	List of Subsidiaries of the Registrant
23.1	Consent of Ernst & Young Hua Ming LLP
23.2*	Consent of Mourant Ozannes (included in Exhibits 5.1 and 8.1)
23.3*	Consent of Fangda Partners (included in Exhibits 8.2 and 99.1)
24.1	Powers of Attorney (included in signature page to the original filing of this registration statement on Form S-1)
99.1*	Opinion of Fangda Partners regarding certain PRC law matters
99.2	Consent of Director Nominee (Dr. Xiaodong Wang)

* To be included by amendment.

† Indicates a management contract or any compensatory plan, contract or arrangement.

Confidential treatment has been requested for portions of this exhibit. These portions have been omitted from the registration statement and have been filed separately with the U.S. Securities and Exchange Commission.

Exhibit 3.1

EXECUTION VERSION
CONFIDENTIAL

THE COMPANIES LAW (2013 REVISION) OF THE

CAYMAN ISLANDS COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED

MEMORANDUM AND ARTICLES OF ASSOCIATION

OF

BEIGENE, LTD.

(Adopted by special resolution on April 20, 2015)

[stamp: General Registry Cayman Islands]
Uploaded: 21-Apr-2015 11:22 EST
Filed: 21-Apr-2015 13:01 EST

THE COMPANIES LAW (2013 REVISION) OF THE

CAYMAN ISLANDS COMPANY LIMITED BY SHARES

THIRD AMENDED AND RESTATED

MEMORANDUM OF ASSOCIATION

OF

BEIGENE, LTD.

(Adopted by special resolution on April 20, 2015)

1 The name of the Company is **BeiGene, Ltd.**

2 The Registered Office of the Company shall be at the offices of Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman, KY1-1104, Cayman Islands, or at such other place within the Cayman Islands as the Directors may decide.

3 The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by the laws of the Cayman Islands.

4 The liability of each Member is limited to the amount unpaid on such Member's shares.

5 The share capital of the Company is US$72,000 divided into 500,000,000 Ordinary Shares of a par value of US$0.0001 each, 120,000,000 Series A Preferred Shares of a par value of US$0.0001 each and 100,000,000 Series A-2 Preferred Shares of a par value of US$0.0001 each.

6 The Company has power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

7 Capitalised terms that are not defined in this Memorandum of Association bear the respective meanings given to them in the Articles of Association of the Company.

THE COMPANIES LAW (2013 REVISION) OF

THE CAYMAN ISLANDS COMPANY LIMITED

BY SHARES

THIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF BEIGENE, LTD.

(Adopted by special resolution on April 20 , 2015)

1 Interpretation

1.1 In these Articles Table A in the First Schedule to the Law does not apply and, unless there is something in the subject or context inconsistent therewith:

Accruing Cumulative Dividends	has the meaning given to it in Article 4.1(a).
Additional Investors	means each of the Fidelity Entities, T. Rowe Entities, and United Sheen.
Additional Consideration	has the meaning given to it in Article 4.2(c)(iv).
Additional Ordinary Shares	has the meaning given to it in Article 4.4(a).
Advisory Investor	means each of the Fidelity Entities and the T. Rowe Entities.
Affiliate	means, with respect to any specified person, any other person who, directly or indirectly, controls, is controlled by, or is under common control with such person, including any general partner, managing member, officer or director of such person or any fund now or hereafter existing that is controlled or advised by one or more general partners or managing members of, or shares the same management company with, such person.
Applicable Securities Law	means (a) with respect to any offering of securities in the United States, or any other act or omission within that jurisdiction, the federal securities laws, rules and regulations of the United States, including the Securities Exchange Act of 1934 and the Securities Act of 1933, each as amended, and the rules and regulations promulgated thereunder, and any applicable securities law of any state of the United States, and (b) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable laws, rules and regulations of that jurisdiction related to the offering, sale or listing of securities.
Articles	means these articles of association of the Company.
Auditor	means the person for the time being performing the duties of auditor of the Company (if any).
Automatic Conversion Time	has the meaning given to it in Article 4.3(b).
Available Proceeds	has the meaning given to it in Article 4.2(c)(ii)(B).
BBI Director	means a director of the Company designated by the Lead Investors pursuant to Article 27.1.

BBI Director Approval Matter	has the meaning given to it in Article 29.10.
Board Approval Matter	has the meaning given to it in Article 29.10.
Budget	has the meaning given to it in Article 40.4(c).
Cayman Islands	means the Cayman Islands, a British Overseas Territory.
Capital Shares	means (a) Ordinary Shares and Preferred Shares, (b) Ordinary Shares issued or issuable upon conversion of Preferred Shares, and (c) Ordinary Shares issued or issuable upon exercise or conversion, as applicable, of share options, warrants or other convertible securities of the Company, in each case now owned or subsequently acquired by any Key Holder, any Investor, any Initial Investor or their respective successors or permitted transferees or assigns. For purposes of calculating the number of Capital Shares held by an Investor, Initial Investor or Key Holder (or any other calculation based thereon), all Preferred Shares shall be deemed to have been converted into Ordinary Shares at the then-applicable conversion ratio.
Change of Control	means a transaction or series of related transactions in which a person, or a group of related persons, acquires from Members, Shares representing more than fifty per cent (50%) of the outstanding voting power of the Company.
China Co.	means BeiGene (Beijing) Biotechnology Co., Limited, a subsidiary which is majority owned by HK Co. with its registered address at No. 30 Science Park Road, Zhong-Guan-Cun Life Science Park, Chang Ping District, Beijing 102206, PRC.
CITIC PE	means CB Biotech Investment Limited.
Commission	means (a) with respect to any offering of securities in the United States, the Securities and Exchange Commission of the United States or any other federal agency at the time administering the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, and (b) with respect to any offering of securities in a jurisdiction other than the United States, the regulatory body or bodies of the jurisdiction or the relevant stock exchange with authority to supervise and regulate the offering, sale or listing of securities in that jurisdiction.
Company	means the above named company.
Company Notice	means written notice from the Company notifying the Initial Investors and the selling Key Holders that the Company intends to exercise its Right of First Refusal as to some or all of the Transfer Shares with respect to any Proposed Key Holder Transfer.
Company Undersubscription Notice	has the meaning given to it in Article 8.4(d).
Competitor	means a person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in therapeutic research and development relating to oncology in The People's Republic of China, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20%) of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor or any observers to attend the meetings of the

	board of directors of any Competitor; provided, that no Lead Investor or its Affiliates shall be considered a Competitor and, provided, further, that in the case of each of Hillhouse, CITIC PE, United Sheen and the Fidelity Entities, neither Hillhouse or its Affiliates, CITIC PE or its Affiliates, United Sheen and its Affiliates nor the Fidelity Entities and their respective Affiliates shall be deemed a Competitor due to their investment in any pharmaceutical manufacturing company.
Conversion Notice	has the meaning given to it in Article 4.3(c)(i).
Convertible Securities	has the meaning given to it in Article 4.4(a).
Company Opportunity	has the meaning given to it in Article 27.5(c).
Connected Persons	has the meaning given to it in Article 27.5.
Conversion Price	means, with respect to any series of Preferred Shares, the price at which Ordinary Shares shall be issuable upon conversion of a Share of such series of Preferred Shares.
Corporate Opportunity	has the meaning given to it in Article 27.5(c).
Deemed Liquidation Event	has the meaning given to it in Article 4.2(c)(i).
Derivative Securities	means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Ordinary Shares, including options and warrants.
Directors	means the directors for the time being of the Company.
Dividend	means any dividend (whether interim or final, in cash or in kind) resolved to be paid on Shares pursuant to these Articles.
Dividend Payment Date	has the meaning given to it in Article 4.1(a).
Electronic Record	has the same meaning as in the Electronic Transactions Law.
Electronic Transactions Law	means the Electronic Transactions Law of the Cayman Islands, as amended from time to time.
Exempted Securities	has the meaning given to it in Article 4.4(a).
Exercising Investors	has the meaning given to it in Article 8.4(c).
Fidelity Entities	means, together, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund; Fidelity Growth Company Commingled Pool, By: Fidelity Management & Trust Co. and Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund.
FOIA Party	means a person that, in the reasonable determination of the board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (“ **FOIA** ”), any state public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.
Founders	has the meaning given to it in Article 27.1(a).
Fully Exercising ROFO Offeree	has the meaning given to it in Article 8.3(c).

GAAP	has the meaning given to it in Article 40.4(a).
Hillhouse	means Hillhouse BGN Holdings Limited.
Hong Kong	means the Hong Kong Special Administrative Region of The People's Republic of China.
HK Co.	means BeiGene (Hong Kong) Co., Limited, a subsidiary wholly owned by the Company, whose registered address is c/o NRK Limited, 13/F, Gloucester Tower, The Landmark, 15 Queen's Road Central, Hong Kong.
Indemnified Person	has the meaning given to it in Article 44.1.
Initial Consideration	has the meaning given to it in Article 4.2(c)(iv).
Initial Investors	means the persons named on Schedule A to the ROFR Agreement, each person to whom the rights of an Initial Investor are assigned pursuant to Subsection 6.5 of the ROFR Agreement, each person who becomes a signatory to the ROFR Agreement pursuant to Subsection 6.4 of the ROFR Agreement and any one of them, as the context may require; provided, however, that any such person shall cease to be considered an Initial Investor for purposes of these Articles at any time such person and his, her or its Affiliates collectively hold fewer than five percent (5%) of the Capital Shares outstanding (as adjusted for any share combination, share split, share dividend, recapitalization or other similar transaction).
Investors	means the persons named on Schedule A to the Investors' Rights Agreement.
Investor Beneficial Owners	has the meaning given to it in Article 8.3(a).
Investor Directors	means the individual directors designated by the Lead Investors, Hillhouse, CITIC PE and Merck pursuant to Articles 27.1(c), (d), (e) and (f) respectively.
Investor Notice	means written notice from an Initial Investor notifying the Company and the selling Key Holder that such Initial Investor intends to exercise its Secondary Refusal Right as to a portion of the Transfer Shares with respect to any Proposed Key Holder Transfer.
Investor Notice Period	has the meaning given to it in Article 8.4(d).
Investors' Rights Agreement	means the Second Amended and Restated Investors' Rights Agreement among the Company, each of the Investors listed on Schedule A thereto, each of the persons listed on Schedule B thereto, and each of the Initial Investors listed on Schedule C thereto, dated April 21, 2015.
Key Holder	means any Key Holder listed on Schedule B to the Investors' Rights Agreement or the ROFR Agreement, each person to whom the rights of a Key Holder are assigned pursuant to the Investors' Rights Agreement or the ROFR Agreement, each person who hereafter becomes a signatory to the Investors' Rights Agreement or the ROFR Agreement pursuant to the terms thereof, and any one of them, as the context may require.
Key Subsidiaries	means HK Co., China Co., BeiGene AUS PTY LTD and any other subsidiary of the Company (other than those that are immaterial) formed after the date hereof.

Law	means the Companies Law of the Cayman Islands as amended from time to time.
Lead Investors	means, collectively, any and all funds advised by Baker Bros. Advisors LP that hold Capital Shares.
Liquidation Amount	has the meaning given to it in Article 4.2(a).
Major Investor	means any Investor that, individually or together with such Investor's Affiliates, holds at least two percent 2% of the Preferred Shares then outstanding, or an equivalent amount of Ordinary Shares at the then-applicable conversion ratio.
Member	has the same meaning as in the Law.
Memorandum	means the memorandum of association of the Company.
Merck	means Merck Sharp & Dohme Research GmbH (f/k/a Essex Chemie AG), an affiliate of Merck Sharp & Dohme Corp.
Merck Observer	has the meaning given to it in Article 27.7(a).
Merger Agreement	has the meaning given to it in Article 4.2(c)(ii)(A).
New Securities	has the meaning given to it in Article 8.3(a).
Offer Notice	has the meaning given to it in Article 8.3(b).
Options	has the meaning given to it in Article 4.4(a).
Ordinary Resolution	means a resolution passed by a simple majority of the Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a written resolution signed by a simple majority of the Members. In computing the majority when a poll is demanded regard shall be had to the number of votes to which each Member is entitled by these Articles.
Ordinary Share	means an ordinary share of US$0.0001 par value each, in the capital of the Company having the rights, benefits and privileges set out in these Articles.
Ordinary Share Dividend Equivalent	has the meaning given to it in Article 4.1(a).
Original Issue Date	means, with respect to a series of Preferred Shares, the date on which the first Preferred Share of such series was issued.
Original Issue Price	means (a) with respect to the Series A Preferred Shares, US$0.675 per share; and (b) with respect to the Series A-2 Preferred Shares, US$1.17 per share, in each case, subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to such series of Preferred Shares.
Participating Investor	has the meaning given to it in Article 8.5(a).
Preferred Shares	means the Series A Preferred Shares and Series A - 2 Preferred Shares, collectively.
Prohibited Transfer	has the meaning given to it in Article 8.6(c).

Proposed Key Holder Transfer	means any assignment, sale, offer to sell, pledge, mortgage, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Transfer Shares (or any interest therein) proposed by any of the Key Holders.
Proposed Transfer Notice	means written notice from a Key Holder setting forth the terms and conditions of a Proposed Key Holder Transfer.
Pro Rata New Securities	has the meaning given to it in Article 8.3(c).
Prospective Transferee	means any person to whom a Key Holder proposes to make a Proposed Key Holder Transfer.
Purchase and Sale Agreement	has the meaning given to it in Article 8.5(c).
Qualified IPO	means an initial public offering of the Company (or a relevant subsidiary or holding company of the Company) on the New York Stock Exchange, or the Nasdaq Stock Market or any other stock exchange acceptable to the Lead Investors, which initial public offering (i) involves an initial market capitalization of the Company (or a relevant subsidiary or holding company of the Company) of at least US$455,000,000 and (ii) results in aggregate net proceeds to the Company (or a relevant subsidiary or holding company of the Company) of at least US$91,000,000.
Redemption Notice	has the meaning given to it in Article 4.2(c)(ii)(B).
Register of Members	means the register of Members maintained in accordance with the Law and includes (except where otherwise stated) any duplicate register of Members.
Registered Office	means the registered office for the time being of the Company.
Right of Co-Sale	means the right, but not the obligation, of an Initial Investor to participate in a Proposed Key Holder Transfer on the terms and conditions specified in the Proposed Transfer Notice.
Right of First Refusal	means the right, but not the obligation, of the Company to purchase some or all of the Transfer Shares with respect to a Proposed Key Holder Transfer, on the terms and conditions specified in the Proposed Transfer Notice.
ROFO Offeree	means each of the Lead Investors, Hillhouse, CITIC PE, John V. Oyler, Xiaodong Wang, Merck and each Advisory Investor.
ROFR Agreement	means the Second Amended and Restated Right of First Refusal and Co-Sale Agreement among the Company, each of the Initial Investors listed on Schedule A thereto, and each of the Key Holders listed on Schedule B thereto, dated April 21, 2015.

Seal	means the common seal of the Company and includes every duplicate seal.
Secondary Notice	means written notice from the Company notifying the Initial Investors and the selling Key Holder that the Company does not intend to exercise its Right of First Refusal as to any Transfer Shares with respect to any Proposed Key Holder Transfer.
Secondary Refusal Right	means the right, but not an obligation, of each Initial Investor to purchase up to its pro rata portion (based upon the total number of Capital Shares then held by all Initial Investors) of any Transfer Shares not purchased pursuant to the Right of First Refusal, on the terms and conditions specified in the Proposed Transfer Notice.
Securityholders' Agreement	means the Securityholders' Agreement among the Company, John V. Oyler, Merck, HK Co. and China Co.
Senior Note	means the Senior Promissory Note having the principal amount of US$10,000,000 issued by the Company to Merck.
Separate Approval Matter	has the meaning given to it in Article 3.2.
Series A Majority	has the meaning given to it in Article 3.2.
Series A Preferred Shares	means Series A Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in these Articles.
Series A-2 Preferred Shares	means Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in these Articles.
Share	means a share in the Company (including a Preferred Share) and includes a fraction of a share in the Company.
Share Purchase Agreement	means the Series A-2 Preferred Share Purchase Agreement among the Company, each of the investors listed on Exhibit A thereto, John V. Oyler, and Xiaodong Wang, dated April 21, 2015.
Special Resolution	has the same meaning as in the Law, and includes a unanimous written resolution.
Strategic Investment	means the issuance by the Company of Capital Shares to a strategic partner or investor that does not hold any of the Company's securities prior to such issuance and that the Company deems to be of strategic importance to the Company.
Subscription Agreement	has the meaning given to it in Article 9.4.
T. Rowe Entities	means, together, T. Rowe Price Health Sciences Fund, Inc.; TD Mutual Funds — TD Health Sciences Fund; VALIC Company I — Health Sciences Fund; T. Rowe Price Health Sciences Portfolio; John Hancock Variable Insurance Trust — Health Sciences Trust; John Hancock Funds II — Health Sciences Fund; T. Rowe Price New Horizons Fund, Inc.; T. Rowe Price New Horizons Trust and T. Rowe Price U.S.

	Equities Trust.
Transfer Shares	means Capital Shares owned by a Key Holder, or issued to a Key Holder after the date hereof (including, without limitation, in connection with any share split, share dividend, recapitalization, reorganization, or the like).
Undersubscription Notice	means written notice from an Initial Investor notifying the Company and the selling Key Holder that such Initial Investor intends to exercise its option to purchase all or any portion of the Transfer Shares not purchased pursuant to the Right of First Refusal or the Secondary Refusal Right.
United Sheen	means United Sheen Limited.
Voting Agreement	means the Second Amended and Restated Voting Agreement among the Company, each of the Investors listed on Schedule A thereto, each of the Key Holders listed on Schedule B thereto, and each of the Initial Investors listed on Schedule C thereto dated April 21, 2015.

1.2 In these Articles:

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

(b) words importing the masculine gender include the feminine gender;

(c) words importing persons include any individual, corporation, partnership, trust, limited liability company, association or any other entity;

(d) "written" and "in writing" include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

(e) "shall" shall be construed as imperative and "may" shall be construed as permissive;

(f) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced;

(g) any phrase introduced by the terms "including", "include", "in particular" or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms;

(h) the term "and/or" is used herein to mean both "and" as well as "or." The use of "and/or" in certain contexts in no respects qualifies or modifies the use of the terms "and" or "or" in others. The term "or" shall not be interpreted to be exclusive and the term "and" shall not be interpreted to require the conjunctive (in each case, unless the context otherwise requires);

(i) headings are inserted for reference only and shall be ignored in construing these Articles;

(j) sections 8 and 19 of the Electronic Transactions Law shall not apply;

(k) the term "clear days" in relation to the period of a notice means that period excluding the day when the notice is received or deemed to be received and the day for which it is given or on which it is to take effect; and

(l) the term "holder" in relation to a Share means a person whose name is entered in the Register of Members as the holder of such Share.

2 Issue of Shares

2.1 Subject to the provisions of these Articles, the Directors may allot, issue, grant options over or otherwise dispose of Shares (including fractions of a Share) with or without preferred, deferred or other rights or restrictions, whether in regard to Dividend or other distribution, voting, return of capital or otherwise and to such persons, at such times and on such other terms as they think proper, and may also (subject to the Law and these Articles) vary such rights.

2.2 The Company shall not issue Shares to bearer.

2.3 The Directors may, subject to the terms of the Investors' Rights Agreement, from time to time allot and issue Preferred Shares on such terms as they shall determine in their absolute discretion and without obtaining the consent of the Members.

3 Voting Preferred Shares

3.1 Each Preferred Share confers the right to receive notice of, attend and vote at any general meeting of Members or any separate class meeting of the holders of Preferred Shares or any series thereof. Any matter requiring the approval, determination or consent of the holders of Preferred Shares voting as a separate class under these Articles shall, unless otherwise specified herein, be determined by the holders of Preferred Shares then outstanding voting together as a separate class, either at a duly convened class meeting or at the general meeting of the Company, or by consent in writing or otherwise.

3.2 Subject to compliance with applicable laws and in addition to such other limitations as may be provided in these Articles, unless approved at a meeting or in writing by the holders holding more than fifty percent (50%) of the Preferred Shares held by the holders of Series A Preferred Shares then outstanding voting as a separate class (the " **Series A Majority** "), the Company shall not approve any matter listed in the Schedule A to these Articles (each a " **Separate Approval Matter** "). Any approval of Separate Approval Matters without obtaining the approval by Series A Majority shall be void and have no effect.

3.3 Notwithstanding any other provision of these Articles to the contrary and without prejudice to Article 3.2, where any Separate Approval Matter is being approved by Members without first obtaining the approval by Series A Majority for any reason, with respect to such approval, the holder of each Series A Preferred Share shall be entitled to the number of votes equal to the votes it would be entitled to as calculated pursuant to Article 21.1 multiplied by 10.

4 Preferred Shares

4.1 Dividends

(a) Subject to the Law and these Articles, from and after the date of the issue of any Preferred Shares, Dividends at the rate of 8% per annum shall accrue on such Preferred Shares (subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to the Preferred Shares) (the " **Accruing Cumulative Dividends** "). In addition, holders of each Preferred Share shall also be entitled to (A) in the case of a Dividend on Ordinary Shares or any class or series that is convertible into Ordinary Shares, that Dividend per Share of the relevant series of Preferred Shares as would equal the product of (1) the Dividend payable on each Share of such class or series determined, if applicable, as if all Shares of such class or series had been converted into Ordinary Shares and (2) the number of Ordinary Shares issuable upon conversion of such series of Preferred Shares, in each case calculated on the record date for determination of holders entitled to receive such Dividend or (B) in the case of a Dividend on any class or series that is not convertible into Ordinary Shares, at a rate per Share of the relevant series of Preferred Shares determined by (1) dividing the amount of the Dividend payable on each Share of such class or series of Shares by the original issue price of such class or series of Shares (subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to such class or series) and (2) multiplying such fraction by an amount equal to the applicable Original Issue Price (the Dividends payable under (A) or (B), the " **Ordinary Share Dividend Equivalent** "); provided that if the Company declares, pays or sets aside, on the same date, a Dividend on more than one class or series of Shares, the Dividend payable to the holders of Preferred Shares pursuant to this sentence shall be calculated based upon the Dividend on the class or series of Shares that would result in the highest Preferred Share Dividend. Accruing Cumulative Dividends shall be paid in cash, and be deemed to accrue from day to day in arrears, whether or not declared, and shall be cumulative; provided, however, that except as set forth in the following sentence of this Article 4.1(a) or in Article 4.2(a), such Accruing Cumulative Dividends shall be payable only when, as, and if declared by the Directors and the Company shall be under no obligation to pay such Accruing Cumulative Dividends; provided, further, that to the extent not paid on the last day of March, June, September and December of each calendar year (each such date, a " **Dividend Payment Date** "), all accrued Accruing Cumulative Dividends shall accumulate and compound on the applicable Dividend Payment Date whether or not declared by the Directors and shall remain accumulated, compounding Dividends until declared and paid. The Company shall not declare, pay or set aside any Dividends on any other class or series of Shares or any other equity securities unless (in addition to the obtaining of any consents required elsewhere in these Articles, if any) the

holders of the Preferred Shares then outstanding shall first receive, or simultaneously receive, a Dividend on each outstanding Preferred Share in an amount at least equal to the amount of the aggregate (i) Accruing Cumulative Dividends then accrued on such Preferred Shares and not previously paid plus (ii) the Ordinary Share Dividend Equivalent payable as a result of such Dividends.

(b) The Directors may, before declaring any Dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

4.2 Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales

(a) Preferential Payments to Holders of Preferred Shares. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the holders of Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Company available for distribution (after payment out to all parties preferred by Law) 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 applicable Original Issue Price, plus any Accruing Cumulative Dividends accrued but unpaid thereon, whether or not declared, together with any other Dividends declared but unpaid thereon or (ii) such amount per Share as would have been payable had all Preferred Shares been converted into Ordinary Shares pursuant to Article 4.3 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (the amount payable pursuant to this sentence is hereinafter referred to as the " **Liquidation Amount** "). If upon any such liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, the assets of the Company available for distribution to its Members shall be insufficient to pay the holders of Preferred Shares the full amount to which they shall be entitled under this Article 4.2(a), the holders of Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the Preferred Shares held by them upon such distribution if all amounts payable on or with respect to such Shares were paid in full.

(b) Payments to Holders of Ordinary Shares. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or Deemed Liquidation Event, after payment out to all parties preferred by Law and the payment of all preferential amounts required to be paid to the holders of Preferred Shares in accordance with Article 4.2(a), the remaining assets of the Company available for distribution to its Members shall be distributed among the holders of Ordinary Shares, *pro rata* based on the number of Ordinary Shares held by each such holder.

(c) Deemed Liquidation Events.

(i) Definition . Each of the following events shall be considered a **" Deemed Liquidation Event** " unless the holders of at least 80.63% of the outstanding Preferred Shares elect otherwise by written notice sent to the Company at least ten (10) days prior to the effective date of any such event:

(A) a merger or consolidation in which

1. the Company is a constituent party or

2. a subsidiary of the Company is a constituent party and the Company issues Shares pursuant to such merger or consolidation,

except any such merger or consolidation involving the Company or a subsidiary in which the Shares outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for Shares that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the share capital of (1) the surviving or resulting company; or (2) if the surviving or resulting company is a wholly owned subsidiary of another company immediately following such merger or consolidation, the parent company that controls such surviving or resulting

company; or

(B) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

(ii) Effecting a Deemed Liquidation Event .

(A) The Company shall not have the power to effect a Deemed Liquidation Event referred to in Article 4.2(c)(i) unless the agreement or plan of merger or consolidation for such transaction (the " **Merger Agreement** ") provides that the consideration payable to the Members shall be allocated among the holders of Shares of the Company in accordance with Articles 4.2(a) and 4.2(b).

(B) In the event of a Deemed Liquidation Event referred to in Articles 4.2(c)(i)(A)(2) or 4.2(c)(i)(B), if the Company does not effect a dissolution of the Company under the applicable law within thirty (30) days after such Deemed Liquidation Event, then (i) the Company shall send a written notice to each holder of Preferred Shares no later than the thirtieth (30 th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following Article to require the redemption of such Preferred Shares, and (ii) unless the holders of at least 80.63% of the then outstanding Preferred Shares request otherwise in a written instrument delivered to the Company not later than sixty (60) days after such Deemed Liquidation Event, the Company shall use the consideration received by the Company for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Directors), together with any other assets of the Company available for distribution to its Members, all to the extent permitted by applicable laws governing distributions to Members (the " **Available Proceeds** "), on the ninetieth (90 th) day after such Deemed Liquidation Event, to redeem all outstanding Preferred Shares at a price per Share equal to the applicable Liquidation Amount. Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding Preferred Shares, the Company shall ratably redeem each holder's Preferred Shares to the fullest extent of such Available Proceeds, and shall redeem the remaining Shares as soon as it may lawfully do so pursuant to the Law. The Company shall send written notice of such redemption (the " **Redemption Notice** ") to each holder of record of Preferred Shares not less than thirty (30) days prior to the date of such redemption. Each Redemption Notice shall state the number of Preferred Shares held by the holder that the Company shall redeem, date of redemption and the applicable redemption price, the date upon which the holder's right to convert such Preferred Shares terminates (as determined in accordance with Article 4.3) and for holders of Preferred Shares in certificated form, that the holder is to surrender to the Company, in the manner and at the place designated, his, her or its certificate or certificates representing the Preferred Shares to be redeemed. On or before the date of redemption, each holder of Preferred Shares to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such Preferred Shares as provided in Article 4.3, shall, if a holder of Preferred Shares in certificated form, surrender the certificate or certificates representing such Preferred Shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company, in the manner and at the place designated in the Redemption Notice, and thereupon the redemption price for such Preferred Shares shall be payable to the order of the person whose name appears on the Register of Members. In the event less than all of the Preferred Shares represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed Preferred Shares shall promptly be issued to such holder. If the Redemption Notice shall have been duly given, and if on the date of redemption the redemption price payable upon redemption of the Preferred Shares to be

redeemed on such date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that any certificates evidencing any of the Preferred Shares so called for redemption shall not have been surrendered, Dividends with respect to such Preferred Shares shall cease to accrue after such date and all rights with respect to such Preferred Shares shall forthwith after the date terminate, except only the right of the holders to receive the redemption price without interest upon surrender of any such certificate or certificates therefor. Prior to the distribution or redemption provided for in this Article 4.2(c)(ii)(B), the Company shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(iii) Amount Deemed Paid or Distributed . The amount deemed paid or distributed to the holders of Shares upon any Deemed Liquidation Event or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Company or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Directors in consultation with the Lead Investors.

(iv) Allocation of Escrow and Contingent Consideration . In the event of a Deemed Liquidation Event pursuant to Article 4.2(c)(i)(A)(1), if any portion of the consideration payable to the Members is payable only upon satisfaction of contingencies (the " **Additional Consideration** "), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the " **Initial Consideration** ") shall be allocated among the holders of Shares in accordance with Articles 4.2(a) and 4.2(b) as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the Members upon satisfaction of such contingencies shall be allocated among the holders of Shares in accordance with Articles 4.2(a) and 4.2(b) after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Article 4.2(c)(iv), consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

4.3 Conversion

The holder of a Preferred Share shall have the following conversion rights and obligations:

(a) Optional Conversion . Unless converted earlier in accordance with Article 4.3(b) below, each Preferred Share shall be convertible at the option of the holder at any time, and without the payment of additional consideration by the holder thereof, after the Original Issue Date into such number of fully paid and non-assessable Ordinary Shares as determined by dividing the applicable Original Issue Price by the applicable Conversion Price, determined as hereinafter provided, in effect at the time of the conversion. The Conversion Price for any series of Preferred Shares shall initially be equal to the applicable Original Issue Price for such series. Such initial Conversion Price, and the rate at which Preferred Shares may be converted into Ordinary Shares, shall be subject to adjustment as provided in Article 4.4. Upon conversion of the Preferred Shares pursuant to this Article 4.3(a), all unpaid, cumulative Dividends on the Preferred Shares shall no longer be payable.

(b) Automatic Conversion . All outstanding Preferred Shares shall automatically be converted into Ordinary Shares at the then effective applicable Conversion Price upon (i) the closing of a Qualified IPO 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 (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the " **Automatic Conversion Time** "). In the event of the automatic conversion of the Preferred Shares pursuant to the foregoing clause (i) of this Article 4.3(b), the person(s) entitled to receive the Ordinary Shares issuable upon such conversion of Preferred Shares shall not be deemed to have converted such Preferred Shares until immediately prior to the closing of the Qualified IPO. Upon conversion of the Preferred Shares pursuant to this Article 4.3(b), all unpaid, cumulative Dividends on the Preferred Shares shall no longer be payable.

(c) Mechanics of Conversion . No fractions of Ordinary Shares shall be issued upon conversion of any Preferred Shares. In lieu of any fractional Shares to which the holder would otherwise be entitled, the Company shall pay cash equal to such fraction multiplied by the then effective applicable Conversion Price. Whether or not fractional Shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of such series of Preferred Shares the holder is at the time converting into Ordinary Shares and the aggregate number of Ordinary Shares issuable upon such conversion.

(i) Mechanics of Optional Conversion. In order for a holder of Preferred Shares to voluntarily convert Preferred Shares into Ordinary Shares pursuant to Article 4.3(a), such holder shall (A) provide written notice to the Registered Office of the Company that such holder elects to convert all or any number of such holder's Preferred Shares (a " **Conversion Notice** "), the number of Shares of each series of Preferred Shares that the holder wishes to convert and, if applicable, any event on which such conversion is contingent, and (B) if such holder's Preferred Shares are certificated, surrender the certificate or certificates for such Preferred Shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate). The Conversion Notice shall state the holder's name or the names of the nominees in which such holder wishes the Ordinary Shares to be issued. If required by the Company, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or his, her or its attorney duly authorised in writing. On the date of receipt by the Registered Office of the Company of the Conversion Notice and, if applicable, the certificates (or lost certificate affidavit and agreement), the Register of Members shall be updated to show that the converted Preferred Shares have been redeemed and all rights with respect to the Preferred Shares so converted will terminate, with the exception of the rights of the holders thereof to receive Ordinary Shares (which shall be recorded as issued to such holder in the Register of Members) and certificates for the number of Ordinary Shares into which such Preferred Shares have been converted and a cheque denominated in U.S. dollars payable to the holder in the amount of any cash amounts payable (if any) as the result of a conversion into fractional Ordinary Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such receipt of the Conversion Notice, and if applicable, the surrender of the certificate or certificates representing the Preferred Shares to be converted, and the person or persons entitled to receive the Ordinary Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Ordinary Shares on such date. As soon as practicable after the conversion, the Company shall issue and deliver to such holder of Preferred Shares a certificate or certificates for the number of Ordinary Shares to which the holder is entitled pursuant to this Article 4.3 and a cheque denominated in U.S. dollars payable to the holder in the amount of any cash amounts payable (if any) as the result of a conversion into fractional Ordinary Shares.

(ii) Mechanics of Automatic Conversion. All holders of record of Preferred Shares shall be sent written notice of the Automatic Conversion Time and the place designated for automatic conversion of all such Preferred Shares pursuant to Article 4.3(b). Such notice need not be sent in advance of the occurrence of the Automatic Conversion Time. Notice shall be sent to each holder of record of the Preferred Shares at such holder's address appearing on the Register of Members. After receipt of such notice, each holder of Preferred Shares in certificated form shall surrender his, her or its certificate or certificates for all such Preferred Shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Company to indemnify the Company against any claim that may be made against the Company on account of the alleged loss, theft or destruction of such certificate) to the Company at the place designated in such notice. If so required by the Company, any certificates surrendered for conversion shall be endorsed or accompanied by

written instrument or instruments of transfer, in form satisfactory to the Company, duly executed by the registered holder or by his, her or its attorney duly authorised in writing. All rights with respect to the Preferred Shares converted pursuant to Article 4.3(b), including the rights, if any, to receive notices and vote (other than as a holder of Ordinary Shares), will terminate at the Automatic Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Article 4.3(c)(ii). At the Automatic Conversion Time , the Register of Members shall be updated to show that the converted Preferred Shares have been redeemed and all rights with respect to the Preferred Shares so converted will terminate, with the exception of the rights of the holders thereof, if applicable, upon surrender of the certificate or certificates therefor, to receive Ordinary Shares (which shall be recorded as issued to such holder in the Register of Members) and certificates for the number of Ordinary Shares into which such Preferred Shares have been converted and a cheque denominated in U.S. dollars payable to the holder in the amount of any cash amounts payable (if any) as the result of a conversion into fractional Ordinary Shares. As soon as practicable after the Automatic Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Shares, the Company shall issue and deliver to such holder a certificate or certificates for the number of Ordinary Shares to which the holder is entitled pursuant to this Article 4.3 and a cheque denominated in U.S. dollars payable to the holder in the amount of any cash amounts payable (if any) as the result of a conversion into fractional Ordinary Shares.

(iii) Manner of Conversion. The Directors of the Company may effect such conversion in any manner available under applicable law, including redeeming or repurchasing the relevant Preferred Shares and applying the proceeds thereof towards payment for the new Ordinary Shares. For purposes of the repurchase or redemption, the Directors may, subject to the Company being able to pay its debts in the ordinary course of business, make payments out of its capital.

(d) Reservation of Ordinary Shares Issuable Upon Conversion. The Company shall at all times keep available out of its authorised but unissued Ordinary Shares solely for the purpose of effecting the conversion of the Preferred Shares such number of its Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Shares, and if at any time the number of authorised but unissued Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Preferred Shares, in addition to such other remedies as shall be available to the holder of such Preferred Shares, the Company and its Members will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorised but unissued Ordinary Shares to such number of Ordinary Shares as shall be sufficient for such purposes.

(e) No Further Adjustment . Upon any such conversion, no adjustment to the applicable Conversion Price shall be made for any declared but unpaid Dividends on any Preferred Shares that are surrendered for conversion or on the Ordinary Shares delivered upon conversion.

(f) Taxes. The Company shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of Ordinary Shares upon conversion of Preferred Shares pursuant to this Article 4. The Company shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of Ordinary Shares in a name other than that in which the Preferred Shares so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Company the amount of any such tax or has established, to the satisfaction of the Company, that such tax has been paid.

(g) Termination of Conversion Rights . In the event of a liquidation, dissolution or winding up of the Company or a Deemed Liquidation Event, the conversion right set forth in Article 4.3(a) shall terminate at the close of business on the last full day preceding the date fixed

for the payment of any such amounts distributable on such event to the holders of Preferred Shares.

4.4 Adjustments to Conversion Price for Diluting Issues.

(a) Special Definitions . For purposes of this Article 4.4, the following definitions shall apply:

(i) **Options** mean rights, options or warrants to subscribe for, purchase or otherwise acquire either Ordinary Shares or Convertible Securities.

(ii) **Convertible Securities** mean any evidences of indebtedness, Shares or other securities directly or indirectly convertible into or exchangeable for Ordinary Shares, but excluding Options.

(iii) **Additional Ordinary Shares** mean all Ordinary Shares (including reissued Shares) issued (or, pursuant to Article 4.4(c), deemed to be issued) by the Company after the date of these Articles, other than (1) the following Ordinary Shares and (2) Ordinary Shares deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, " **Exempted Securities** "):

(A) Ordinary Shares, Options or Convertible Securities issued as a Dividend or distribution on Preferred Shares;

(B) Ordinary Shares, Options or Convertible Securities issued by reason of a Dividend, share split, split-up or other distribution on Ordinary Shares that is covered by Article 4.5, 4.6, 4.7 or 4.8;

(C) Ordinary Shares or Options issued to employees or directors of, or consultants or advisors to, the Company or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Directors, in an amount up to 40,100,000 Ordinary Shares (for the sake of clarity, this amount shall not include the Ordinary Shares or Options issued pursuant to Article 4.4(a)(D));

(D) Ordinary Shares or Options issued to John V. Oyler as chief executive officer of the Company or any of its subsidiaries in connection with the execution of his employment agreement described in Section 5.2(d) of the Investors' Rights Agreement, in an amount to be agreed by the Initial Investors;

(E) Ordinary Shares or Convertible Securities actually issued upon the exercise of Options or Ordinary Shares actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issue is pursuant to the terms of such Option or Convertible Security;

(F) Ordinary Shares, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Directors including both of the Directors nominated by the Lead Investors;

(G) Ordinary Shares, Options or Convertible Securities issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Directors including both of the Directors nominated by the Lead Investors;

(H) Ordinary Shares, Options or Convertible Securities issued pursuant to the acquisition of another corporation by the Company by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the board of Directors of the Company, including both of the Directors nominated by the Lead Investors, and do not exceed an aggregate of 24,000,000 Ordinary

Shares (including shares underlying (directly or indirectly) any such Options or Convertible Securities ;

(I) any securities issued pursuant to a Qualified IPO; or

(J) Ordinary Shares issued upon conversion of the Preferred Shares authorised herein.

(b) No Adjustment of Conversion Price. No adjustment under this Article 4.4 to the (i) Conversion Price for any Series A Preferred Shares shall be made if at least 78.91% of the then outstanding Series A Preferred Shares so agree in writing and (ii) Conversion Price for any Series A-2 Preferred Shares shall be made if at least 83.05% of the then outstanding Series A-2 Preferred Shares so agree in writing.

(c) Deemed Issue of Additional Ordinary Shares.

(i) If the Company at any time or from time to time after the date of these Articles shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of Ordinary Shares (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Ordinary Shares issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(ii) If the terms of any Option or Convertible Security, the issue of which resulted in an adjustment to any applicable Conversion Price pursuant to the terms of Article 4.4(d), are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Company upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such applicable Conversion Price as would have obtained had such revised terms been in effect upon the original date of issue of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this Article 4.4(c)(ii) shall have the effect of increasing the applicable Conversion Price to an amount which exceeds the lower of (1) the applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issue of such Option or Convertible Security, or (2) the applicable Conversion Price that would have resulted from any issues of Additional Ordinary Shares (other than deemed issues of Additional Ordinary Shares as a result of the issue of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(iii) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issue of which did not result in an adjustment to any applicable Conversion Price pursuant to the terms of Article 4.4(d) (either because the consideration per Share (determined pursuant to Article 4.4(e)) of the Additional Ordinary Shares subject thereto was equal to or greater than such Conversion Price then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or

Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of Ordinary Shares issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Company upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Ordinary Shares subject thereto (determined in the manner provided in Article 4.4(c)(i) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(iv) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issue or upon a revision of its terms) in an adjustment to any applicable Conversion Price pursuant to the terms of Article 4.4(d), such applicable Conversion Price shall be readjusted to such applicable Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(v) If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the applicable Conversion Price provided for in this Article 4.4(c) shall be effected at the time of such issue or amendment based on such number of Shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in Articles 4.4(c)(ii) and 4.4(c)(iii)). If the number of Ordinary Shares issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Company upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the applicable Conversion Price that would result under the terms of this Article 4.4(c) at the time of such issue or amendment shall instead be effected at the time such number of Shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to such applicable Conversion Price that such issue or amendment took place at the time such calculation can first be made.

(d) Adjustment of Conversion Price Upon Issue of Additional Ordinary Shares . In the event the Company shall at any time after the Original Issue Date issue Additional Ordinary Shares (including Additional Ordinary Shares deemed to be issued pursuant to Article 4.4(c)), without consideration or for a consideration per Share less than the Conversion Price for any series of Preferred Shares in effect immediately prior to such issue, then such applicable Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean such applicable Conversion Price in effect immediately after such issue of Additional Ordinary Shares;

(b) "CP_1" shall mean such applicable Conversion Price in effect immediately prior to such issue of Additional Ordinary Shares;

(c) "A" shall mean the number of Ordinary Shares issuable upon conversion of the Preferred Shares of the relevant series outstanding immediately prior to such issue of Additional Ordinary Shares;

(d) "B" shall mean the number of Ordinary Shares that would have been issued if such Additional Ordinary Shares had been issued at a price per Share equal to CP_1 (determined by dividing the aggregate consideration received by the Company in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Ordinary Shares issued, or deemed issued, in such transaction.

(e) Determination of Consideration. For purposes of this Article 4.4, the consideration received by the Company for the issue or deemed issue of any Additional Ordinary Shares shall be computed as follows (in any event being not less than par value):

(i) Cash and Property. Except as provided in clause (ii) below, such consideration shall:

(A) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Company, excluding amounts paid or payable for accrued interest;

(B) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Directors in consultation with the Lead Investors; and

(C) in the event Additional Ordinary Shares are issued or deemed issued together with other Shares or securities or other assets of the Company for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (A) and (B) above, as determined in good faith by the Directors in consultation with the Lead Investors.

(ii) Options and Convertible Securities . The consideration per Share received by the Company for Additional Ordinary Shares deemed to have been issued pursuant to Article 4.4(c), relating to Options and Convertible Securities, shall be determined by dividing:

(A) The total amount, if any, received or receivable by the Company as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Company upon the exercise of such Options or the conversion or exchange of

such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(B) The maximum number of Ordinary Shares (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

(f) Multiple Closing Dates . In the event the Company shall issue on more than one date Additional Ordinary Shares that are a part of one transaction or a series of related transactions and that would result in an adjustment to any applicable Conversion Price pursuant to the terms of Article 4.4(d), and such issue dates occur within a period of no more than ninety (90) days from the first such issue to the final such issue, then, upon the final such issue, such applicable Conversion Price shall be readjusted to give effect to all such issues as if they occurred on the date of the first such issue (and without giving effect to any additional adjustments as a result of any such subsequent issues within such period).

4.5 Adjustment for Share Splits and Combinations . If the Company shall at any time or from

time to time after the date of these Articles effect a subdivision of the outstanding Ordinary Shares, each applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of Ordinary Shares issuable on conversion of each Share of the relevant series of Preferred Shares shall be increased in proportion to such increase in the aggregate number of Ordinary Shares outstanding. If the Company shall at any time or from time to time after the date of these Articles combine the outstanding Ordinary Shares, each applicable Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of Ordinary Shares issuable on conversion of each Share of the relevant series of Preferred Shares shall be decreased in proportion to such decrease in the aggregate number of Ordinary Shares outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Company at any time or from time to time after the date of these Articles shall make or issue, or fix a record date for the determination of holders of Ordinary Shares entitled to receive, a Dividend or other distribution payable on the Ordinary Shares in additional Ordinary Shares, then and in each such event each applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issue or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying such applicable Conversion Price then in effect by a fraction:

(A) the numerator of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issue or the close of business on such record date, and

(B) the denominator of which shall be the total number of Ordinary Shares issued and outstanding immediately prior to the time of such issue or the close of business on such record date plus the number of Ordinary Shares issuable in payment of such Dividend or distribution.

Notwithstanding the foregoing (1) if such record date shall have been fixed and such Dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, each applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter each applicable Conversion Price shall be adjusted pursuant to this Article 4.6 as of the time of actual payment of such Dividends or distributions; and (2) no such adjustment shall be made if the holders of the applicable series of Preferred Shares simultaneously receive a Dividend or other distribution of Ordinary Shares in a number equal to the number of Ordinary Shares as they would have received if all outstanding Shares of such series of Preferred Shares had been converted into Ordinary Shares on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Company at any time or from time to time after the date of these Articles shall make or issue, or fix a record date for the determination of holders of Ordinary Shares entitled to receive, a Dividend or other distribution payable in securities of the Company (other than a distribution of Ordinary Shares in respect of outstanding Ordinary Shares) or in other property and the provisions of Article 4.6 do not apply to such Dividend or distribution, then and in each such event the holders of Preferred Shares shall receive, simultaneously with the distribution to the holders of Ordinary Shares, a Dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding Preferred Shares had been converted into Ordinary Shares on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Except for Deemed Liquidation Events for which holders of Preferred Shares are entitled to Liquidation Amounts pursuant to Article 4.2(c), if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Ordinary Shares (but not the Preferred Shares) are converted into or exchanged for securities, cash or other property (other than a transaction covered by Article 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each Preferred Share shall thereafter be convertible in lieu of the Ordinary Shares into which it was

convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of Ordinary Shares of the Company issuable upon conversion of one Share of such series of Preferred Shares immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Directors) shall be made in the application of the provisions in this Article 4 with respect to the rights and interests thereafter of the holders of the Preferred Shares, to the end that the provisions set forth in this Article 4 (including provisions with respect to changes in and other adjustments of the applicable Conversion Price for each series of Preferred Shares) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Shares.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any applicable Conversion Price pursuant to this Article 4, the Company at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of Preferred Shares a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which each Preferred Share of the series held by such holder is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Shares (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Prices then in effect for Preferred Shares of the series held by such holder, and (ii) the number of Ordinary Shares and the amount, if any, of other securities, cash or property which then would be received upon the conversion of such Preferred Shares.

4.10 Notice of Record Date . In the event:

(a) the Company shall take a record of the holders of its Ordinary Shares (or other Shares or securities at the time issuable upon conversion of the Preferred Shares) for the purpose of entitling or enabling them to receive any Dividend or other distribution, or to receive any right to subscribe for or purchase any Shares of any class or any other securities, or to receive any other security;

(b) of any capital reorganization of the Company, any reclassification of the Ordinary Shares, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Company,

then, and in each such case, the Company will send or cause to be sent to the holders of the Preferred Shares a notice specifying, as the case may be, (i) the record date for such Dividend, distribution or right, and the amount and character of such Dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Ordinary Shares (or such other Shares or securities at the time issuable upon the conversion of the Preferred Shares) shall be entitled to exchange their Ordinary Shares (or such other Shares or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up and the amount per Share and character of such exchange applicable to the applicable series of Preferred Shares and the Ordinary Shares. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5 Register of Members

The Company shall maintain or cause to be maintained the Register of Members in accordance with the Law.

6 Closing Register of Members or Fixing Record Date

6.1 For the purpose of determining Members entitled to notice of, or to vote at any meeting of

Members or any adjournment thereof, or Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose, the Directors may provide that the Register of Members shall be closed for transfers for a stated period which shall not in any case exceed forty days.

6.2 In lieu of, or apart from, closing the Register of Members, the Directors may fix in advance or arrears a date as the record date for any such determination of Members entitled to notice of, or to vote at any meeting of the Members or any adjournment thereof, or for the purpose of determining the Members entitled to receive payment of any Dividend or other distribution, or in order to make a determination of Members for any other purpose.

6.3 If the Register of Members is not so closed and no record date is fixed for the determination of Members entitled to notice of, or to vote at, a meeting of Members or Members entitled to receive payment of a Dividend or other distribution, the date on which notice of the meeting is sent or the date on which the resolution of the Directors resolving to pay such Dividend or other distribution is passed, as the case may be, shall be the record date for such determination of Members. When a determination of Members entitled to vote at any meeting of Members has been made as provided in this Article, such determination shall apply to any adjournment thereof.

7 Certificates for Shares

7.1 A Member shall only be entitled to a share certificate if the Directors resolve that share certificates shall be issued. Share certificates representing Shares, if any, shall be in such form as the Directors may determine. Share certificates shall be signed by one or more Directors or other person authorised by the Directors. The Directors may authorise certificates to be issued with the authorised signature(s) affixed by mechanical process. All certificates for Shares shall be consecutively numbered or otherwise identified and shall specify the Shares to which they relate. All certificates surrendered to the Company for transfer shall be cancelled and subject to these Articles no new certificate shall be issued until the former certificate representing a like number of relevant Shares shall have been surrendered and cancelled.

7.2 The Company shall not be bound to issue more than one certificate for Shares held jointly by more than one person and delivery of a certificate to one joint holder shall be a sufficient delivery to all of them.

7.3 If a share certificate is defaced, worn out, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and on the payment of such expenses reasonably incurred by the Company in investigating evidence, as the Directors may prescribe, and (in the case of defacement or wearing out) upon delivery of the old certificate.

7.4 Every share certificate sent in accordance with these Articles will be sent at the risk of the Member or other person entitled to the certificate. The Company will not be responsible for any share certificate lost or delayed in the course of delivery.

8 Transfer of Shares

8.1 Shares are transferable subject to the consent of the Directors who shall decline to register any transfer of Shares made in violation of the Investors' Rights Agreement, the ROFR Agreement and the other provisions of this Article 8, but shall not otherwise refuse to transfer any Shares (a) upon the receipt by the Company of a duly executed instrument of transfer signed on behalf of the transferor in accordance with Article 8.2, or (b) when transferred in accordance with Article 8.6(b).

8.2 The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and if the Directors so require, signed by or on behalf of the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

8.3 Right of First Offer.

(a) Subject to the terms and conditions of this Article 8.3 and Applicable Securities Laws, if the Company proposes to offer or sell any equity securities of the Company, whether or not currently authorised, and any Derivative Securities, other than the Series A-2 Preferred Shares to be issued pursuant to the Share Purchase Agreement (collectively, " **New Securities** "), the Company shall first offer such New Securities to each of the ROFO Offerees. The ROFO Offerees shall be entitled to apportion the right of first offer hereby granted to them in such proportions as they deem appropriate, among themselves and their respective Affiliates and, in the case of ROFO Offerees that are Initial Investors, beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, of such Initial Investor (" **Investor Beneficial Owners** "); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the board of Directors, (y) agrees to enter into the Investors' Rights Agreement and each of the Voting Agreement and the ROFR Agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights under Articles 8.3, 40.2 and 40.4 through 40.6) and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the ROFO Offeree holding the fewest number of Preferred Shares and any other Derivative Securities; provided that the Lead Investors shall collectively be entitled to apportion their rights of first offer among themselves and up to 10 of their Affiliates or Investor Beneficial Owners without such Affiliates or Investor Beneficial Owners agreeing to purchase any minimum number of New Securities.

(b) The Company shall give notice (the " **Offer Notice** ") to each of the ROFO Offerees, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(c) By notification to the Company within twenty (20) days after the Offer Notice is given pursuant to Article 8.3(b), each of the ROFO Offerees may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to (i) that portion of such New Securities (the " **Pro Rata New Securities"**) which equals the proportion that the Ordinary Shares then held by such ROFO Offeree (including Ordinary Shares then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Shares and any other Derivative Securities then held by such ROFO Offeree) bears to the total Ordinary Shares of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Shares and other Derivative Securities) or (ii) only in the case of the Initial Investors, and if and only if the offer price of the New Securities, measured in reference to Ordinary Shares, is equal to or lower than the price per Ordinary Share paid by any such ROFO Offeree (calculated based on the price per Preferred Share paid by such ROFO Offeree as adjusted using the then-applicable conversion ratio), 150% of the Pro Rata New Securities with the Pro Rata New Securities of each other ROFO Offeree being correspondingly reduced. At the expiration of such twenty (20) day period, the Company shall promptly notify each ROFO Offeree (excluding any Advisory Investors) that elects to purchase or acquire all the shares available to it (each, a " **Fully Exercising ROFO Offeree** ") of any other ROFO Offeree's (excluding any Advisory Investors) failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising ROFO Offeree (excluding any Advisory Investors) may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which other ROFO Offerees were entitled to subscribe but that were not subscribed for by such ROFO Offerees which is equal to the proportion that the Ordinary Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Shares and any other Derivative Securities then held, by such Fully Exercising ROFO Offeree (excluding any Advisory Investors) bears to the Ordinary Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Shares and any other Derivative Securities then held, by all Fully Exercising ROFO Offerees (excluding any Advisory Investors) who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Article 8.3(c) shall occur within the later of ninety (90) days

of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Article 8.3(d).

(d) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Article 8.3(c), the Company may, during the ninety (90) day period following the expiration of the periods provided in Article 8.3(c), offer and sell the remaining unsubscribed portion of such New Securities to any person or persons at a price not less than, and upon terms no more favourable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the ROFO Offerees in accordance with this Article 8.3.

(e) The right of first offer in this Article 8.3 shall not be applicable to (i) Exempted Securities; (ii) Ordinary Shares issued in the Qualified IPO; and (iii) solely in the case of the Fidelity Entities and the T. Rowe Entities, any Strategic Investment. Notwithstanding anything herein to the contrary, the Company shall cooperate reasonably to the extent permitted by applicable law to permit the ROFO Offerees to purchase their respective Pro Rata New Securities in any potential initial public offering of the Company's securities, or, if required under Applicable Securities Laws, in a side-by-side private placement (subject to customary cutbacks and other limitations).

(f) Notwithstanding any provision hereof to the contrary, in lieu of complying with the provisions of this Article 8.3, the Company may elect to give notice to each of the ROFO Offerees within thirty (30) days after the issuance of New Securities. Such notice shall describe the type, price, and terms of the New Securities. Each of the ROFO Offerees shall have twenty (20) days from the date notice is given to elect to purchase up to the number of New Securities that would, if purchased by such ROFO Offeree, maintain such ROFO Offerees percentage-ownership position or 150% of such percentage, as determined and calculated pursuant to Article 8.3(c), before giving effect to the issuance of such New Securities. The closing of such sale shall occur within sixty (60) days of the date notice is given to the ROFO Offerees.

(g) The covenants set forth in Article 8.3 shall terminate and be of no further force or effect (i) immediately before the consummation of the Qualified IPO or (ii) upon a Deemed Liquidation Event, whichever event occurs first.

8.4 Right of First Refusal.

(a) Subject to the terms of Article 8.7 below, the Company shall have a Right of First Refusal to purchase all or any portion of the Transfer Shares that each Key Holder may propose to transfer in a Proposed Key Holder Transfer, at the same price and on the same terms and conditions as those offered to the Prospective Transferee pursuant to this Article 8.4(a).

(b) Each Key Holder proposing to make a Proposed Key Holder Transfer must deliver a Proposed Transfer Notice to the Company and each Initial Investor not later than forty-five (45) days prior to the consummation of such Proposed Key Holder Transfer. Such Proposed Transfer Notice shall contain the material terms and conditions (including price and form of consideration) of the Proposed Key Holder Transfer, the identity of the Prospective Transferee and the intended date of the Proposed Key Holder Transfer. To exercise its Right of First Refusal under this Article 8.4(b), the Company must deliver a Company Notice to the selling Key Holder within fifteen (15) days after the delivery of the Proposed Transfer Notice. In the event of a conflict between this this Article 8.4(b) and any other agreement that may have been entered into by a Key Holder with the Company that contains a preexisting right of first refusal, the terms of this this Article 8.4(b) shall control and the preexisting right of first refusal shall be deemed satisfied by compliance with Article 8.4(a) and this Article 8.4(b).

(c) Subject to the terms of Article 8.7 below, the Initial Investors shall have a Secondary Refusal Right in respect of the Transfer Shares as provided in this Article 8.4(c). If the Company does not intend to exercise its Right of First Refusal with respect to all

Transfer Shares subject to a Proposed Key Holder Transfer, the Company must deliver a Secondary Notice to the selling Key Holder and to each Initial Investor to that effect no later than fifteen (15) days after the selling Key Holder delivers the Proposed Transfer Notice to the Company. To exercise its Secondary Refusal Right, an Initial Investor must deliver an Investor Notice to the selling Key Holder and the Company within ten (10) days after the Company's deadline for its delivery of the Secondary Notice as provided in the preceding sentence.

(d) If options to purchase have been exercised by the Company and/or the Initial Investors with respect to some but not all of the Transfer Shares by the end of the ten (10) day period specified in the last sentence of Article 8.4(c) (the " **Investor Notice Period** "), then the Company shall, immediately after the expiration of the Investor Notice Period, send written notice (the " **Company Undersubscription Notice** ") to those Initial Investors who fully exercised their Secondary Refusal Right within the Investor Notice Period (the " **Exercising Investors** "). Each Exercising Investor shall, subject to the provisions of this Article 8.4(d), have an additional option to purchase all or any part of the balance of any such remaining unsubscribed Transfer Shares on the terms and conditions set forth in the Proposed Transfer Notice. To exercise such option, an Exercising Investor must deliver an Undersubscription Notice to the selling Key Holder and the Company within ten (10) days after the expiration of the Investor Notice Period. In the event two (2) or more such Exercising Investors choose to exercise such option for a total number of remaining Transfer Shares in excess of the number available, the remaining Transfer Shares available for purchase under this Article 8.4(d) shall be allocated to such Exercising Investors pro rata based on the number of Transfer Shares such Exercising Investors have elected to purchase pursuant to the Secondary Refusal Right (without giving effect to any Transfer Shares that any such Exercising Investor has elected to purchase pursuant to the Company Undersubscription Notice). If the options to purchase the remaining Transfer Shares are exercised in full by the Exercising Investors, the Company shall immediately notify all of the Exercising Investors and the selling Key Holder of that fact.

(e) Notwithstanding the foregoing, if the total number of Transfer Shares that the Company and the Initial Investors have agreed to purchase in the Company Notice, Investor Notices and Undersubscription Notices is less than the total number of Transfer Shares, then the Company and the Initial Investors shall be deemed to have forfeited any right to purchase such Transfer Shares, and the selling Key Holder shall be free to sell all, but not less than all, of the Transfer Shares to the Prospective Transferee on terms and conditions substantially similar to (and in no event more favourable than) the terms and conditions set forth in the Proposed Transfer Notice, it being understood and agreed that (i) any such sale or transfer shall be subject to the other terms and restrictions of this Article 8.4 and the ROFR Agreement, including the terms and restrictions set forth in Article 8.5, and Subsections 2.2 and 6.5(b) of the ROFR Agreement; (ii) any future Proposed Key Holder Transfer shall remain subject to the terms and conditions of Articles 8.4 through 8.6 and the ROFR Agreement, including Section 2 of the ROFR Agreement; and (iii) such sale shall be consummated within forty-five (45) days after receipt of the Proposed Transfer Notice by the Company and, if such sale is not consummated within such forty-five (45) day period, such sale shall again become subject to the Right of First Refusal and Secondary Refusal Right on the terms set forth herein.

(f) If the consideration proposed to be paid for the Transfer Shares is in property, services or other non-cash consideration, the fair market value of the consideration shall be as determined in good faith by the board of Directors and as set forth in the Company Notice. If the Company or any Initial Investor cannot for any reason pay for the Transfer Shares in the same form of non-cash consideration, the Company or such Initial Investor may pay the cash value equivalent thereof, as determined in good faith by the board of Directors and as set forth in the Company Notice. The closing of the purchase of Transfer Shares by the Company and the Initial Investors shall take place, and all payments from the Company and the Initial Investors shall have been delivered to the selling Key Holder, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Key Holder Transfer; and (ii) forty-five (45) days after delivery of the Proposed Transfer Notice.

8.5 Right of Co-Sale.

(a) If any Transfer Shares subject to a Proposed Key Holder Transfer are not purchased pursuant to Article 8.4 above and thereafter are to be sold to a Prospective Transferee, each respective Initial Investor and Additional Investor may elect to exercise its Right of Co-Sale and participate on a pro rata basis in the Proposed Key Holder Transfer as set forth in Article 8.5(b) below and, subject to Article 8.5(d), otherwise on the same terms and conditions specified in the Proposed Transfer Notice. Each Initial Investor and Additional Investor who desires to exercise its Right of Co-Sale (each, a " **Participating Investor** ") must give the selling Key Holder written notice to that effect within fifteen (15) days after the deadline for delivery of the Secondary Notice described above, and upon giving such notice such Participating Investor shall be deemed to have effectively exercised the Right of Co-Sale.

(b) Each Participating Investor may include in the Proposed Key Holder Transfer all or any part of such Participating Investor's Capital Shares equal to the product obtained by multiplying (i) the aggregate number of Transfer Shares subject to the Proposed Key Holder Transfer by (ii) a fraction, the numerator of which is the number of Capital Shares owned by such Participating Investor immediately before consummation of the Proposed Key Holder Transfer and the denominator of which is the total number of Capital Shares owned, in the aggregate, by all Participating Investors immediately prior to the consummation of the Proposed Key Holder Transfer, plus the number of Transfer Shares held by the selling Key Holder. To the extent one (1) or more of the Participating Investors exercise such right of participation in accordance with the terms and conditions set forth herein, the number of Transfer Shares that the selling Key Holder may sell in the Proposed Key Holder Transfer shall be correspondingly reduced.

(c) The Participating Investors and the selling Key Holder agree that the terms and conditions of any Proposed Key Holder Transfer in accordance with Article 8.5 will be memorialized in, and governed by, a written purchase and sale agreement with the Prospective Transferee (the " **Purchase and Sale Agreement** ") with customary terms and provisions for such a transaction, and the Participating Investors and the selling Key Holder further covenant and agree to enter into such Purchase and Sale Agreement as a condition precedent to any sale or other transfer in accordance with this Article 8.5.

(d) Allocation of Consideration.

(i) Subject to Article 8.5(d)(ii), the aggregate consideration payable to the Participating Investors and the selling Key Holder shall be allocated based on the number of Capital Shares sold to the Prospective Transferee by each Participating Investor and the selling Key Holder as provided in Article 8.5(b), provided that if a Participating Investor wishes to sell its Preferred Shares, the price set forth in the Proposed Transfer Notice shall be appropriately adjusted based on the then-effective conversion ratio of such Preferred Shares into Ordinary Shares.

(ii) In the event that the Proposed Key Holder Transfer constitutes a Change of Control, the terms of the Purchase and Sale Agreement shall provide that the aggregate consideration from such transfer shall be allocated to the Participating Investors and the selling Key Holder in accordance with Articles 4.2(a) and (b) as if (A) such transfer were a Deemed Liquidation Event, and (B) the Capital Shares sold in accordance with the Purchase and Sale Agreement were the only Capital Shares outstanding.

(e) Notwithstanding Article 8.5(c) above, if any Prospective Transferee or Transferees refuse(s) to purchase securities subject to the Right of Co-Sale from any Participating Investor(s) or upon the failure to negotiate in good faith a Purchase and Sale Agreement reasonably satisfactory to the Participating Investors, no Key Holder may sell any Transfer Shares to such Prospective Transferee or Transferees unless and until, simultaneously with such sale, such Key Holder purchases all securities subject to the Right of Co-Sale from such Participating Investor(s) on the same terms and conditions (including the proposed purchase price) as set forth in the Proposed Transfer Notice

and as provided in Article 8.5(d)(i); provided , however, if such sale constitutes a Change of Control, the portion of the aggregate consideration paid by the selling Key Holder to such Participating Investor(s) shall be made in accordance with Article 8.5(d)(ii). In connection with such purchase by the selling Key Holder, such Participating Investor(s) shall deliver to the selling Key Holder any share certificate or certificates, properly endorsed for transfer, representing the Capital Shares being purchased by the selling Key Holder (or request that the Company effect such transfer in the name of the selling Key Holder). Any such shares transferred to the selling Key Holder will be transferred to the Prospective Transferee against payment therefor in consummation of the sale of the Transfer Shares pursuant to the terms and conditions specified in the Proposed Transfer Notice, and the selling Key Holder shall concurrently therewith remit or direct payment to each such Participating Investor the portion of the aggregate consideration to which each such Participating Investor is entitled by reason of its participation in such sale as provided in this Article 8.5(e).

(f) If any Proposed Key Holder Transfer is not consummated within forty-five (45) days after receipt of the Proposed Transfer Notice by the Company, the Key Holders proposing the Proposed Key Holder Transfer may not sell any Transfer Shares unless they first comply in full with each provision of Articles 8.4 through 8.6. The exercise or election not to exercise any right by any Initial Investor or Additional Investor hereunder shall not adversely affect its right to participate in any other sales of Transfer Shares subject to this Article 8.5.

8.6 Effect of Failure to Comply.

(a) Any Proposed Key Holder Transfer not made in compliance with the requirements of this Article 8 and the ROFR Agreement shall be null and void ab initio, shall not be recorded on the books of the Company or its transfer agent and shall not be recognized by the Company.

(b) If any Key Holder becomes obligated to sell any Transfer Shares to the Company or any Initial Investor under Articles 8.4 or 8.5 of the ROFR Agreement and fails to deliver such Transfer Shares in accordance with the terms of Articles 8.4 or 8.5 or the ROFR Agreement, the Company and/or such Initial Investor may, at its option, in addition to all other remedies it may have, send to such Key Holder the purchase price for such Transfer Shares as is herein specified and transfer to the name of the Company or such Initial Investor (or request that the Company effect such transfer in the name of an Initial Investor) on the Company's books any certificates, instruments, or book entry representing the Transfer Shares to be sold.

(c) If any Key Holder purports to sell any Transfer Shares in contravention of the Right of Co-Sale (a " **Prohibited Transfer** "), each Initial Investor or Additional Investor who desires to exercise its Right of Co-Sale under Article 8.5 may, in addition to such remedies as may be available by law, in equity or hereunder, require such Key Holder to purchase from such Initial Investor or Additional Investor the type and number of Capital Shares that such Initial Investor or Additional Investor would have been entitled to sell to the Prospective Transferee had the Prohibited Transfer been effected in compliance with the terms of Article 8.5. The sale will be made on the same terms, including, without limitation, as provided in Article 8.5(d)(i) and Article 8.5(d)(ii), as applicable, and subject to the same conditions as would have applied had the Key Holder not made the Prohibited Transfer, except that the sale (including, without limitation, the delivery of the purchase price) must be made within ninety (90) days after the Initial Investor or Additional Investor learns of the Prohibited Transfer, as opposed to the timeframe proscribed in Article 8.5. Such Key Holder shall also reimburse each Initial Investor and Additional Investor for any and all reasonable and documented out-of-pocket fees and expenses, including reasonable legal fees and expenses, incurred pursuant to the exercise or the attempted exercise of the Initial Investor or Additional Investor's rights under Article 8.5.

8.7 Exempt Transfers .

(a) Notwithstanding the foregoing or anything to the contrary herein, the provisions of Articles 8.4 and 8.5 shall not apply (i) to a repurchase of Transfer Shares from a Key

Holder by the Company at a price no greater than that originally paid by such Key Holder for such Transfer Shares and pursuant to an agreement containing vesting and/or repurchase provisions approved by a majority of the board of Directors, (ii) to a pledge of Transfer Shares that creates a mere security interest in the pledged Transfer Shares; provided that the pledgee thereof agrees in writing in advance to be bound by and comply with all applicable provisions of Articles 8.4 through 8.6 and the ROFR Agreement to the same extent as if it were the Key Holder making such pledge, or (iii) upon a transfer of Transfer Shares by such Key Holder made for bona fide estate planning purposes, either during his or her lifetime or on death by will or intestacy to his or her spouse, child (natural or adopted), or any other direct lineal descendant of such Key Holder (or his or her spouse) (all of the foregoing collectively referred to as "family members"), or any other person approved by unanimous consent of the Board of Directors of the Company, or any custodian or trustee of any trust, partnership or limited liability company for the benefit of, or the ownership interests of which are owned wholly by such Key Holder or any such family members; provided that in each case of clause(s) (i), (ii), or (iii), the Key Holder shall deliver prior written notice to the Initial Investors and Additional Investors of such pledge, gift or transfer and such Transfer Shares shall at all times remain subject to the terms and restrictions set forth in Articles 8.4 through 8.6 and the ROFR Agreement and such transferee shall, as a condition to such issuance, deliver a counterpart signature page to the ROFR Agreement as confirmation that such transferee shall be bound by all the terms and conditions of the ROFR Agreement as a Key Holder (but only with respect to the securities so transferred to the transferee), including the obligations of a Key Holder with respect to Proposed Key Holder Transfers of such Transfer Shares pursuant to Articles 8.4 through 8.6 and the ROFR Agreement; and provided further in the case of any transfer pursuant to clause (iii) above, that such transfer is made pursuant to a transaction in which there is no consideration actually paid for such transfer.

(b) Notwithstanding the foregoing or anything to the contrary herein, the provisions of Articles 8.4 through 8.6 shall not apply to the sale of any Transfer Shares (i) to the public in an offering pursuant to an effective registration statement or its equivalent under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, or other Applicable Securities Law; or (ii) pursuant to a Deemed Liquidation Event.

(c) Notwithstanding the foregoing, no Key Holder shall transfer any Transfer Shares to (i) any entity that, in the determination of the board of Directors, directly or indirectly competes with the Company; or (ii) any customer, distributor or supplier of the Company, if the board of Directors should determine that such transfer would result in such customer, distributor or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor or supplier.

8.8 Notwithstanding the foregoing, Merck shall have the right of first offer as contemplated under the Securityholders' Agreement. For the avoidance of doubt, such right shall expire on February 2, 2016 at the latest.

9 Redemption and Repurchase of Shares

9.1 Subject to the provisions of the Law, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the Member or the Company. The redemption of such Shares shall be effected in accordance with these Articles or in such manner as the Company may, by Special Resolution, determine before the issue of the Shares.

9.2 Subject to the provisions of the Law and compliance with Articles 8.4 through 8.6 and the ROFR Agreement, the Company may purchase its own Shares (including any redeemable Shares), provided that the Directors shall have approved the manner of purchase.

9.3 The Company may make a payment in respect of the redemption or purchase of its own Shares in any manner permitted by the Law, including out of capital.

9.4 Notwithstanding the foregoing Articles, the Company may purchase its own Shares

(including any redeemable Shares) in accordance with the terms of any subscription agreement (" **Subscription Agreement** ") received by the Company from a subscriber for Shares, provided that the purchase price for the Shares will not in any event be greater than the fair market value of the Shares determined in accordance with the terms of the relevant Subscription Agreement.

10 Variation of Rights of Shares

10.1 Subject to the Law and these Articles, all or any of the rights attached to any class of Shares in issue (unless otherwise determined by the terms of issue of those Shares) may (whether or not the Company is being wound up) be varied without the consent of the holders of the issued Shares of that class where such variation is considered by the Directors to have no or only an immaterial adverse effect on such rights attached to any class of Shares in issue; otherwise, any such variation shall be made only with the consent in writing of the holders of not less than (i) with respect to the Series A Preferred Shares, 78.91% of the issued Series A Preferred Shares, (ii) with respect to the Series A-2 Preferred Shares, 83.05% of the issued Series A-2 Preferred Shares or (iii) with respect to any other class of Shares, two thirds of the issued Shares of that class, or with the sanction of a resolution passed by a majority of not less than two thirds of the votes cast at a separate meeting of the holders of the Shares of that class. For the avoidance of doubt, the Directors reserve the right, notwithstanding that any such variation may have only an immaterial adverse effect, to obtain consent from the holders of Shares of the relevant class. To any such meeting all the provisions of these Articles relating to general meetings shall apply *mutatis mutandis,* except that the necessary quorum shall be one person holding or representing by proxy at least one third of the issued Shares of the class and that any holder of Shares of the class present in person or by proxy may demand a poll. For the purposes of a separate class meeting, the Directors may treat two or more or all the classes of Shares as forming one class of Shares if the Directors consider that such class of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

10.2 The rights conferred upon the holders of the Shares of any class shall not be deemed to be varied by the creation or issue of Preferred Shares.

11 Commission on Sale of Shares

11.1 The Company may, in so far as the Law permits, pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any Shares. Such commissions may be

satisfied by the payment of cash and/or the issue of fully or partly paid-up Shares. The Company may also on any issue of Shares pay such brokerage as may be lawful.

12 Non Recognition of Trusts

12.1 The Company shall not be bound by or compelled to recognise in any way (even when notified) any equitable, contingent, future or partial interest in any Share, or (except only as is otherwise provided by these Articles or the Law) any other rights in respect of any Share other than an absolute right to the entirety thereof in the holder.

13 Call on Shares

13.1 Subject to the terms of the allotment and issue of any Shares, the Directors may make calls upon the Members in respect of any monies unpaid on their Shares (whether in respect of par value or premium), and each Member shall (subject to receiving at least fourteen clear days' notice specifying the time or times of payment) pay to the Company at the time or times so specified the amount called on the Shares. A call may be revoked or postponed, in whole or in part, as the Directors may determine. A call may be required to be paid by instalments. A person upon whom a call is made shall remain liable for calls

made upon him notwithstanding the subsequent transfer of the Shares in respect of which the call was made.

13.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising such call was passed.

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

13.4 If a call remains unpaid after it has become due and payable, the person from whom it is due shall pay interest on the amount unpaid from the day it became due and payable until it is paid at such rate as the Directors may determine (and in addition all expenses that have been incurred by the Company by reason of such non-payment), but the Directors may waive payment of the interest or expenses wholly or in part.

13.5 An amount payable in respect of a Share on issue or allotment or at any fixed date, whether on account of the par value of the Share or premium or otherwise, shall be deemed to be a call and if it is not paid all the provisions of these Articles shall apply as if that amount had become due and payable by virtue of a call.

13.6 The Directors may issue Shares with different terms as to the amount and times of payment of calls, or the interest to be paid.

13.7 The Directors may, if they think fit, receive an amount from any Member willing to advance all or any part of the monies uncalled and unpaid upon any Shares held by him, and may (until the amount would otherwise become payable) pay interest at such rate as may be agreed upon between the Directors and the Member paying such amount in advance.

13.8 No such amount paid in advance of calls shall entitle the Member paying such amount to any portion of a Dividend or other distribution payable in respect of any period prior to the date upon which such amount would, but for such payment, become payable.

14 Forfeiture of Shares

14.1 If a call or instalment of a call remains unpaid after it has become due and payable the Directors may give to the person from whom it is due not less than fourteen clear days' notice requiring payment of the amount unpaid together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. The notice shall specify where payment is to be made and shall state that if the notice is not complied with the Shares in respect of which the call was made will be liable to be forfeited.

14.2 If the notice is not complied with, any Share in respect of which it was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Directors. Such forfeiture shall include all Dividends, other distributions or other monies payable in respect of the forfeited Share and not paid before the forfeiture.

14.3 A forfeited Share may be sold, re-allotted or otherwise disposed of on such terms and in such manner as the Directors think fit and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Directors think fit. Where for the purposes of its disposal a forfeited Share is to be transferred to any person the Directors may authorise some person to execute an instrument of transfer of the Share in favour of that person.

14.4 A person any of whose Shares have been forfeited shall cease to be a Member in respect of them and shall surrender to the Company for cancellation the certificate for the Shares forfeited and shall remain liable to pay to the Company all monies which at the date of forfeiture were payable by him to the Company in respect of those Shares together with interest at such rate as the Directors may determine, but his liability shall cease if and when the Company shall have received payment in full of all monies due and payable by him in respect of those Shares.

14.5 A certificate in writing under the hand of one Director or officer of the Company that a

Share has been forfeited on a specified date shall be conclusive evidence of the facts stated in it as against all persons claiming to be entitled to the Share. The certificate shall (subject to the execution of an instrument of transfer) constitute a good title to the Share and the person to whom the Share is sold or otherwise disposed of shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.

14.6 The provisions of these Articles as to forfeiture shall apply in the case of non payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the par value of the Share or by way of premium as if it had been payable by virtue of a call duly made and notified.

15 Transmission of Shares

15.1 If a Member dies the survivor or survivors (where he was a joint holder) or his legal personal representatives (where he was a sole holder), shall be the only persons recognised by the Company as having any title to his Shares. The estate of a deceased Member is not thereby released from any liability in respect of any Share, for which he was a joint or sole holder.

15.2 Any person becoming entitled to a Share in consequence of the death or bankruptcy or liquidation or dissolution of a Member (or in any other way than by transfer) may, upon such evidence being produced as may be required by the Directors, elect, by a notice in writing sent by him to the Company, either to become the holder of such Share or to have some person nominated by him registered as the holder of such Share. If he elects to have another person registered as the holder of such Share he shall sign an instrument of transfer of that Share to that person. The Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution, as the case may be.

15.3 A person becoming entitled to a Share by reason of the death or bankruptcy or liquidation or dissolution of a Member (or in any other case than by transfer) shall be entitled to the same Dividends, other distributions and other advantages to which he would be entitled if he were the holder of such Share. However, he shall not, before becoming a Member in respect of a Share, be entitled in respect of it to exercise any right conferred by membership in relation to general meetings of the Company and the Directors may at any time give notice requiring any such person to elect either to be registered himself or to have some person nominated by him be registered as the holder of the Share (but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the Share by the relevant Member before his death or bankruptcy or liquidation or dissolution or any other case than by transfer, as the case may be). If the notice is not complied with within ninety days of being received or deemed to be received (as determined pursuant to these Articles) the Directors may thereafter withhold payment of all Dividends, other distributions, bonuses or other monies payable in respect of the Share until the requirements of the notice have been complied with.

16 Amendments of Memorandum and Articles of Association and Alteration of Capital

16.1 Subject to compliance with Articles 3.2, 3.3, 4.4 and 29.10, the Company may by Ordinary Resolution:

(a) increase its share capital by such sum as the Ordinary Resolution shall prescribe, upon the approval of the board of Directors, and with such rights, priorities and privileges annexed thereto, as the Company in general meeting may determine;

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

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

paid-up Shares of any denomination;

(d) by subdivision of its existing Shares or any of them divide the whole or any part of its share capital into Shares of smaller amount than is fixed by the Memorandum or into Shares without par value; and

(e) cancel any Shares that at the date of the passing of the Ordinary Resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

16.2 All new Shares created in accordance with the provisions of the preceding Article shall be subject to the same provisions of these Articles with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the Shares in the original share capital.

16.3 Subject to the provisions of the Law, compliance with Articles 3.2, 3.3, 4.4 and 29.10, and the provisions of these Articles as regards the matters to be dealt with by Ordinary Resolution, the Company may by Special Resolution:

(a) change its name;

(b) alter or add to these Articles;

(c) alter or add to the Memorandum with respect to any objects, powers or other matters specified therein; and

(d) reduce its share capital or any capital redemption reserve fund.

17 Offices and Places of Business

Subject to the provisions of the Law, the Company may by resolution of the Directors change the location of its Registered Office. The Company may, in addition to its Registered Office, maintain such other offices or places of business as the Directors determine.

18 General Meetings

18.1 All general meetings other than annual general meetings shall be called extraordinary general meetings.

18.2 The Company may, but shall not (unless required by the Law) be obliged to, in each year hold a general meeting as its annual general meeting, and shall specify the meeting as such in the notices calling it. Any annual general meeting shall be held at such time and place as the Directors shall appoint and if no other time and place is prescribed by them, it shall be held at the Registered Office on the second Wednesday in December of each year at ten o'clock in the morning. At these meetings the report of the Directors (if any) shall be presented.

18.3 The Directors may call general meetings, and they shall on a Members' requisition forthwith proceed to convene an extraordinary general meeting of the Company.

18.4 A Members' requisition is a requisition of Members holding at the date of deposit of the requisition not less than ten per cent, in par value of the issued Shares which as at that date carry the right to vote at general meetings of the Company.

18.5 The Members' requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Registered Office, and may consist of several documents in like form each signed by one or more requisitionists.

18.6 If there are no Directors as at the date of the deposit of the Members' requisition or if the Directors do not within twenty-one days from the date of the deposit of the Members' requisition duly proceed to convene a general meeting to be held within a further twenty-

one days, the requisitionists, or any of them representing more than one-half of the total voting rights of all of the requisitionists, may themselves convene a general meeting, but any meeting so convened shall be held no later than the day which falls three months after the expiration of the said twenty-one day period.

18.7 A general meeting convened as aforesaid by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by Directors.

19 Notice of General Meetings

19.1 At least five clear days' notice shall be given of any general meeting. Every notice shall specify the place, the day and the hour of the meeting and the general nature of the business to be conducted at the general meeting and shall be given in the manner hereinafter mentioned or in such other manner if any as may be prescribed by the Company, provided that a general meeting of the Company shall, whether or not the notice specified in this Article has been given and whether or not the provisions of these Articles regarding general meetings have been complied with, be deemed to have been duly convened if it is so agreed:

(a) in the case of an annual general meeting, by all of the Members entitled to attend and vote thereat; and

(b) in the case of an extraordinary general meeting, by a majority in number of the Members having a right to attend and vote at the meeting, together holding not less than ninety per cent (90%), in par value of the Shares giving that right.

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

20 Proceedings at General Meetings

20.1 No business shall be transacted at any general meeting unless a quorum is present. The presence of the holders of at least fifty-one percent (51%) of the votes represented by all the Ordinary Shares then entitled to vote at such general meeting of Members (calculated on an as-converted basis) shall be required in order to constitute a quorum.

20.2 A person may participate at a general meeting by conference telephone or other communications equipment by means of which all the persons participating in the meeting can communicate with each other. Participation by a person in a general meeting in this manner is treated as presence in person at that meeting.

20.3 A resolution (including a Special Resolution) in writing (in one or more counterparts) signed by or on behalf of the Members having the requisite votes to pass such resolution for the time being entitled to receive notice of and to attend and vote at general meetings (or, being corporations or other non-natural persons, signed by their duly authorised representatives) shall be as valid and effective as if the resolution had been passed at a general meeting of the Company duly convened and held.

20.4 If a quorum is not present within half an hour from the time appointed for the meeting to commence or if during such a meeting a quorum ceases to be present, the meeting, if convened upon a Members' requisition, shall be dissolved and in any other case it shall stand adjourned to the same day in the next week at the same time and/or place or to such other day, time and/or place as the Directors may determine, and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting to commence, the Members present shall be a quorum.

20.5 The Directors may, at any time prior to the time appointed for the meeting to commence, appoint any person to act as chairman of a general meeting of the Company or, if the Directors do not make any such appointment, the chairman, if any, of the board of Directors shall preside as chairman at such general meeting. If there is no such chairman, or if he shall not be present within fifteen minutes after the time appointed for the meeting

to commence, or is unwilling to act, the Directors present shall elect one of their number to be chairman of the meeting.

20.6 If no Director is willing to act as chairman or if no Director is present within fifteen minutes after the time appointed for the meeting to commence, the Members present shall choose one of them to be chairman of the meeting.

20.7 The chairman may, with the consent of a meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

20.8 When a general meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Otherwise it shall not be necessary to give any such notice of an adjourned meeting.

20.9 A resolution put to the vote of the meeting shall be decided on a poll.

20.10 Except on a poll on the election of a chairman or on a question of adjournment, a poll shall be taken as the chairman directs, and the result of the poll shall be deemed to be the resolution of the general meeting at which the poll was demanded.

20.11 A poll on the election of a chairman or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken at such date, time and place as the chairman of the general meeting directs, and any business other than that upon which a poll is contingent thereon may proceed pending the taking of the poll.

20.12 In the case of an equality of votes, the chairman shall be entitled to a second or casting vote.

21 Votes of Members

21.1 Except as otherwise required by Law or as set forth in these Articles, (a) the holder of any Ordinary Shares issued and outstanding shall have one vote for each Ordinary Share held by such holder, (b) the holder of each Preferred Share shall vote along with the holders of Ordinary Shares on all matters of the Company and shall be entitled to the number of votes equal to the number of Ordinary Shares into which such Preferred Share could be converted at the record date for determination of the Members entitled to vote on such matters (which record date shall not be earlier than five clear days prior to the date such vote is taken or any written consent of Members is solicited), or, if no such record date is established, at the date such vote is taken or any written consent of Members is solicited, such votes to be counted together with all other Shares of the Company having general voting power and as a class except as (a) provided under Article 3 or (b) as required by Law, and (c) all holders of Preferred Shares shall vote together as a single class.

21.2 In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy (or, in the case of a corporation or other non-natural person, by its duly authorised representative or proxy), shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the Register of Members.

21.3 A Member of unsound mind, or in respect of whom an order has been made by any court, having jurisdiction in lunacy, may vote by his committee, receiver, curator bonis, or other person on such Member's behalf appointed by that court, and any such committee, receiver, curator bonis or other person may vote by proxy.

21.4 No person shall be entitled to vote at any general meeting unless he is registered as a Member on the record date for such meeting nor unless all calls or other monies then payable by him in respect of Shares have been paid.

21.5 No objection shall be raised as to the qualification of any voter except at the general meeting or adjourned general meeting at which the vote objected to is given or tendered and every vote not disallowed at the meeting shall be valid. Any objection made in due time in accordance with this Article shall be referred to the chairman whose decision shall

be final and conclusive.

21.6 Votes may be cast either personally or by proxy (or in the case of a corporation or other non-natural person by its duly authorised representative or proxy). A Member may appoint more than one proxy or the same proxy under one or more instruments to attend and vote at a meeting. Where a Member appoints more than one proxy the instrument of proxy shall specify the number of Shares in respect of which each proxy is entitled to exercise the related votes.

21.7 On a poll, a Member holding more than one Share need not cast the votes in respect of his Shares in the same way on any resolution and therefore may vote a Share or some or all such Shares either for or against a resolution and/or abstain from voting a Share or some or all of the Shares and, subject to the terms of the instrument appointing him, a proxy appointed under one or more instruments may vote a Share or some or all of the Shares in respect of which he is appointed either for or against a resolution and/or abstain from voting a Share or some or all of the Shares in respect of which he is appointed.

22 Proxies

22.1 The instrument appointing a proxy shall be in writing and shall be executed under the hand of the appointor or of his attorney duly authorised in writing, or, if the appointor is a corporation or other non-natural person, under the hand of its duly authorised representative. A proxy need not be a Member.

22.2 The Directors may, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be deposited and the place and the time (being not later than the time appointed for the commencement of the meeting or adjourned meeting to which the proxy relates) at which the instrument appointing a proxy shall be deposited. In the absence of any such direction from the Directors in the notice convening any meeting or adjourned meeting or in an instrument of proxy sent out by the Company, the instrument appointing a proxy shall be deposited physically at the Registered Office not less than 48 hours before the time appointed for the meeting or adjourned meeting to commence at which the person named in the instrument proposes to vote.

22.3 The chairman may in any event at his discretion declare that an instrument of proxy shall be deemed to have been duly deposited. An instrument of proxy that is not deposited in the manner permitted, or which has not been declared to have been duly deposited by the chairman, shall be invalid.

22.4 The instrument appointing a proxy may be in any usual or common form (or such other form as the Directors may approve) and may be expressed to be for a particular meeting or any adjournment thereof or generally until revoked. An instrument appointing a proxy shall be deemed to include the power to demand or join or concur in demanding a poll.

22.5 Votes given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given unless notice in writing of such death, insanity, revocation or transfer was received by the Company at the Registered Office before the commencement of the general meeting, or adjourned meeting at which it is sought to use the proxy.

23 Corporate Members

Any corporation or other non-natural person which is a Member may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of Members, and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as the corporation could exercise if it were an individual Member.

24 Shares that May Not be Voted

Shares in the Company that are beneficially owned by the Company shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding Shares at any given time.

25 Directors

25.1 The size of the board of Directors shall be set at not more than eleven (11) directors (exclusive of alternate Directors).

25.2 Subject to compliance with Articles 3.2 and 3.3, the Company may by Ordinary Resolution increase or reduce the limits in the number of Directors.

26 Powers of Directors

26.1 Subject to the provisions of the Law, the Memorandum and these Articles and to any directions given by Special Resolution, the business of the Company shall be managed by the Directors who may exercise all the powers of the Company. No alteration of the Memorandum or Articles and no such direction shall invalidate any prior act of the Directors which would have been valid if that alteration had not been made or that direction had not been given. A duly convened meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

26.2 All cheques, promissory notes, drafts, bills of exchange and other negotiable or transferable instruments and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed as the case may be in such manner as the Directors shall determine by resolution.

26.3 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

26.4 The Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock, mortgages, bonds and other such securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

27 Appointment and Removal of Directors

27.1 The Company may by Ordinary Resolution appoint any person to be a Director or may by Ordinary Resolution remove any Director in accordance with the terms of this Article 27. The board of Directors shall consist of:

(a) Two individuals mutually agreed on and designated by John V. Oyler and Xiaodong Wang (the " **Founders** "), one of which shall initially be Donald Glazer and the other of which's seat shall initially be vacant, for so long as the Founders continue to hold at least 13.71% of the total Capital Shares of the Company.

(b) Two individuals designated by John V. Oyler, one of which shall initially be John V. Oyler and the other of which's seat shall initially be vacant, for so long as John V. Oyler continues to hold at least 11.34% of the total Capital Shares of the Company.

(c) Two individuals designated by one of the funds advised by the Lead Investors, which individuals shall initially be Ranjeev Krishana and Michael Goller, for so long as the Lead Investors and their Affiliates continue to hold at least 11.37% of the total Capital Shares of the Company.

(d) One individual designated by Hillhouse and acceptable to the Founders and Lead

Investors , which individual shall initially be Qingqing Yi, for so long as Hillhouse and its Affiliates continue to hold at least 4.33% of the total Capital Shares of the Company.

(e) One individual designated by CITIC PE and acceptable to the Founders and Lead Investors, which individual shall initially be Ke Tang, for so long as CITIC PE and its Affiliates continue to hold at least 2.77% of the total Capital Shares of the Company.

(f) One individual designated by Merck, which individual shall initially be Ji Li, for so long as Merck and its Affiliates continue to hold at least 50% (or 9,259,260 shares) of Series A Preferred Shares they hold as of April 20, 2015 or Ordinary Shares issued upon conversion of such Series A Preferred Shares of the Company.

(g) One individual not otherwise an Affiliate (as defined below) of the Company or of any Investor who is an industry leader or a Chinese investor and is designated by the Founders and acceptable to the Lead Investors, for so long as the Founders continue to hold at least 13.71% of the total Capital Shares of the Company.

(h) One individual not otherwise an Affiliate of the Company or of any Investor who has significant relevant pharmaceutical/biotechnology experience and is designated by the Lead Investors, for so long as the Lead Investors and their Affiliates continue to hold at least 11.37% of the total Capital Shares of the Company.

27.2 To the extent the requirements of designation in any of Articles 27.1(a) through (h) above cease to be satisfied, the member of the board of Directors who would otherwise have been designated in accordance with the terms of that clause shall instead be elected by all the Members entitled to vote in the election of directors in accordance with these Articles.

27.3 In the absence of any designation from the persons or groups with the right to designate a Director as specified above, the Director previously designated by them and then serving shall be reelected if still eligible to serve as provided herein.

27.4 Subject to and in compliance with the terms of this Article 27, the Directors may appoint any person to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number fixed by or in accordance with these Articles as the maximum number of Directors.

27.5 Notwithstanding the appointment of the Investor Directors, subject to all applicable laws including Applicable Securities Laws, the Initial Investors, and their respective Affiliates (including investment funds, persons or accounts under their respective management) (" **Connected Persons** "), shall forever be entitled to, directly or indirectly:

(a) acquire, dispose of, transfer, enter into any derivative or similar transaction, or otherwise enter into a contract in respect of the Capital Shares and other securities of the Company or any other company or Person (including, without limitation, shares and other securities of a publicly listed company and/or of a company that competes, directly or indirectly, with the Company);

(b) enter into any agreement, arrangement or understanding with, or otherwise acquire, hold or dispose of shares or securities in, any business which is of the same or similar type to all, or any part of, the business carried on by the Company or any of its Subsidiaries from time to time; and/or

(c) refer a business or investment or other corporate opportunity of any nature or potential transaction (the " **Corporate Opportunity** ") to any Person or entity whatsoever (whether or not having any affiliation to the Company), including, without limitation, to a Connected Person and/or to participate directly or indirectly in any such Corporate Opportunity, except for a Corporate Opportunity that is expressly directed or offered to an Investor Director in his capacity as a director of the Company (the " **Company Opportunity** "). Provided that a Company Opportunity is referred to the Company on a

first refusal basis by an Investor Director, the Company acknowledges and agrees that such Investor Director shall have acted in good faith and in a manner such person reasonably believes to be in or not opposed to the best interests of the Company, and such Investor Director shall not be in breach of any fiduciary duty or duty of confidentiality for referring a Company Opportunity to any Person (including, without limitation, to any of the Initial Investors, or any of their respective Connected Persons). Any Company Opportunity not pursued by the Company may be referred to any other Person or entity (including, without limitation, to any of the Initial Investors, or any of their respective Connected Persons) by such Investor Director, and the Company renounces and waives any interest or expectancy in such Company Opportunity.

27.6 The rights set forth in Articles 27.1-27.3 and 27.5 shall terminate upon the termination of the Voting Agreement.

27.7 Observer Rights.

(a) As long as Merck is entitled to designate a director pursuant to Article 27.1(f), Merck shall have the right to designate one individual (the " **Merck Observer** ") to receive notice of and to attend all meetings of the board of Directors of the Company and all other Group Companies, provided that any such Merck Observer may be excluded from any portion or all of any meeting of the board if, in the reasonable judgment of the Company's outside counsel, such attendance could adversely affect attorney-client privilege or interfere with the fiduciary duties of the board.

(b) As long as the Lead Investors collectively own at least 5.69% of the Capital Shares then outstanding, the Company shall invite a representative of the Lead Investors to attend all meetings of its and any of its Key Subsidiaries' board of directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that (i) such representative shall agree to hold in confidence and trust all information so provided in accordance with Subsection 3.7 of the Investors' Rights Agreement as if such representative were a "Holder"; and (ii) the Company reserves the right to withhold any information or to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such meeting would (i) as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege between the Company or any of its Key Subsidiaries and its counsel; provided that the Company or such Key Subsidiary, as applicable, shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege, or (ii) result in disclosure of trade secrets or a conflict of interest, or (y) if the representative of the Lead Investors is a Competitor. The information provided to the Lead Investors pursuant to this Article 27.7(b) shall not be required to be translated from its native language unless the Lead Investors so request and agree to bear all out-of-pocket costs for such translation.

(c) At the reasonable request of the Key Holders, the Company shall invite a representative of the Key Holders to attend all meetings of its and any of its Key Subsidiaries' board of directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that (i) such representative shall agree to hold in confidence and trust all information so provided in accordance with Subsection 3.7 of the Investors' Rights Agreement as if such representative were a "Holder"; and (ii) that the Company reserves the right to withhold any information or to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such

meeting would (i) as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege between the Company or any of its Key Subsidiaries and its counsel; provided that the Company or such Key Subsidiary, as applicable, shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege, or (ii) result in disclosure of trade secrets or a conflict of interest, or (y) if the representative of the Key Holders or their representative is a Competitor. The information provided to the Key Holders pursuant to this Article 27.7(c) shall not be required to be translated from its native language unless a Key Holders so requests and agrees to bear all out-of-pocket costs for such translation.

(d) The covenants set forth in Articles 27.7(a) through (c) shall terminate and be of no further force or effect (i) immediately before the consummation of the Qualified IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, or other Applicable Securities Laws, or (iii) upon a Deemed Liquidation Event, whichever event occurs first.

28 Vacation of Office of Director

28.1 The office of a Director shall be vacated if:

(a) the Director gives notice in writing to the Company that he resigns the office of Director; or

(b) the Director absents himself (for the avoidance of doubt, without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the board of Directors without special leave of absence from the Directors, and the Directors pass a resolution that he has by reason of such absence vacated office; or

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

(d) the Director is found to be or becomes of unsound mind; or

(e) upon the request of any person entitled to designate a Director as provided in Article 27 to remove such director.

28.2 No Director elected pursuant to Article 27 may be removed from office other than for cause unless (i) such removal is directed by the person entitled under Article 27 to designate that Director; or (ii) the person(s) originally entitled to designate such Director pursuant to Article 27 is no longer so entitled to designate

such Director.

28.3 Any vacancies created by the resignation, removal or death of a Director elected pursuant to Article 27 shall be filled pursuant to the provisions of this Article 28.

29 Proceedings of Directors

29.1 The quorum for the transaction of the business of the Directors may be fixed by the Directors, and unless so fixed shall be a simple majority of the Directors then in office. A person who holds office as an alternate Director shall, if his appointor is not present, be counted in the quorum. A Director who also acts as an alternate Director shall, if his appointor is not present, count twice towards the quorum.

29.2 Subject to the provisions of these Articles, the Directors may regulate their proceedings as they think fit; provided that the board of Directors meets at least quarterly in accordance

with an agreed-upon schedule to review , among other things, the Company's performance of the previous fiscal quarter and to decide on matters customarily requiring board approval. Subject to the provisions of these Articles, questions arising at any meeting shall be decided by a majority of votes. In the case of an equality of votes, the chairman shall not have a second or casting vote. A Director who is also an alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote.

29.3 In each year, two (2) in-person meetings of the board of Directors will be held in the Cayman Islands and two (2) in-person meetings will be held in Hong Kong, and any other in-person meetings of the board of Directors will be held either in the Cayman Islands or Hong Kong, or in another location outside of the United States and The People's Republic of China. All meetings of the board of Directors shall be accessible and attendable via teleconference or videoconference, and a person may participate in a meeting of the Directors or committee of Directors by teleconference or videoconference or other communications equipment by means of which all the persons participating in the meeting can communicate with each other at the same time. Participation by a person in a meeting in this manner is treated as presence in person at that meeting. Unless otherwise determined by the Directors the meeting shall be deemed to be held at the place where the chairman is located at the start of the meeting.

29.4 A resolution in writing (in one or more counterparts) signed by all the Directors or all the members of a committee of the Directors or, in the case of a resolution in writing relating to the removal of any Director or the vacation of office by any Director, all of the Directors other than the Director who is the subject of such resolution (an alternate Director being entitled to sign such a resolution on behalf of his appointor and if such alternate Director is also a Director, being entitled to sign such resolution both on behalf of his appointer and in his capacity as a Director) shall be as valid and effectual as if it had been passed at a meeting of the Directors, or committee of Directors as the case may be, duly convened and held.

29.5 A Director or alternate Director may, or other officer of the Company on the direction of a Director or alternate Director shall, call a meeting of the Directors by at least two days' notice in writing to every Director and alternate Director which notice shall set forth the general nature of the business to be considered unless notice is waived by all the Directors (or their alternates) either at, before or after the meeting is held. To any such notice of a meeting of the Directors all the provisions of these Articles relating to the giving of notices by the Company to the Members shall apply *mutatis mutandis* .

29.6 The continuing Directors (or a sole continuing Director, as the case may be) may act notwithstanding any vacancy in their body, but if and so long as their number is reduced below the number fixed by or pursuant to these Articles as the necessary quorum of Directors the continuing Directors or Director may act for the purpose of increasing the number of Directors to be equal to such fixed number, or of summoning a general meeting of the Company, but for no other purpose.

29.7 The Directors may elect a chairman of their board and determine the period for which he is to hold office, but if no such chairman is elected, or if at any meeting the chairman is not present within five minutes after the time appointed for the meeting to commence, the Directors present may choose one of their number to be chairman of the meeting.

29.8 All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.

29.9 A Director but not an alternate Director may be represented at any meetings of the board of Directors by a proxy appointed in writing by him. The proxy shall count towards the quorum and the vote of the proxy shall for all purposes be deemed to be that of the appointing Director.

29.10 Notwithstanding anything in these Articles to the contrary, (a) so long as the Lead Investors are entitled to designate a Director pursuant to Article 27, the Company shall not, and shall procure each of the Key Subsidiaries not to, approve any matter listed in the Schedule B to these Articles without the affirmative vote of both of the Directors designated by the Lead Investors (each a " **BBI Director Approval Matter** ") and (b) the Company shall not, and shall procure each of the Key Subsidiaries not to, approve any matter listed in the Schedule C to these Articles without the affirmative vote of a majority of the Directors (each a " **Board Approval Matter** ").

30 Presumption of Assent

A Director or alternate Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent from such action with the person acting as the chairman or secretary of the meeting before the adjournment thereof or shall forward such dissent by registered post to such person immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director or alternate Director who voted in favour of such action.

31 Directors' Interests

31.1 A Director or alternate Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms as to remuneration and otherwise as the Directors may determine.

31.2 A Director or alternate Director may act by himself or by, through or on behalf of his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director.

31.3 A Director or alternate Director may be or become a director or other officer of or otherwise interested in any company promoted by the Company or in which the Company may be interested as a shareholder, a contracting party or otherwise, and no such Director or alternate Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company.

31.4 No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding office or of the fiduciary relationship thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon.

31.5 A general notice that a Director or alternate Director is a shareholder, director, officer or employee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company shall be sufficient disclosure for the purposes of voting on a resolution in respect of a contract or transaction in which he has an interest, and after such general notice it shall not be necessary to give special notice relating to any particular transaction.

32 Minutes

The Directors shall cause minutes to be made in books kept for the purpose of all

appointments of officers made by the Directors, all proceedings at meetings of the Company or the holders of any class of Shares and of the Directors, and of committees of the Directors, including the names of the Directors or alternate Directors present at each meeting.

33 Delegation of Directors' Powers

33.1 The Directors may delegate any of their powers, authorities and discretions, including the power to sub-delegate, to any committee consisting of one or more Directors. They may also delegate to any managing director or any Director holding any other executive office such of their powers, authorities and discretions as they consider desirable to be exercised by him provided that an alternate Director may not act as managing director and the appointment of a managing director shall be revoked forthwith if he ceases to be a Director. Any such delegation may be made subject to any conditions the Directors may impose and either collaterally with or to the exclusion of their own powers and any such delegation may be revoked or altered by the Directors. Subject to any such conditions, the proceedings of a committee of Directors shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.

33.2 The Directors may establish any committees, local boards or agencies or appoint any person to be a manager or agent for managing the affairs of the Company and may appoint any person to be a member of such committees, local boards or agencies. Any such appointment may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and any such appointment may be revoked or altered by the Directors. Subject to any such conditions, the proceedings of any such committee, local board or agency shall be governed by these Articles regulating the proceedings of Directors, so far as they are capable of applying.

33.3 At least one Lead Investor-nominated Director shall serve on key committees of the board of Directors, including the compensation committee, which Director shall not be removed from the relevant committee (other than for cause) unless such removal is directed by the Lead Investors.

33.4 The Directors may by power of attorney or otherwise appoint any person to be the agent of the Company on such conditions as the Directors may determine, provided that the delegation is not to the exclusion of their own powers and may be revoked by the Directors at any time.

33.5 The Directors may by power of attorney or otherwise appoint any company, firm, person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or authorised signatory of the Company for such purpose and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney or other appointment may contain such provisions for the protection and convenience of persons dealing with any such attorneys or authorised signatories as the Directors may think fit and may also authorise any such attorney or authorised signatory to delegate all or any of the powers, authorities and discretions vested in him.

33.6 The Directors may appoint such officers of the Company (including, for the avoidance of doubt and without limitation, any secretary) as they consider necessary on such terms, at such remuneration and to perform such duties, and subject to such provisions as to disqualification and removal as the Directors may think fit. Unless otherwise specified in the terms of his appointment an officer of the Company may be removed by resolution of the Directors or Members. An officer of the Company may vacate his office at any time if he gives notice in writing to the Company that he resigns his office.

33.7 Any delegation pursuant to this Article 33 shall be subject to, and nothing contained in this Article 33 shall be deemed to affect the rights provided in, Articles 3.2 and 29.10.

34 Alternate Directors

34.1 Any Director (but not an alternate Director) may by writing appoint any other Director, or

any other person willing to act, to be an alternate Director and by writing may remove from office an alternate Director so appointed by him.

34.2 An alternate Director shall be entitled to receive notice of all meetings of Directors and of all meetings of committees of Directors of which his appointor is a member, to attend and vote at every such meeting at which the Director appointing him is not personally present, to sign any written resolution of the Directors, and generally to perform all the functions of his appointor as a Director in his absence.

34.3 An alternate Director shall cease to be an alternate Director if his appointor ceases to be a Director.

34.4 Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors.

34.5 Subject to the provisions of these Articles, an alternate Director shall be deemed for all purposes to be a Director and shall alone be responsible for his own acts and defaults and shall not be deemed to be the agent of the Director appointing him.

35 No Minimum Shareholding

The Company in general meeting may fix a minimum shareholding required to be held by a Director, but unless and until such a shareholding qualification is fixed a Director is not required to hold Shares.

36 Remuneration of Directors

36.1 The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company or the discharge of their duties as a Director, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other.

36.2 The Directors may by resolution approve additional remuneration to any Director for any services which in the opinion of the Directors go beyond his ordinary routine work as a Director. Any fees paid to a Director who is also counsel, attorney or solicitor to the Company, or otherwise serves it in a professional capacity shall be in addition to his remuneration as a Director.

37 Seal

37.1 The Company may, if the Directors so determine, have a Seal. The Seal shall only be used by the authority of the Directors or of a committee of the Directors authorised by the Directors. Every instrument to which the Seal has been affixed shall be signed by at least one person who shall be either a Director or some officer of the Company or other person appointed by the Directors for the purpose.

37.2 The Company may have for use in any place or places outside the Cayman Islands a duplicate Seal or Seals each of which shall be a facsimile of the common Seal of the Company and, if the Directors so determine, with the addition on its face of the name of every place where it is to be used.

37.3 A Director or officer, representative or attorney of the Company may without further authority of the Directors affix the Seal over his signature alone to any document of the Company required to be authenticated by him under seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere wheresoever.

38 Dividends, Distributions and Reserve

38.1 Subject to the Law, and compliance with Articles 3.2, 3.3, 4.1 and 29.10 and the remainder of these Articles, and except as otherwise provided by the rights attached to any Shares, the Directors may resolve to pay Dividends and other distributions on Shares in issue and authorise payment of the Dividends or other distributions out of the funds of the Company lawfully available therefor. A Dividend shall be deemed to be an interim Dividend unless the terms of the resolution pursuant to which the Directors resolve to pay such Dividend specifically state that such Dividend shall be a final Dividend. No Dividend or other distribution shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by the Law.

38.2 Except as otherwise provided by the rights attached to any Shares, all Dividends and other distributions shall be paid according to the par value of the Shares that a Member holds. If any Share is issued on terms providing that it shall rank for Dividend as from a particular date, that Share shall rank for Dividend accordingly. The Directors may deduct from any Dividend or other distribution payable to any Member all sums of money (if any) then payable by him to the Company on account of calls or otherwise.

38.3 The Directors may resolve that any Dividend or other distribution be paid wholly or partly by the distribution of specific assets and in particular (but without limitation) by the distribution of shares, debentures, or securities of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional Shares and may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the basis of the value so fixed in order to adjust the rights of all Members and may vest any such specific assets in trustees in such manner as may seem expedient to the Directors.

38.4 Except as otherwise provided by the rights attached to any Shares, Dividends and other distributions may be paid in any currency. The Directors may determine the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.

38.5 The Directors may, before resolving to pay any Dividend or other distribution, set aside such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the discretion of the Directors, be employed in the business of the Company.

38.6 Any Dividend, other distribution, interest or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of the holder who is first named on the Register of Members or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any Dividends, other distributions, bonuses, or other monies payable in respect of the Share held by them as joint holders.

38.7 No Dividend or other distribution shall bear interest against the Company.

38.8 Any Dividend or other distribution which cannot be paid to a Member and/or which remains unclaimed after six months from the date on which such Dividend or other distribution becomes payable may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the Dividend or other distribution shall remain as a debt due to the Member. Any Dividend or other distribution which remains unclaimed after a period of six years from the date on which such Dividend or other distribution becomes payable shall be forfeited and shall revert to the Company.

39 Capitalisation

The Directors may at any time capitalise any sum outstanding to the credit of any of the Company's reserve accounts or funds (including the share premium account and capital redemption reserve fund) or any sum standing to the credit of the profit and loss account or otherwise available for distribution; appropriate such sum to Members in the proportions in which such sum would have been divisible amongst such Members had the same been a distribution of profits by way of Dividend or other distribution; and apply such sum on their behalf in paying up in full unissued Shares for allotment and distribution credited as fully paid-up to and amongst them in the proportion aforesaid. In such event the Directors shall do all acts and things required to give effect to such capitalisation, with full power given to the Directors to make such provisions as they think fit in the case of Shares becoming distributable in fractions (including provisions whereby the benefit of fractional entitlements accrue to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all of the Members interested into an agreement with the Company providing for such capitalisation and matters incidental or relating thereto and any agreement made under such authority shall be effective and binding on all such Members and the Company.

40 Books of Account and Information Rights

40.1 The Directors shall cause proper books of account (including, where applicable, material underlying documentation including contracts and invoices) to be kept with respect to all sums of money received and expended by the Company and the matters in respect of which the receipt or expenditure takes place, all sales and purchases of goods by the Company and the assets and liabilities of the Company. Such books of account must be retained for a minimum period of five years from the date on which they are prepared. Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

40.2 The Directors shall determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Directors or by the Company in general meeting; provided that, the Company shall permit each Major Investor (provided that the board of Directors has not reasonably determined that such Major Investor is a Competitor), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Article 40.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would, as advised by the counsel of the Company in writing, adversely affect the attorney-client privilege regarding such information.

40.3 The Directors may cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by law.

40.4 Delivery of Financial Statements and Board Materials. The Company shall deliver to each Major Investor and each Advisory Investor; provided that the board of Directors has not reasonably determined that such Major Investor or Advisory Investor is a Competitor:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a consolidated balance sheet for the Company and each of its subsidiaries as of the end of such year, (ii) consolidated statements of income and cash flows for the Company and each of its subsidiaries for such year, and (iii) a statement of Members' equity for the Company and each of its subsidiaries as of the end of such year, in each case (x)

setting forth in comparative form the corresponding figures for the previous fiscal year and the corresponding figures from the Budget (as defined below) for the fiscal year covered by such financial statements, in reasonable detail , (y) prepared in accordance with generally accepted accounting principles in the United States (**GAAP**), and (z) audited and certified by one of KPMG LLP, Ernst & Young LLP, PricewaterhouseCoopers LLP and Deloitte & Touche LLP selected by the Company, whose audit report shall be unqualified as to scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Company and its subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated in accordance with GAAP applied on a basis consistent with prior years;

(b) as soon as practicable, but in any event within sixty (60) days after the end of each of the first three (3) quarters of the Company, unaudited consolidated statements of income and cash flows for such fiscal quarter (and in the case of the second quarter, also including the year-to-date statements), as applicable, and an unaudited consolidated balance sheet and an unaudited consolidated statement of Members' equity as of the end of such fiscal quarter, as applicable, in each case (x) setting forth in comparative form the corresponding figures for the corresponding periods of the previous fiscal year and the corresponding figures from the Budget (as defined below) for the current fiscal year, all in reasonable detail; and (y) prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event forty-five (45) days before the end of each fiscal year, a budget and a business plan for the next fiscal year (collectively, the " **Budget"**) for approval by the holders of Preferred Shares pursuant to Article 3.2, prepared and signed by the chief financial officer of the Company, including balance sheets, income statements, and statements of cash flow (including capital expenditures) for each month and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(d) as soon as practicable, but in any event within thirty (30) days after the end of each month a statement showing the number of shares of each class and series of Capital Shares and securities convertible into or exercisable or exchangeable for Ordinary Shares outstanding at the end of the period, the Ordinary Shares issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Ordinary Shares and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any;

(e) all notices, minutes, consents, and other materials that are provided to the directors in connection with meetings of the board of Directors at the same time and in the same manner as provided to such directors; and

(f) with respect to the financial statements called for in Article 40.4(a) and 40.4(b), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in 40.4(b)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein.

40.5 Delivery of Other Information. The Company shall deliver to each of the Initial Investors that is a Major Investor; provided that the board of Directors has not reasonably determined that such Initial Investor that is a Major Investor is a Competitor, all other information of the Company that the Company discloses to its directors or other Members; provided, however, that the Company shall not be obligated under this Article 40.5 to provide information if the disclosure of such information would, as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege regarding such

information ; provided further that the Company shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege. Any non-financial information provided pursuant to this Article 40.5 shall not be required to be translated from its native language unless such Major Investor so requests and agrees to bear all out-of-pocket costs for such translation.

40.6 Additional Provisions Regarding Information Rights .

(a) If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

(b) Notwithstanding anything else in Articles 40.4 and 40.5 to the contrary, the Company may cease providing the information set forth in this Article 40.4 during the period starting with the date forty-five (45) days before the Company's good-faith estimate of the date of filing of a registration statement on Form F-1, Form S-1, Form F-3 or Form S-3 if it reasonably concludes it must do so to comply with the Commission rules or other Applicable Securities Laws applicable to such Registration Statement and related offering; provided that the Company's covenants under Article 40.4 or 40.5 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such Registration Statement to become effective.

(c) Notwithstanding anything else Articles 40.4 and 40.5 to the contrary, the Lead Investors and the Advisory Investors shall be entitled to the rights set forth in Articles 40.4 and 40.5 for so long as they hold any Capital Shares.

40.7 The covenants set forth in Articles 40.4 through 40.6 shall terminate and be of no further force or effect (i) immediately before the consummation of the Qualified IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or other Applicable Securities Laws, or (iii) upon a Deemed Liquidation Event, whichever event occurs first.

41 Audit

41.1 The Directors may appoint an Auditor of the Company who shall hold office on such terms as the Directors determine.

41.2 Every Auditor of the Company shall have a right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the Auditor.

41.3 Auditors shall, if so required by the Directors, make a report on the accounts of the Company during their tenure of office at the next annual general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an ordinary company, and at the next extraordinary general meeting following their appointment in the case of a company which is registered with the Registrar of Companies as an exempted company, and at any other time during their term of office, upon request of the Directors or any general meeting of the Members.

42 Notices

42.1 Notices shall be in writing and may be given by the Company to any Member either personally or by sending it by courier, post, cable, telex, fax or e-mail to him or to his address as shown in the Register of Members (or where the notice is given by e-mail by sending it to the e-mail address provided by such Member). Any notice, if posted from one

country to another, is to be sent by airmail.

42.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre paying and posting a letter containing the notice, and shall be deemed to have been received on the fifth day (not including Saturdays or Sundays or public holidays in the Cayman Islands) following the day on which the notice was posted. Where a notice is sent by cable, telex or fax, service of the notice shall be deemed to be effected by properly addressing and sending such notice and shall be deemed to have been received on the same day that it was transmitted. Where a notice is given by e-mail service shall be deemed to be effected by transmitting the e-mail to the e-mail address provided by the intended recipient and shall be deemed to have been received on the same day that it was sent, and it shall not be necessary for the receipt of the e-mail to be acknowledged by the recipient.

42.3 A notice may be given by the Company to the person or persons which the Company has been advised are entitled to a Share or Shares in consequence of the death or bankruptcy of a Member in the same manner as other notices which are required to be given under these Articles and shall be addressed to them by name, or by the title of representatives of the deceased, or trustee of the bankrupt, or by any like description at the address supplied for that purpose by the persons claiming to be so entitled, or at the option of the Company by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

42.4 Notice of every general meeting shall be given in any manner authorised by these Articles to every holder of Shares carrying an entitlement to receive such notice on the record date for such meeting except that in the case of joint holders the notice shall be sufficient if given to the joint holder first named in the Register of Members and every person upon whom the ownership of a Share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a Member where the Member but for his death or bankruptcy would be entitled to receive notice of the meeting, and no other person shall be entitled to receive notices of general meetings.

43 Winding Up

43.1 Subject to the Law, these Articles and the rights of the Preferred Shares set forth herein, if the Company shall be wound up the liquidator shall apply the assets of the Company in satisfaction of creditors' claims in such manner and order as such liquidator thinks fit. Subject to the rights attaching to any Shares, in a winding up:

(a) if the assets available for distribution amongst the Members shall be insufficient to repay the whole of the Company's issued share capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the par value of the Shares held by them; or

(b) if the assets available for distribution amongst the Members shall be more than sufficient to repay the whole of the Company's issued share capital at the commencement of the winding up, the surplus shall be distributed amongst the Members in proportion to the par value of the Shares held by them at the commencement of the winding up subject to a deduction from those Shares in respect of which there are monies due, of all monies payable to the Company for unpaid calls or otherwise.

43.2 If the Company shall be wound up the liquidator may, subject to the rights attaching to any Shares and with the sanction of a Special Resolution of the Company and any other sanction required by the Law, divide amongst the Members in kind the whole or any part of the assets of the Company (whether such assets shall consist of property of the same kind or not) and may for that purpose value any assets and determine how the division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the Members as the liquidator, with the like sanction, shall think

fit, but so that no Member shall be compelled to accept any asset upon which there is a liability.

44 Indemnity and Insurance

44.1 To the fullest extent permitted by law, every Director and officer of the Company (which for the avoidance of doubt, shall not include auditors of the Company), together with every former Director and former officer of the Company (each an " **Indemnified Person** ") shall be indemnified out of the assets of the Company against any liability, action, proceeding, claim, demand, costs, damages or expenses, including legal expenses, whatsoever which they or any of them may incur as a result of any act or failure to act in carrying out their functions other than such liability (if any) that they may incur by reason of their own actual fraud or wilful default. No Indemnified Person shall be liable to the Company for any loss or damage incurred by the Company as a result (whether direct or indirect) of the carrying out of their functions unless that liability arises through the actual fraud or wilful default of such Indemnified Person. No person shall be found to have committed actual fraud or wilful default under this Article unless or until a court of competent jurisdiction shall have made a finding to that effect.

44.2 To the fullest extent permitted by law, the Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.

44.3 The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

45 Financial Year

Unless the Directors otherwise prescribe, the financial year of the Company shall end on 31st December in each year and, following the year of incorporation, shall begin on 1st January in each year.

46 Transfer by Way of Continuation

If the Company is exempted as defined in the Law, it shall, subject to the provisions of the Law and with the approval of a Special Resolution, have the power to register by way of continuation as a body corporate under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

Schedule A

Separate Approval Matters

(a) The Budget of the Company or any of its subsidiaries; provided, however, until the approval of the Budget with respect to any fiscal year, (x) the Budget attached to the Investors' Rights Agreement or (y) the latest Budget with respect to any preceding fiscal year that has been duly approved pursuant to Article 3.1, whichever is most recent, shall continue to be in full force and effect with respect to that fiscal year.

(b) Any amendment to the Memorandum or these Articles to the extent such amendments adversely affect the rights of the Preferred Shares; provided, that, for purposes of clarity, the creation of new or additional Capital Shares (including those having rights, preferences or privileges different from or senior to any outstanding Capital Shares) offered and sold in connection with a bona fide financing transaction (other than the purchase of Series A-2 Preferred Shares by new Investors pursuant to the Share Purchase Agreement) shall not in and of itself be deemed to adversely affect the rights of the Preferred Shares.

(c) Any dissolution, bankruptcy, liquidation or reorganization.

Schedule B

BBI Director Approval Matters

(a) any merger, scheme of arrangement, subdivision, joint venture establishment or consolidation, other than licensing of assets in the ordinary course of business;

(b) any acquisition, grant of any license to or receipt of any license from any other Person, or any sale of assets (including any intellectual property rights) with a value exceeding, individually or in the aggregate with any other acquisition or sale of assets, US$10,000,000;

(c) an initial public offering of the Company (or a subsidiary or holding company of the Company) which is not a Qualified IPO;

(d) any grant, issuance, reclassification, sale, repurchase and/or redemption of any equity security or any rights, options or warrants exercisable, convertible or exchangeable for or into equity securities, in each case, of any of the Company's subsidiaries, or any instrument giving the holder the right to an equity participation of any of the Company's subsidiaries, other than a grant or issuance of any such security to the Company or any of its wholly owned subsidiaries;

(e) any incurrence, issuance, reclassification, sale, repurchase and/or redemption of any debt at value exceeding, individually or in the aggregate with any other issued, reclassified, sold, repurchased and/or redeemed debt, US$20,000,000 and not contemplated by the then-current Budget;

(f) changes in the size of the board of directors of the Company or any Key Subsidiary to the extent such changes could adversely affect the rights of the Preferred Shares; provided, that the vote of the BBI Directors shall not be required in the event the size of the applicable board of directors is increased in order to offer a seat on such board to an investor in the Company investing at least US$10,000,000 (other than in connection with the purchase of Series A-2 Preferred Shares by new Investors pursuant to the Share Purchase Agreement);

(g) any capital expenditures in an amount exceeding, individually or in the aggregate with any other incurred debt and major capital expenditures, US$20,000,000 and not contemplated by the then-current Budget;

(h) transactions with its Affiliates, or any Key Holder or its Affiliates, with a value exceeding, individually or in the aggregate with any other affiliate transactions, US$5,000,000;

(i) change in principal business activities;

(j) declaration and payments of dividends; and

(k) any establishment of subsidiaries or affiliates or entering into any joint ventures or partnerships.

Schedule C

Board Approval Matters

(a) any issuance, reclassification, sale, repurchase and/or redemption of any equity securities;

(b) adoption of, or material amendment to, any share option, share purchase or other share ownership plan;

(c) settlement of any litigation with a settlement value exceeding, individually or in the aggregate with any other settlements, US$5,000,000;

(d) appointment or removal, or any material increase in the compensation, of executive management, including the chief executive officer, chief financial officer and chief operating officer; and

(e) change or appointment of the Company's accountants.

Exhibit 4.4

EXECUTION VERSION
CONFIDENTIAL

SECOND AMENDED & RESTATED

INVESTORS' RIGHTS AGREEMENT

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SECOND AMENDED & RESTATED INVESTORS' RIGHTS AGREEMENT

THIS SECOND AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this " **Investors' Rights Agreement** "), is made as of the 21st day of April, 2015, by and among BeiGene, Ltd., a Cayman Islands exempted company (the " **Company** "); each of the shareholders listed on Schedule A hereto (the " **Investors** "); each of the shareholders listed on Schedule B hereto (the " **Key Holders** "); and each of the shareholders listed on Schedule C hereto (the " **Initial Investors** ").

RECITALS

WHEREAS, on October 7, 2014, the Company and Oyler entered into a Series A Preferred Share Purchase Agreement with the Lead Investors and Hillhouse (each as defined below) (the " **Original SPA** "), pursuant to which the Company issued and sold to such investors 62,129,628 Series A Preferred Shares (as defined below) in the aggregate;

WHEREAS, on October 15, 2014, the Company and Oyler entered into a Series A Preferred Share Purchase Agreement with the Lead Investors and CITIC PE (as defined below) (together with the Original SPA, the " **Prior SPAs** "), pursuant to which the Company issued and sold to such investors 17,037,036 Series A Preferred Shares in the aggregate;

WHEREAS , in connection with the entry into the Prior SPAs, the Initial Investors and the Key Holders holding shares of the Company's Series A Preferred Shares and/or Ordinary Shares (as defined below) entered into an Investors' Rights Agreement, dated as of October 7, 2014, as amended and restated on October 15, 2014, between the Company, the Key Holders and the Initial Investors (the " **Prior IRA** ");

WHEREAS , in connection with the entry into the Prior SPAs and the consummation of the transactions contemplated thereby, the board of directors of the Company (the " **Board of Directors** ") acknowledged on October 15, 2014 that entry into the Prior IRA by Merck following its execution and delivery by the other parties thereto required the consent of the Company, which the Board of Directors provided, and accordingly, Merck became a party to the Prior IRA on October 21, 2014; and

WHEREAS , certain of the Investors are parties to the Series A-2 Preferred Share Purchase Agreement, dated as of the date hereof, by and among the Company, Oyler, Xiaodong Wang and the Investors (the " **Purchase Agreement** "), under which certain of the Company's and the Investors' obligations are conditioned upon the execution and delivery of this Investors' Rights Agreement by the Investors, the Key Holders and the Company.

NOW, THEREFORE , the parties hereto that are party to the Prior IRA agree that the Prior IRA shall be amended and restated in its entirety by this Investors' Rights Agreement, and the parties to this Investors' Rights Agreement further agree as follows:

1. Definitions and Interpretations . For purposes of this Investors' Rights Agreement:

1.1 " **Advisory Investor** " means each of the Fidelity Entities and T. Rowe Entities.

1.2 " **Affiliate** " means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including any general partner, managing member, officer or director of such Person or any fund now or hereafter existing that is controlled or advised by one or more general partners or managing members of, or shares the same management company with, such Person.

1.3 " **Anti-Bribery Laws** " has the meaning set forth in Subsection 5.13 .

1.4 " **Applicable Securities Law** " means (a) with respect to any offering of securities in the United States, or any other act or omission within that jurisdiction, the federal securities laws, rules and regulations of the United States, including the Exchange Act and the Securities Act, and any applicable securities law of any state of the United States, and (b) with respect to any offering of securities in any jurisdiction other than the United States, or any related act or omission in that jurisdiction, the applicable laws, rules and regulations of that jurisdiction related to the offering, sale or listing of securities.

1.5 " **BBI Director** " means a director of the Company designated by the Lead Investors pursuant to the Voting Agreement.

1.6 " **Big Four Accounting Firms** " means KPMG LLP, Ernst & Young LLP, PricewaterhouseCoopers LLP and Deloitte & Touche LLP.

1.7 " **Board of Directors** " has the meaning set forth in the Recitals.

1.8 " **Budget** " has the meaning set forth in Subsection 3.1(c) .

1.9 " **Business Day** " shall mean any day except a Saturday, Sunday or any other day on which commercial banks in either the City of New York or The People's Republic of China are required or authorized by laws, rules or regulations to close.

1.10 " **Cayman Islands** " means the Cayman Islands, a British Overseas Territory.

1.11 " **Capital Shares** " means (a) Ordinary Shares and Preferred Shares (whether now outstanding or hereafter issued in any context), (b) Ordinary Shares issued or issuable upon conversion of Preferred Shares, and (c) Ordinary Shares issued or issuable upon exercise or conversion, as applicable, of share options, warrants or other convertible securities of the Company, in each case now owned or subsequently acquired by any Holder or their respective successors or permitted transferees or assigns. For purposes of the number of Capital Shares held by a Holder (or any other calculation based thereon), all Preferred Shares shall be deemed to have been converted into Ordinary Shares at the then-applicable conversion ratio.

1.12 " **CFC** " means a controlled foreign corporation as defined in Section 957 of the Code.

1.13 " **CITIC PE** " means CB Biotech Investment Limited.

1.14 " **Code** " means the Internal Revenue Code of 1986, as amended.

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

1.16 " **Company** " has the meaning set forth in the Preamble.

1.17 " **Competing Business** " has the meaning set forth in Subsection 5.2(c) .

1.18 " **Competitor** " means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in therapeutic research and development relating to oncology in The People's Republic of China, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20)% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor or any observers to attend the meetings of the board of directors of any Competitor; provided , that no Lead Investor or its Affiliates shall be considered a Competitor and, provided , further , that in the case of each of Hillhouse; CITIC PE; the Fidelity Entities and United Sheen, none of Hillhouse or its Affiliates; CITIC PE or its Affiliates; the Fidelity Entities or their respective Affiliates and United Sheen or its Affiliates shall be deemed a Competitor due to their investment in any pharmaceutical manufacturing company.

1.19 " **Damages** " means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under Applicable Securities Laws, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (a) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (b) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (c) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of Applicable Securities Laws, or any rule or regulation promulgated under Applicable Securities Laws.

1.20 " **Demand Notice** " has the meaning set forth in Subsection 2.1(a) .

1.21 " **Derivative Securities** " means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Ordinary Shares, including options and warrants.

1.22 " **Exchange Act** " means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.23 " **Excluded Registration** " means (a) a registration relating to the sale of securities to employees of the Company or a Subsidiary pursuant to a share option, share purchase, or similar plan; or (b) a registration in which the only Ordinary Shares being registered are Ordinary Shares issuable upon conversion of debt securities that are also being registered.

1.24 " **Family Member** " means any relationship by blood, marriage or adoption, not more remote than first cousin, of a natural person referred to herein.

1.25 " **FCPA** " has the meaning set forth in Subsection 5.13 .

1.26 " **Fidelity Entities** " means, together, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund; Fidelity Growth Company Commingled Pool, By: Fidelity Management & Trust Co. and Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund.

1.27 " **FOIA Party** " means a Person that, in the reasonable determination of the Board of Directors, may be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 (" **FOIA** "), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement.

1.28 " **Form F-1** " **or** " **Form S-1** " means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC, or on any comparable form or documentation in connection with registration in a jurisdiction other than the United States.

1.29 " **Form F-3** " **or** " **Form S-3** " means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC, or on any comparable form or documentation in connection with registration in a jurisdiction other than the United States.

1.30 " **Fully Exercising ROFO Offeree** " has the meaning set forth in Subsection 4.1(c) .

1.31 " **Fund Director** " has the meaning set forth in Subsection 5.11 .

1.32 " **Fund Indemnitors** " has the meaning set forth in Subsection 5.11 .

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

1.34 " **Hillhouse** " means Hillhouse BGN Holdings Limited.

1.35 " **Holder** " means any holder of Registrable Securities who is or becomes a party to this Investors' Rights Agreement.

1.36 " **Hong Kong** " means the Hong Kong Special Administrative Region of The People's Republic of China.

1.37 " **ICC** " has the meaning set forth in Subsection 6.12(a) .

1.38 " **ICC Rules** " has the meaning set forth in Subsection 6.12(a) .

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

1.40 " **Initial Investors** " has the meaning set forth in the Preamble.

1.41 " **Initiating Holders** " means, collectively, one or more Holders who properly initiate a registration request under this Investors' Rights Agreement.

1.42 " **Intellectual Property** " means all United States and foreign (a) patents (including utility and design patents, industrial designs and utility models), registrations, invention disclosures and applications therefor, including divisions, revisions, supplementary protection certificates, continuations, continuations-in-part and renewals, extensions, reissues and re-examinations thereof; (b) trademarks, service marks, trade dress, logos, brand names, and other indicia of origin, and all registrations of and applications to register the foregoing, and all goodwill associated with and symbolized by the foregoing; (c) published and unpublished works of authorship, whether copyrightable or not (including software, databases and other compilations of information), copyrights therein and thereto, and registrations and applications therefor, and all renewals, extensions, restorations and reversions thereof; (d) internet domain names; and (e) trade secrets and other intellectual property rights in proprietary information, know-how, inventions, discoveries, ideas, improvements, data and databases.

1.43 " **Investment Advisor** " means an investment advisor registered under the Investment Adviser's Act of 1940, as amended.

1.44 " **Investors** " has the meaning set forth in the Preamble.

1.45 " **Investor Beneficial Owners** " has the meaning set forth in Subsection 4.1(a) .

1.46 " **Investor Counsel** " has the meaning set forth in Subsection 5.10 .

1.47 " **Investors' Rights Agreement** " has the meaning set forth in the Preamble.

1.48 " **Key Employee** " means any executive-level employee (including division director and vice president-level positions) as well as any employee who, either alone or in concert with others, develops, invents, programs, or designs any Intellectual Property (as defined in the Purchase Agreement). As of the date of this Investors' Rights Agreement, the Key Employees include those set forth in Schedule D hereto.

1.49 " **Key Holder** " has the meaning set forth in the Preamble.

1.50 " **Key Holder Registrable Securities** " means (a) the Ordinary Shares held by the Key Holders, and (b) any Ordinary Shares issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of such shares.

1.51 " **Key Subsidiaries** " means BeiGene (Hong Kong) Co., Limited, BeiGene (Beijing) Biotechnology Co., Limited, BeiGene AUS PTY LTD and any other Subsidiary of the Company (other than those that are immaterial) formed after the date hereof.

1.52 " **Lead Investors** " means, collectively, any and all funds advised by Baker Bros. Advisors LP that hold Capital Shares and are parties to this Investors' Rights Agreement from time to time.

1.53 " **Major Investor** " means any Investor that, individually or together with such Investor's Affiliates, holds at least two percent (2%) of the Preferred Shares then outstanding, or an equivalent amount of Ordinary Shares at the then-applicable conversion ratio.

1.54 " **Merck** " means Merck Sharp & Dohme Research GmbH (f/k/a Essex Chemie AG), an affiliate of Merck Sharp & Dohme Corp.

1.55 " **New Securities** " means, collectively, equity securities of the Company, whether or not currently authorized, and any Derivative Securities, other than the Series A-2 Preferred Shares to be issued pursuant to the Purchase Agreement.

1.56 " **Offer Notice** " has the meaning set forth in Subsection 4.1(b) .

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

1.58 " **Original SPA** " has the meaning set forth in the Recitals.

1.59 " **Oyler** " has the meaning set forth in Subsection 5.2(a) .

1.60 " **Person** " means any individual, corporation, partnership, trust, limited liability company, association or any other entity.

1.61 " **PFIC** " means a passive foreign investment company as defined in Section 1297 of the Code.

1.62 " **Preferred Shares** " means the Series A Preferred Shares and Series A-2 Preferred Shares, collectively.

1.63 " **Prior IRA** " has the meaning set forth in the Recitals.

1.64 " **Prior SPAs** " has the meaning set forth in the Recitals.

1.65 " **Pro Rata New Securities** " has the meaning set forth in Subsection 4.1(c) .

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

1.67 " **Qualified IPO** " means the initial public offering of the Company (or a relevant Subsidiary or holding company of the Company) on the New York Stock Exchange, the Nasdaq Stock Market or any other stock exchange acceptable to the Lead Investor, which initial public offering (a) involves an initial market capitalization of the Company (or a relevant Subsidiary or holding company of the Company) of at least US$455,000,000 and (b) results in aggregate net proceeds to the Company (or a relevant Subsidiary or holding company of the Company) of at least US$91,000,000.

1.68 " **Registrable Securities** " means (a) the Ordinary Shares issued or issuable (directly or indirectly) upon conversion of the Preferred Shares and/or exercise of any other Derivative Securities; (b) any Ordinary Shares, or any Ordinary Shares issued or issuable (directly or indirectly) upon conversion and/or exercise of any Derivative Securities, acquired by the Investors after the date hereof; (c) the Key Holder Registrable Securities, provided , however , that such Key Holder Registrable Securities shall not be deemed Registrable Securities and the Key Holders shall not be deemed Holders for the purposes of Subsections 2.1 , 2.10, 3.1 through 3.4 and 4.1 ; and (d) any Ordinary Shares issued as (or issuable upon the conversion or exercise of Derivative Securities) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (a), (b) and (c) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Investors' Rights Agreement are not assigned pursuant to Subsection 6.2 , and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Investors' Rights Agreement.

1.69 " **Registrable Securities then outstanding** " means the number of shares determined by adding the number of outstanding Ordinary Shares that are Registrable Securities and the number of Ordinary Shares issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.70 " **Registration Statement** " means registration statements on Form F-1, Form S-1, Form F-3 or Form S-3 or their equivalent in any other jurisdiction.

1.71 " **Restated Articles** " means the Company's Third Amended and Restated Memorandum and Articles of Association, as amended from time to time.

1.72 " **Restricted Securities** " means the securities of the Company requiring the legend set forth in Subsection 2.12(b) hereof.

1.73 " **ROFO Offeree** " means each of the Lead Investors, Hillhouse, CITIC PE, Oyler, Xiaodong Wang, Merck and each Advisory Investor.

1.74 " **ROFR and Co-Sale Agreement** " means the Second Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of the date hereof, by and among the Company and certain of the Holders.

1.75 " **Rule 145 Registration** " means a registration relating to an SEC Rule 145 transaction or its equivalent in any other jurisdiction.

1.76 " **SEC** " means the U.S. Securities and Exchange Commission.

1.77 " **SEC Rule 144** " means Rule 144 promulgated by the SEC under the Securities Act.

1.78 " **SEC Rule 145** " means Rule 145 promulgated by the SEC under the Securities Act.

1.79 " **Securities Act** " means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.80 " **Selling Expenses** " means all underwriting discounts, selling commissions, and share transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6 .

1.81 " **Selling Holder Counsel** " has the meaning set forth in Subsection 2.6 .

1.82 " **Series A Preferred Shares** " means Series A Preferred Shares of the Company, par value US$0.0001 per share," with the rights and privileges as set forth in the Restated Articles.

1.83 " **Series A-2 Preferred Shares** " means Series A-2 Preferred Shares of the Company, par value US$0.0001 per share, with the rights and privileges as set forth in the Restated Articles.

1.84 " **Specified New York Court** " has the meaning set forth in Subsection 6.12(c) .

1.85 " **Strategic Investment** " means the issuance by the Company of Capital Shares to a strategic partner or investor that does not hold any of the Company's securities prior to such issuance and that the Company deems to be of strategic importance to the Company.

1.86 " **Subsidiary** " means any corporation, partnership, trust, joint venture, limited liability company, association, or other business entity that the Company owns or controls, directly or indirectly, any interest in.

1.87 **"T. Rowe Entities"** means, together, T. Rowe Price Health Sciences Fund, Inc.; TD Mutual Funds — TD Health Sciences Fund; VALIC Company I — Health Sciences Fund; T. Rowe Price Health Sciences Portfolio; John Hancock Variable Insurance Trust — Health Sciences Trust; John Hancock Funds II — Health Sciences Fund; T. Rowe Price New Horizons Fund, Inc.; T. Rowe Price New Horizons Trust and T. Rowe Price U.S. Equities Trust.

1.88 " **Total Secondary Sales Shares** " has the meaning set forth in Subsection 2.3(b) .

1.89 " **Transaction Agreements** " means, collectively, the Prior SPAs, the Purchase Agreement, the ROFR and Co-Sale Agreement, the Voting Agreement and this Investors' Rights Agreement.

1.90 " **Tribunal** " has the meaning set forth in Subsection 6.12(b) .

1.91 " **United Sheen** " means United Sheen Limited.

1.92 " **Voting Agreement** " means the Second Amended and Restated Voting Agreement, dated as of the date hereof, by and among the Company and certain of the Holders.

1.93 In this Investors' Rights Agreement, unless the context requires otherwise:

(b) The words "hereof", "herein", and "hereunder" and words of similar import, when used in this Investors' Rights Agreement, shall refer to this Investors' Rights Agreement as a whole and not to any particular provision of this Investors' Rights Agreement.

(c) The terms defined in the singular shall have a comparable meaning when used in the plural, and vice versa.

(d) Words importing gender include each gender.

(e) Whenever the words "include," "includes" or "including" are used in this Investors' Rights Agreement, they shall be deemed to be followed by the words "without limitation."

(f) Any reference to a contract or document is to that contract or document as amended, novated, supplemented, restated or replaced from time to time.

(g) If any rights or obligations under this Investors' Rights Agreement fall on a day or date which is not a Business Day, such rights or obligations shall instead fall on the next succeeding Business Day after such stated day or date.

(h) Whenever reference is made in this Investors' Rights Agreement to any Exhibit, Section or Schedule, such reference shall be deemed to apply to the specified Exhibit, Section or Schedule of or to this Investors' Rights Agreement.

2. Registration Rights . The Company covenants and agrees as follows:

2.1 Demand Registration .

(a) **Form F-1/Form S-1 Demand.** If at any time after one hundred eighty (180) days after the effective date of the Registration Statement for the Qualified IPO, the Company receives a request from Holders (other than Key Holders) of no less than 11.37% or Key Holders of no less than 13.71% of the Registrable Securities then outstanding that the Company file a Form F-1 or Form S-1 Registration Statement with respect to at least 11.37% (in the event Holders other than Key Holders are the Initiating Holders) or 13.71% (in the event Key Holders are the Initiating Holders) of the Registrable Securities in the aggregate then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed US$10,000,000), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the " **Demand Notice** ") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form F-1 or Form S-1 Registration Statement covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3 .

(b) **Form F-3/Form S-3 Demand .** If at any time when it is eligible to use a Form F-3 or Form S-3 Registration Statement, the Company receives a request from Holders (other than Key Holders) of at least 11.37% or Key Holders of at least 13.71% of the Registrable Securities then outstanding that the Company file a Form F-3 or Form S-3 Registration Statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least US$5,000,000, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form F-3 or Form S-3 Registration Statement covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3 .

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chairman stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its shareholders for such Registration Statement to either become effective or remain effective for as long as such Registration Statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under Applicable Securities Laws, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than one hundred twenty (120) days after the request of the Initiating Holders is given; provided , however , that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other shareholder during such one hundred twenty (120) day period other than an Excluded Registration or a Rule 145 Registration (provided that in the case of a Rule 145 Registration, such one hundred twenty (120) day delay period shall end immediately following effectiveness of the Registration Statement in connection with such Rule 145 Registration).

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a) , (i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such Registration Statement to become effective; (ii) after the Company has effected two (2) registrations pursuant to Subsection 2.1(a) ; or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form F-3 or Form S-3 pursuant to a request made pursuant to Subsection 2.1(b) . The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) , (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two (2) registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable Registration Statement has been declared effective by the Commission, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one (1) demand registration statement pursuant to Subsection 2.6 , in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d) .

2.2 Company Registration . If the Company proposes to register (including, for this purpose, a registration effected by the Company for shareholders other than the Holders) any of its Ordinary Shares under Applicable Securities Laws in connection with the public offering of such securities solely for cash (other than in an Excluded Registration or an initial public offering), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3 , cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6 .

2.3 Underwriting Requirements .

(a) If, pursuant to Subsection 2.1 , the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1 , and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected (i) in the case any Lead Investor is an Initiating Holder, by such Lead Investor(s) after consultation with the Company and subject to the approval of the Board of Directors, or (ii) in other cases, by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3 , if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided , however , that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares of Registrable Securities.

(b) In connection with any offering involving an underwriting of the Company's capital shares pursuant to Subsection 2.2 , the Company shall not be required to

include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as determined pursuant to the other provisions of this Subsection 2.3(b) as it relates to quantity; provided , that the Company shall not agree with the underwriters on terms that would (i) impair the indemnification rights of the Selling Holder under Subsection 2.8(a) ; (ii) require the Selling Holder to make any representations or warranties to, or agreement with, any underwriter other than customary representations, warranties and agreements relating to such Selling Holder. If the total number of securities, including Registrable Securities, requested by shareholders to be included in such offering exceeds the maximum number of securities to be sold (other than by the Company) that the underwriters in their reasonable and professional judgment determine will not jeopardize the success of the offering (the " **Total Secondary Sales Shares** "), then the Company shall be required to include in the offering only the Total Secondary Sales Shares. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares of Registrable Securities. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering or (ii) the number of Registrable Securities included in the offering be reduced below twenty percent (20)% of the total number of securities included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, shareholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1 , a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a) , fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company . Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the Commission a Registration Statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such Registration Statement to become effective and, upon the request of the Holders of a

majority of the Registrable Securities registered thereunder, keep such Registration Statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided , however , that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Ordinary Shares (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form F-3 or Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules or other applicable rules, such one hundred twenty (120) day period shall be extended for up to forty-five (45) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement, and the prospectus used in connection with such Registration Statement, as may be necessary to comply with Applicable Securities Laws in order to enable the disposition of all securities covered by such Registration Statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, or its equivalent in any other jurisdiction as required by Applicable Securities Laws, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

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

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such Registration Statement to be listed on the New York Stock Exchange, The Nasdaq Stock Market or any other stock exchange acceptable to the Lead Investor and each stock exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Investors' Rights Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such Registration Statement, and any attorney or accountant or other agent retained by any such underwriter or

selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such Registration Statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such Registration Statement has been declared effective or a supplement to any prospectus forming a part of such Registration Statement has been filed; and

(j) after such Registration Statement becomes effective, notify each selling Holder of any request by the Commission that the Company amend or supplement such Registration Statement or prospectus or its equivalent in any other jurisdiction.

In addition, the Company shall ensure that, at all times after any Registration Statement covering a public offering of securities of the Company under Applicable Securities Laws shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act or other similar program under other Applicable Securities Laws.

2.5 Furnish Information . It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration . All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2 , including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders (" **Selling Holder Counsel** "), shall be borne and paid by the Company; provided , however , that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b) , as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one (1) registration pursuant to Subsections 2.1(a) or 2.1(b) . All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne

and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration . No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Investors' Rights Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2 .

2.8 Indemnification . If any Registrable Securities are included in a Registration Statement under this Section 2 :

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and shareholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in Applicable Securities Laws) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of Applicable Securities Laws, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided , however , that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the Registration Statement, each Person (if any) who controls the Company within the meaning of Applicable Securities Laws, legal counsel and accountants for the Company, any underwriter (as defined in Applicable Securities Laws), any other Holder selling securities in such Registration Statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided , however , that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder

(net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8 , give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided , however , that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8 , to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8 .

(d) To provide for just and equitable contribution to joint liability under Applicable Securities Laws in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under Applicable Securities Laws may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8 , then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided , however , that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such

Registration Statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act or a comparable concept in other Applicable Securities Laws) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d) , when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b) , exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

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

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2 , and otherwise shall survive the termination of this Investors' Rights Agreement.

2.9 Reports Under Exchange Act or Other Applicable Securities Laws . With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the Commission or Applicable Securities Laws that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a Form F-3 or Form S-3 Registration Statement, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144 or other Applicable Securities Laws, at all times after the effective date of the Registration Statement filed by the Company for a Qualified IPO;

(b) use commercially reasonable efforts to file with the Commission in a timely manner all reports and other documents required of the Company under Applicable Securities Laws (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 or other Applicable Securities Laws (at any time after ninety (90) days after the effective date of the Registration Statement filed by the Company for the Qualified IPO), the Securities Act, and the Exchange Act and other Applicable Securities Laws (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to a Form F-3 or Form S-3 Registration Statement (at any time after the Company so qualifies); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the Commission or other Applicable Securities Laws that permits the

selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under Applicable Securities Laws) or pursuant to a Form F-3 or Form S-3 Registration Statement (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Investors' Rights Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would provide to such holder the right to include securities in any registration on other than either a pro rata basis with respect to the Registrable Securities or on a subordinate basis after all Holders have had the opportunity to include in the registration and offering all shares of Registrable Securities that they wish to so include; provided that this limitation shall not apply to any Investor who becomes a party to this Investors' Rights Agreement in accordance with Subsection 6.10.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that, if so required by the managing underwriter, it will not, during the period commencing on the date of the final prospectus or its equivalent in any other jurisdiction relating to the registration by the Company for its own behalf of its Ordinary Shares or any other equity securities under the Securities Act or other Applicable Securities Laws on a registration statement on Form F-1 or Form F-3 or their equivalent in any other jurisdiction, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the Qualified IPO, or ninety (90) days in the case of any registration other than the Qualified IPO), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares held immediately before the date of the final prospectus for such offering, other than any Ordinary Shares or other securities purchased by such Holder in the open market or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Ordinary Shares or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall (w) be subject to any exceptions that any Holder and the applicable underwriter may agree on; provided, that, to the extent such agreement results in a Holder being permitted to sell Ordinary Shares or other securities of the Company held by such Holder prior to the expiration of such one hundred eighty (180) day or ninety (90) day period, as applicable, the applicable underwriter shall apply such exception pro rata to all Holders, (x) not apply with respect to the securities of the Company that are the subject of such Registration Statement and offering, (y) not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and (z) not apply to the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the Immediate Family Members of the Holder, provided in (z) that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer in (z) shall not involve a disposition for value; and moreover none of the restrictions in this Subsection 2.11

shall be applicable to the Holders unless all officers and directors are subject to the same restrictions and the Company uses commercially reasonable efforts to obtain a similar agreement from all shareholders individually owning more than five percent (5%) of the Company's outstanding Ordinary Shares (after giving effect to conversion into Ordinary Shares of all outstanding Preferred Shares). The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. With respect to the Advisory Investors and the Lead Investors, the restrictions in this Subsection 2.11 apply only in a Qualified IPO and only to those Ordinary Shares or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Ordinary Shares held by those Advisory Investors or the Lead Investors, as applicable, immediately before the date of the final prospectus with respect to the Qualified IPO. The immediately preceding sentence cannot be amended without the prior written consent of the Advisory Investors or the Lead Investors, as applicable.

2.12 Restrictions on Transfer .

(a) The Preferred Shares and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Investors' Rights Agreement, which conditions are intended to ensure compliance with the provisions of Applicable Securities Laws. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Shares and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Investors' Rights Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Shares, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any share split, share dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) bear a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 OR OTHER APPLICABLE SECURITIES LAWS. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF APPLICABLE SECURITIES LAWS.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE SHAREHOLDER, A COPY OF WHICH IS ON FILE WITH THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless a Registration Statement is in effect and covers the proposed transaction, the Holder shall give notice to the Company of its intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at the Company's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under Applicable Securities Laws; or (ii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under Applicable Securities Laws, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Unless such transfer is made pursuant to the SEC Rule 144, each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall bear the restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not bear such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required to establish compliance with any provisions of Applicable Securities Laws.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Restated Articles;

(b) such time as Rule 144 or another similar exemption under the Securities Act or other Applicable Securities Laws is available for the sale of all of such Holder's shares without limitation (including limitations as to volume and manner of sale) during a three-month period without registration; and

(c) the date that is five (5) years from the date of closing of a Qualified IPO.

3. Information and Observer Rights .

3.1 Delivery of Financial Statements and Board Materials . The Company shall deliver to each Major Investor and each Advisory Investor; provided that the Board of Directors has not reasonably determined that such Major Investor or Advisory Investor is a Competitor:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a consolidated balance sheet for the Company and each of its Subsidiaries as of the end of such year, (ii) consolidated statements of income and cash flows for the Company and each of its Subsidiaries for such year, and (iii) a statement of shareholders' equity for the Company and each of its Subsidiaries as of the end of such year, in each case (x) setting forth in comparative form the corresponding figures for the previous fiscal year and the corresponding figures from the Budget for the fiscal year covered by such financial statements, in reasonable detail, (y) prepared in accordance with GAAP, and (z) audited and certified by one of the Big Four Accounting Firms selected by the Company, whose audit report shall be unqualified as to scope of audit, and shall state that such consolidated financial statements fairly present, in all material respects, the consolidated financial position of the Company and its Subsidiaries as of the dates indicated and the results of their operations and their cash flows for the periods indicated in accordance with GAAP applied on a basis consistent with prior years;

(b) as soon as practicable, but in any event within sixty (60) days after the end of each of the first three (3) quarters of the Company, unaudited consolidated statements of income and cash flows for such fiscal quarter (and in the case of the second quarter, also including the year-to-date statements), as applicable, and an unaudited consolidated balance sheet and an unaudited consolidated statement of shareholders' equity as of the end of such fiscal quarter, as applicable, in each case (x) setting forth in comparative form the corresponding figures for the corresponding periods of the previous fiscal year and the corresponding figures from the Budget for the current fiscal year, all in reasonable detail; and (y) prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event forty-five (45) days before the end of each fiscal year, a budget and a business plan for the next fiscal year (collectively, the " **Budget** ") for approval by the holders of Preferred Shares pursuant to Subsection 5.6 , prepared and signed by the chief financial officer of the Company, including balance sheets, income statements, and statements of cash flow (including capital expenditures) for each month and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(d) as soon as practicable, but in any event within thirty (30) days after the end of each month a statement showing the number of shares of each class and series of Capital Shares and securities convertible into or exercisable or exchangeable for Ordinary Shares outstanding at the end of the period, the Ordinary Shares issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Ordinary Shares and the exchange ratio

or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any;

(e) all notices, minutes, consents, and other materials that are provided to the directors in connection with meetings of the Board of Directors at the same time and in the same manner as provided to such directors; and

(f) with respect to the financial statements called for in Subsection 3.1(a) and Subsection 3.1(b) , an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Subsection 3.1(b)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein.

3.2 Delivery of Other Information . The Company shall deliver to each of the Initial Investors that is a Major Investor; provided that the Board of Directors has not reasonably determined that such Initial Investor that is a Major Investor is a Competitor, all other information of the Company that the Company discloses to its directors or other shareholders; provided , however , that the Company shall not be obligated under this Subsection 3.2 to provide information if the disclosure of such information would, as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege between the Company and its counsel; provided further that the Company shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege. Any non-financial information provided pursuant to this Subsection 3.2 shall not be required to be translated from its native language unless such Major Investor so requests and agrees to bear all out-of-pocket costs for such translation.

3.3 Additional Provisions Regarding Information Rights .

(a) If, for any period, the Company has any Subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated Subsidiaries.

(b) Notwithstanding anything else in Subsections 3.1 or 3.2 to the contrary, the Company may cease providing the information set forth in Subsections 3.1 and 3.2 during the period starting with the date forty-five (45) days before the Company's good-faith estimate of the date of filing of a Registration Statement if it reasonably concludes it must do so to comply with the Commission rules or other Applicable Securities Laws applicable to such Registration Statement and related offering; provided that the Company's covenants under Subsections 3.1 or 3.2 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such Registration Statement to become effective.

(c) Notwithstanding anything else in Subsection 3.1 to the contrary, the Lead Investors and the Advisory Investors shall be entitled to the rights set forth in Subsection 3.1 for so long as they hold any Capital Shares.

3.4 Inspection . The Company shall permit each of the Initial Investors that is a Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided , however , that the Company shall not be obligated pursuant to this Subsection 3.4 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would, as advised by the counsel of the Company in writing, adversely affect the attorney-client privilege between the Company and its counsel.

3.5 Observer Rights .

(a) As long as the Lead Investors collectively own at least 5.69% of the Capital Shares then outstanding, the Company shall invite a representative of the Lead Investors to attend all meetings of its and any of its Key Subsidiaries' board of directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided , however , that (i) such representative shall agree to hold in confidence and trust all information so provided in accordance with Subsection 3.7 as if such representative were a "Holder"; and (ii) the Company reserves the right to withhold any information or to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such meeting would (i) as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege between the Company or any of its Key Subsidiaries and its counsel; provided that the Company or such Key Subsidiary, as applicable, shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege, or (ii) result in disclosure of trade secrets or a conflict of interest, or (y) if the representative of the Lead Investors is a Competitor. The information provided to the Lead Investors pursuant to this Subsection 3.5(a) shall not be required to be translated from its native language unless the Lead Investors so request and agree to bear all out-of-pocket costs for such translation.

(b) At the reasonable request of the Key Holders, the Company shall invite a representative of the Key Holders to attend all meetings of its and any of its Key Subsidiaries' board of directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided , however , that (i) such representative shall agree to hold in confidence and trust all information so

provided in accordance with Subsection 3.7 as if such representative were a "Holder"; and (ii) that the Company reserves the right to withhold any information or to exclude such representative from any meeting or portion thereof if (x) access to such information or attendance at such meeting would (i) as advised by the counsel of the Company in writing, result in the loss of the attorney-client privilege between the Company or any of its Key Subsidiaries and its counsel; provided that the Company or such Key Subsidiary, as applicable, shall use commercially reasonable efforts, including by entering into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, to permit the disclosure of such information without significant risk of losing such privilege, or (ii) result in disclosure of trade secrets or a conflict of interest, or (y) if the representative of the Key Holders or their representative is a Competitor. The information provided to the Key Holders pursuant to this Subsection 3.5(b) shall not be required to be translated from its native language unless a Key Holders so requests and agrees to bear all out-of-pocket costs for such translation.

3.6 Termination of Information and Observer Rights . The covenants set forth in Subsections 3.1 through 3.5 shall terminate and be of no further force or effect (a) immediately before the consummation of the Qualified IPO, (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act or other Applicable Securities Laws, or (c) upon a Deemed Liquidation Event, as such term is defined in the Restated Articles, whichever event occurs first.

3.7 Confidentiality . Each Holder agrees that such Holder will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Investors' Rights Agreement (including notice of the Company's intention to file a Registration Statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.7 by such Holder), (b) is or has been independently developed or conceived by the Holder without use of the Company's confidential information, or (c) is or has been made known or disclosed to the Holder by a third party unless the Holder has knowledge that such disclosure is made in breach of any obligation of confidentiality such third party may have to the Company; provided , however , that a Holder may disclose confidential information (i) to its officers, directors, agents, employees, contractors, attorneys, investment advisors, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Holder, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.7 ; (iii) to any then existing or prospective Affiliate, partner, member, shareholder, or wholly owned Subsidiary of such Holder in the ordinary course of business, provided that such Holder informs such Person that such information is confidential and such Person agrees to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Holder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. Notwithstanding this Subsection 3.7 , no Holder shall be required to give notice to the Company in connection with (i) the selective disclosure of portfolio holdings and similar reporting obligations of a registered

investment company and/or registered investment adviser as required by the Investment Company Act of 1940 or the Investment Advisers Act of 1940, as applicable, or (ii) pursuant to routine regulatory demands or examinations of a regulator. However, to the extent a regulator requires confidential information of the Company that is not pursuant to a routine regulatory demand or examination, each Holder shall, to the extent practicable, provide prompt notice of such disclosure to the Company. Further, the Company consents to disclosures made to the U.S. Securities and Exchange Commission and such other similar regulatory bodies in their routine exercise of regulatory authority over each Holder without having to comply with the provisions of this Subsection 3.7 .

4. Rights to Future Share Issuances; Right to Participate in Public Offerings .

4.1 Right of First Offer .

(a) Subject to the terms and conditions of this Subsection 4.1 and Applicable Securities Laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each of the ROFO Offerees. The ROFO Offerees shall be entitled to apportion the right of first offer hereby granted to them in such proportions as they deem appropriate, among themselves and their respective Affiliates and, in the case of ROFO Offerees that are Initial Investors, beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Initial Investor (" **Investor Beneficial Owners** "); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Investors' Rights Agreement and each of the Voting Agreement and the ROFR and Co-Sale Agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights under Subsections 3.1 through 3.4 and 4.1 hereof) and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the ROFO Offeree holding the fewest number of Preferred Shares and any other Derivative Securities; provided that the Lead Investors shall collectively be entitled to apportion their rights of first offer among themselves and up to 10 of their Affiliates or Investor Beneficial Owners without such Affiliates or Investor Beneficial Owners agreeing to purchase any minimum number of New Securities.

(b) The Company shall give notice (the " **Offer Notice** ") to each of the ROFO Offerees, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(c) By notification to the Company within twenty (20) days after the Offer Notice is given pursuant to Subsection 4.1(b) , each of the ROFO Offerees may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to (i) that portion of such New Securities (the " **Pro Rata New Securities** ") which equals the proportion that the Ordinary Shares then held by such ROFO Offeree (including Ordinary Shares then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Shares and any other Derivative Securities then held by such ROFO Offeree) bears to

the total Ordinary Shares of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Shares and other Derivative Securities) or (ii) only in the case of the Initial Investors and if and only if the offer price of the New Securities, measured in reference to Ordinary Shares, is equal to or lower than the price per Ordinary Share paid by any such ROFO Offeree (calculated based on the price per Preferred Share paid by such ROFO Offeree as adjusted using the then-applicable conversion ratio), 150% of the Pro Rata New Securities with the Pro Rata New Securities of each other ROFO Offeree being correspondingly reduced. At the expiration of such twenty (20) day period, the Company shall promptly notify each ROFO Offeree (excluding any Advisory Investors) that elects to purchase or acquire all the shares available to it (each, a " **Fully Exercising ROFO Offeree** ") of any other ROFO Offeree's (excluding any Advisory Investors) failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising ROFO Offeree (excluding any Advisory Investors) may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which other ROFO Offerees were entitled to subscribe but that were not subscribed for by such ROFO Offerees which is equal to the proportion that the Ordinary Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Shares and any other Derivative Securities then held, by such Fully Exercising ROFO Offeree (excluding any Advisory Investors) bears to the Ordinary Shares issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Shares and any other Derivative Securities then held, by all Fully Exercising ROFO Offerees (excluding any Advisory Investors) who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(c) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(d) .

(d) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(c) , the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(c) , offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the ROFO Offerees in accordance with this Subsection 4.1 .

(e) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Articles), (ii) Ordinary Shares issued in the Qualified IPO, and (iii) solely in the case of the Advisory Investors, any Strategic Investment. Notwithstanding anything herein to the contrary, the Company shall cooperate reasonably to the extent permitted by applicable law to permit the ROFO Offerees to purchase their respective Pro Rata New Securities in any potential initial public offering of the Company's securities, or, if required under Applicable Securities Laws, in a side-by-side private placement (subject to customary cutbacks and other limitations).

(f) Notwithstanding any provision hereof to the contrary, in lieu of complying with the provisions of this Subsection 4.1 , the Company may elect to give notice to each of the ROFO Offerees within thirty (30) days after the issuance of New Securities. Such notice shall describe the type, price, and terms of the New Securities. Each of the ROFO Offerees shall have twenty (20) days from the date notice is given to elect to purchase up to the number of New Securities that would, if purchased by such ROFO Offeree, maintain such ROFO Offeree's percentage-ownership position or 150% of such percentage, as determined and calculated pursuant to Subsection 4.1(c) , before giving effect to the issuance of such New Securities. The closing of such sale shall occur within sixty (60) days of the date notice is given to the ROFO Offerees.

4.2 Termination . The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (a) immediately before the consummation of the Qualified IPO or (b) upon a Deemed Liquidation Event, as such term is defined in the Restated Articles, whichever event occurs first.

5. Additional Covenants .

5.1 Qualified IPO . The Company and the Key Holders shall use their respective reasonable best efforts to complete a Qualified IPO within eighteen (18) months after the date of this Investors' Rights Agreement, assuming market and other conditions make achievement of a Qualified IPO reasonably likely. The Lead Investor shall have the right, after consultation with the Company and the Key Holders and approval of the Board of Directors, to select the underwriters for, and assist the Company in the preparation of, a Qualified IPO.

5.2 Employee Agreements; Oyler Non-Compete Agreement .

(a) The Company shall not, and each of the Key Holders shall cause the Company not to, amend, modify, terminate, waive, or otherwise alter, in whole or in part, (i) any of the confidentiality and non-compete agreements entered into between the Company and its current Key Employees, a form of which is attached as Appendix B-1 hereto (to be amended in accordance with Subsection 5.2(b)) or (ii) any restricted share or option agreements between the Company and any employee, in each case, without the consent of both of the BBI Directors. Each of the Company and Mr. John Oyler (" **Oyler** ") covenants and agrees that it or he will honor and enforce the terms of the non-compete agreement.

(b) The Company shall require each employee hereafter employed by it or by any of its Subsidiaries who, either alone or in concert with others, develops, invents, programs, or designs any Company Intellectual Property to, as a precondition to their employment, enter into a confidentiality and non-compete agreement substantially in the form attached as Appendix B-1 hereto and an agreement with respect to inventions made in China substantially in the form attached as Appendix B-2 hereto.

(c) For so long as he is employed at the Company, or any Affiliate of or successor thereto, in the position of Chief Executive Officer, Oyler agrees that (i) he shall use his best efforts to promote the interests of the Company and shall devote substantially all of his

business time and efforts to the Company's business and affairs, and (ii) he shall not, directly or indirectly, own an interest in, join, carry on or be engaged in, operate, assist, control or participate in, or be connected as an officer, employee, agent, independent contractor, consultant, partner, member, manager, part-owner, shareholder, principal or in any other capacity with, any corporation, partnership, limited liability company, proprietorship, association, business or other entity or person engaged, in China, in any Competing Business (as defined below). Oyler represents that his obligations set forth in this Subsection 5.2(c) shall not cause him any substantial economic hardship. Oyler agrees that the obligations set forth in this Subsection 5.2(c) are reasonable and necessary to protect the legitimate business interests of the Company. For purposes of this Subsection 5.2(c) , " **Competing Business** " means any commercial venture pursuing therapeutic research and development relating to oncology. Notwithstanding the above, nothing herein shall prohibit Oyler from making "angel" or "seed" investments in a Competing Business provided that, concurrently with such investment, Oyler delivers to the Board of Directors (i) written notice of such investment; and (ii) a written and executed option, in a form reasonably acceptable to the Company, to purchase such investment from Oyler, at fair market value as of the time of the Company's purchase from Oyler, which option shall be exercisable at any time through the tenth (10th) Business Day following the date Oyler ceases to hold the position of Chief Executive Officer of the Company (without regard for the reason Oyler ceases to hold such position).

(d) The Company, Mr. Oyler and the Initial Investors agree to negotiate in good faith a market-based employment agreement to be entered into between the Company (or a Subsidiary of the Company) and Mr. Oyler within three (3) months after the date hereof, which agreement shall set forth the terms of Mr. Oyler's employment with the Company (or a Subsidiary of the Company) as its Chief Executive Officer and which shall include, among other things, two-year post-termination non-competition and non-solicitation provisions, as well as customary severance and perquisites.

5.3 Employee Shares . Unless otherwise approved by the Board of Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of the Company's capital shares after the date hereof shall be required to execute restricted share or option agreements, as applicable, providing for (a) vesting of shares over a five (5) year period, with the first twenty percent (20%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following forty-eight (48) months, and (b) a market stand-off provision substantially similar to that in Subsection 2.11 . In addition, unless otherwise approved by the Board of Directors, the Company shall retain a "right of first refusal" on employee transfers until the Qualified IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted shares.

5.4 Matters Requiring Lead Investor Director Approval . So long as the Lead Investor is entitled to designate the BBI Directors, the Company hereby covenants and agrees that it shall not, and shall cause each of its Subsidiaries not to, and each Key Holder covenants and agrees to cause the Company and each of the Key Subsidiaries not to, take any of the following actions or engage in any of the following transactions without the approval of a

majority of the Board of Directors or the board of directors of the applicable Key Subsidiary, which approval, in each case, must include the affirmative vote of both of the BBI Directors:

(a) any merger, scheme of arrangement, subdivision, joint venture establishment or consolidation, other than licensing of assets in the ordinary course of business;

(b) any acquisition, grant of any license to or receipt of any license from any other Person, or any sale of assets (including any intellectual property rights) with a value exceeding, individually or in the aggregate with any other acquisition or sale of assets, US$10,000,000;

(c) an initial public offering of the Company (or a Subsidiary or holding company of the Company) which is not a Qualified IPO;

(d) any grant, issuance, reclassification, sale, repurchase and/or redemption of any equity security or any rights, options or warrants exercisable, convertible or exchangeable for or into equity securities, in each case, of any of the Company's Subsidiaries, or any instrument giving the holder the right to an equity participation of any of the Company's Subsidiaries, other than a grant or issuance of any such security to the Company or any of its wholly owned Subsidiaries;

(e) any incurrence, issuance, reclassification, sale, repurchase and/or redemption of any debt at value exceeding, individually or in the aggregate with any other issued, reclassified, sold, repurchased and/or redeemed debt, US$20,000,000 and not contemplated by the then-current Budget;

(f) amendments to the Restated Articles or similar corporate governance documents to the extent such amendments adversely affect the rights of the Preferred Shares; provided, that, for purposes of clarity, the creation of new or additional Capital Shares (including those having rights, preferences or privileges different from or senior to any outstanding Capital Shares) offered and sold in connection with a bona fide financing transaction shall not in and of itself be deemed to adversely affect the rights of the Preferred Shares;

(g) changes in the size of the board of directors of the Company or any Key Subsidiary to the extent such changes could adversely affect the rights of the Preferred Shares; provided, that the vote of the BBI Directors shall not be required in the event the size of the applicable board of directors is increased in order to offer a seat on such board to an investor in the Company investing at least US$10,000,000 (other than in connection with the purchase of Series A-2 Preferred Shares by new Investors pursuant to the Purchase Agreement);

(h) any capital expenditures in an amount exceeding, individually or in the aggregate with any other incurred debt and major capital expenditures, US$20,000,000 and not contemplated by the then-current Budget;

(i) transactions with its Affiliates, or any Key Holder or its Affiliates, with a value exceeding, individually or in the aggregate with any other affiliate transactions, US$5,000,000;

(j) any dissolution, bankruptcy, liquidation or reorganization;

(k) change in principal business activities;

(l) declaration and payments of dividends; and

(m) any establishment of Subsidiaries or affiliates or entering into any joint ventures or partnerships.

5.5 Matters Requiring Board Approval. The Company hereby covenants and agrees that it shall not, and shall cause each of the Key Subsidiaries not to, and each Key Holder covenants and agrees to cause the Company and each of the Key Subsidiaries not to, take any of the following actions or engage in any of the following transactions without the approval of a majority of the Board of Directors:

(a) any issuance, reclassification, sale, repurchase and/or redemption of any equity securities;

(b) adoption of, or material amendment to, any share option, share purchase or other share ownership plan;

(c) settlement of any litigation with a settlement value exceeding, individually or in the aggregate with any other settlements, US$5,000,000;

(d) appointment or removal, or any material increase in the compensation, of executive management, including the chief executive officer, chief financial officer and chief operating officer; and

(e) change or appointment of the Company's accountants.

5.6 Matters Requiring Preferred Shares Approval. Each party agrees that (a) the Budget with respect to each fiscal year, or any amendment thereto, shall be approved by the holders of a simple majority of the Preferred Shares held by the holders of Series A Preferred Shares, and (b) until the approval of the Budget with respect to any fiscal year, (i) the Budget attached hereto as Appendix A or (ii) the latest Budget with respect to any preceding fiscal year that has been duly approved pursuant to this Subsection 5.6, whichever is most recent, shall continue to be in full force and effect with respect to that fiscal year.

5.7 Board Matters. Each party agrees and shall use its best efforts to ensure that (a) the Board of Directors meets at least quarterly in accordance with an agreed-upon schedule to review, among other things, the Company's performance during the previous fiscal quarter and to decide on matters customarily requiring board approval; (b) in each year, two (2) in-person meetings of the Board of Directors will be held in the Cayman Islands and two (2) in-

person meetings will be held in Hong Kong, and any other in-person meetings of the Board of Directors will be held either in the Cayman Islands or Hong Kong, or in another location outside of the United States and The People's Republic of China; (c) all meetings of the Board of Directors shall be accessible and attendable via teleconference or videoconference; (d) the Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board of Directors; (e) the Lead Investors shall have the right to designate one director to the board of directors of each Key Subsidiary, who shall not be removed from such board of directors unless such removal is directed by the Lead Investors; and (f) at least one Lead Investor-nominated director shall serve on key committees of each of the Board of Directors and the board of directors of each Key Subsidiary, including the compensation committee of the Board of Directors, which director shall not be removed from the relevant committee unless such removal is directed by the Lead Investors.

5.8 Affiliate Transactions . The Company hereby covenants and agrees that it shall not and shall cause each of its Subsidiaries not to, and each Key Holder covenants and agrees to cause the Company and each of its Key Subsidiaries not to, engage in any transactions with any of their respective Affiliates, or any Key Holder's Family Members or Affiliates, other than such transactions that are agreed upon on a strictly arm's length basis and are no less favorable to the Company or the applicable Subsidiary than those that could have been obtained in a comparable transaction by the Company or such Subsidiary with a person that is not such an Affiliate or Key Holder's Family Member or Affiliate.

5.9 Successor Indemnification . If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the board of directors of the Company or any Key Subsidiary as in effect immediately before such transaction, whether such obligations are contained in the Restated Articles or elsewhere, as the case may be.

5.10 Expenses of Counsel . In the event of a transaction which is a Sale of the Company (as defined in the Voting Agreement), the reasonable fees and disbursements of one counsel for the Lead Investors (" **Investor Counsel** "), in their capacities as stockholders, shall be borne and paid by the Company. At the outset of considering a transaction which, if consummated would constitute a Sale of the Company, the Company shall obtain the ability to share with the Investor Counsel (and such counsel's clients) and shall share the confidential information (including the initial and all subsequent drafts of memoranda of understanding, letters of intent and other transaction documents and related noncompete, employment, consulting and other compensation agreements and plans) pertaining to and memorializing any of the transactions which, individually or when aggregated with others would constitute the Sale of the Company. The Company shall be obligated to share (and cause the Company's counsel and investment bankers to share) such materials when distributed to the Company's executives and/or any one or more of the other parties to such transaction(s). In the event that Investor

Counsel deems it appropriate, in its reasonable discretion, to enter into a joint defense agreement, common interest agreement or other arrangement to enhance the ability of the parties to protect their communications and other reviewed materials under the attorney client privilege, the Company shall, and shall direct its counsel to, execute and deliver to Investor Counsel and its clients such an agreement in form and substance reasonably acceptable to Investor Counsel. In the event that one or more of the other party or parties to such transactions require the clients of Investor Counsel to enter into a confidentiality agreement and/or joint defense agreement, common interest agreement or other arrangement in order to receive such information, then the Company shall share whatever information can be shared without entry into such agreement and shall, at the same time, in good faith work expeditiously to enable Investor Counsel and its clients to negotiate and enter into the appropriate agreement(s) without undue burden to the clients of Investor Counsel.

5.11 Indemnification Matters . The Company hereby acknowledges that one (1) or more of the directors nominated by the Initial Investors to serve on the board of directors of the Company or any Key Subsidiary (each a " **Fund Director** ") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Initial Investors and certain of their Affiliates (collectively, the " **Fund Indemnitors** "). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.* , its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Restated Articles (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.12 Right to Conduct Activities . The Company hereby agrees and acknowledges that the Initial Investors (together with their respective Affiliates) and United Sheen are professional investment funds or other investment vehicles, and as such invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, the Initial Investors and United Sheen shall not be liable to the Company for any claim arising out of, or based upon, (a) the investment by any of the Initial Investors or United Sheen, as applicable, in any entity competitive with the Company, or (b) actions taken by any partner, officer or other representative of any of the Initial Investors or United Sheen, as applicable, to assist any such competitive company, whether or not

such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Initial Investors or United Sheen from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Investors' Rights Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.13 Anti-Bribery . The Company represents that it shall not (and shall not permit any of its Subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any "foreign official" (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the " **FCPA** ")), in each case, in violation of the FCPA, the U.K. Bribery Act, the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and related implementing legislation, the anti-bribery related provisions in the criminal and anti unfair competition laws of The People's Republic of China, and each other law in a jurisdiction applicable to the Company, any of its Subsidiaries or the Investors that relates to bribery, improper competition or other matters including corruption (collectively, the " **Anti-Bribery Laws** "). The Company further represents that it shall (and shall cause each of its Subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its Subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of any Anti-Bribery Law. The Company further represents that it shall (and shall cause each of its Subsidiaries and affiliates to) maintain systems of internal controls (including accounting systems, purchasing systems and billing systems) to ensure compliance with any Anti-Bribery Law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable any Anti-Bribery Laws. The Company shall promptly notify each Investor if the Company becomes aware of any allegation, voluntary disclosure, investigation, prosecution or other enforcement action related to any Anti-Bribery Law. The Company shall, and shall cause any direct or indirect Subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with any Anti-Bribery Law. The Company shall use its best efforts to cause any direct or indirect Subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.14 Tax .

(a) If it is determined that the Company or any of its Subsidiaries has been, is, or is likely to be, a PFIC, the Company shall provide the Investors with all information reasonably available to the Company and any of its Subsidiaries to permit the Investors to (i) accurately prepare all tax returns and comply with any reporting requirements as a result of such determination, (ii) in the event the Company is a PFIC, make any election (including, without limitation, a "qualified electing fund" election under Section 1295 of the Code) with respect to the Company or any of its Subsidiaries, as may be relevant, and comply with any reporting or other requirements incident to such election, and (iii) in the event the Company is likely to be a

PFIC, file a "protective statement" pursuant to Section 1295 of the Code with respect to the Company or any of its Subsidiaries, as may be relevant, and comply with any reporting or other requirements incident to such statement. The Company will promptly notify the Investors of any assertion by the United States Internal Revenue Service that the Company or any of its Subsidiaries is, or is likely to be, a PFIC.

(b) For any taxable year during which the Company or any of its Subsidiaries is a CFC at any time, the Company shall make available to the Investors the information needed by it to timely and accurately file a Form 5471, Information Return of U.S. Persons with Respect to Certain Foreign Corporations (including profit and loss balance sheets), and such other information reasonably necessary for the Investors to prepare all tax returns and comply with any reporting requirements as a result of such CFC status.

(c) For the avoidance of doubt, the Company shall provide the information required to be provided to the Investors under Subsections 5.14(a) and (b) in a timely manner, but in no case later than three months after the close of every taxable year.

(d) Notwithstanding anything in this Investors' Rights Agreement to the contrary, neither the Company nor any Holder shall take any action that would cause any Investor to recognize income in excess of a corresponding amount of cash distributed to the Investor.

5.15 Provision of Information. The Company shall promptly and accurately respond, and shall use its best efforts to cause its transfer agent to promptly respond, to requests for information made from time to time on behalf of the Lead Investors or any Advisory Investor relating to (a) accounting or securities laws matters required in connection with an audit and (b) the actual holdings of the Lead Investors or the Advisory Investors' accounts, including in relation to the total outstanding shares; provided, however that the Company shall not be obligated to provide any such information that could reasonably result in a violation of applicable law or conflict with its insider trading policy or a confidentiality obligation of the Company.

5.16 Termination of Covenants. The covenants set forth in this Section 5, except for Subsections 5.9, 5.11 and 5.14, shall terminate and be of no further force or effect (a) immediately before the consummation of a Qualified IPO, or (b) upon a Deemed Liquidation Event, as such term is defined in the Restated Articles, whichever event occurs first.

6. Miscellaneous.

6.1 Share Splits. All references to numbers of shares in this Investors' Rights Agreement shall be appropriately adjusted to reflect any share dividend, split, combination or other recapitalization affecting the Registrable Securities occurring after the date of this Investors' Rights Agreement.

6.2 Successors and Assigns .

(a) The terms and conditions of this Investors' Rights Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Investors' Rights Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Investors' Rights Agreement, except as expressly provided herein.

(b) The rights under this Investors' Rights Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 50% of the Registrable Securities (subject to appropriate adjustment for share splits, share dividends, combinations, and other recapitalizations) owned by such Holder immediately after the Closing (as defined in the Purchase Agreement); provided , however , that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Investors' Rights Agreement, including the provisions of Subsection 2.11 . For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or shareholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Investors' Rights Agreement.

(c) Except in connection with an assignment by the Company by operation of law to the acquirer of the Company, the rights and obligations of the Company hereunder may not be assigned under any circumstances.

6.3 Governing Law . This Investors' Rights Agreement and all actions based upon, arising out of or in connection with this Investors' Rights Agreement shall be governed by and construed in accordance with the laws of the State of New York.

6.4 Counterparts . This Investors' Rights Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.* , www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.5 Titles and Subtitles . The titles and subtitles used in this Investors' Rights Agreement are for convenience only and are not to be considered in construing or interpreting this Investors' Rights Agreement.

6.6 Notices . All notices and other communications given or made pursuant to this Investors' Rights Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified; (b) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A or Schedule B (as applicable) hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.6 . If notice is given to the Company, a copy (which shall not constitute notice) shall also be sent to Goodwin Procter LLP, 53 State Street, Boston, MA 02109, Attn: Michael J. Kendall, Fax: 617-523-1231, E-Mail: mkendall@goodwinprocter.com; if notice is given to Lead Investors, a copy (which shall not constitute notice) shall also be given to Sullivan & Cromwell (Hong Kong), 28 th Floor, Nine Queen's Road Central, Hong Kong, Attn: Michael G. DeSombre, Fax: +852-2522-2280, E-Mail: desombrem@sullcrom.com; if notice is given to Hillhouse, a copy (which shall not constitute notice) shall also be given to Cleary Gottlieb Steen & Hamilton (Hong Kong), 37th Floor, Hysan Place, 500 Henessy Road, Hong Kong, Attn: Michael J. Preston, Fax: +852-2845-9026, E-Mail: mpreston@cgsh.com; if notice is given to CITIC PE, a copy (which shall not constitute notice) shall also be given to Fangda Partners, 21th Floor, China World Tower, 1 Jian Guo Men Wai Avenue, Beijing 100004, China, Attn: Diane Xue, Fax: +8610-5769-5688, E-Mail: diane.xue@fangdalaw.com; and if notice is given to Merck, a copy (which shall not constitute notice) shall also be given to Merck Sharp & Dohme Corp., One Merck Drive, P.O. Box 100, Whitehouse Station, NJ 08889, Attn: Office of the Secretary, Fax: +1-908-735-1246.

6.7 Amendments and Waivers .

(a) Any term of this Investors' Rights Agreement may be amended, modified or terminated and the observance of any term of this Investors' Rights Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company, the Lead Investors (for so long as the Lead Investors own at least 50% of the Capital Shares they own as of the date hereof) and parties to this Investors' Rights Agreement that are the holders of at least 66.66% of the Capital Shares then outstanding, collectively (including for purposes of clarity Capital Shares held by the Lead Investors); provided that the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); and provided further , however , that no waiver or amendment may be made to Subsection 5.14 without the written agreement of all Investors; provided further , however , that no provision pertaining to those information rights covered by Section 3 herein shall be amended without the consent of the Advisory Investors; and provided further , however , that this Investors' Rights Agreement may be amended by the Company (with the approval of its Board of

Directors) to add as parties hereto additional investors in the Company and to grant to such investors similar or additional rights to those granted to the Investors hereunder; provided , further , that no such amendment shall modify adversely or diminish in any way any rights of the Investors (it being understood that the dilution in any such rights of the Investors resulting from the granting of similar rights to a new investor shall not be deemed to modify adversely or diminish the rights of the Investors).

(b) Notwithstanding the foregoing, (i) this Investors' Rights Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Holder without the written consent of such Holder, unless such amendment, termination, or waiver applies to all Holders in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all ROFO Offerees in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain ROFO Offerees may nonetheless, by agreement with the Company, purchase securities in such transaction); and (ii) the consent of the Key Holders shall not be required for any amendment or waiver if such amendment or waiver either (A) is not directly applicable to the rights of the Key Holders hereunder; or (B) does not adversely affect the rights of the Key Holders in a manner that is different than the effect on the rights of the other parties hereto.

(c) Any provision hereof may be waived by the waiving party on such party's own behalf, without the consent of any other party. The Company shall give prompt written notice of any amendment, termination, or waiver hereunder to any party that did not consent in writing thereto. Any amendment, termination, or waiver effected in accordance with this Subsection 6.7 shall be binding on each party and all of such party's successors and permitted assigns, whether or not any such party, successor or assignee entered into or approved such amendment, termination or waiver. No waivers of or exceptions to any term, condition, or provision of this Investors' Rights Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision. For purposes of this Subsection 6.7 , the requirement of a written instrument may be satisfied in the form of an action by written consent of the Key Holders and Lead Investors circulated by the Company and executed by the Key Holder and Lead Investor parties specified, whether or not such action by written consent makes explicit reference to the terms of this Investors' Rights Agreement.

6.8 Severability . In case any one or more of the provisions contained in this Investors' Rights Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Investors' Rights Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.9 Aggregation of Shares . All shares of Registrable Securities held or acquired by Affiliates shall be aggregated for the purpose of determining the availability of any rights under this Investors' Rights Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate. For purposes of this

Subsection 6.9 , Advisory Investors with the same or affiliated Investment Advisor shall be deemed Affiliates.

6.10 Additional Investors . Notwithstanding anything to the contrary contained herein, if the Company issues additional Preferred Shares after the date hereof, as a condition to the issuance of such shares the Company shall require, and each party hereto shall request, that any purchaser of Preferred Shares become a party to this Investors' Rights Agreement by executing and delivering an additional counterpart signature page to this Investors' Rights Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Investors' Rights Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder pursuant to this Subsection 6.10 .

6.11 Entire Agreement . This Investors' Rights Agreement (including the Schedules and Appendices hereto), the Restated Articles and the other Transaction Agreements constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.12 Dispute Resolution .

(a) Any dispute, controversy or claim arising out of, relating to, or in connection with this Investors' Rights Agreement, including any dispute regarding its validity or termination, or the performance or breach thereof, shall be finally settled by binding arbitration administered by the International Chamber of Commerce (the " **ICC** "), in accordance with the ICC Rules of Arbitration (the " **ICC Rules** ") in effect at the time of the arbitration. The place of arbitration shall be the County of New York, New York, and the proceedings shall be conducted in English.

(b) The arbitration shall be conducted by three arbitrators (such panel of arbitrators, the " **Tribunal** "), each of whom must be disinterested in the dispute or controversy and shall be independent and impartial with respect to all parties hereto. The Company and the Key Holders collectively, on the one hand, shall be entitled to designate one arbitrator, and the Investors, on the other hand, shall be entitled to designate one arbitrator. The two arbitrators appointed in accordance with the above provisions shall nominate the third arbitrator within ten (10) days of the appointment of the second arbitrator. If the first two appointed arbitrators fail to nominate a third arbitrator within this time period, then the third arbitrator shall be appointed by the ICC, pursuant to the ICC Rules then in effect. The third arbitrator shall serve as chairman of the Tribunal. Any arbitrator appointed by the ICC shall be an experienced arbitrator of large, complex international commercial cases.

(c) Each of the parties hereby submits to the exclusive jurisdiction in the United States District Court for the Southern District of New York (the " **Specified New York Court** ") as to any dispute or claim with respect to the validity of the arbitration provisions of this Voting Agreement and the non-exclusive jurisdiction of the Specified New York Court and any

proper court in Hong Kong as to any dispute or claim with respect to the enforcement of any award under any arbitration pursuant to this Subsection 6.12 . Each party agrees that the service of process upon such party at the address so provided this Voting Agreement shall be deemed in every respect effective service of process upon such party in any such action, suit or proceeding.

(d) Notwithstanding the foregoing, each of the parties hereby consent to and agree that in addition to any recourse to arbitration as set out in this Subsection 6.12 , any party may, to the extent permitted under the applicable laws of the jurisdiction where application is made, seek an interim injunction from the Specified New York Court and any proper court in Hong Kong. For the avoidance of doubt, this Subsection 6.12(d) is only applicable to the seeking of interim injunctions and does not restrict the application of Subsections 6.12(a) through 6.12(c) in any way.

6.13 Specific Enforcement . Each party acknowledges and agrees that each party hereto will be irreparably damaged in the event any of the provisions of this Investors' Rights Agreement are not performed by the parties in accordance with their specific terms or are otherwise breached. Accordingly, it is agreed that each of the Company, the Investors and the Key Holders shall be entitled to an injunction to prevent breaches of this Investors' Rights Agreement, and to specific enforcement of this Investors' Rights Agreement and its terms and provisions in any action instituted in any court of the United States or any state having subject matter jurisdiction.

6.14 Delays or Omissions . No delay or omission to exercise any right, power or remedy accruing to any party under this Investors' Rights Agreement, upon any breach or default of any other party under this Investors' Rights Agreement, shall impair any such right, power or remedy of such non-breaching or non-defaulting party nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default previously or thereafter occurring. Any waiver, permit, consent or approval of any kind or character on the part of any party of any breach or default under this Investors' Rights Agreement, or any waiver on the part of any party of any provisions or conditions of this Investors' Rights Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Investors' Rights Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.15 Enabling Provisions . In the event of any inconsistency or conflict between the substantive rights and obligations of the parties to this Investors' Rights Agreement and the memorandum and articles of association, certificate of incorporation, bylaws or other charter documents, as in effect at any particular time, of the Company or any of its Subsidiaries, as between the parties to this Investors' Rights Agreement, this Investors' Rights Agreement shall control. Each of the Company, the Key Holders and the Investors agree to use its or their respective best efforts, within the requirements of applicable law, to ensure that the rights granted under this Investors' Rights Agreement are effective and that the parties enjoy the benefits of this Investors' Rights Agreement. Such actions include the use of its or their respective best efforts, including voting any Ordinary Shares beneficially owned or controlled by

it or them, to ensure that the Company's and each of its Key Subsidiaries' memorandum and articles of association, certificate of incorporation, bylaws or other charter documents, as in effect at any particular time and to the greatest extent practicable pursuant to applicable law, facilitates, enables and does not at any time conflict with, any provision of this Investors' Rights Agreement.

6.16 Acknowledgment. The Company acknowledges that the Investors are in the business of investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in the Transaction Agreements shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services that compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Investors' Rights Agreement as of the date first written above.

COMPANY

BEIGENE, LTD.

By: /s/ John Oyler
Name: John Oyler
Title: Chairman and Director

KEY HOLDERS

/s/ John Oyler
JOHN OYLER

/s/ Xiaodong Wang
XIAODONG WANG

[Signature Page to Second Amended and Restated Investors' Rights Agreement]

IN WITNESS WHEREOF, the parties have executed this Second Amended and Restated Investors' Rights Agreement as of the date first written above.

/s/ Alex J-S Wang
ALEX J-S WANG

DANIEL C WANG UTMA WA

By: /s/ Xiaying Zhu
Name: Xiaying Zhu
Title: Custodian

[Signature Page to Second Amended and Restated Investors' Rights Agreement]

INVESTORS

667, L.P.

By: **BAKER BROS. ADVISORS LP** , management company and investment adviser to 667, L.P., pursuant to authority granted to it by Baker Biotech Capital L.P., general partner to 667, L.P., and not as the general partner.

By: /s/ Scott Lessing
Name: Scott Lessing
Title: President

BAKER BROTHERS LIFE SCIENCES, L.P.

By: **BAKER BROS. ADVISORS LP** , management company and investment adviser to Baker Brothers Life Sciences, L.P., pursuant to authority granted to it by Baker Brothers Life Sciences Capital L.P., general partner to Baker Brothers Life Sciences, L.P., and not as the general partner.

By: /s/ Scott Lessing
Name: Scott Lessing
Title: President

HILLHOUSE BGN HOLDINGS LIMITED

By: /s/ Colm O'Connell
Name: Colm O'Connell
Title: Director

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CB BIOTECH INVESTMENT LIMITED

By: /s/ Cindy Chan
Name: Ching Nar Cindy Chan
Title: Director

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MERCK SHARP & DOHME RESEARCH GMBH

By: /s/ Christoph Brombacher
Name: Christoph Brombacher
Title: Director

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FIDELITY MT. VERNON STREET TRUST: FIDELITY GROWTH COMPANY FUND

By: /s/ Stacie M. Smith
Name: Stacie M. Smith
Title: Authorized Signatory

FIDELITY GROWTH COMPANY COMMINGLED POOL

By: Fidelity Management & Trust Co.

By: /s/ Stacie M. Smith
Name: Stacie M. Smith
Title: Authorized Signatory

FIDELITY MT. VERNON STREET TRUST: FIDELITY SERIES GROWTH COMPANY FUND

By: /s/ Stacie M. Smith
Name: Stacie M. Smith
Title: Authorized Signatory

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UNITED SHEEN LIMITED

By: /s/ Melissa Dongmin Ma
Name: Melissa Dongmin Ma
Title: Director

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ROCK SPRINGS CAPITAL MASTER FUND LP

By: Rock Springs GP LLC
Its: General Partner

By: /s/ Graham McPhail
Name: Graham McPhail
Title: Managing Director

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SINCLAIR & CO LLC

By: /s/ J. Scott Sinclair
Name: J. Scott Sinclair
Title: Owner

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BOXER CAPITAL, LLC

By: /s/ Aaron Davis
Name: Aaron Davis
Title: Chief Executive Officer

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MVA INVESTORS, LLC

By: /s/ Aaron Davis
Name: Aaron Davis
Title: Chief Executive Officer

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INVESTOR

If individual:

By: /s/ Martin Carmichael

Print Name: Martin Carmichael

If entity:

_____

(print entity name)

By: _____

Print Name: _____

Title: _____

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INVESTOR

If individual:

By: /s/ Michael Kendall

Print Name: Michael Kendall

If entity:

_____

(print entity name)

By: _____

Print Name: _____

Title: _____

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INVESTOR

If individual:

By: /s/ William H. Whiteledge

Print Name: William H. Whitledge

If entity:

_____

(print entity name)

By: _____

Print Name: _____

Title: _____

INVESTOR

If individual:

By: _____

Print Name: _____

If entity:

2009 Exchange Place Fund A, LLC
(print entity name)

By: /s/ H. David Henken, Manager

Print Name: H. David Henken

Title: Manager

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INVESTOR

If individual:

By: _____

Print Name: _____

If entity:

2009 Exchange Place Fund B, LLC
(print entity name)

By: /s/ H. David Henken, Manager

Print Name: H. David Henken

Title: Manager

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INVESTOR

If individual:

By: _____

Print Name: _____

If entity:

Lusong Luo Family Trust
(print entity name)

By: /s/ Qing He

Print Name: Qing He

Title: Trustee

[Signature Page to Second Amended and Restated Investors' Rights Agreement]

INITIAL INVESTORS

667, L.P.

By: **BAKER BROS. ADVISORS LP** , management company and investment adviser to 667, L.P., pursuant to authority granted to it by Baker Biotech Capital L.P., general partner to 667, L.P., and not as the general partner.

By: /s/ Scott Lessing
Name: Scott Lessing
Title: President

14159, L.P.

By: **BAKER BROS. ADVISORS LP** , management company and investment adviser to 14159, L.P., pursuant to authority granted to it by 14159 Capital, L.P., general partner to 14159, L.P., and not as the general partner.

By: /s/ Scott Lessing
Name: Scott Lessing
Title: President

BAKER BROTHERS LIFE SCIENCES, L.P.

By: **BAKER BROS. ADVISORS LP** , management company and investment adviser to Baker Brothers Life Sciences, L.P., pursuant to authority granted to it by Baker Brothers Life Sciences Capital L.P., general partner to Baker Brothers Life Sciences, L.P., and not as the general partner.

By: /s/ Scott Lessing
Name: Scott Lessing
Title: President

T. Rowe Price Health Sciences Fund, Inc.
TD Mutual Funds — TD Health Sciences Fund
VALIC Company I — Health Sciences Fund
T. Rowe Price Health Sciences Portfolio
John Hancock Variable Insurance Trust — Health Sciences Trust
John Hancock Funds II — Health Sciences Fund
Each fund, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Taymour Tamaddon

Name: Taymour Tammadon

Title: Vice President

T. Rowe Price New Horizons Fund, Inc.
T. Rowe Price New Horizons Trust
T. Rowe Price U.S. Equities Trust
Each fund, severally and not jointly

By: T. Rowe Price Associates, Inc., Investment Adviser

By: /s/ Henry Ellenbogen

Name: Henry Ellenbogen

Title: Vice President

SCHEDULE A

Investors

Investor	Principal Place of Business	Total Shares Issued
Baker Brothers Life Sciences, L.P.		44,572,171 Series A Preferred Shares 26,292,961 Series A-2 Preferred Shares
14159, L.P.		582,747 Series A Preferred Shares
667, L.P.		4,382,118 Series A Preferred Shares 1,912,167 Series A-2 Preferred Shares
Hillhouse BGN Holdings Limited		14,814,814 Series A Preferred Shares 15,811,965 Series A-2 Preferred Shares
CB Biotech Investment Limited		14,814,814 Series A Preferred Shares 4,786,324 Series A-2 Preferred Shares
Merck Sharp & Dohme Research GmbH		18,518,519 Series A Preferred Shares 5,128,205 Series A-2 Preferred Shares
Mark Rousseau		90,342 Series A Preferred Shares
Thomas D. Lips		451,709 Series A Preferred Shares
William Whitledge		44,708 Series A Preferred Shares
Rein Saral		179,255 Series A Preferred Shares
Marc Chouchani		37,865 Series A Preferred Shares
Gerald S. Backman 2007 Revocable Trust (Gerald S. Backman as trustee)		179,547 Series A Preferred Shares
Lusong Luo Family Trusts		463,699 Series A Preferred Shares
2009 Exchange Place Fund A, LLC		89,627 Series A Preferred Shares
2009 Exchange Place Fund B, LLC		89,627 Series A Preferred Shares
Michael Kendall		44,635 Series A Preferred Shares

Nelson Seo	358,510 Series A Preferred Shares
Michael H. Schoen	807,962 Series A Preferred Shares
Martin Carmichael	178,540 Series A Preferred Shares
Jeffrey M. Wiesen	178,833 Series A Preferred Shares
Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund	8,617,681 Series A-2 Preferred Shares
Fidelity Growth Company Commingled Pool By: Fidelity Management & Trust Co.	1,976,003 Series A-2 Preferred Shares
Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund	2,226,828 Series A-2 Preferred Shares
T. Rowe Price Health Sciences Fund, Inc.	3,442,584 Series A-2 Preferred Shares
TD Mututal Funds - TD Health Sciences Fund	192,360 Series A-2 Preferred Shares
VALIC Company I - Health Sciences Fund	212,162 Series A-2 Preferred Shares
T. Rowe Price Health Sciences Portfolio	172,397 Series A-2 Preferred Shares
John Hancock Variable Insurance Trust - Health Sciences Trust	93,429 Series A-2 Preferred Shares
John Hancock Funds II - Health Sciences Fund	107,621 Series A-2 Preferred Shares
T. Rowe Price New Horizons Fund, Inc.	3,873,695 Series A-2 Preferred Shares
T. Rowe Price New Horizons Trust	444,831 Series A-2 Preferred Shares
T. Rowe Price U.S. Equities Trust	7,930 Series A-2 Preferred Shares
United Sheen Limited	4,273,504 Series A-2 Preferred Shares
Rock Springs Capital	1,709,401 Series A-2 Preferred Shares
Boxer Capital LLC	1,452,991 Series A-2 Preferred Shares
MVA Investors LLC	256,410 Series A-2 Preferred Shares
Sinclair & Co LLC	213,675 Series A-2 Preferred Shares

SCHEDULE B

Key Holders

Investor	Address	Total Shares Issued
John Oyler		58,381,969 Ordinary Shares 10,622,653 Series A Preferred Shares
Xiaodong Wang		16,381,475 Ordinary Shares
Alex J-S Wang — TD Ameritrade Investment account:		195,865 Ordinary Shares
Fidelity Account XIAYING ZHU CUSTODIAN FOR DANIEL C WANG — UTMA WA		195,865 Ordinary Shares

SCHEDULE C

Initial Investors

Investor	Principal Place of Business	Total Shares Issued
Baker Brothers Life Sciences, L.P.		44,572,171 Series A Preferred Shares 26,292,961 Series A-2 Preferred Shares
14159, L.P.		582,747 Series A Preferred Shares
667, L.P.		4,382,118 Series A Preferred Shares 1,912,167 Series A-2 Preferred Shares
Hillhouse BGN Holdings Limited		14,814,814 Series A Preferred Shares 15,811,965 Series A-2 Preferred Shares
CB Biotech Investment Limited		14,814,814 Series A Preferred Shares 4,786,324 Series A-2 Preferred Shares
Merck Sharp & Dohme Research GmbH		18,518,519 Series A Preferred Shares 5,128,205 Series A-2 Preferred Shares

SCHEDULE D

Key Employees

Kang Li
Lusong Luo
John Oyler
Lai Wang
Zhiwei Wang
Min Wei
Wendy Yan
Jason Yang
Steven Young
Changyou Zhou

APPENDIX A

Budget

APPENDIX B-1

Form of Employment Agreement

APPENDIX B-2

Form of Agreement with Respect to Inventions Made in China

Exhibit 10.1

BEIGENE, LTD

2011 OPTION PLAN

(the "Plan")

SECTION 1. GENERAL PURPOSE; DEFINITIONS

The purpose of this Plan is to enable persons providing (or expected to provide) services to BeiGene, Ltd. (a Cayman Islands exempted company incorporated with limited liability hereinafter referred to as the " **Company** ") and its Subsidiaries to acquire ordinary shares in the Company.

The following terms shall be defined as set forth below:

" ***Board*** "	means the Board of Directors of the Company.
" ***Cause*** "	shall have the meaning set forth in the relevant Option Agreement. If an Option Agreement does not define "Cause" it shall mean (i) the Optionee's dishonest statements or acts with respect to the Company or a Subsidiary, or any current or prospective customers, suppliers, vendors or other third parties with which the Company or its Subsidiaries do business; (ii) the Optionee's commission of (A) a criminal offence that may be punished by a term of imprisonment in excess of one year or (B) a misdemeanor involving moral turpitude, deceit, dishonesty or fraud (or analogous offences in the case of non-U.S. jurisdictions); (iii) the Optionee's continuing failure to perform his or her assigned duties and responsibilities to the reasonable satisfaction of the Company after written notice to the Optionee by the Company; (iv) the Optionee's gross negligence, willful misconduct or insubordination with respect to the Company or a Subsidiary; or (v) the Optionee's material violation of any provision of any agreement(s) between the Optionee and the Company relating to noncompetition, nondisclosure and/or assignment of inventions. For the purposes of this definition "gross negligence" shall mean intentional or willful indifference or lack of care.
" ***Code*** "	means the United States Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.
" ***Committee*** "	means the Committee of the Board referred to in Section 2.
" ***Effective Date*** "	means the date on which this Plan is adopted as set forth on the final page of this Plan.

" ***Fair Market Value*** "	of the Shares on any given date means the fair market value of the Shares determined in good faith by the Committee. If the Shares are admitted to trading on a securities exchange, the determination shall be made by reference to the closing price on the relevant date. If the date for which Fair Market Value is determined is the first day when trading prices for the Shares are reported on a securities exchange, the Fair Market Value shall be the "Price to the Public" (or equivalent) for the Company's Initial Public Offering.
" ***Grant Date*** "	means the date the Committee designates in its approval of an Option as the date on which the Option is granted, which date may not precede the approval date.
" ***Holder*** "	means the Person holding an Option or Shares, as applicable.
" ***Initial Public Offering*** "	means the consummation of the first firm commitment underwritten public offering by the Company of its equity securities, as a result of or following which the Shares are publicly held.
" ***Option*** "	means an option to purchase Shares granted pursuant to Section 5 of this Plan.
" ***Option Agreement*** "	means a written or electronic agreement setting forth the terms and provisions applicable to an Option granted under this Plan. Each Option Agreement may contain terms and conditions in addition to those set forth in this Plan; *provided, however,* that, in the event of any conflict between the terms of this Plan and the Option Agreement, the terms of this Plan shall prevail and govern.
" ***Optionee*** "	means the individual to whom an Option is granted.
" ***Person*** "	shall mean an individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.
" ***Proposed Holder Transfer*** "	means any assignment, sale, offer to sell, pledge, mortgage, charge, hypothecation, encumbrance, disposition of or any other like transfer or encumbering of any Shares.
" ***Proposed Transfer Notice*** "	means written notice from the Holder setting forth the terms and conditions of a Proposed Holder Transfer.
" ***Sale Event*** "	means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity,

(iii) a merger, scheme of arrangement, reorganization or consolidation involving the Company in which the voting shares of the Company outstanding immediately prior to such transaction represent or are converted into or exchanged for securities of the surviving or resulting entity immediately upon completion of such transaction which represent less than 50 percent of the outstanding voting power of such surviving or resulting entity, (iv) the acquisition of all or a majority of the outstanding voting shares of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however,* that a capital raising event or a merger effected solely to change the Company's domicile shall not constitute a "Sale Event."

*" **Section 409A** "* means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

*" **Service Relationship** "* means any relationship as a full-time employee, part-time employee, director of or other service provider (including consultant) to the Company or a Subsidiary or a successor entity (including a person who provides services to the Company pursuant to a service agreement between the Company and an entity that has engaged such person). A Service Relationship shall be deemed to continue without interruption in the event an individual's status changes so long as that person's services continue uninterrupted (e.g., from full-time employee to part-time employee or consultant).

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

" ***Subsidiary*** " means a corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT OPTIONEES AND DETERMINE OPTIONS

(a) Administration of Plan . This Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board. All references in this Plan to the " **Committee** " shall refer to the group then responsible for administration of this Plan at the relevant time (i.e., either the Board or a committee of the Board, as applicable).

(b) Powers of Committee . Subject to applicable law, the Committee shall have the power and authority to grant Options consistent with the terms of this Plan, including the power and authority:

(i) to select the individuals to whom Options may from time to time be granted;

(ii) to determine the time or times of grant, and the number of Shares issuable upon exercise of Options;

(iii) to determine, subject to Section 5(a)(i), the exercise price of Options;

(iv) to determine and, subject to Section 9, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of this Plan, of any Option, which terms and conditions may differ among individual Options and Optionees, and to approve the form of Option Agreements;

(v) to accelerate at any time the exercisability of all or any portion of an Option;

(vi) to impose any limitations on Options, including limitations on transfer, repurchase provisions and the like on the Options and Shares, and to exercise repurchase rights or obligations;

(vii) to extend at any time the period in which Options may be exercised; and

(viii) subject to the provisions of the articles of association of the Company, at any time to adopt, alter and repeal such rules, guidelines and practices for administration of this Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of this Plan and any Option (including related written instruments); to make all determinations it deems advisable for the administration of this Plan; to decide all disputes arising in connection with this Plan; and to otherwise supervise the administration of this Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and Holders.

(c) Option Agreement . Options under this Plan shall be evidenced by Option Agreements that set forth the terms, conditions and limitations for each Option.

(d) Indemnification . Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with this Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, or any directors' and officers' liability insurance coverage that may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Option Recipients . Notwithstanding any provision of this Plan to the contrary, in order to comply with the laws in countries in which the Company and its Subsidiaries operate or have employees or other individuals eligible for Options, the Committee, in its sole

discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by this Plan; (ii) determine which individuals, if any, are eligible to participate in this Plan; (iii) modify the terms and conditions of any Option granted to individuals to comply with applicable laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as appendices); *provided, however* , that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a); and (v) take any action, before or after an Option is granted, that the Committee determines to be necessary or advisable to obtain approval or comply with any applicable governmental regulatory exemptions or approvals.

SECTION 3. SHARES ISSUABLE UNDER THIS PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Shares Issuable . The maximum number of Shares available for issuance under this Plan shall be 17,000,000 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

(b) Changes in Shares . Subject to Section 3(c), if, as a result of any reorganization, recapitalization, reclassification, scheme of arrangement, merger, share dividend, share split, reverse share split or other similar change in the Company's share capital, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such shares or other securities, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and equitable or proportionate adjustment in (i) the maximum number of shares reserved for issuance under this Plan, (ii) the number and kind of shares or other securities subject to any then outstanding Options under this Plan, (iii) the repurchase price, if any, per share subject to each outstanding Option, and (iv) the exercise price for each share subject to any then outstanding Options under this Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Options) as to which such Options remain exercisable provided always that no share will be issued for a price that is less than its par value. The adjustment by the Committee shall be final, binding and conclusive. No fractional shares shall be issued under this Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events .

(i) In the case of and subject to the consummation of a Sale Event, this Plan and all outstanding Options shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices.

(ii) In the event of the termination of this Plan and all outstanding Options pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event specified by the Committee, to exercise all Options that are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however* , that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(iii) Notwithstanding anything to the contrary in Section 3(c)(i), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to each Holder in exchange for the cancellation of Options, in an amount equal to such Holder's pro rata portion of the difference between (A) the value as determined by the Committee of the consideration payable per Share pursuant to the Sale Event times the number of Shares subject to the Options being cancelled (to the extent then exercisable, including by reason of acceleration in connection with such Sale Event) and (B) the aggregate exercise price of all such Options.

SECTION 4. ELIGIBILITY

Anyone having or expected to have a Service Relationship with the Company or a Subsidiary (including prospective employees or others, conditional upon their subsequent employment or Service Relationship) shall be eligible to receive Options under this Plan.

SECTION 5. OPTIONS

Upon the grant of an Option, the Company and the Optionee shall enter into an Option Agreement. The terms and conditions of each such Option Agreement shall be determined and approved by the Committee, and such terms and conditions may differ among individual Options and Optionees.

(a) Terms of Options . The Committee in its discretion may grant Options to eligible Persons subject to the following terms and conditions and such additional terms and conditions, not inconsistent with the terms of this Plan, as the Committee shall determine:

(i) Exercise Price . The exercise price of Options shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date and in no event shall be less than the par value of the Shares in respect of which such Option has been granted.

(ii) Option Term . The term of each Option shall be fixed by the Committee, but no Option shall be exercisable after the tenth (10 th) anniversary of the Grant Date.

(iii) Exercisability; Rights of a Shareholder . Options shall become exercisable at such time or times, whether or not in installments, as shall be determined by the Committee. An Optionee shall have the rights of a shareholder only as to Shares acquired upon the exercise of an Option. An Optionee shall not be deemed to have acquired any Shares unless and until an Option has been exercised pursuant to the terms of the Option Agreement and this Plan and the Optionee's name has been entered on the register of members of the Company as a shareholder.

(iv) Method of Exercise . An Optionee may exercise Options in whole or in part, by giving written notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made:

(A) in cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee; or

(B) any other method permitted by the Committee.

The Optionee's name will not be entered on the register of members of the Company and no certificates for Shares will be issued to an Optionee until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the Optionee at the time of exercise of the Option that the Optionee is purchasing the Shares for the Optionee's own account and not with a view to any sale or distribution of the Shares, or other representations relating to compliance with applicable anti-money laundering and other laws governing the issuance of securities, (ii) the legending of the certificate representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from the Optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The entry of the Optionee's name on the Company's register of members and the delivery of certificates representing the Shares to be purchased pursuant to the exercise of an Option will be contingent upon (i) receipt from the Optionee (or a purchaser acting for the Optionee in accordance with the provisions of the Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Option Agreement or applicable laws and (ii) if required by the Company, the Optionee's providing such other information as may be necessary and entering into a shareholders agreement or other agreement with the Company and/or certain other of the Company's shareholders relating to the Shares.

SECTION 6. TRANSFER RESTRICTIONS; COMPANY REPURCHASE RIGHTS

(a) Restrictions on Transfer.

(i) Non-Transferability of Options . No Option shall be transferable by the Optionee otherwise than by will or intestacy and all Options shall be exercisable, during the Optionee's lifetime, only by the Optionee, or by the Optionee's legal representative or guardian in the event of the Optionee's incapacity.

(ii) Shares . No Shares shall be sold, assigned, transferred, pledged, mortgaged, charged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law (a "transfer"), unless (A) such transfer is in compliance with the terms of the applicable Option Agreement, the articles of association of the Company, all applicable securities laws, and with the terms and conditions of this Section 6, (B) the transfer does not cause the Company to become subject to the reporting requirements or new or additional regulation under the securities laws of any jurisdiction, and (C) the transferee consents in writing to be bound by the provisions of this Plan, including this Section 6 and the articles of association of the Company. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor's own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all applicable securities laws. Any attempted disposition of Shares not in accordance with the terms and conditions of this Section 6 shall be null and void, shall not be recorded on the Company's register of members by the Company or its transfer agent, if any, and shall not be recognized by the Company. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity (including, without limitation, seeking specific performance or the rescission of a transfer not made in strict compliance with the terms of this Section 6 and the articles of association of the Company). Subject to the foregoing general provisions and applicable law, and unless otherwise provided in the applicable Option Agreement, upon the death of the Holder, any Shares then held by the Holder and any Shares acquired after the Holder's death by the Holder's legal representative shall be subject to the provisions of this Plan and the articles of association of the Company, and the Holder's estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to comply with the repurchase provisions contemplated by this Plan and the articles of association of the Company.

(b) Company's Right of Repurchase for Transfer Shares .

(i) Transfer Shares . If a Holder wishes at any time to sell or otherwise transfer all or any part of the Holder's Shares (the " **Transfer Shares** "), the Company shall have a right (subject to applicable law) to repurchase all but not less than all of the Transfer Shares at the same price and on the same terms and conditions as are set forth in the Proposed Transfer Notice.

(ii) Notice . The Holder must deliver a Proposed Transfer Notice to the Company not later than forty-five (45) days prior to the intended consummation of any Proposed Holder Transfer. Such Proposed Transfer Notice shall contain the material terms and conditions (including price and form of consideration) of the

Proposed Holder Transfer and the identity of the proposed transferee. To exercise its repurchase right, the Company shall deliver a notice to the Holder within fifteen (15) days after delivery by the Holder of the Proposed Transfer Notice.

(iii) Consideration; Closing. If the consideration proposed to be paid for the Transfer Shares is in the form of property, services or other non-cash consideration and the Company cannot for any reason pay the repurchase price in the same form of non-cash consideration, the Company may pay cash for the Transfer Shares in an amount equal to the fair value of such non-cash consideration, as determined in good faith by the Board. Subject to applicable law, the repurchase by the Company shall take place, and all payments by the Company shall have been made to the Holder, by the later of (i) the date specified in the Proposed Transfer Notice as the intended date of the Proposed Holder Transfer and (ii) forty-five (45) days after delivery to the Company of the Proposed Transfer Notice.

(iv) Additional Compliance. If Transfer Shares are not repurchased by the Company, they may be sold to the Proposed Transferee on the terms and conditions set forth in the Proposed Transfer Notice; provided, however, if any Proposed Holder Transfer is not consummated within forty-five (45) days after delivery of the Proposed Transfer Notice to the Company, the Holder may not sell any Transfer Shares unless the Holder first complies in full with each provision of this Section 6 again.

(c) Company's Right of Repurchase for Shares.

(i) Repurchase Events. If the Holder's Service Relationship with the Company and its Subsidiaries is terminated for any reason other than for Cause, the Company or its assigns shall, upon written Notice to the Holder within 120 days following such termination, have the right (subject to applicable law) to repurchase all Shares in accordance with the procedures set forth below. The repurchase price for such Shares shall be Fair Market Value. If the Holder's employment with the Company and/or its Subsidiaries is terminated at any time for Cause, the Company shall, upon written notice to the Holder within 120 days following such termination, have the right (subject to applicable law) to repurchase all of such Holder's Shares. The repurchase price for such Shares shall be the lower of the price paid by the Holder for the Shares or Fair Market Value.

(ii) Procedures. If the Company effects a repurchase of the Shares as referred to in this Section 6(c), the Company shall direct the Company's registered office to update the register of members to reflect the repurchase whereupon such Shares shall be repurchased and cancelled. In connection with any such repurchase, the Holder shall deliver to the Company the certificate or certificates evidencing the repurchased Shares, which shall then be cancelled. Within ten (10) days following receipt thereof, the Company shall mail a check for the repurchase price to the Holder.

(d) Lockup Provision . If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company in connection with such public offering, each Holder shall execute a separate letter confirming its agreement to comply with this Section 6(d).

(e) Adjustments for Changes in Capital Structure . If, as a result of any reorganization, recapitalization, scheme of arrangement, merger, reclassification, share dividend, share split, reverse share split or other similar change in the Company's share capital, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of the Company's shares, the restrictions contained in this Section 6 shall apply with equal force to additional and/or substitute securities, if any, received by the Holder in exchange for, or by virtue of his or her ownership of, Shares.

SECTION 7. TAX WITHHOLDING

(a) Payment by Optionee . Each Holder shall, no later than the date as of which the value of an Option or the Shares acquired upon its exercise must first be included in the Holder's gross income for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any taxes of any kind required by applicable law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the Holder. The Company's obligation to deliver share certificates (or evidence of the entry of the Holder on the Company's register of members) is subject to and conditioned on any such tax withholding obligations being satisfied by the Holder.

(b) Payment in Shares . Subject to approval by the Committee, the Company's minimum required tax withholding obligation may be satisfied, in whole or in part, by the Company's withholding from Shares to be issued pursuant to an Option Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the minimum withholding amount due.

SECTION 8. SECTION 409A AWARDS.

For U.S. taxpayers, to the extent that an Option is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a " **409A Award** "), the Option shall be subject to such additional rules and requirements as specified by the Committee from time to time in order to comply with Section 409A. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to an Optionee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the Optionee's separation from service, or (ii) the Optionee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A.

SECTION 9. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue this Plan and the Committee may, at any time, amend or cancel any outstanding Option for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under an outstanding Option without the consent of the Holder of the Option. The Committee may exercise its discretion to reduce the exercise price of outstanding Options or effect repricing through cancellation of outstanding Options and by granting such Holders new Options in replacement of the cancelled Options provided always that no Share shall be issued for a price that is less than its par value. To the extent determined by the Committee to be required by applicable laws, Plan amendments may be subject to approval by the Company shareholders entitled to vote at a general meeting of shareholders. Nothing in this Section 9 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c).

SECTION 10. STATUS OF PLAN

With respect to the portion of any Option that has not been exercised and any payments in cash, Shares or other consideration not received by an Optionee, an Optionee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Option or Options.

SECTION 11. GENERAL PROVISIONS

(a) No Employment Rights . The adoption of this Plan and the grant of Options do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(b) Trading Policy Restrictions . Option exercises and other Options under this Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(c) Legend . Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Shares, the book entries evidencing such Shares shall contain the following notation):

The transferability of this certificate and the shares represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the BeiGene, Ltd. 2011 Option Plan and any agreement entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company).

SECTION 12. EFFECTIVE DATE OF PLAN

This Plan shall become effective upon adoption by the Board. No grants of Options may be made hereunder after the tenth (10 th) anniversary of the Effective Date.

SECTION 13. GOVERNING LAW

This Plan and all Options shall be governed by and construed in accordance with the laws of the Cayman Islands and the parties irrevocably submit to the non-exclusive jurisdiction of the Cayman Islands courts for the determination of any disputes arising hereunder.

DATE ADOPTED BY THE BOARD OF DIRECTORS: APRIL 15, 2011

AMENDMENT
TO
BEIGENE, LTD. 2011 OPTION PLAN

This Amendment to the BeiGene, Ltd. 2011 Option Plan (the " Plan ") is effective as of the date this Amendment is approved by the Board of Directors of BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " Company "), as specified below.

Section 3(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) Stock Issuable . The maximum number of Shares available for issuance under this Plan shall be 19,000,000 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

Except as provided above, the Plan shall remain in full force and effect without modification.

Date approved by the Board of Directors of the Company: June 29, 2012

SECOND AMENDMENT
TO
BEIGENE, LTD. 2011 OPTION PLAN

This Second Amendment (this " Amendment ") to the BeiGene, Ltd. 2011 Option Plan, as amended (the " Plan ") is effective as of the date this Amendment is approved by the Board of Directors of BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " Company "), as specified below.

Section 3(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) Stock Issuable . The maximum number of Shares available for issuance under this Plan shall be 24,600,000 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

Except as provided above, the Plan shall remain in full force and effect without modification.

Date approved by the Board of Directors of the Company: March 28, 2013

THIRD AMENDMENT
TO
BEIGENE, LTD. 2011 OPTION PLAN

This Third Amendment (this " Amendment ") to the BeiGene, Ltd. 2011 Option Plan, as amended (the " Plan ") is effective as of the date this Amendment is approved by the Board of Directors of BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " Company "), as specified below.

Section 3(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) Stock Issuable . The maximum number of Shares available for issuance under this Plan shall be 27,100,000 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

Except as provided above, the Plan shall remain in full force and effect without modification.

Date approved by the Board of Directors of the Company: August 10, 2014

FOURTH AMENDMENT
TO
BEIGENE, LTD. 2011 OPTION PLAN

This Fourth Amendment (this " Amendment ") to the BeiGene, Ltd. 2011 Option Plan, as amended (the " Plan ") is effective as of the date this Amendment is approved by the Board of Directors of BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " Company "), as specified below.

Section 3(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) Stock Issuable . The maximum number of Shares available for issuance under this Plan shall be 30,560,432 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

Except as provided above, the Plan shall remain in full force and effect without modification.

Date approved by the Board of Directors of the Company: October 6, 2014

FIFTH AMENDMENT
TO
BEIGENE, LTD. 2011 OPTION PLAN

This Fifth Amendment (this " Amendment ") to the BeiGene, Ltd. 2011 Option Plan, as amended (the " Plan ") is effective as of the date this Amendment is approved by the Board of Directors of BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " Company "), as specified below.

Section 3(a) of the Plan is hereby deleted in its entirety and replaced with the following:

(a) Stock Issuable . The maximum number of Shares available for issuance under this Plan shall be 43,560,432 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Options that are forfeited, canceled, or otherwise terminated (other than by exercise) and Shares withheld upon exercise of an Option to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under this Plan. The Board shall ensure that sufficient Shares remain available for issuance at all times to satisfy the Company's obligations under the Option Agreements.

Except as provided above, the Plan shall remain in full force and effect without modification.

Date approved by the Board of Directors of the Company: April 17, 2015

OPTION AGREEMENT
UNDER BEIGENE, LTD.
2011 OPTION PLAN

Name of Optionee: (the " **Optionee** ")

Number of Underlying Shares (being the number of ordinary shares of BeiGene, Ltd. in respect of which this option is granted): Shares

Grant Date:

Exercise Commencement Date: (the " **Exercise Commencement Date** ")

Expiration Date: (the " **Expiration Date** ")

Option Exercise Price per Share: US$ (the " **Option Exercise Price** ")

Pursuant to the BeiGene, Ltd. 2011 Option Plan (the " **Plan** "), which forms part of this Agreement and is attached as Annex A , BeiGene, Ltd., a Cayman Islands exempted company incorporated with limited liability (the " **Company** "), hereby grants to the Optionee an option (the " **Option** ") to purchase on or prior to the Expiration Date, or such earlier date as may be specified in this Option Agreement (the " **Agreement** "), all or any part of the number of ordinary shares, par value US$0.0001 per share (" **Shares** "), of the Company indicated above (the " **Underlying Shares** " prior to their issue and the " **Option Shares** " after their issue), at the Option Exercise Price per Share, subject to the terms and conditions set forth in this Agreement and the Plan.

Capitalized terms not otherwise defined in this Agreement and defined in the Plan shall be defined as defined in the Plan, which are incorporated herein by reference.

1. Exercisability and Termination .

(a) No portion of this Option may be exercised until such portion has become exercisable under this Agreement.

(b) Except as set forth below or as determined by the Committee in its sole discretion, this Option shall become exercisable with respect to the Underlying Shares on the respective dates indicated below:

(i) This Option shall not be exercisable on the Grant Date.

(ii) This Option shall become exercisable with respect to [20%] of the Underlying Shares on the Exercise Commencement Date provided the Optionee remained in a continuous Service Relationship with the Company from the Grant Date until the Exercise Commencement Date.

(iii) Following the Exercise Commencement Date, this Option shall become exercisable with respect to the remaining [80%] of the Underlying Shares in [48] equal monthly installments, each of which shall become exercisable on the last day of each month following the Exercise Commencement Date provided the Optionee remained in a continuous Service Relationship with the Company through each such date.

(iv) With the Company's assistance, the Optionee shall complete all registration, filing, approval or similar formalities required, if any, for obtaining this Option.

(v) Prior to the issuance of Option Shares the Optionee shall, if necessary, provide to the Company any information necessary to satisfy the requirements of applicable anti-money laundering laws.

Notwithstanding anything in this Agreement to the contrary, in the case of a Sale Event **,** Section 3(c) of the Plan shall apply **[provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE]** .

(c) Termination . Except as the Committee may otherwise determine, upon termination of the Optionee's Service Relationship (" **Termination** "), the period during which this Option is exercisable will terminate as set forth below (or, if earlier, in accordance with Section 3(c) of the Plan):

(i) Termination Due to Death or Disability . If the Optionee's Termination is by reason of the Optionee's death or disability (as determined in good faith by the Committee), this Option may be exercised, to the extent exercisable on the date of Termination, by the Optionee or the Optionee's legal representative or guardian for a period of 12 months from the date of death/disability (or until the Expiration Date, if earlier).

(ii) Other Termination .

(A) If the Optionee's Termination is for any reason other than for Cause or death/disability (in each case, as determined in good faith by the Committee) and unless otherwise determined by the Committee, this Option may be exercised, to the extent exercisable on the date of Termination, for a period of 30 days from that date (or until the Expiration Date, if earlier).

(B) If the Optionee's Termination is for Cause, this Option shall terminate immediately upon the date of Termination.

For purposes of this Agreement, the Committee's determination of the reason for Termination shall be conclusive and binding on the Optionee and the Optionee's representatives and any transferee of the Option Shares.

(d) Any portion of this Option that has not become exercisable under the terms of this Agreement on the date of Termination shall terminate immediately and be null and void and of no effect **.**

(e) Notwithstanding any other provision of this Agreement or the Plan, no portion of this Option shall be exercisable after the Expiration Date.

2. Exercise of Option . The Optionee may exercise this Option by delivering an Option exercise notice (an " **Exercise Notice** ") in the form of Appendix A to the Company specifying the number of Underlying Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5(a)(iv) of the Plan.

3. Incorporation of Plan . Notwithstanding anything in this Agreement to the contrary, this Option shall be subject to and governed by all the terms and conditions of the Plan. In the event of a conflict between the terms of the Plan and this Agreement, the terms of the Plan shall prevail.

4. Transferability of Option . This Agreement is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or intestacy upon the death of the Optionee. This Option may be exercised during the Optionee's lifetime only by the Optionee, or by the Optionee's legal representative or guardian in the event of the Optionee's incapacity.

5. Restrictions on Transfer of Option Shares . The Option Shares acquired upon exercise of this Option shall be subject to the transfer restrictions and other limitations set forth in this Agreement, the Plan and the articles of association of the Company. Any transferee of Option Shares must enter into an agreement with the Company on terms substantially the same as this Agreement, which incorporates the Plan by reference.

6. Miscellaneous Provisions .

(a) Adjustments for Changes in Capital Structure . If, as a result of any merger, scheme of arrangement, reorganization, recapitalization, reclassification, share dividend, share split, reverse share split or other similar change in the shares, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of the Company's shares, this Agreement and the Plan shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of the Optionee's ownership of, Option Shares.

(b) Change and Modifications . This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(c) Governing Law . This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands.

(d) Jurisdiction. The parties irrevocably submit to the non-exclusive jurisdiction of Cayman Islands courts for the determination of disputes arising under this Agreement **.**

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Severance. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such illegality or unenforceability shall not affect the other provisions of this Agreement, which shall remain in full force and effect.

(g) Notices. All notices, requests, consents and other communications shall be in writing and may be served by delivering them personally or sending them by e-mail or facsimile transmission or first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as either may have furnished in writing to the other. Any such notice shall be deemed to have been received:

(i) if delivered personally, at the time of delivery;

(ii) in the case of e-mail at the time of receipt which means at the time the e-mail enters the receiving party's information processing system;

(iii) in the case of facsimile transmission, at the time of transmission; and

(iv) in the case of first class registered or certified mail, postage prepaid, 48 hours from the date of posting.

Provided that if deemed receipt occurs before 9 a.m. on a Business Day the notice shall be deemed to have been received at 9 a.m. on that day, and if deemed receipt occurs after 5 p.m. on a Business Day, or on a day that is not a Business Day, the notice shall be deemed to have been received at 9 a.m. on the next Business Day. For the purpose of this Clause, "Business Day" means any day that is not a Saturday, a Sunday or a public holiday in the place at or which the notice is left or sent.

In proving such service it shall be sufficient to prove that the envelope containing such notice was addressed to the address of the relevant party set forth underneath that party's signature below (or as otherwise notified by that party hereunder) and delivered either to that address or into the custody of the postal authorities as a first class registered or certified mail, or that the notice was transmitted by facsimile to the facsimile number or by e-mail to the e-mail address of the relevant party set

forth underneath that party's signature below (or as otherwise notified by that party hereunder).

(h) Electronic Transactions Law. Sections 8 and 19 of the Electronic Transactions Law (2003 Revision) of the Cayman Islands shall not apply to this Agreement.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the Company and the Optionee, their respective successors, permitted assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company under this Agreement, to the extent of such assignment and applicable law.

(j) Counterparts. For convenience and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

[SIGNATURE PAGE FOLLOWS]

This Agreement is hereby executed as a deed by the undersigned on the date first above written.

Executed as a Deed by

BEIGENE, LTD.

By: _____ Witness: _____
Name: Name:
Title:

Address:

c/o Mourant Ozannes Corporate Services (Cayman)
Limited,
94 Solaris Avenue, Camana Bay
PO Box 1348
Grand Cayman KY 1-1108
Cayman Islands

With a copy to:

BeiGene (Beijing) Co.,Ltd
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Chang Ping District, Beijing 102206, PRC
Attention: John V. Oyler
Facsimile Number: +86 10 5895 8088
Email:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 6 of the Plan, and understands that the Option granted by this Agreement is subject to the terms of the Plan and this Agreement and the Company's articles of association. This Agreement is hereby accepted, and the terms and conditions of the Plan and this Agreement, are hereby executed as a deed by the undersigned on the date first above written.

Executed as a Deed by

OPTIONEE:

_____ Witness: _____

Name: Name:

Address:

Facsimile Number:

Email:

SPOUSE'S CONSENT(1)
I acknowledge that I have read this Agreement
and understand the contents of this Agreement.

_____

(1) A spouse's consent is required if the Optionee resides in one of the following jurisidctions: People's Republic of China, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Texas, Washington and Wisconsin.

Appendix A

OPTION EXERCISE NOTICE

BEIGENE, LTD.
Attention: The Directors
c/o Mourant Ozannes Corporate Services (Cayman) Limited,
94 Solaris Avenue, Camana Bay
PO Box 1348
Grand Cayman KY 1-1108
Cayman Islands

With a copy to:

BeiGene (Beijing) Co.,Ltd
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Chang Ping District, Beijing 102206, PRC
Attention: Legal Representative

Pursuant to the terms of the Option Agreement between the undersigned and BeiGene, Ltd. (the " **Company** ") dated (the " **Agreement** ") under the BeiGene, Ltd. 2011 Option Plan, I, [Insert Name] , hereby [Circle One] partially/fully exercise such Option by including payment in the amount of US$ representing the purchase price for [Fill in Number of Underlying Shares] Option Shares (par value being US$0.0001 per share). I have chosen the following form(s) of payment:

[ ] 1. Cash
[ ] 2. Certified or bank check payable to BeiGene, Ltd.
[ ] 3. Other (as referenced in the Agreement and described in the Plan (please describe)) .

In connection with my exercise of the Option as set forth above, I hereby represent and warrant to the Company as follows:

(i) I am purchasing the Option Shares for my own account for investment only and not for resale or with a view to their distribution. The Option Shares are to be purchased with funds that are from legitimate sources and that do not constitute the proceeds of criminal conduct or criminal property within the meaning given in the Proceeds of Crime Law, 2008 of the Cayman Islands.

(ii) The Option Shares are not being acquired and will not be held in violation of any applicable laws.

(iii) I have had such opportunity as I have deemed adequate to obtain from the Company the information I need to evaluate the merits and risks of my investment in the Company and have consulted with my own advisers with respect to my investment in the Company.

(iv) I have sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Option Shares and to make an informed investment decision with respect to such purchase.

(v) I can afford a complete loss of the value of the Option Shares and am able to bear the economic risk of holding those Option Shares for an indefinite period of time.

(vi) I agree to be bound by the Memorandum and Articles of Association of the Company,a copy of which I have received.

(vii) I will provide additional documentation to verify my identity if requested by the Company in accordance with the legal or regulatory requirements, present or future, of the Cayman Islands or any other jurisdiction whose regulations apply to the Company.

(viii) I hereby authorize the Company to disclose any information held by it in relation to the undersigned, whether or not confidential in nature, to its professional advisers where the Company considers such disclosure necessary or appropriate in the normal course of business to enable them to conduct its affairs; or where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank or any regulatory, tax or other government agency or authority.

(ix) I acknowledge my responsibility to comply with all the registration, approval, filing and other formalities required for my exercise of the Option and agree to be fully responsible for any duties, penalties or liabilities incurred in connection with such exercise.

Sincerely yours,

_____

Name:

Address:

Annex A

PLAN

Exhibit 10.4

(English translation)

HK201102001

Premises Lease Contract

Party A (Party A): Beijing Xint aike Medical Device Co., Ltd. (北京新太克医疗仪器有限公司)

Address: No. 30 Shengming Kexueyuan Road, Changping District, Beijing

Legal Representative: Hu Peixiang (胡沛湘)

Party B (Party B): BeiGene (Beijing) Co., Ltd.

Address:

Legal Representative: JOHN VICTOR OYLER

WHEREAS :

1. Party A is the owner of the premises under this Contract, and has the right to legally lease the premises, accessory buildings and accessory facilities under this Contract;

2. Party B is a legitimate enterprise established in the People's Republic of China (hereinafter referred to as "China" or the "PRC") in accordance with the relevant laws of the PRC (see appendices hereto for Party B's business license and other legal certificates);

3. Party A agrees to lease to Party B, and Party B wishes to lease from Party A, part of the premises, accessory buildings and accessory facilities and equipment under this Contract in accordance with the provisions hereof.

NOW THEREFORE, by adhering to the principles of equality, voluntariness, mutual benefit, and equal consideration, and through full and friendly consultation, the Parties hereby enter into this Contract regarding the lease of the Premises in Beijing on February 1, 2011 for mutual compliance.

Article 1 Purpose of Contract

Party A shall lease part of the premises, accessory buildings and accessory facilities under this Contract to Party B or its affiliate for its own office, scientific research and/or other legitimate activities, and Party B or its affiliate may engage in office, scientific research and other relevant business activities in such part.

Article 2 Subject Property of Contract

1. Party A shall lease part of the premises (hereinafter referred to as the "Premises") in the Life Science Park in Changping District, Beijing (being the property, site and accessory facilities at No. 30 Shengming Kexueyuan Road, Changping District, Beijing) to Party B. The building area of such part of the Premises is 6,144 m^2. The usable area and public area of the first floor are 3,848 m^2 and 430.9 m^2, respectively. The usable area and public area of the second floor are 1,876 m^2 and 44 m^2, respectively. The public area allocable to Party B is 303.5 m^2 (see Article 2.4 of this Contract), and the total building area leased by Party B is 6,028 m^2 (hereinafter referred to as the "Property"). The specific scope of the leased Premises is set forth in Appendix 4: Site Plan of the Property Leased by Party B from Party A.

If Party A intends to lease other areas of the Premises (hereinafter referred to as the "Other Areas"), it shall notify Party B of the same seven (7) business days in advance. Party B shall have the right of first refusal to lease the Other Areas upon the same conditions. If Party B does not send a written reply to Party A within seven (7) business days after receiving Party A's notice, Party B shall be deemed to have waived its right of first refusal to lease such areas.

2. Party A agrees that, subject to compliance with the relevant laws and regulations of the PRC and the management rules of the Park, Party B may hang its company sign outside of the building where the Property is located; provided, however, that the location and size of such sign shall be subject to Party A's examination, consent and general arrangement. Party A shall not refuse or oppose Party B's request to hang its company sign without reasonable cause.

3. Entrances/exits of the first floor will be used as public entrances/exits.

4. The public places and shared facilities throughout Party A's Premises shall be used jointly by Party B and other users.

The above public places and their public areas are as follows: 606.9 m^2, including a boiler room (150.9 m^2), a fire control and power distribution room (64 m^2), elevators and stairwells (220 m^2: 44 m^2 *5), the first-floor lobby (148 m^2) and a power distribution room (24 m^2). The public areas and corresponding property management fees shall be allocated based on the proportion of area leased by Party B in the total building area.

5. Party B shall have the right to use outdoor parking spaces based on the proportion of area leased by Party B in the total building area. Such parking spaces shall be used solely by Party B after the scope has been determined by Party A and Party B, as is more specifically set

forth in the figure in Appendix 4.

Article 3 Current Condition and Modification of the Property

1. Current condition of the Property

The Property under this Contract is developed and built by Party A, for which Party A has obtained the Construction Works Completion Inspection Certificate and is currently applying for the property ownership certificate. Party A shall hand over the Property to Party B on an "AS IS" basis based on the Memorandum for Property Handover set forth in Appendix 5.

2. Renovation, decoration, alteration and modification of the Property during use

(1) After the delivery of the Property, Party B may, based on reasonable arrangements on the use of Property, carry out the following renovation, decoration, alteration or modification of the Property without the consent of Party A; provided, however, that Party B shall report such renovation, decoration, alteration or modification to Party A for filing purpose seven (7) business days before the same is implemented. Party B shall carry out renovation, decoration, alteration or modification strictly in accordance with the construction specifications provided by Party A (before Party B commences renovation, technical clarification shall be conducted by the Parties, and detailed construction specifications shall be provided to Party B); otherwise, Party B shall be responsible for repairing damages to the equipment and facilities of Party A (if any) and indemnifying third parties against their losses (if any).

Party B shall have the right to adjust the layout of the Premises based on its own business needs (excluding changes to the load-bearing structure of the leased Premises) or to carry out alteration, modification, renovation or decoration inside the leased Premises (excluding major structural changes to the Property).

(2) After the delivery of the Property, Party B may, based on reasonable arrangements on the use of Property, carry out the following renovation and alteration of the Property, subject to the obtaining of Party A's prior written consent and compliance with the management rules of the property management entity:

Major structural changes to the Premises inside the leased Premises. For the purpose of this Contract, a major structural change refers to: any renovation or alteration of the Property by Party B shall be considered as major modification by Party B if such renovation or alteration will

significantly affect the roof, vertical walls, load-bearing walls or the main water or electricity pipeline systems of the Property.

(3) Party A undertakes that, it will in principle agree to the reasonable renovation and alteration of the Property by Party B, and that it will not unreasonably refuse Party B's reasonable request. Party A shall provide Party B with a definite reply in writing within ten (10) business days after Party B submits a written application for renovation or alteration. If Party A fails to give such written reply, Party A shall be deemed to have given its consent to Party B's renovation or alteration plan.

(4) After the delivery of the Property, any renovation or alteration of the Property by Party B shall be carried out at the sole cost of Party B, subject to compliance with the requirements set forth in the relevant laws and regulations of the PRC and the relevant management regulations of the local government and the completion of necessary approval procedures. Party A shall provide necessary assistance to this end.

(5) Party A shall be responsible for the repair work with respect to the foundational frame structure of the Premises to ensure Party B's normal use. Efforts shall be made to minimize the effects of such repair work on the operations of Party B. If Party A entrusts Party B to conduct the repair work, the repair costs spent by Party B shall be offset against the rent or repaid by Party A in accordance with its agreement with Party B, and the Parties shall jointly negotiate and determine the specific schedule for the repair work.

Article 4 Delivery of the Property

1. Property delivery date:

(1) Within two (2) business days from the date of the written notice on delivery of Property given by Party A to Party B, the Parties shall handle the Property handover procedures for the delivery of the Property by Party A to Party B and the timely acceptance of such delivery by Party B.

(2) The Parties shall complete the Property handover procedures within two (2) business days. The date of execution of the Memorandum for Property Handover shall be the date of actual delivery of the Property.

(3) The Parties have tentatively scheduled the Property delivery date to occur before March 1, 2011.

2. Conditions to delivery of the Property:

(1) Party A shall present the originals of the relevant documents and deliver copies thereof to Party B, including the Construction Land Planning Permit, the State-owned Land Use Certificate, the Construction Works Planning Permit, the Construction Works Commencement Permit, the Construction Works Completion Inspection Certificate, the whole set of engineering documents and drawings of the Property and the Fire Control Inspection Certificate (see Appendix 1).

(2) Party A warrants that, the Property will have access to water, electricity, communications and other municipal utilities upon delivery to Party B.

(3) Party A undertakes to provide Party B with public facilities for its exclusive use based on the following standards: water (DN100 inflow), low-voltage (380V) electricity (with a capacity of no less than 630KVA; the service entrance cabinet and switch as well as the equipment connected to the upper end of the service entrance cabinet shall be installed by Party A inside the leased Property, and the equipment connected to the lower end of the service entrance cabinet shall be connected by Party B) and natural gas pipelines (for the gas boiler). Party A undertakes that the above facilities will provide uninterrupted supply 24 hours a day throughout the year (except for interruption of supply for any reason not attributable to Party A). Party A also undertakes that, the above public facilities shall be installed and connected inside the Property leased by Party B for Party B's normal use before the date of completion of Party B's renovation works. If the capacity of the above public facilities or the locations of connection and installation fail to meet the above standards as promised by Party A, Party A undertakes to make up the difference and re-connect the facilities at its own cost. If the capacity of the above agreed standard fails to meet the needs of Party B for its normal use, Party B may add capacity on its own and at its own cost, for which Party A shall actively provide cooperation.

(4) Party A and Party B shall sign the Memorandum for Property Handover upon the delivery of the Property, which will confirm the conditions in relation to the handover of the Property and its accessory facilities and equipment.

(5) Party A shall hand over the Premises to Party B on an "AS IS" basis. On the date of handover, Party A and Party B shall come to the site of the Premises to take photographs and make video recordings to confirm the current condition of the Premises.

Article 5 Lease Term ; Payment Terms of Deposit and Rent

1. The lease term of the Property under this Contract (hereinafter referred to as the "Lease Term") shall be ten (10) years, commencing from the date of execution of the Memorandum for Property Handover by Party A and Party B. Party B shall have full right to use, operate and manage the Property to the extent of the lease.

2. If Party B is willing to continue to lease the Property upon the expiration of the Lease Term, Party B shall notify Party A of the same in writing within six (6) months before the expiration of the Lease Term, and the Parties will separately negotiate matters in relation to the lease contract. Party B shall have the right of first refusal to lease the Property upon the same conditions.

3. Through friendly negotiation between the Parties, during the first five (5) years of the Lease Term, the rent for the first floor of the Property shall be rated at RMB2.7/m^2 per day with an annual rent of Renminbi three million seven hundred ninety-two thousand two hundred and four (RMB3,792,204); the rent for the second floor of the Property shall be rated at RMB1.35/m^2 per day for the first year with an annual rent of Renminbi nine hundred twenty-four thousand three hundred and ninety-nine (RMB924,399), which shall be adjusted to RMB2.7/m^2 per day starting from the second year. Moreover, the annual rent for the public areas shall be Renminbi two hundred ninety-nine thousand and one hundred (RMB299,100). The total annual rent shall be Renminbi five million fifteen thousand seven hundred and three (RMB5,015,703) for the first year and Renminbi five million nine hundred forty thousand five hundred and ninety-four (RMB5,940,594) starting from the second year. Upon the expiration of the first five-year period of the Lease Term, Party A and Party B shall adjust the above rent for one time based on the market rent of Zhongguancun Life Science Park. The Parties have decided that the rent shall not be increased by more than 10%, and no subsequent adjustment shall be made to the rent.

4. Party A and Party B have set the deposit payable by Party B to Party A for the lease of the Property at Renminbi one million two hundred sixty-four thousand two hundred and thirty-two (RMB1,264,232), which shall be paid on the date this Contract. Party A shall provide a legitimate receipt to Party B on the date of receipt of such deposit.

5. The Parties acknowledge that, the billing period for the rent payable by Party B to Party A shall be three (3) months. Party B shall make payment of the total amount of rent payable for the first billing period on the date of formal delivery of the Property, i.e., Renminbi one million

two hundred sixty-four thousand two hundred and thirty-two (RMB1,264,232). Afterwards, Party B shall, on the 10 th day before the expiration of each billing period, pay rent for the next billing period to Party A. Party A shall provide Party B with a legitimate property lease invoice within ten (10) days after receiving rent from Party B.

6. Party A and Party B acknowledge that, the rent-free period of the Property under this Contract shall be four (4) months plus ten (10) days, which shall be completely apportioned within the first three (3) years of the Lease Term. The specific method is as follows: at the end of the first year of the Lease Term, Party A shall give Party B a rent-free period of one (1) month; at the end of the second year of the Lease Term, Party A shall give Party B another rent-free period of two (2) months; at the end of the third year of the Lease Term, Party A shall give Party B another rent-free period of one (1) month plus ten (10) days. The rent for each of the above rent-free periods shall be deducted directly from the rent paid by Party B to Party A for the last billing period of the relevant year.

7. Party A shall install separate master water meter and master electricity meter for the Property leased by Party B to measure the water and electricity fees incurred within the Property leased by Party B separately.

The fees incurred by Party B during the Lease Term, including telephone and Internet fees and other actual costs, shall be directly paid by Party B.

8. Within the agreed Lease Term under this Contract, Party B shall bear risks regarding personal injuries, theft, robbery or loss of commodities, things of value and facilities, corrosion, floods and fires occurring in the leased Property.

9. Property management shall include: security, cleaning and landscaping of the public areas of the Property, repair and maintenance of public equipment and facilities, repair and maintenance of parking spaces and roads and all other work required to maintain the normal use of the entire Property. The property management fees shall include: security fees, cleaning fees, landscaping fees, fees for repair and maintenance of public equipment and facilities, fees for gas heating (winter) , garbage removal fees and wages of property service employees.

Party A shall be responsible for engaging a property management company to carry out the property management work. Party B and other users of the Property may participate in such process, including, without limitation, selection of the property management company, employment of the property management employees, composition and amount of property

management fees and use of outdoor public areas. Party B and other users of the Property shall enjoy voting or decision -making rights based on the respective proportion of the area leased or used by them in the total building area of the Premises. The implementation of any decision shall be subject to the consent of holders of at least two thirds of the voting rights of all Property users. If no such agreement can be reached, Party A shall select one of the alternatives. Party A shall stipulate the above principle in lease agreements for other areas of the Premises other than the Property.

Invoices for property management fees shall be issued directly to Party B.

Article 6 Warranties and Responsibilities of the Parties

Warranties and R esponsibilities of Party A

1. Party A warrants that, it has the land use right in relation to the Property and the ownership of the Property in accordance with the relevant laws and regulations of the PRC, and has the right to lease the Property to Party B for the purpose described in Article 1 hereof. Party A warrants that, it will obtain the ownership certificate of the Property as soon as possible, and that the establishment of Party B will not be affected by the obtaining of this certificate.

2. Party A warrants that, it has the right to legally lease the Property, and that no mortgage or any other type of security interest has been created over the Property as of the date hereof and as of the delivery date of the Property.

3. Party A warrants that, as of the date hereof and as of the delivery date of the Property, the ownership of the Property hereunder or the relevant buildings and accessory facilities and equipment has not been sold, transferred or donated to other persons or entities; there is no dispute, litigation or arbitration in relation to the Property, nor is there any adverse encumbrance or liability that seizes, freezes or otherwise restricts Party B's use of the Property.

4. During the Lease Term, Party A shall not interfere with the lawful use of the Property by Party B for business, office and other purpose in accordance with the conditions and purposes set forth in this Contract; provided, however, that Party B shall not breach the provisions hereof.

5. Upon any change in the ownership of the Property after the execution of this Contract, Party A shall notify Party B in writing of the same in advance, and Party B shall have the right of first refusal to purchase the Property upon the same conditions.

6. If Party B needs Party A to provide documents in relation to the leased Property for the purpose of completing business-related application and approval procedures, Party A shall assist Party B by providing such documents.

7. Party A shall complete the relevant filing and registration procedures concerning the lease of the Property in accordance with law.

8. Subject to the timely payment of the relevant utility fees by Party B, Party A shall, in accordance with the provisions hereof, ensure that Party B may have access to uninterrupted supply of water, electricity, gas and other utilities that are required for the use of the Property and connected directly to the Property in accordance with the provisions hereof . Party A further warrants that, the supply of the above utilities in the Property will not be interrupted due to any default in payment of the relevant utility fees by other tenants/owners. If the supply of utilities in the Property is threatened to be interrupted due to any default in payment of the relevant utility fees by the relevant tenants/owners, Party A shall pay the relevant overdue fees to the relevant utility supplier on the next business day after the date on which it becomes aware of such threat. If Party A fails to make payment of such utility fees in a timely manner, Party B shall have the right to make payment to the relevant utility supplier on its own; provided, however, that Party B shall have the right to recover such fees from Party A. Except for the above interruption of supply due to any default in payment of utility fees by other tenants/owners, Party A shall not bear any liability for any interruption of supply of water, electricity, gas and other utilities caused by any reason that is not on the part of Party A. If Party B suffers any losses due to any interruption or termination of supply of any utility that is caused by any fault on the part of Party A (including, without limitation, the failure of Party A to make timely payment of the overdue utility fees on behalf of the relevant tenants/owners), Party A shall bear indemnification liability.

9. If Party A breaches the above representations and warranties, it shall bear the corresponding liability for breach of contract.

Warranties and R esponsibilities of Party B

1. Party B shall make timely and full payment of rent, property management fees and utility fees in accordance with the provisions of this Contract. Party B shall not delay or refuse the payment of rent and property management fees for any reason. In the event of any dispute in relation to property management or other matters that are not related to rent, Party B shall first make payment of rent and property management fees before seeking resolution of such dispute.

2. Party B shall manage the cleaning and security inside the leased Property and the facilities invested by it, and shall be responsible for maintaining the cleanliness of the Property and public areas and for keeping the facilities and equipment in good condition.

3. If the Property is damaged due to fire, accident or other emergency situations, Party B shall immediately handle such situation in a proper manner and promptly notify Party A of the same.

4. Party B shall use and protect the Property in a normal manner, and prevent the Property from any abnormal damage (except for normal wear and tear or depreciation). In the event of any undue damage or malfunction of the Property for any reason solely attributable to Party B, Party B shall notify Party A of the same immediately and carry out necessary repair after the occurrence of such damage or malfunction.

5. Party B shall be responsible for the maintenance and management of its alterations and renovations as well as the facilities and equipment installed by it. If any third party suffers any damage due to Party B's alterations and renovations or the facilities and equipment installed by it, Party B shall bear the indemnification liability.

6. Party B warrants that, it will use the leased Property for legitimate business activities.

7. Party B shall not raise any animal or pet inside the Property (except for the purpose of conducting scientific researches), or place on the floor of the Property items that exceed the designed load, or store weapons, ammunition, saltpeter, gunpowder, gasoline or other dangerous inflammables and explosives, prohibited goods or drugs with strong odor inside the Property, or manufacture or leak any gas that has strong odor or pollutes the environment inside the Property, or make noise, create vibration or disturb third parties inside the Property.

8. Party B shall minimize odors that may be produced during its business activities. If Party B has any dispute with other Premises users because of such odors, Party B shall be responsible for resolving such dispute.

9. If Party B breaches the above representations and warranties, it shall bear the corresponding liability for breach of contract.

Article 7 Use, Maintenance and Repair of the Property

1. Party A agrees that, Party B may use the Property for its own office, scientific research and other commercial purposes falling within its legal scope of business (hereinafter referred to

as the “Defined Purposes”). Party A warrants that, the Property complies with laws, regulations and government rules with respect thereto and may satisfy the above Defined Purposes of Party B since the date of delivery.

2. Party B may place in or move out of the Property any inventory, tool, machine, furniture, facility, equipment or other tangible property that is owned or may be legally used by Party B (which is not owned by Party A) (hereinafter referred to as “Party B’s Property”).

3. From the date of delivery of the Property, Party B shall be responsible for the inspection, repair and maintenance of the Premises, accessory buildings and accessory facilities within the scope of lease.

4. During the Lease Term, if the Premises, accessory buildings and accessory facilities of the Property are damaged for any reason on the part of Party B or any third party connected therewith, Party B shall bear the indemnification liability (except for natural and normal wear and tear).

Article 8 Assignment of Rights and Obligations under This Contract and Sub - leas e of Property

1. During the Lease Term, Party B may sub-lease portions of the Property hereunder to third parties; provided, however, that Party B shall obtain the written consent of Party A and be jointly and severally liable to Party A as guarantor.

2. After the execution of this Contract, if Party A intends to sell the Property to a third party, it shall notify Party B of the same in writing one (1) month in advance, and Party B shall have the right of first refusal to purchase the Property upon the same conditions. If Party B does not send a written reply to Party A within one (1) month, Party B shall be deemed to have waived such right of first refusal.

Article 9 Return of the Leased Property

1. Upon the expiration of the Lease Term or the early rescission of this Contract, Party B shall restore the Property to its original condition (except for parts that cannot be restored to their original condition or are not required by Party A to be restored to their original condition, and for normal wear and tear and depreciation) and return it to Party A within the time limit under Article 13 of this Contract.

2. Upon the expiration of the Lease Term or the early rescission of this Contract, Party B shall return the leased Property in good repair to Party A, and jointly inspect the leased Property and its accessory facilities with Party A in accordance with the Memorandum for Property Handover. If any damage is found (except for natural wear and tear), Party B must bear the indemnification liability.

If Party B fails to restore the Property to its original condition in accordance with the provisions hereof, and Party A must carry out the restoration of the Property, the costs incurred by Party A during such restoration shall be borne by Party B.

3. Upon the expiration of the Lease Term or the early rescission of this Contract, Party B shall return all keys to the leased Property to Party A.

4. If Party B fails to return the leased Property within the agreed time limit, any decoration, furniture, device, thing, material, equipment or other item of Party B in the leased Property shall be deemed to have been abandoned by Party B. Party A shall have the right to dispose of such items in any manner, and Party B shall not make any objection, hold Party A accountable or demand indemnification by Party A.

5. Time of return of deposit for the lease of Property: within sixty (60) days from the date of return of the leased Property by Party B in accordance with the provisions of this Contract, Party A shall return the deposit to Party B in a lump sum without interest after deducting fees owed but not paid by Party B (Party A shall inform Party B of such fees in writing and obtain written confirmation from Party B).

Article 10 Liability for Breach of Contract, Termination of Contract and Exclusion of Liability

Liability for B reach of C ontract:

1. If Party A delays the delivery of the Property, it shall pay liquidated damages to Party B in an amount equal to twice of the daily rent for each day of delay;

2. If Party B delays the payment of rent and fees payable to Party A, it shall pay liquidated damages to Party A in an amount equal to twice of the daily rent and fees payable by it for each day of delay.

3. If Party B prematurely rescinds the lease within the ten-year Lease Term under this Contract without any cause, Party B shall indemnify Party A against the losses suffered by it

based on the following formula. Indemnification formula: indemnification amount = (remaining months of the Lease Term / 120 months) * 12 months * monthly rent. If the indemnification amount is less than three-month rent, Party B shall pay an indemnification amount equal to three-month rent to Party A.

4. If Party A prematurely recovers the Property within the ten-year Lease Term under this Contract without any cause, Party A shall indemnify Party B against the losses suffered by it based on the following formula. Indemnification formula: indemnification amount = (remaining months of the Lease Term / 120 months) * 12 months * monthly rent. If the indemnification amount is less than three-month rent, Party A shall pay an indemnification amount equal to three-month rent to Party B.

Rescission of Contract :

I n any of the following circumstances, Party A shall have the right to rescind this Contract and recover the leased Property:

1. Party B fails to pay the rent or other amount payable under this Contract on the due date, and further fails to pay the same within thirty (30) days after Party A sends a written notice and demand for payment to Party B;

2. If Party B and its employees breach the provisions of this Contract, which causes losses to Party A, Party A shall send a written notice to Party B together with the relevant proof. Upon confirmation of such losses, Party B shall provide indemnification in an amount equal to such losses and make correction within seven (7) days after receiving such written notice. If Party B fails to make correction within fifteen (15) business days, Party A shall have the right to terminate this Contract;

3. Party B becomes bankrupt or enters into liquidation;

4. Items of Party B in the Property are seized or detained for debt issues of Party B, which prevents Party B from continuing the performance of this Contract.

In the event of early rescission of this Contract for any of the above reasons, Section 3 of the Liability for Breach of Contract clause of Article 10 hereof shall apply, and the notice of rescission of contract shall take effect and have the effect of rescinding this Contract as of the date of service upon Party B.

In any of the following circumstances, Party B shall have the right to rescind this Contract:

1. The Property is seized or detained for debt issues of Party A, which prevents Party B from continuing the performance of this Contract.

2. Party A becomes bankrupt or enters into liquidation.

In the event of early rescission of this Contract for any of the above reasons, Section 4 of the Liability for Breach of Contract clause of Article 10 hereof shall apply, and the notice of rescission of contract shall take effect and have the effect of rescinding this Contract as of the date of service upon Party A.

Exclusion of L iability :

If Party B and other persons suffer property damage or personal injury for any of the following reasons beyond the control of Party A, Party A shall not bear any liability:

1. Suspension of use of public facilities for the purpose of carrying out necessary building maintenance and repair works or for any reason (such as unexpected facility failure, including, without limitation, air conditioning, electricity and gas facilities) not attributable to Party A (except for default in payment of utility fees by other tenants/owners);

2. Damage or destruction of any public facility or service pipeline caused by any reason attributable to Party B that leads to interruption of use or requires interruption of use for repair purpose;

3. Current change in power supply due to any reason attributable to Party B;

4. Losses caused by fire, water leakage and electricity leakage due to any reason attributable to Party B;

5. Personal injury or property damage to Party B caused by natural disasters, force majeure and reasons inside and outside of the leased Property that are not attributable to Party A;

6. Loss of property of Party B for theft or any other reason;

7. Personal injury or property damage to Party B or any third party due to any reason attributable to Party B, other tenants in the Property or their related persons or any third party;

8. Effect of government policies, orders or actions on Party B.

Article 11 Force Majeure

1. If either Party is prevented from performing the relevant obligations under this Contract in accordance with the agreed terms by any force majeure event that could not have been foreseen at the time of conclusion of this Contract by the Parties, the occurrence and

consequences of which cannot be prevented or avoided (including war, flood, earthquake, storm and other natural disasters and changes in relevant laws or policies of the government), the Party affected shall immediately notify the other Party of the circumstances, and shall, within fifteen (15) days from the date of occurrence of such force majeure event, provide the other Party with the relevant details as well as valid documents proving that it cannot perform or must delay the performance of the relevant obligations hereunder, whether in whole or in part.

2. When a force majeure event occurs, neither Party shall be liable to the other Party for any damage, increased cost or loss suffered by the other Party due to its failure or delay in performing this Contract as a result of such force majeure event, and such failure or delay in performing this Contract shall not be considered as a breach of this Contract. The Party that suffers the force majeure event shall take proper measures to mitigate or eliminate the effects of the force majeure event, and strive to resume performance of the obligations delayed or prevented by such force majeure event as soon as practicable.

3. If any force majeure event or the effects of such force majeure event have prevented either Party or both Parties from performing all of its/their obligations under this Contract for sixty (60) or more days, the Parties shall negotiate to determine whether to terminate this Contract, waive part of the obligations under this Contract, or postpone the performance of this Contract based on the effects of such force majeure event on the performance of this Contract.

Article 12 Government Requisition, Expropriation or Demolition

1. If the leased Property under this Contract is requisitioned, expropriated or demolished, in whole or in part, due to the occurrence of any municipal planning event, Party A shall, within three (3) business days from the date of receipt of a written notice from the government regarding such requisition, expropriation or demolition, deliver to Party B a copy of such written notice, and shall, subject to the principle that Party A will use its best efforts to guarantee that Party B may maintain its operations at such location, collaborate with Party B to negotiate with the entity demanding such requisition or expropriation or the relevant governmental authority in order to seek the following:

(1) Exemption from the requisition or expropriation, or the provision of another place of business with similar conditions in a neighboring area by the entity demanding the requisition or expropriation in order for the continued operation of Party B;

(2) If the condition set forth in the above item (1) cannot be achieved, Party A shall actively provide Party B with another place of business with similar conditions in a similar area. If Party A cannot provide such place of business, or the place of business provided by Party A fails to satisfy Party B's needs, Party A shall assist Party B in searching for a place of business with similar conditions in a similar area and in signing a new lease contract with a new lessor, upon which, this Contract shall be rescinded, and Party A shall return to Party B the rent that has been paid but has not been incurred;

(3) If neither of the conditions set forth in the above items (1) and (2) can be achieved, Party B shall have the right to terminate this Contract. With respect to the compensation received for the requisition, expropriation or demolition of the Property due to government planning, the compensation for the land use right and property ownership in relation to the Property and Party A's ancillary equipment and facilities shall belong to Party A, while the compensation in relation to Party B shall belong to Party B.

Article 13 Disposition of Property upon Expiration of Term of Business or Early Rescission or Termination of Contract

If this Contract is terminated due to the expiration of the Lease Term or early rescission of this Contract by Party A, Party A shall send a written notice on return of Property to Party B thirty (30) days in advance. If this Contract is terminated due to early rescission of this Contract by Party B, Party B shall send a written notice on return of Property to Party A thirty (30) days in advance. Party B shall return the Property to Party A on the date of termination of this Contract.

Within the above period for the return of Property, Party B shall have the right to remove or retrieve facilities and equipment added by it during its renovation and modification of the leased Property in accordance with the provisions hereof that can be directly moved out. Those that have become legal attachments or renovations shall belong to Party A.

If Party B fails to return the Property within the above period, from the date immediately after the expiration of such period, Party B shall, in addition to paying rent on a daily basis at the rate set forth herein, pay liquidated damages to Party A at the rate of the daily rent (applicable upon the return of Property).

Article 14 Confidentiality

The Parties shall have the obligation of maintaining the content set forth herein in confidence. Without the permission of the other Party, neither Party may publish any information regarding this Contract; otherwise, the breaching Party shall pay liquidated damages to the non-breaching Party in an amount of Renminbi five hundred thousand.

Article 15 Amendment

Any amendment to this Contract shall be subject to the mutual agreement of the Parties and be made in writing.

Article 16 Governing Law and Dispute Resolution

1. The execution, effectiveness and interpretation of this Contract and the resolution of any dispute arising during the implementation of this Contract shall be governed by the PRC laws.

2. This Contract shall be made in six (6) originals of the same legal force. Party A and Party B shall each hold two (2) originals, and the remaining originals shall be used for the completion of approval and registration procedures with the relevant governmental authorities.

This Contract shall take effect as of the date on which it is signed and sealed by representatives of Party A and Party B. If any dispute arises during the implementation of this Contract, the Parties shall first resolve such dispute through friendly negotiation. If no agreement can be reached through negotiation, either Party shall have the right to file a lawsuit with the people's court of the place where the Property under this Contract is located.

3. With respect to matters not covered in this Contract, the Parties may enter into a written supplementary contract after reaching agreement through negotiation, which shall have the same legal force as this Contract.

Party A (seal): Beijing Xintaike Medical Device Co., Ltd. (seal)
Representative (signature):

Party B (seal): BeiGene (Beijing) Co., Ltd. (seal)
Representative (signature):

Date of Execution:

Appendices:

Appendix 1: Construction Land Planning Permit, Construction Works Planning Permit, Construction Works Commencement Permit, Fire Control Inspection Certificate and Construction Works Completion Inspection Certificate of Party A;

Appendix 2: Business License and Other Legal Certificates of Party A;

Appendix 3: Business License and Other Legal Certificates of Party B;

Appendix 4: Site Plan of the Property Leased by Party B from Party A;

Appendix 5: Memorandum for Property Handover;

Entrusted Property Management Contract

for

"No. 4 Land Project of Zhongguancun Life Science Park"

Principal (Party A): Beijing Xintaike Medical Device Co., Ltd. (北京新太克医疗仪器有限公司)

[Owners Committee] [Owner]

Principal's Business License Registration Number: 110000410209814

Legal Representative: Hu Peixiang (胡沛湘) Telephone: 61779995

Mailing Address: Building No. 1, No. 30 Kexueyuan Road, Changping District, Beijing

Postal Code: 102206

Property Service Company (Party B): Beijing Xinshiyiyang Property Management Co., Ltd. (北京欣适逸扬物业管理有限公司)

Business License Registration Number: 110105010755560

Business Qualification Certificate Number:

Organization Code: 67173518-X

Legal Representative: Yang Shouyi (杨守毅) Telephone: 84708686-6501

Mailing Address: Grand Hills, Chaoyang District, Beijing

Postal Code: 100015

In accordance with the *Contract Law of the People's Republic of China* , the *Property Law of the People's Republic of China* and other relevant laws and regulations, and on the basis of the principles of voluntariness, equality, fairness and good faith, the Parties have entered into this Contract through negotiation regarding property services for the Xintaike Building in Zhongguancun Life Science Park (hereinafter referred to as the "Property").

I. Basic Information of the Property

1. Type of Property: factory and office building.

2. Location: Building No. 1 of Zhongguancun Life Science Park, No. 30 Kexueyuan Road, Changping District, Beijing.

3. Land area: 15,742 m^2; building area: 12,000 m^2.

4. The beneficiaries of the services provided by Party B shall be all owners and users of the Property.

5. The "Entrusted Property Management Services" referred to in this Contract shall mean the property management services provided by Party B to all owners and users of the Property.

6. The "Employees" referred to in this Contract shall mean the employees hired by Party B for the management of the Property.

II. Entrusted Management Matters

1. Security Management

Party B shall be responsible for the security management of the office building. It shall register visitors and patrol within the office building 24 hours a day.

2. Public Services

a. Repair, maintenance and management of shared parts of the building, including, without limitation, floors, roof, exterior walls and load-bearing structure.

b. Repair, maintenance, management and operation of shared facilities and equipment, including: shared and used water supply and drainage pipelines, downspouts, garbage chutes, chimney, shared lighting, antennae, heating pipelines, heating boiler room, high-pressure water pump room, power distribution room, ELV system and firefighting facilities and equipment.

c. Daily repair, maintenance, management and servicing of public facilities and accessory buildings and structures, including roads, outdoor water supply and drainage pipelines, septic tanks, ditches, pools, wells, bicycle shelters and parking lots.

d. Maintenance of public order and security in the office building, including, without limitation, security monitoring, patrols and gate sentries.

e. Management of cleaning and sanitation in the office building, collection and removal of garbage, and ensuring a tidy and comfortable environment.

f. Management and maintenance of landscaping, vegetation, flowers and trees in the public areas.

g. Management of engineering drawings in relation to property management, resident and user files, completion inspection materials, customer files and customer complaint and complaint resolution records.

h. Handling of all complaints and repairs in relation to the Property.

i. Being responsible for collecting property management service fees and other fees from owners and users of the Property.

III. Term of Entrusted Management

The term of the entrusted property management services shall be two (2) years, from September 1, 2011 , to August 31, 2013 .

IV. Service Standards and Quality

1. Repair Service Standards for the Premises and Public Facilities and Equipment

a. Premises appearance: exterior walls shall be clean and nice, free from any damage or peeling off.

b. Equipment operation: the normal operation of public equipment shall be maintained.

c. Repair and maintenance of public premises, facilities and equipment: the public premises, facilities and equipment shall be inspected regularly. Any problem found during the inspection shall be repaired promptly. Upon the receipt of a request for repair, Party B shall promptly carry out the repair and strive to repair the damage as soon as possible. Any special situation shall be promptly reported to the owners or users of the Property. Meanwhile, repair records shall be maintained, and a system for revisit after repair shall be established.

2. Environmental Sanitation Service Standards

Party B shall regularly perform planned cleaning of public areas of the office building. Garbage cans shall be emptied regularly. Party B shall ensure that floors of the building are clean, that walkways of the building have no blind spot, and that walls have no posting or smear. Accumulated water and snow shall be cleared promptly. Ownerless clutter and debris (items) shall be controlled or removed promptly.

3. Landscaping Service Standards

Landscaping management and services shall be provided. Party B shall conduct daily professional maintenance and management of the green spaces, flowers, trees and lawns in the public areas. Flowers and trees shall be trimmed promptly to allow their overall effect to be aesthetically pleasing and appreciable. Party B shall prevent pests and promptly replace withered plants.

4. Security Service Standards

24-hour security guard and security monitoring shall be provided. Security guards shall be arranged at all of the main entrances/exits. Personnel shall be scheduled for daily patrols. Response plans shall be in place for emergencies. Party B shall guarantee the normal operation of all safety technology protection equipment in the office building and ensure that the equipment can fulfill its security and protection functions. Party B shall actively contact and properly cooperate with public security organs, judicial authorities and administrative departments in the handling of all violations of the law in the building.

5. Centralized Fire Control Service Standards

A firefighting management system shall be established for 24-hour fire protection and monitoring. Firefighting equipment shall be inspected regularly. Fire safety inspection of the office building shall be conducted regularly, and fire hazards shall be removed promptly. Party B shall ensure that there is no fire hazard in the public areas.

6. Customer Service Standards

A sophisticated customer service system shall be established. The property management employees shall serve with enthusiasm, follow standards, use civilized language and have kind attitudes. Party B shall register all visitors and inform the relevant owners or users of the Property by telephone. Visitors may be allowed to enter only after the consent of the relevant owners or users of the Property has been obtained. If visitors are allowed to enter, Party B shall be responsible for guiding them to the designated locations in the Property.

V. Property Service Fees

1. Party B shall collect property service fees in advance on a quarterly basis from the owners (or persons obligated to make payment) at the rate of RMB7/m^2 per month.

2. The property service fees shall cover the following:

a. Wages and social insurance premiums of the management service employees, including all benefits and bonus payments.

b. Daily operation and maintenance costs of the shared parts, facilities and equipment of the Property and public liability insurance premiums;

c. Cleaning and sanitation costs for areas falling with the scope of property management, landscaping maintenance costs and order maintenance costs;

d. Office expenses;

e. Depreciation of fixed assets of the property management company;

f. Other fees: other fees payable for the entrusted services under this Contract and other fees required to be incurred during the normal operations of Party B.

3. Compensation shall be paid to Party B at the rate of RMB6,000 per month. After Party B has performed its obligations and met the standards under this Contract, Party B may withdraw such money from its account before the 5 th day of the following month.

4. Balance of the property management fees collected in each year remaining after the payment of the property service fees and Party B's compensation (if any) shall be carried forward to the next year as part of the total property management fees of the next year.

5. The Parties agree to engage a professional organization to be selected by the Parties through negotiation to audit the annual budget and final accounts of the property service funds as well as the receipts and payments in relation to the property service funds. The costs of engaging such professional organization shall be considered as property service expenditures.

6. Party B shall set and apply in the Property rates for the repair, maintenance and other special services for the self-used parts and equipment in premises of owners in a reasonable and open manner.

7. If the owners and users of the Property fail to pay the property management fees in a timely manner, late fees may be collected in accordance with the provisions of the Management Rules.

VI. Rights and Obligations of the Parties

(1) Rights and Obligations of Party A

1. To examine, approve and supervise the implementation of the property service plan and plan for budget, final accounts and expenditures of Party B;

2. To have information right with respect to the property service matters of the Property;

3. To have the right to make recommendations to and supervise Party B;

4. To examine the use of proceeds from the shared parts and facilities of the Property;

5. To provide Party B with suitable office space for its provision of property services and dormitories for the security staff;

6. To assist Party B in its performance of property services in the Property;

7. To urge owners or users of the Property that fail to pay the property service fees in a timely manner to make such payments;

8. To assist with the handover and inspection of the Property;

9. To urge all owners to perform this Contract and comply with the Management Rules and the property management rules and regulations, and to urge owners that fail to pay the property service fees in a timely manner in violation of the property service contract to pay the property service fees within a specified time limit;

10. To have other rights and obligations of Party A under the relevant laws, regulations and rules or the Management Rules;

(2) Rights and Obligations of Party B

1. To implement the property service management system and plan for budget and final accounts of property expenditures as authorized (approved) in writing by Party A or provided in this Contract;

2. To require Party A and owners or users of the Property to cooperate with it in its performance of management services;

3. To collect property service fees from the owners and users of the Property;

4. If any owner or user of the Property violates the interest of other owners and the property management company or violates the property management system, Party B shall have the right to take measures based on the severity of such violation, such as dissuasion, prevention or reporting to the owners committee; such owner or user shall bear legal liability if its action causes damages to Party B or other owners;

5. To urge the owners (or persons obligated to make payment) to pay the property service fees if they fail to pay the property service fees as required, and to file a lawsuit with the court in accordance with law if any of such owners or persons further fails to pay the property service fees after being urged to do so;

6. To hand over the property management right, withdraw from the Property, assist Party A in the handover of property services and subsequent work, and return all materials

delivered by Party A for its management or keeping to Party A or another property company selected by Party A upon the termination of this Contract;

7. To properly keep the general completion layouts, as-built drawings of single buildings, structures and equipment, as-built drawings of ancillary facilities and underground pipe network and other completion inspection materials received by Party B;

8. To manage the Property strictly in accordance with the management scope and quality standards set forth in this Contract, to formulate work plans for the performance of property management services and annual management plans, and to establish effective management mechanisms and plans for daily and unexpected situations;

9. To inform owners intending to carry out decoration and renovation of prohibited actions and precautions during such decoration and renovation in advance, and to remind them to accept inspection or testing by the relevant authorities or professional organizations after completion;

10. To announce events and other social activities through mail, telephone and billboard (website);

11. Neither Party shall disclose any information in relation to the Parties' property management to any third party, whether during the implementation of this Contract or after the termination of this Contract;

12. Without authorization, Party B shall not occupy the shared areas, facilities and equipment in the Property or change the use thereof, and shall not occupy or excavate roads and sites in the Property. If roads and sites in the Property do need to be temporarily occupied or excavated, the relevant procedures shall be completed, and the construction plan shall be formulated, in each case, in accordance with the relevant regulations. Party B shall publicize the construction project in the Property before the commencement of construction works, minimize the effects of construction works on normal order, and promptly restore the relevant roads and sites to their original condition. In emergency situations, Party B may commence construction works for public interest without going through the above procedures; provided, however, that explanations shall be provided afterwards;

13. If additional facilities and equipment are needed for the Property, Party B shall negotiate with Party A to resolve the problem;

14. To bear liability for, and be responsible for the settlement of, accidents caused by reasons on the part of Party B;

15. To establish a sophisticated property service system, and to solicit advice from Party A regarding the content of such system;

16. Party B shall hire Employees based on the needs of the Property and the budget for the management fees, who shall have the appropriate qualification certificates and sign labor contracts, and shall pay their wages and benefits;

17. Party B shall not assign any of the rights and obligations hereunder to any third party in any manner except with the written consent of Party A;

18. To have other rights and obligations of Party B under the laws, regulations and rules of the PRC or the Management Rules.

VII. Amendment or Termination of Contract

1. The Parties may amend and supplement the provisions of this Contract, which shall take effect only after the Parties have reached agreement through negotiation and entered into a valid written contract. The supplementary contract shall have the same force as this Contract.

2. Party A and Party B agree that, this Contract may be prematurely terminated in any of the following circumstances.

a. The Parties reach agreement through negotiation and enter into a written agreement.

b. The performance of this Contract is prevented by force majeure.

c. Either Party materially breaches or fails to perform any provision of this Contract, and further fails to correct such breach and perform the relevant provision within the specified time limit after the receipt of a written notice from the other Party.

d. Either Party enters into liquidation for bankruptcy caused by legal sanction, or becomes subject to automatic liquidation.

3. Upon the expiration of this Contract, if Party A decides not to further engage Party B, it shall send a three-month written notice to Party B; if Party B decides to refuse further engagement, it shall send a three-month written notice to Party A.

4. If neither Party expresses its intent to terminate this Contract in writing within three (3) months before the expiration of this Contract, this Contract shall be automatically extended for two (2) years.

5. Upon the termination of this Contract and before a new property management company has been engaged to take over the Property, Party B shall, upon the request of Party A, continue to provide property management services to Party A, and the owners (or persons obligated to make payment) shall also continue their payment of the property service fees; provided, however, that such period shall not be longer than three (3) months. After three (3) months, Party A shall pay liquidated damages to Party B in an amount equal to 0.5% of the annual property management fees for each day of delay.

VIII. Liability for Breach of Contract and Dispute Resolution

1. Any dispute arising out of the performance of this Contract or in connection herewith shall first be resolved by the Parties through friendly negotiation. If no agreement can be reached through negotiation, a lawsuit may be filed with the people's court with competent jurisdiction, which shall be governed by the PRC laws.

2. If any owner defaults in the payment of property service fees, Party B may additionally collect liquidated damages in an amount equal to 0.5% of the fees payable by such owner for each day of delay starting from the date immediately after the due date.

3. If Party B takes emergency measures in unforeseeable circumstances (such as gas leaks, electricity leaks, fires, breaking of water pipes, rescue of human lives or assistance with public security organs in executing tasks) to protect the interest of the public, owners or users of the Property, which cause property damage, such damage shall be handled by the Parties in accordance with the relevant laws.

IX. Exclusion of Liability

1. Party B shall not bear any legal liability for losses caused by temporary suspension of supply of water and electricity or use of shared facilities and equipment, if such temporary suspension is necessary for the repair and maintenance of public parts and shared facilities and equipment of the Property and has been notified to the owners and users of the Property in advance.

2. Party B shall not bear any legal liability for losses caused by failure of water supply, electricity supply, gas supply, heating, communications and cable television facilities or other shared facilities and equipment that occurs other than as a result of Party B's fault.

3. Party B shall not bear any liability for the personal and property damage of Party A or the loss of shared facilities and equipment that is caused by natural disasters or other force majeure events.

X. Service

1. All notices hereunder shall be in writing, and shall be deemed to have been sufficiently served if: (a) delivered in person; or (b) otherwise sent by delivery-guaranteed mail with receipt acknowledgement from the other Party.

XI. Supplementary Provisions

1. The Parties may amend and supplement the provisions of this Contract by entering into written supplementary agreement, which shall have the same force as this Contract.

2. Appendices hereto are valid parts of this Contract. The text written in the blank spaces of this Contract and the appendices hereto shall have the same force as the printed text.

3. Matters not covered in this Contract and the appendices and supplementary agreements hereto shall be governed by the relevant laws, regulations and rules of the PRC or otherwise resolved by the Parties through negotiation. The effectiveness, interpretation and performance of this Contract shall be governed and protected by the laws of the PRC, and no mandatory provision of the laws shall be violated.

4. The Parties agree that, the takeover and inspection procedures shall be handled for matters entrusted by Party A to be managed from the date immediately after the effective date of this Contract.

5. During the term of validity of this Contract and for a period of two (2) years after the termination of this Contract, Party B shall not disclose the business condition or any other business information and secret of Party A to any party other than Party A, nor shall it use any material or document in relation to the management of the Property, whether publicly or in private, without the permission of Party A.

6. This Contract shall be made in four (4) originals of the same legal force, which shall take effect as of the date on which it is signed and sealed by the Parties. Party A and Party B shall each hold two (2) originals.

Party A: Beijing Xintaike Medical Device Co., Ltd. (seal)

Authorized Representative:

Date:

Party B: Beijing Xinshiyiyang Property Management Co., Ltd. (seal)

Authorized Representative:

Date:

Exhibit 10.5

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

AMENDED AND RESTATED LICENSE AGREEMENT

DATED AS OF DECEMBER 10, 2013

BY AND BETWEEN

BEIGENE, LTD.

AND

MERCK KGAA

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AMENDED AND RESTATED LICENSE AGREEMENT

This Amended and Restated License Agreement (this " **Agreement** ") is dated as of December 10, 2013 (the " **Amendment Date** ") by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited 94 Solaris Avenue, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands GB (" **Licensor** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Company** "). Licensor and Company may be referred to herein as a " **Party** " or, collectively, as " **Parties** ."

RECITALS:

WHEREAS , Licensor has developed and controls certain technology and proprietary materials related to its proprietary BRAF inhibitor (" **BGB-283** ") and is engaged in the research, discovery, development, manufacture and commercialization of biopharmaceutical products;

WHEREAS , Company is engaged in the research, development, manufacturing and commercialization of pharmaceutical products and is interested in developing and manufacturing the Collaboration Compound and Product and commercializing Product;

WHEREAS , Licensor and Company entered into a collaboration for the purpose of developing, manufacturing and commercializing Collaboration Compound and Product (" **Collaboration** "); and

WHEREAS , as part of the Collaboration, Company and Licensor entered into a License Agreement, dated as of May 24, 2013 (the " **Effective Date** "). setting forth a licensing arrangement whereby Company will have exclusive rights to Develop and Commercialize Collaboration Compound and Product in the Field in the Territory, in exchange for upfront, milestone and royalty payments (the " **Original Agreement** ");

WHEREAS , the parties desire to amend and restate the Original Agreement as set forth herein to clarify certain language and better reflect their original intent.

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 " **Adverse Event** " means any serious untoward medical occurrence in a patient or subject who is administered Product.

1.2 " **Affiliate** " means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.2, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.3 " **API** " means the active pharmaceutical ingredient known as BGB-283 and/or any other Collaboration Compound Developed and/or Commercialized under this Agreement.

1.4 " **Back-Up Compound** " means any Collaboration Compound that is designated by the JAC for further Development as a Back-Up Compound pursuant to Section 4.5.

1.5 " **BGB-283 Patent Application** " means [...***...].

1.6 " **Business Day** " means a day other than Saturday or Sunday on which banking institutions in Beijing, China; and Darmstadt, Germany are open for business.

1.7 " **Calendar Quarter** " means each three (3) month period commencing January 1, April 1, July 1 or October 1 of any year; provided, however, that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the expiration or termination of this Agreement.

1.8 " **Calendar Year** " means the period beginning on the 1 st of January and ending on the 31 st of December of the same year; provided, however, that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same year and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Agreement terminates or expires and end on the date of termination or expiration of this Agreement.

1.9 " **Challenge** " means any challenge to the validity or enforceability of any of the Licensor Patents, including without limitation by (a) filing a declaratory judgment action in which any of the Licensor Patents is alleged to be invalid or unenforceable; or (b) filing or commencing any re-examination, interference, derivation proceeding, post-issuance proceeding, opposition, cancellation, nullity or similar proceedings against any of the Licensor Patents in the courts or patent offices in any country.

1.10 " **Change of Control** " means, with respect to Licensor or its parent entity (the " **Target** "): (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Target's assets; or (b) a merger or consolidation in which, whether or not the Target is the surviving corporation, the shareholders of the Target immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the surviving entity's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Target's stock or the issuance, sale or exchange of stock of the Target) if a single Person or group of Persons who are Affiliates (including, without limitation, Affiliates that are venture capital or investment divisions of such Person) and who are engaged in the research, development, manufacturing and commercialization of pharmaceutical products acquire the Target's stock in such transaction or series of related transactions that possesses a majority of the voting power of all of the Target's outstanding stock and other securities and the power to elect a majority of the members of the Target's board of directors.

1.11 " **Clinical Trial** " means a clinical trial in human subjects that has been approved by a Regulatory Authority and Institutional Review Board or Ethics Committee, and is designed to measure the safety and/or efficacy of Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and Phase IV Clinical Trials.

1.12 " **Collaboration Compound"** means, collectively, (a) BGB-283, (b) any compound (i) whose primary activity is the inhibition of wildtype BRAF or any of the following mutants: [...***...] (collectively, the " **BRAF Mutants** "), and (ii) which, if compared directly with BGB-283 in the

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

same assay measuring cellular inhibition of [...***...] which are stably expressing the corresponding BRAF Mutants, has an inhibition level on BRAF or its mutants that is [...***...] than the inhibition level of BGB-283 on BRAF and its mutants , and (iii) is within the claims of the BGB-283 Patent Application, (c) any prodrugs, salts and solvates of the compounds described in clauses (a) and (b), (d) any metabolites of the compounds described in clauses (a) and (b), (i) whose primary activity is the inhibition of BRAF and which meet the affinity requirements in clause (b), and (ii) which are within the claims of the BGB-283 Patent Application,, and (e) any dosage form or formulation of the compounds described in clauses (a), (b), (c) and (d).

1.13 " **Combination Product** " means a fixed dose oral (or other form of administration) product containing Product and another product (such other product, which, for the avoidance of doubt, is not itself a Product, an " **Additional Product** ") that has received Commercialization Regulatory Approval for treating an Indication for which the Product has received Commercialization Regulatory Approval.

1.14 " **Commercialization** " or " **Commercialize** " means any and all activities undertaken before and after Regulatory Approval of a MAA for Product and that relate to the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of Product, and interacting with Regulatory Authorities regarding the foregoing.

1.15 " **Commercialization Regulatory Approval** " means, with respect to any Product, the Regulatory Approval required by Laws to sell such Product for use for an Indication in the Field in the Territory, as well as, to the extent required by Laws for the sale of the Product, Price Approvals and government reimbursement approvals. For purposes of clarity, (a) "Commercialization Regulatory Approval" in the United States means final approval of an NDA or sNDA permitting marketing of the applicable Product in interstate commerce in the United States; (b) "Commercialization Regulatory Approval" in the European Union means marketing authorization for the applicable Product granted either by a Regulatory Authority in any European country or by the EMA, together, if required by Laws, with the first Price Approval for the applicable Product granted by a Regulatory Authority in any Major European Country.

1.16 " **Commercially Reasonable Efforts** " means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Development or Commercialization of Product by a Party, the

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as Product and having profit potential and strategic value comparable to that of Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of Product, and the strength of its proprietary position all based on conditions then prevailing. For clarity, Commercially Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable objective.

1.17 " **Company Competitor** " means any company that (itself or through an Affiliate) is developing or commercializing a product, including any Competing Product, that is, or could reasonably be expected to be, in competition with any product that Company (itself or through an Affiliate) is developing or commercializes.

1.18 " **Company Know-How"** means all Know-How that is Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.19 " **Company Materials** " means all chemical, biological or physical materials that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound or Product.

1.20 " **Company Patents** " means all Patent Rights that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.21 " **Company Technology** " means the Company Patents, the Company Know-How, Company Materials, and Company's rights in the Program IP and Joint Patents.

1.22 " **Competing Product** " means any pharmaceutical product in any dosage form, formulation, presentation or package configuration which contains a Collaboration Compound.

1.23 " **Confidential Information** " of a Party means non-public information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.24 " **Controlled** " means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or, in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party.

1.25 " **Cover** ", " **Covering** " or " **Covered** " means, with respect to Product, that the making, using, selling, or offering for sale of Product would, but for a license granted in this Agreement under the Licensor Patent Rights, infringe a Valid Claim of the Licensor Patent Rights in the country in which the activity occurs.

1.26 " **Development** " or " **Develop** " means, with respect to Product, the performance of all pre-clinical and clinical development (including toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development, statistical analysis), Clinical Trials, manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product in the Territory.

1.27 " **Development Plan** " means with respect to each Collaboration Compound and Product, the written plan for the Development activities to be conducted for such Collaboration Compound and Product, as such written plan may be prepared, amended, modified or updated in accordance with Section 4.4.

1.28 " **Development Program** " means the Development activities to be conducted during the Term by each Party with respect to each Collaboration Compound and Product pursuant to the Development Plans.

1.29 " **EMA** " means the European Medicines Agency or a successor agency thereto.

1.30 " **European Commission** " means the authority within the European Union that has the legal authority to grant Regulatory Approvals in the European Union based on input received from the EMA or other competent Regulatory Authorities.

1.31 " **European Union** " or " **EU** " means the European Union, as it may be reconstituted from time to time.

1.32 " **Euros** " or " **€** " means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the relevant European Union treaties.

1.33 " **Executive Officers** " means, together, a member of the senior management of the pharmaceutical division of Company and the Chief Executive Officer of Licensor.

1.34 " **Existing Third Party Agreement(s)** " means a license agreement under which rights with respect to Collaboration Compound or Product are granted to Licensor by a Third Party.

1.35 " **Ex-PRC Phase I Dose Escalation Clinical Trial** " means the Clinical Trial described in Section A of Exhibit 1 attached hereto.

1.36 " **Ex-PRC Phase I Expansion Cohort Clinical Trial** " means any phase I Clinical Trial in patients with a specified cancer (i) described in Section B of Exhibit 1 attached hereto or (ii) subsequently agreed in writing by the Parties, such agreement not to be unreasonably withheld.

1.37 " **FDA** " means the United States Food and Drug Administration or a successor federal agency thereto.

1.38 " **Field** " means the diagnosis, treatment, palliation or prevention of all diseases or conditions in humans or animals.

1.39 " **First Commercial Sale** " means, on a country-by-country basis, the first transfer or disposition for value of Product in such country to a Third Party by Company, or any of its Affiliates or Sublicensees, in each case, after Commercialization Regulatory Approval has been obtained in such country.

1.40 " **Governmental Body** " means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch,

office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.41 " **IFRS** " means the International Financial Reporting Standards, the set of accounting standards and interpretations and the framework in force on the Effective Date and adopted by the European Union as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as such accounting standards may be amended from time to time.

1.42 " **Indication** " means a generally acknowledged disease or condition, a significant manifestation of a disease or condition, or symptoms associated with a disease or condition or a risk for a disease or condition for which a MAA may be obtained. For purposes of clarity, each separate oncology indication will be defined by a combination of the tissue type in which the cancer has its primary origin and the gene or set of genes in which mutations are present.

1.43 " **IND** " means an investigational new drug application submitted to applicable Regulatory Authorities for approval to commence Clinical Trials in a given jurisdiction.

1.44 " **Initial Phase I Clinical Trials** " shall include the PRC Phase I Dose Escalation Clinical Trial, the Ex-PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Expansion Cohort Clinical Trial.

1.45 " **Know-How** " means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including manufacturing processes, specifications and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and manufacturing process and development information, results and

data, whether or not patentable, all to the extent not claimed or disclosed in a patent or patent application; and (b) compositions of matter, cells, cell lines, assays, animal models and physical, biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples and proprietary equipment, procedures or methodologies relating to the manufacturing of the Product. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights including copyright, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.46 " **Knowledge** " means, with respect to a matter that is the subject of a given warranty of Licensor, the actual knowledge, information or belief of any officer of Licensor after making reasonable inquiry into the relevant subject matter of senior employees of Licensor. "Knowingly" means with Knowledge.

1.47 " **Law** " or " **Laws** " means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.48 " **Licensor Bankruptcy Event** " means: (a) voluntary or involuntary proceedings by or against Licensor are instituted in bankruptcy under any insolvency Law, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; (b) a receiver or custodian is appointed for Licensor; (c) proceedings are instituted by or against Licensor for corporate reorganization, dissolution, liquidation or winding-up of Licensor, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; or (d) substantially all of the assets of Licensor are seized or attached and not released within sixty (60) days thereafter.

1.49 " **Licensor Know-How** " means all Know-How that is Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product. The Licensor Know-How shall include all Know-How set forth on Schedule 1.49 .

1.50 " **Licensor Materials** " means all chemical, biological or physical materials other than Collaboration Compounds that are Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the

research, Development, manufacture, use or Commercialization of the Collaboration Compound or Product. The Licensor Materials set forth on Schedule 1.50 constitute all Licensor Materials as of the Effective Date.

1.51 " **Licensor Patents** " means all Patent Rights that are Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product. Listed on Schedule 1.51 are all Licensor Patents existing as of the Effective Date; provided, that Licensor shall update Schedule 1.51 from time-to-time to include any new Patent Rights that come to be Controlled by Licensor or any of its Affiliates at any time during the Term on or following the Effective Date that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.52 " **Licensor Technology** " means the Licensor Patents, the Licensor Know-How, Licensor Materials, Product IP, and Licensor's rights in the Program IP and Joint Patents.

1.53 " **MAA** " means an NDA and any equivalent application for marketing approval submitted in any country in the Territory, including a European Marketing Authorization Application, and including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.54 **"Manufacture** " or " **Manufacturing** " or " **Manufactured** " means all operations involved in the manufacture, receipt, incoming inspection, storage and handling of raw materials, and the manufacture, processing, purification, packaging, labeling, warehousing, quality control testing (including in-process release and stability testing), shipping and release of Collaboration Compound and/or Product.

1.55 " **Manufacturing Costs** " means with respect to any Collaboration Compound or Product Manufactured by or on behalf of a Party, such Party's costs of Manufacturing such Collaboration Compound or Product, which shall be the sum of the following components: (a) direct costs, including manufacturing labor and materials directly used in Manufacturing such Collaboration Compound or Product by such Party or its Affiliates and allocated supervisory costs of the manufacturing department; (b) direct labor and allocated supervisory costs of non-manufacturing departments (such as quality and regulatory) attributable to such Collaboration Compound or Product; (c) an allocation of depreciation of facilities, machinery and equipment used in Manufacture of such Collaboration Compound or Product; (d) toll process and other charges

incurred by such Party or its Affiliates for outsourcing the Manufacture of such Collaboration Compound or Product and the cost of supervising and managing the Third Party Manufacturers, and of receipt, incoming inspections, storage, packaging, handling quality control testing and release of the outsourced items, (e) allocated general and administrative costs, including, without limitation, purchasing, human resources, payroll, legal, maintenance, information system and accounting, attributable to such Collaboration Compound or Product, and (f) any other reasonable and customary Out-of-Pocket costs borne by such Party or its Affiliates for the testing, transport, customs clearance, duty, insurance and/or storage of such Collaboration Compound or Product. For purposes of clarity, all allocations under this Section shall be based on space occupied or head-count or other activity-based method.

1.56 **"Manufacturing Development"** means, with respect to a Collaboration Compound and/or Product, all activities related to the optimization of a commercial-grade Manufacturing process for the Manufacture of such Collaboration Compound and/or Product including, without limitation, test method development and stability testing, formulation, validation, productivity, trouble shooting and next generation formulation, process development, Manufacturing scale-up, development-stage Manufacturing, and quality assurance/quality control development .

1.57 " **NDA** " means a New Drug Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR.§ 314.3 et seq, or a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601.

1.58 " **Net Sales** " means [...***...].

1.59 " **Option Date** " means (i) if Licensor does not conduct any Ex-PRC Phase I Expansion Cohort Clinical Trial, sixty (60) days after Licensor delivers to Company the last of the final reports of the results of (a) PRC Phase I Expansion Cohort Clinical Trial, (b) the PRC Phase I Dose Escalation Clinical Trial, and (c) the Ex-PRC Phase I Dose Escalation Clinical Trial, or (ii) if Licensor conducts any Ex-PRC Phase I Expansion Cohort Clinical Trial, sixty (60) days after Licensor delivers to Company the last of the final reports of the results of (a) any Ex-PRC Phase I Expansion Cohort Clinical Trial conducted by Licensor, (b) the PRC Phase I Expansion Cohort Clinical Trial, (c) the PRC Phase I Dose Escalation Clinical Trial , and (d) the Ex-PRC Phase I Dose Escalation Clinical Trial.

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1.60 " **Other Agreement** " means the Amended and Restated License Agreement between the Parties, of even date herewith with respect to Development and Commercialization of Collaboration Compounds and Products outside the Territory.

1.61 " **Out-of-Pocket Expenses** " means expenses actually paid by a Party or its Affiliate to any Third Party; provided, that "Out-of-Pocket Expenses" shall not include expenses paid to any consultants (or service providers of like kind), except for travel expenses associated with a consultant (or service provider of like kind).

1.62 " **Patent Rights** " means: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.63 " **Person** " means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.64 " **Phase I Clinical Trial** " means a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(a). For the avoidance of doubt, Phase I Clinical Trials include the Initial Phase I Clinical Trials.

1.65 " **Phase II Clinical Trial** " means, as to a particular Product for any Indication, a Clinical Trial conducted in any country that would satisfy the requirements of 21 CFR 312.21(b).

1.66 " **Phase III Clinical Trial** " means, as to a particular Product for any Indication, a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(c).

1.67 " **Phase IV Clinical Trial** " means a post-registrational Clinical Trial conducted in any country or countries and required as a condition to, or for the maintenance of, any Regulatory Approval for a Product in the Territory.

1.68 " **PRC** " means The People's Republic of China. For clarity, PRC excludes Hong Kong, Macau and Taiwan.

1.69 " **PRC Phase I Dose Escalation Clinical Trial** " means the Clinical Trial described in Section C of Exhibit 1 attached hereto.

1.70 " **PRC Phase I Expansion Cohort Clinical Trial** " means any phase I Clinical Trial in patients with a specified cancer (i) described in Section D of Exhibit 1 attached hereto, or (ii) subsequently agreed by the Parties, such agreement not to be unreasonably withheld.

1.71 " **Price Approvals** " means, in those countries in the Territory where Regulatory Authorities may approve or determine pricing and/or pricing reimbursement for pharmaceutical products, such pricing and/or pricing reimbursement approval or determination.

1.72 " **Product** " means any pharmaceutical product, in any dosage form, formulation, presentation or package configuration that is commercialized or undergoing research or pre-clinical or clinical development that contains or comprises, in part or in whole, the Collaboration Compound. For clarity, different formulations or dosage strengths of a given Product shall be considered the same Product for purposes of this Agreement.

1.73 " **Product IP** " means any Patent Rights that Cover, or Know-How that is reasonably useful in connection with, the composition of matter and/or use of a Collaboration Compound and/or Product.

1.74 " **Regulatory Authority** " means: (a) in the US, the FDA; (b) in the EU, the EMA or the European Commission; or (c) in any other jurisdiction anywhere in the world, any regulatory body with similar regulatory authority over pharmaceutical or biotechnology products.

1.75 " **Regulatory Approval** " means any and all approvals, licenses, registrations, or authorizations of the relevant Regulatory Authority, including Price Approvals, necessary for the Development, manufacture, use, storage, import, transport or Commercialization of Product in a particular country or jurisdiction.

1.76 " **Regulatory Filings** " means, collectively: (a) all INDs, NDAs, establishment license applications, DMFs, applications for designation as an "Orphan Product(s)" under the Orphan Drug Act, for "Fast Track" status under Section 506 of the FDCA (21 U.S.C. § 356) or for a Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FDCA (21 U.S.C. § 355(b)(4)(B)) and all other similar filings (including, without limitation, counterparts of any of the foregoing in any country or region in the Territory); (b) all supplements and amendments to

any of the foregoing; and (c) all data and other information contained in, and correspondence relating to, any of the foregoing.

1.77 " **Representatives** " means employees, consultants, contractors, advisors and agents of a Party or its Affiliates.

1.78 " **Royalty Term** " means, on a Product-by-Product and country-by-country basis, the period beginning on the date of the First Commercial Sale of a Product in a country and ending on the latest to occur of (a) the last date on which the manufacture, use, import, offer for sale or sale of such Product is Covered by a Valid Claim within the Licensor Patents (other than a Valid Claim of Licensor Patents that are Product IP that was invented solely by Company) in such country or the country in which the Product was manufactured, which, but for the license granted by Licensor, would be infringed or (b) [...***...] from the date of First Commercial Sale of such Product in such country.

1.79 " **Senior Executive** " means a member of senior management of a Party who is designated by such Party to resolve disputes under this Agreement.

1.80 " **Sublicensee** " means a Person other than an Affiliate of a Party to which either Party (or its Affiliate) has, pursuant to Section 2.3, granted sublicense rights under any of the license rights granted under Section 2.1 and Section 2.2; provided, that "Sublicensee" shall exclude distributors.

1.81 " **Tax** " or " **Taxes** " means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.82 " **Territory** " means all the countries of the world, except PRC.

1.83 " **Third Party** " means any Person other than Licensor, Company or any of their respective Affiliates.

1.84 " **Third Party Action** " means any Action made by a Third Party against either Party that claims that the Collaboration Compound or Product, or its use or Development, manufacture or sale, infringes or misappropriates such Third Party's intellectual property rights.

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1.85 " **Third Party License Agreement** " means any agreement entered into by a Party or its Affiliate with a Third Party, or any amendment or supplement thereto, in each case following the Effective Date, whereby royalties, fees or other payments are to be made by a Party or its Affiliate to such Third Party in connection with the grant of rights under intellectual property rights Controlled by such Third Party, which rights are necessary or useful for the Development, manufacture, use or Commercialization of the Collaboration Compound or Product.

1.86 " **United States** " or " **US** " means the United States of America, its territories and possessions.

1.87 " **USD** " or " **$** " means the lawful currency of the United States.

1.88 " **Valid Claim** " means a claim of (a) an issued and unexpired patent which has not lapsed or been revoked, abandoned or held unenforceable or invalid by a final decision of a court or governmental or supra-governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, reexamination or disclaimer or otherwise or (b) any patent application which was filed in good faith and which has not been cancelled, withdrawn, abandoned, or disallowed without the possibility of appeal or re-filing of the application and that has not been pending for more than [...***...] from the first substantive office action on such patent application. If the patent application has been refiled or is a divisional application, the [...***...] period mentioned above shall be calculated from the first application filed in the series of applications.

1.89 **Other Terms** . The definition of each of the following terms is set forth in the section of the Agreement indicated below:

Defined Term	Section
" **Action** "	7.5(b)
" **Additional Product** "	1.13
" **Agreement** "	Preamble
" **Alliance Manager** "	3.7(a)
" **BGB-283** "	Recitals
" **BRAF Mutants** "	1.12
" **Chairperson** "	3.1
" **CM&C Know-How"**	2.6

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Defined Term	Section
“ **Collaboration** ”	Recitals
“ **Company** ”	Preamble
“ **Company Indemnitees** ”	10.2
“ **Company Manufacturing Know-How** ”	11.5(b)(ii)(7)(xii)
“ **Continuation Date** ”	4.1(b)
“ **Controlling Party** ”	7.6(c)
“ **Development Support** ”	4.3(a)
“ **Filing Party** ”	7.4(f)
“ **ICC Rules** ”	12.3
“ **JAC** ”	3.1
“ **Joint Patents** ”	7.4(a)
“ **Licensor** ”	Preamble
“ **Licensor Indemnitees** ”	10.1
“ **Manufacturing Technology Transfer** ”	2.6
“ **Non-Escalable Dispute** ”	12.1
“ **Non-Filing Party** ”	7.4(f)
“ **Party** ” and “ **Parties** ”	Preamble
“ **Patent Coordinator** ”	7.4(b)
“ **Phase II Clinical Trial Manufacturing** ”	4.7(b)
“ **Program IP** ”	7.4(a)
“ **Regulatory Support** ”	5.3
“ **Right of First Refusal** ”	11.6(b)
“ **Right of First Refusal Notice Period** ”	11.6(b)(ii)
“ **Target** ”	1.10
“ **Term** ”	11.1
“ **Transition Request Period** ”	11.5(b)(ii)(7)
“ **Value Added Tax** ”	6.12(b)

ARTICLE 2
L ICENSES AND OTHER RIGHTS

2.1 **Grant of License to Company.**

(a) **Development License** . Subject to the terms and conditions of this Agreement, Licensor hereby grants to Company an exclusive (even as to Licensor, except as set forth in Section 2.6), right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Licensor Technology for the sole purpose of Development of Collaboration Compounds and Products in the Field in the Territory, including without limitation, the Manufacture of Collaboration Compounds and Product for use in Development in the Field in the Territory. For clarity, no license is granted under Licensor Technology to Develop any Additional Product component of any Combination Product.

(b) **Commercialization License.** Effective as of the Continuation Date (as defined in Section 4.1(b) below) and subject to the terms of this Agreement, Licensor hereby grants to Company an exclusive (even as to Licensor), royalty-bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Licensor Technology for the sole purpose of (i) Commercializing Products in the Field in the Territory and (ii) Manufacture of Collaboration Compounds and Product for use in Commercialization in the Field in the Territory. For clarity, no license is granted under Licensor Technology to Commercialize or Manufacture any Additional Product component of any Combination Product.

2.2 **Grant of License to Licensor.**

(a) **Development License** . Subject to the terms and conditions of this Agreement and the Other Agreement, Company hereby grants to Licensor an exclusive (even as to Company), right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Company Technology for the sole purpose of Development of Collaboration Compounds and Products in the Field outside the Territory and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and any Ex-PRC Phase I Expansion Cohort Clinical Trial, including without limitation, the Manufacture of Collaboration Compounds and Product for use in Development outside the Territory and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and any Ex-PRC Phase I Expansion Cohort Clinical Trial. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product

(b) **Commercialization License.** Subject to the other terms of this Agreement and the Other Agreement, Company hereby grants to Licensor an exclusive (even as to Company), royalty-

bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Company Technology for the sole purposes of (i) Commercializing the Product in the Field outside the Territory and (ii) Manufacture of Collaboration Compounds and Product for use in Commercialization in the Field outside the Territory. For clarity, no license is granted under Company Technology to Commercialize or Manufacture any Additional Product component of any Combination Product

2.3 **Right to Sublicense.**

(a) **Sublicenses** . Either Party shall have the right to grant sublicenses to Sublicensees under the Development and Commercialization licenses granted to it under Section 2.1 and 2.2 respectively, with respect to Product for sale in the Field in the Territory for Company, and, subject to the terms of the Other Agreement, in the Field outside the Territory for Licensor; provided, that, (i) it shall be a condition of any such sublicense that each Sublicensee agrees to be bound by the terms of this Agreement applicable to the Commercialization of Products in the Field in the applicable territory (including, without limitation, Article 8); (ii) the Party that is the sublicensor shall provide written notice to the other Party of any such proposed sublicense at least [...***...] prior to such extension and provide copies to such Party of each such sublicense within [...***...] of its execution (provided that such copies may be appropriately redacted to protect confidential information of the Sublicensee); (iii) if a Party grants a sublicense to a Sublicensee, the Party that is the sublicensor shall be deemed to have guaranteed that such Sublicensee will fulfill all of such Party's obligations under this Agreement applicable to the subject matter of such sublicense; (iv) the Party that is the sublicensor shall not be relieved of its obligations pursuant to this Agreement as a result of such sublicense.

(b) **No Other Rights.** Company shall have no rights to use or otherwise exploit Licensor Technology, and, Licensor shall have no rights to use or otherwise exploit Company Technology, in each case, except as expressly set forth herein or with respect to Licensor, in the Other Agreement.

2.4 **Regulatory Technology Transfer** . Effective after the Continuation Date, upon Company's written request, Licensor shall (to the extent permitted by Law or otherwise), at Licensor's cost and expense, assign to Company all applications and filings made by or on behalf of Licensor with any Regulatory Authority in the Territory with respect to the Collaboration Compound or

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Product, including any IND, MAA or orphan drug designations or any other application for regulatory consultations or consideration, including sponsorship thereof in the Territory **.**

2.5 **Procedures for Regulatory Technology Transfer** . The transfer of regulatory documentation set forth in Section 2.4 shall occur in an orderly fashion and in a manner such that the value, usefulness and confidentiality of the transferred Licensor regulatory documentation are preserved in all material respects. During the Term, Licensor shall provide to Company full and prompt disclosure, but in no event less frequently than [...***...], of any additional regulatory documentation filed by Licensor or any of its Affiliates after the Effective Date and that is necessary or useful to Company to conduct its activities or exercise its rights as contemplated hereunder.

2.6 **Manufacturing Technology Transfer.** Within [...***...] following Company's written request, Licensor will transfer (" **Manufacturing Technology Transfer** ") to Company, at Licensor's cost and expense, written or electronic copies of all Licensor Know-How and reasonable quantities of Licensor Materials, including such Know-How that relates to the Development and Manufacture of the Collaboration Compound and Product, including related documentation and all such information as is reasonably anticipated to become a part of the Chemistry, Manufacturing and Controls section of a regulatory submission document included in an MAA (collectively, " **CM&C Know-How** ") or otherwise related to the formulation of the Collaboration Compound and Product (including all information necessary or useful for operation of the transferred process and all biochemical and biophysical analytical assays, in vitro assays and in vivo assays (including all proprietary materials necessary or useful for performing such assays), pharmacokinetic analytics, pharmacodynamics markers, bioanalytical methods for anti-drug antibodies (neutralizing antibodies and binding antibodies), including standard operating procedures, and data received thereon).

2.7 **Procedures for Manufacturing Technology Transfer** . The technology transfer set forth in Section 2.6 shall occur in an orderly fashion and in a manner such that the usefulness and confidentiality of the transferred Licensor Know-How, Licensor Materials and regulatory documentation are preserved in all material respects. During the Term, Licensor shall provide to Company full and prompt disclosure, but in no event less frequently than [...***...], of any Licensor Technology (including CM&C Know-How) that becomes Controlled by Licensor or any of its Affiliates after the Effective Date and that is necessary or useful to Company to conduct its activities or exercise its rights as contemplated hereunder and shall, in the case of Licensor

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Know-How (including CM&C Know-How) or Licensor Materials, promptly following such disclosure, transfer to Company written or electronic copies of such Licensor Know-How (including CM&C Know-How) and reasonable quantities of such Licensor Materials.

2.8 **Exclusivity** . Licensor and its Affiliates shall not, during the Term, develop, manufacture, have manufactured, use, sell, offer for sale, promote, import, export or distribute a Competing Product nor enter into any relationship with any Third Party with respect thereto. The aforementioned restriction shall remain in effect in the event of Change of Control of Licensor and shall apply to the successor or assignee of Licensor.

2.9 **Phase I Clinical Trials in Ex-PRC.** Notwithstanding Section 2.1, Company hereby authorizes Licensor to conduct (i) at Licensor's cost, the Ex-PRC Phase I Dose Escalation Clinical Trial which Phase I Clinical Trial shall be performed by Licensor under Licensor's full responsibility, and (ii) at Licensor's cost, the Ex-PRC Phase I Expansion Cohort Clinical Trial. Any Licensor Technology created in such Phase I Clinical Trials conducted in the Territory shall be included in the license grant set forth in Section 2.1.

ARTICLE 3
GOVERNANCE

3.1 **Formation and Composition of Joint Advisory Committee** . As soon as reasonably practicable after the Effective Date, but in no event later than thirty (30) days following the Effective Date, a joint advisory committee (" **JAC** ") shall be established, composed of three (3) representatives from each Party who shall be shall be senior level personnel who will have the appropriate technical credentials, experience and knowledge in business, pharmaceutical drug discovery, development and/or commercialization, and will have ongoing familiarity with the Development Program, with such representatives for Licensor being, as of the Effective Date, [...***...], and such representatives for Company, being, as of the Effective Date, [...***...]. The Parties shall notify one another in writing of any change in their respective members of the JAC. An alternate member designated by a Party may serve temporarily in the absence of a permanent member of the JAC for such Party. Company will designate one member of the JAC as the " **Chairperson** " and Licensor will designate one member of the JAC as the " **Co-Chairperson** ". The Chairperson shall be responsible for (a) calling meetings, (b) preparing and issuing minutes of each such meeting within a reasonable time thereafter (but in any event not to exceed thirty (30) days following such meeting), and (c) preparing and circulating an agenda for any upcoming meeting.

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Each member of the JAC, and each substitute, shall be subject to the confidentiality obligations contained in Article 8.

3.2 **Function.** The JAC shall be responsible for advising on a research and development strategy and Manufacturing for Product with respect to the Company in the Territory and Licensor outside the Territory. The Parties shall act reasonably and in good faith with respect of the timing of such development to avoid adverse impact on development, Manufacture and Commercialization of Product by Company in the Territory and Licensor outside the Territory. The JAC shall have no power to amend this Agreement and shall have only such powers as are specifically delegated to it hereunder.

3.3 **Meetings** . Subject to the provisions of the next sentence and Section 3.6, the JAC shall hold meetings at least once each Calendar Quarter (unless otherwise unanimously agreed by the JAC) at such times and places as shall be determined by the JAC (including by videoconference, telephone, or web conference) to the extent necessary to fulfill the functions described in Section 3.2 and below; provided, that, in no event, shall such meetings be held in person less frequently than once every six (6) months (unless otherwise unanimously agreed by the JAC). At least two (2) members of the JAC from each Party will constitute a quorum for any meeting. The Chairperson will be responsible for organizing the meetings of the JAC, but will have no additional powers or rights beyond those held by the other representatives to the JAC. The Chairperson will include on the agenda any item within the scope of the responsibility of the JAC that is requested to be included by a Party, and will distribute the agenda to the Parties no less than five (5) days before any meeting of the JAC. A Party may invite other senior personnel of their organization to attend meetings of the JAC, as appropriate; provided, however, that such other senior personnel shall not have any duties of a JAC member or be taken into account for purposes of achieving a quorum. The JAC may act without a meeting if, prior to such action, a written consent thereto is given by the Chairperson and the Co-Chairperson. Each Party shall be responsible for its travel costs incurred for attending JAC meetings.

3.4 **JAC Responsibilities** . Company shall have the ultimate right to determine the strategy with respect to Development of Collaboration Compound and Product and Commercialization of Product in the Territory (including Manufacturing for the foregoing purposes) and Licensor shall have the ultimate right to determine the strategy with respect to the Development and Commercialization of Collaboration Compound and Product outside the Territory and in and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and Ex-PRC Phase I Expansion

Cohort Clinical Trials as set forth in Section 4.1(a) (including Manufacturing for the foregoing purposes). The JAC shall be responsible for general oversight of the conduct and progress of the Collaboration. Without limiting the generality of the foregoing, the JAC shall have the following responsibilities:

3.4.1 reviewing Development Plans and Product Commercialization Plans;

3.4.2 reviewing data, reports or other information submitted to it by the Parties from time to time; and

3.4.3 appointing committees with specific responsibilities in connection with the foregoing activities;

provided, however, that in no event shall the JAC have any authority to (x) resolve any disputes involving the breach or alleged breach of this Agreement, or (y) otherwise amend or modify this Agreement, or the Parties' respective rights and obligations hereunder.

3.5 **Minutes of Committee Meetings** . Minutes will be kept of all JAC meetings by the Chairperson and sent to all members of the JAC for review and approval within fourteen (14) days after each meeting. Minutes will be deemed approved unless any member of the JAC objects to the accuracy of such minutes by providing written notice to the other members of the JAC within seven (7) days of receipt of the minutes. In the event of any such objection that is not resolved by mutual agreement of the Parties, such minutes will be amended to reflect such unresolved dispute.

3.6 **Urgent Matters** . Notwithstanding anything in Section 3.3 expressed or implied to the contrary, in the event that an urgent issue or matter arises that requires prompt action by the JAC, the JAC shall arrange for a teleconference (or otherwise meet) for the purpose of resolving such issue or matter. Such JAC teleconference or meeting shall take place as promptly as possible, with the immediacy of such issue or matter requiring JAC action determining the time, place and manner of such teleconference or meeting.

3.7 **Alliance Managers.**

(a) **Appointment.** Each Party shall have the right to appoint a person who shall oversee interactions between the Parties for all matters related to the Development and Commercialization of Products between JAC meetings (each, an " **Alliance Manager** "). The Alliance Managers shall have the right to attend all JAC meetings as non-voting participants and may bring to the

attention of the JAC any matters or issues either of them reasonably believes should be discussed and shall have such other responsibilities as the Parties may mutually agree in writing. Each Party may replace its Alliance Manager at any time or may designate different Alliance Managers with respect to Development and Commercialization, respectively, by notice in writing to the other Party.

(b) **Responsibilities** . The Alliance Managers, if appointed, shall have the responsibility of creating and maintaining a constructive work environment within the Committees and between the Parties for all matters related to Development and Commercialization. Without limiting the generality of the foregoing, each Alliance Manager shall:

i. identify and bring to the attention of the JAC, as applicable, any disputes arising between the Parties related to Development and Commercialization in a timely manner, including, without limitation, any asserted occurrence of a material breach by a Party, and function as the point of first referral in the resolution of each dispute;

ii. provide a single point of communication for seeking consensus within the Parties' respective organizations and between the Parties with respect to Development and Commercialization;

iii. plan and coordinate cooperative efforts, internal communications and external communications between the Parties with respect to Development and Commercialization;

iv. take such steps as may be required to ensure that committee meetings occur as set forth in this Agreement, that procedures are followed with respect to such meetings (including, without limitation, the giving or proper notice and the preparation and approval of minutes) and that relevant action items resulting from such meetings are appropriately carried out or otherwise addressed.

ARTICLE 4
DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION OF PRODUCT

4.1 **Phase I Development by Licensor.**

(a) Phase I Clinical Trials. Licensor shall have the exclusive right, and sole responsibility and decision-making authority, to Develop the Collaboration Compound and Product in the PRC

and in the Territory by conducting (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) the PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Dose Escalation Clinical Trial, at its own cost and expense. With regard to the Ex-PRC Phase I Expansion Cohort Clinical Trial, the Parties shall, through the JAC, use good faith efforts to agree its final study design. Whether or not such agreement has been reached, Company, within [...***...] of consideration in the JAC of the final study design of the Ex-PRC Phase I Expansion Cohort Clinical Trial, shall notify Licensor in writing if it will conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) one or more of the Ex-PRC Phase I Expansion Cohort Clinical Trials at its own cost and expense. Unless Company gives such written notice (or if Company gives such written notice but the notice indicates that Company will not conduct all of the Ex-PRC Phase I Expansion Cohort Clinical Trials), Licensor shall have the right to determine, in its sole discretion, to conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) one or more of the Ex-PRC Phase I Expansion Cohort Clinical Trial at its own cost and expense; and if Licensor makes such determination, Licensor shall have the exclusive right, and sole responsibility and decision-making authority with respect to such the Ex-PRC Phase I Expansion Cohort Clinical Trial(s). Notwithstanding Licensor's responsibilities and decision-making rights set forth with regard to the PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Dose Escalation Clinical Trial, Licensor agrees to consult and review with Company, through the JAC, the design of such planned Phase I Clinical Trials, and allow Company to review and comment on the respective draft protocols.

(b) Company Option to Continue or Terminate the Agreement . On or before the Option Date, Company shall notify Licensor in writing of the Company's intent to either continue or terminate the Agreement. If the Option Date is as defined under subsection (i) of Section 1.59 and Company notifies Licensor in writing of its intent to continue the Agreement, the Agreement shall continue on the terms and conditions set forth herein. If the Option Date is as defined under subsection (ii) of Section 1.59 and Company notifies Licensor in writing of its intent to continue the Agreement, Company shall pay Licensor [...***...] ([...***...]) of Licensor's fully burdened costs of conducting any Ex-PRC Phase I Expansion Cohort Clinical Trial and the Agreement shall continue on the terms and conditions set forth herein. The date of Licensor's receipt of written notice from Company of its intent to continue the Agreement shall be referred to as the " **Continuation Date** ." In the event that Company does not notify Licensor in writing on or before

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the Option Date of its intent to continue the Agreement, the Agreement shall terminate and Section 11.5(b) shall apply.

4.2 **Development of Product by Company** . Starting on the Continuation Date, except as set forth in Section 2.6 and Section 4.1 above, Company shall have the exclusive right, and sole responsibility and decision-making authority, to research, Develop the Collaboration Compound and Product in the Territory and to conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) all Clinical Trials and non-clinical studies necessary to obtain Regulatory Approval for Product in the Field in the Territory in accordance with the Development Plan, and to Manufacture Collaboration Compound and Product for Development and Commercialization in the Territory. Licensor shall retain all other rights not described in Section 4.1 above to research, Develop and Commercialize Product outside the Territory, at its own cost and expense, and to Manufacture Collaboration Compound and Product for Development and Commercialization in the Territory. Notwithstanding the foregoing, each Party shall disclose to the other Party all non-clinical and clinical data relating to Collaboration Compound and Product generated by either Party in the Territory and Licensor outside the Territory. Each Party hereby grants the other Party the right to use such data for Development and Commercialization of the Collaboration Compound and Product and to obtain Regulatory Approval by Company in the Territory and Licensor outside the Territory, and to Manufacture Collaboration Compound and Product for Development and Commercialization by Company in the Territory and by Licensor outside the Territory.

4.3 **Development Support.**

(a) Each Party shall make its Representatives that are knowledgeable regarding the Licensor Technology, the Collaboration Compound or Product (including the properties and functions thereof), available to the other Party for scientific and technical explanations, advice and on-site support that may reasonably be required by the other Party relating to the Development of the Collaboration Compound and Product (the " **Development Support** "). The Development Support shall be provided by each Party to the other Party free-of-charge during the Term, but the Party receiving Development Support shall reimburse the Party providing Development Support for all Out-of-Pocket Expenses incurred by such Party in providing the Development Support.

(b) In the event Company wishes Licensor to recruit patients and participate in a Clinical Trial outside the Territory as part of a Company sponsored Clinical Trial, Company may so notify

Licensor in writing and the Parties will negotiate in good faith with respect to Licensor's recruitment of patients and participation in such Clinical trial and the compensation to Licensor for such activities.

4.4 **Preparation of Development Plans.** The initial Development Plan for each Party in its respective Territory is attached hereto as Schedule 3 . During the Term, each Party may prepare a revised Development Plan, which shall be prepared by each Party for its respective Territory and submitted to the JAC for review at least twenty (20) days before the meeting of the JAC at which it will be considered. Each Development Plan shall: (a) set forth the Development objectives, including Clinical Trials to be conducted within the Territory and the other Development activities to be conducted, and the timelines applicable to such activities for the period covered by such Development Plan, and (b) be consistent with the other terms of this Agreement. Each amendment, modification and/or update to a Party's Development Plan shall be set forth in a written document prepared by such Party, and submitted for review to the JAC.

4.5 **Identification of Back-Up Compounds** . If the Parties determine to seek to identify a Back-up Compound for Development under this Agreement, then upon agreement by the Parties on a research plan, including the allocation of research responsibilities, a budget, and responsibility for all costs of performing such research plan, one or both Parties will use Commercially Reasonable Efforts to deliver one (1) or more Back-Up Compound(s). The rights and obligations of the Parties relating to each Back-Up Compound shall be identical to those applicable to BGB-283, except as otherwise expressly provided herein. Either Party shall notify the other Party in writing in the event it wishes to replace BGB-283 with a specified Collaboration Compound developed hereunder as a Back-Up Compound or to Develop such Collaboration Compound as a Back-Up Compound in addition to BGB-283. The Parties shall promptly review the available data and other information and determine whether to so designate the proposed Collaboration Compound as a Back-Up Compound. Subsequent to such designation, as applicable, any reference to the Product shall be deemed to include or to be made to a Product that contains, incorporates, comprises or is derived from a Back-Up Compound.

4.6 **Commercialization.**

(a) Company Product Commercialization Plans . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, then Company will make a reasonable effort to prepare and provide to the JAC for its review a Product Commercialization Plan for each

Product [...***...] prior to the date Company anticipates filing a MAA in the Territory. Failure to provide such Product Commercialization Plan prior to filing a MAA shall not be a breach of this Agreement, but in any event within [...***...] of filing a MAA in the Territory with respect to each Product, Company shall provide such Product Commercialization Plan to the JAC. The Company Product Commercialization Plan(s) shall be updated and reviewed at least annually.

(b) Licensor Product Commercialization Plans . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, within [...***...] of filing a MAA outside the Territory with respect to each Product, Licensor shall prepare and provide to the JAC for its review a Product Commercialization Plan for each such Product. The Licensor Product Commercialization Plan shall be updated and reviewed at least annually.

(c) Company Responsibility for Commercialization of Products . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, Company shall have the sole right and responsibility, at its sole expense, for all aspects of the Commercialization of Products in accordance with the applicable Product Commercialization Plan, in the Field and in the Territory and shall have the sole right and responsibility, at its sole expense, for order fulfillment and distribution of Product and for booking all sales of Product in the Territory, including, without limitation, the conduct of: (a) all activities relating to the Manufacture and supply of Products for Commercialization in the Territory; and (b) all marketing, promotion, sales, distribution, import and export activities (including securing reimbursement, conducting sales and marketing activities and any post-marketing trials or post-marketing safety surveillance and maintaining databases). Company and its Affiliates shall have the right, in their sole discretion, to appoint Distributors to distribute Products in the Territory. For purposes of this Section 4.6(c), the term Distributor shall mean a Third Party which warehouses and distributes a Product for which Company or an Affiliate or Sublicensee (i) holds the Commercialization Regulatory Approval and (ii) is responsible for marketing the Product, and shall not include any entity which holds Commercialization Regulatory Approval for the Product or is responsible for marketing the Product, unless such entity was granted a sublicense pursuant to Section 2.3 above. The fact that an entity is the party that actually sells the Product is not determinative of whether such party is a Distributor.

(d) Licensor Responsibility for Commercialization of Products . Subject to Company's Right of First Negotiation, Licensor shall have the sole right and responsibility, at its sole expense, for all aspects of the Commercialization of Products in accordance with the applicable Product

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Commercialization Plan, in the Field and outside the Territory and shall have the sole right and responsibility, at its sole expense, for order fulfillment and distribution of Product and for booking all sales of Product outside the Territory, including, without limitation, the conduct of: (a) all activities relating to the Manufacture and supply of Products for Commercialization outside the Territory; and (b) all marketing, promotion, sales, distribution, import and export activities (including securing reimbursement, conducting sales and marketing activities and any post-marketing trials or post-marketing safety surveillance and maintaining databases).

4.7 **Clinical and Commercial Manufacturing.**

(a) Development Supply for Phase I Clinical Trials . Licensor will be solely responsible for supplying Collaboration Compounds and/or finished Products necessary for the conduct of the Initial Phase I Clinical Trials conducted by Licensor.

(b) Development Supply for the Development Program. Company shall have the right to Manufacture Collaboration Compounds and/or finished Products in or outside the Territory necessary for the conduct of the Development Program in the Territory other than Initial Phase I Clinical Trials. In an effort to establish efficient Manufacturing for Collaboration Compounds and/or finished Products, the Parties agree to use Commercially Reasonable Efforts to coordinate the Manufacturing activities in their respective territories, provided that each Party shall retain the right to Manufacture Collaboration Compounds and/or finished Products in quantities necessary for the Development Program in their respective territories. In the event that one Party agrees to supply the other Party with its requirements of Collaboration Compounds and/or finished Products in quantities necessary for the Development Program in their respective territories, then the transfer price for such Collaboration Compounds and/or Products for the conduct of the Development Program will be (i) [...***...] if the Collaboration Compounds and/or Products are manufactured by a Party or its Affiliates in its or their own facility, or (ii) [...***...] if the Collaboration Compounds and/or Products are manufactured by a contract manufacturer. Notwithstanding the foregoing, Licensor has the right to Manufacture Collaboration Compounds and/or finished Products necessary for the Development Program or for the Commercialization of Products outside the Territory and for Initial Phase I Clinical Trials conducted by Licensor. In the event that, before expiry of the Option Date, Company has not exercised the option to continue the Agreement under Section 4.1(b) above, Licensor in good faith concludes that Phase II Clinical Trial supplies of Collaboration Compound and/or finished Product need to be Manufactured to be able to meet the timelines set forth in the Development Plan, then Licensor shall notify Company

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and bring such need to Manufacture to the JAC for discussion and review, and the Parties shall negotiate in good faith whether or not, within which timeframe and under which terms and conditions such Manufacture is required to be assured (the **"Phase II Clinical Trial Manufacturing"**). Should the Parties be unable, after due consideration by the JAC, to reach agreement on the Phase II Clinical Trial Manufacturing, then Licensor shall have the right to procure Phase II Clinical Trial Manufacturing outside the Territory at Licensor's sole expense, as Licensor considers necessary. In the event that Licensor has so decided to procure Phase II Clinical Trial Manufacturing outside the Territory at Licensor's sole expense, and should thereafter, following exercise by Company of the option to continue the Agreement under Section 4.1(b) above, process changes implemented by Company in the Manufacture of Collaboration Compound and/or Product require Licensor to implement any such Manufacturing process changes into the Manufacturing processes established by Licensor outside the Territory to conform the Collaboration Compound and/or Product to be used in Phase II Clinical Trials outside the Territory with the Collaboration Compound and/or Product to be used in Phase II Clinical Trials in the Territory, such that portions of the Collaboration Compound and/or finished Product produced by Licensor at Licensor's expense in the Phase II Clinical Trial Manufacturing can no longer be utilized by Licensor for Phase II Clinical Trials, then Company agrees to reimburse Licensor for the Out-of-Pocket Expenses incurred by Licensor in the Manufacture of such portion(s) of the Phase II Clinical Trial Manufacturing against appropriate documentation provided by Licensor.

(c) Commercial Supply for Commercialization Plans . The same coordination efforts referred to in the second sentence of paragraph (b) above shall be undertaken by the Parties with respect to Manufacture of Collaboration Compounds and/or Products for Commercialization of Product in the Territory and outside the Territory, and the Parties shall discuss in good faith through the JAC the location of such Manufacture. In the event that one Party agrees to supply the other Party with its requirements of Collaboration Compounds and/or finished Products in quantities necessary to Commercialize the Product according to the Commercialization Plan applicable in their respective territories, then the transfer price shall be determined in the manner set forth in paragraph b) above.

(d) Notwithstanding the foregoing, each Party shall have the sole right and decision making authority with respect to the Manufacture of Collaboration Compound and Product in the Territory by Company and outside the Territory by Licensor.

4.8 **Diligence by Company** . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, subject to Licensor's fulfillment of its obligations under this Agreement, Company shall use Commercially Reasonable Efforts to (a) Develop at least one Product and (b) Commercialize at least one Product throughout the Territory after receiving Commercialization Regulatory Approval, subject always to the next to last sentence for this Section 4.8; provided, that such Development and Commercialization obligations shall be expressly conditioned upon the continuing absence of any adverse condition or event relating to the safety or efficacy of the Collaboration Compound or Product, and Company's obligation to Develop and Commercialize Product in the Field in the Territory shall be delayed or suspended so long as, in Company's opinion, any such condition or event exists. Company shall have the exclusive right to determine, in its sole discretion, the launch strategy for Product in the Field in each country in the Territory, subject to its exercise of Commercially Reasonable Efforts and the availability of any necessary Third Party licenses or other rights. Activities by Company's Affiliates and Sublicensees will be considered as Company's activities under this Agreement for purposes of determining whether Company has complied with its obligation to use Commercially Reasonably Efforts. For clarity, Company shall have no obligation to Develop or Commercialize Product in any particular country or countries, provided that Company shall use Commercially Reasonable Efforts to Develop and Commercialize Product in the United States and the European Union, subject to receipt of Commercialization Regulatory Approval therein. Company shall be relieved of its diligence obligations under this Section 4.8 starting from the date Company provides Licensor with a termination notice.

4.9 **Compliance** . Each Party shall perform its obligations under each Development Plan and Product Commercialization Plan in good scientific manner and in compliance in all material respects with all Laws. For purposes of clarity, with respect to each activity performed under a Development Plan and/or Product Commercialization Plan that will or would reasonably be expected to be submitted to a Regulatory Authority in support of a Regulatory Filing or MAA, the Party performing such activity shall comply in all material respects with GLPs, GMPs or Good Clinical Practices (or, if and as appropriate under the circumstances, International Conference on Harmonization (ICH) guidance or other comparable regulation and guidance of any Regulatory Authority in any country or region in the Territory).

4.10 **Cooperation and Coordination.** Company and Licensor shall cooperate in the performance of the Development Program and, subject to the terms of this Agreement and any confidentiality

obligations to Third Parties, shall exchange such data, information and materials as is reasonably necessary for the other Party to perform its obligations under any Development Plan and Product Commercialization Plan. Both Parties will review all significant Regulatory Filings applicable to the Commercialization of a Product prior to submission by either Party to the applicable Regulatory Authorities with respect to the Commercialization of a Product, and will receive copies of all correspondence from Regulatory Authorities with respect to the Commercialization of a Product in a timely manner. For clarity, nothing in this Section 4.10 shall reduce a Party's sole right and responsibility to Commercialize Products in its respective territory.

4.11 **Right to Subcontract of Company** . Company may exercise any of its rights, or perform any of its obligations, under this Agreement (including any of the rights licensed in Section 2.1) by subcontracting the exercise or performance of all or any portion of such rights and obligations on Company's behalf. Any subcontract granted or entered into by Company as contemplated by this Section 4.11 of the exercise or performance of all or any portion of the rights or obligations that Company may have under this Agreement shall not relieve Company from any of its obligations under this Agreement.

4.12 **Trade Marks** . As between Licensor and Company, Company shall have the sole authority to select trademarks for Product in the Field in the Territory and shall own all such trademarks.

4.13 **Reporting** . Each Party shall, within plus or minus [...***...] of each anniversary of the Effective Date, provide the other Party with a written report summarizing in reasonable detail its Commercialization activities conducted during the prior Calendar Year with respect to the Commercialization of Product in the Territory by Company and with respect to the Commercialization of Product outside the Territory by Licensor. All information and reports provided to a Party pursuant to this Section 4.13 shall be without any commitment from a Party and shall be treated as Confidential Information of such Party. Notwithstanding the foregoing, each Party's obligation to provide reports under this Section 4.13 shall expire upon the fifth anniversary of the First Commercial Sale of Product in the Territory for Company and outside the Territory for Licensor.

ARTICLE 5
REGULATORY MATTERS

5.1 **Regulatory Filings** . Except with respect to the Phase I Clinical Trials for the Product in the Territory pursuant to Section 2.6, as between Company and Licensor, Company shall own and

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maintain all regulatory filings and Regulatory Approvals for Product, including all INDs and MAAs, in the Territory.

5.2 **Communications with Authorities** . Company (or one of its Affiliates or Sublicensees) shall be responsible, and act as the sole point of contact, for communications with Regulatory Authorities in connection with the Development, Commercialization, and Manufacturing of Product in the Territory. Following the Effective Date, Licensor shall not initiate, with respect to Product, any meetings or contact with Regulatory Authorities without Company's prior written consent in the Territory. To the extent Licensor receives any written or oral communication from any Regulatory Authority in the Territory relating to Product, Licensor shall (a) refer such Regulatory Authority to Company, and (b) as soon as reasonably practicable (but in any event within [...***...], notify Company and provide Company with a copy of any written communication received by Licensor or, if applicable, complete and accurate minutes of such oral communication. At the request of Company, Licensor shall make available to Company, free of charge, a qualified representative who shall, together with the representatives of Company, participate in and contribute to meetings with the Regulatory Authorities in the Territory with respect to regulatory matters relating to the Licensor Technology. Company shall reimburse Licensor for all Out-of-Pocket Expenses incurred in such participation. The provisions of this Section 5.2 shall not apply to the Phase I Clinical Trials for the Product in the Territory pursuant to Section 2.6.

5.3 **Support in Regulatory Matters** . Each Party shall make its Representatives that are knowledgeable regarding the Licensor Technology, the Collaboration Compound or Product available to the other Party for regulatory explanations, advice and on-site support, that may reasonably be required by the other Party relating to regulatory matters (including preparation and filing for any INDs and MAAs and obtaining and maintaining Marketing Authorizations) (the " **Regulatory Support** "). The Regulatory Support shall be provided by each Party to the other Party free-of-charge during the Term. The Party receiving Regulatory Support shall reimburse the Party providing Regulatory Support for all Out-of-Pocket Expenses incurred in such activities.

5.4 **Adverse Event Reporting** . The Parties agree to comply with any and all Laws that are applicable as of the Effective Date and thereafter during the Term in connection with Product safety data collection and reporting. If either Party has or receives any information regarding any Adverse Event, then such Party shall provide the other Party with all such information in English within such timelines which enable the other Party to comply with all Laws and relevant

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regulations and requirements. Each Party shall report to the other Party any Adverse Event culminating in death or permanent disability of a patient or subject who is administered Product. The information exchanged between the Parties pursuant to this Section 5.4 shall be transmitted by e-mail, facsimile or overnight courier to the following address:

Transmission to Licensor:

BeiGene, LTD.
c/o BeiGene (Beijing) Co., Ltd.
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
Beijing P.R. China
102206
Email: [...***...]
Fax: [...***...]
Tel: [...***...]

Transmission to Company:

Global Drug Safety
Merck KGaA
Frankfurter Strasse 250
D-64293 Darmstadt
Germany
Drug Safety mailbox:
[...***...]
Fax: [...***...]
Tel: [...***...]

5.5 **Recalls** . Company shall have the sole right to determine whether and how to implement a recall or other market withdrawal of Product in the Territory and shall notify Company promptly of any recall or other market withdrawal of Product in the Territory. Licensor shall notify Company promptly of any recall or other market withdrawal of Product outside the Territory.

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5.6 **Pharmacovigilance Agreement** . Without limitation of Section 5.4, the Parties shall meet, as soon as practical following the Effective Date, but in no event later than four (4) weeks after the Effective Date of this Agreement, to commence good faith negotiations to establish a detailed pharmacovigilance agreement relating to the Product, which shall set forth standard operating procedures governing the collection, investigation, reporting, and exchange of information concerning adverse drug reactions/adverse events sufficient to permit each Party to comply with its regulatory and other legal obligations within applicable timeframes.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **Phase I Development Support** .

(a) To support Licensor's timely design and preparation of the Ex-PRC Phase I Dose Escalation Trial as set forth in Section 4.1(a), Company shall pay, or cause to be paid, to Licensor the following one-time, non-refundable fee of $[...***...] USD, within [...***...] following the Effective Date and receipt by Company of corresponding invoice.

(b) To further support and fund Licensor's conduct, supervision, interpretation and analysis of the Ex-PRC Phase I Dose Escalation Clinical Trial as set forth in Section 4.1(a), Company shall pay, or cause to be paid, to Licensor the following one-time, non-refundable fee of $5,000,000 USD, within [...***...] following [...***...].

6.2 **Milestone Payments** . As partial consideration for Licensor's grant of the rights and licenses to Company hereunder — as set forth in Section 4.2 starting on the Continuation Date - Company shall pay, or cause to be paid, to Licensor the following one-time, non-refundable milestone payments with respect to the first Product to achieve the milestone events described below. Company shall promptly (and in any event within [...***...] after achievement of such milestone event) notify Licensor in writing of the achievement of such milestone event and Licensor shall issue Company an invoice for the amount of the corresponding milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

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Milestone event for the First Product to achieve the event	Milestone Payment in USD
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
Total development milestones	**$** [...***...]

For the avoidance of doubt, the total maximum milestones payable under this Section 6.2 for Product shall not exceed $[...***...].

With respect to each milestone, the milestone payments to be made under this Agreement shall be due and payable only once, regardless of the number of Products Developed or Commercialized.

A Regulatory Approval milestone that occurs in or with respect to the "EU" shall mean any such event in or with respect to (a) any three of the United Kingdom., France, Germany, Italy or Spain or (b) the EMA, as applicable.

6.3 **Commercial Event Payments** . As further partial consideration for Licensor's grant of rights and licenses to Company hereunder, Company shall pay Licensor the following one-time, non-

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refundable amounts for the first achievement of the following commercial event milestones for sales of all Products for all Indications to achieve such milestone:

(i) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Territory determined in accordance with this Section 6.3 exceed $[...***...];

(ii) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Territory determined in accordance with this Section 6.3 exceed $[...***...];

(iii) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Territory determined in accordance with this Section 6.3 exceed $[...***...];

(iv) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Territory determined in accordance with this Section 6.3 exceed $[...***...];

(v) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Territory determined in accordance with this Section 6.3 exceed $[...***...].

For clarity, Net Sales shall be calculated on the basis of total sales in all Indications for all Products and shall include sales outside the Territory if Company obtains a license to Commercialize Product outside the Territory from Licensor or its Affiliates.

Company shall deliver written notice to Licensor within [...***...] of the end of the Calendar Year in which a commercial event milestone occurs and Licensor shall issue Company an invoice for the amount of the corresponding commercial event milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

For the avoidance of doubt, each aforementioned commercial event milestone payment shall be made only once, regardless of the number of Calendar Years in which sales of all Products for all Indications achieves such commercial event milestone. For example, if for a Calendar Year, aggregate annual Net Sales in the Field in the Territory in all Indications for all Products are

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$[...***...], the total commercial event milestone payments earned shall be $[...***...], and such commercial event milestone payment shall no longer be triggered in any other Calendar Year.

For the avoidance of doubt, the total maximum milestones payable under this Section 6.3 shall not exceed $[...***...].

6.4 **Notice and Payment of Milestones.**

(a) Notice of Milestone Events. Company shall provide Licensor with prompt written notice upon each occurrence of a milestone event set forth in Section 6.2 or 6.3. In the event that, notwithstanding the fact that Company has not given such a notice, Licensor believes any such milestone event has occurred, it shall so notify Company in writing and shall provide to Company the data, documentation or other information that supports its belief. Any dispute under this Section 6.4(a) that relates to whether or not a milestone event has occurred shall first be referred to the JAC for resolution , and if not resolved after due consideration by the JAC, shall be subject to dispute resolution under Article 12.

(b) Skipped Milestones. If at the time any given milestone payment set forth in Section 6.2 or 6.3 is due and one or more preceding milestone payments for preceding milestone events have not been paid, then such unpaid preceding milestone payments shall be paid at such time as well. For example, (i) [...***...] and (ii) [...***...].

6.5 **Royalty Payments for Product by Company.**

(a) Royalty Rate. As further consideration for Licensor's grant of the rights and licenses to Company hereunder, Company shall, during each applicable Royalty Term, pay to Licensor a royalty on aggregate annual Net Sales of all Products in the Field in the Territory for each Calendar Year, at the percentage rates set forth below (subject to Sections 6.6 and 6.7 below):

Annual Net Sales of all Products per Calendar Year (in USD) in the Territory	**Incremental Royalty Rate**
For Net Sales of all Products from USD [...***...] up to and including USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%

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Annual Net Sales of all Products per Calendar Year (in USD) in the Territory	Incremental Royalty Rate
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than $[...***...]	[...***...]%

(b) Net Sales Subject to Royalty Payments . For purposes of determining whether a royalty threshold above has been attained, only Net Sales that are subject to a royalty payment shall be included in the total amount of Net Sales and any Net Sales that are not subject to a royalty payment shall be excluded. In addition, in no event shall the manufacture of a Product give rise to a royalty obligation without a sale of such Product. For clarity, Company's obligation to pay royalties to Licensor under this ARTICLE 6 is imposed only once with respect to the same unit of Product regardless of the number of Licensor Patents pertaining thereto.

6.6 **Reductions, Deductions and Reimbursements.**

(a) Royalty Step-Down . The royalty rates set forth in Section 6.5(a) applicable to the Net Sales of a Product in a country will be reduced by [...***...] ([...***...]) during any period in which there exists no Valid Claim of a Licensor Patent in such country that Covers such Product in such country.

(b) Third Party License Agreements . On a country-by-country basis, if, in any Calendar Quarter, Company makes royalty payment(s) to one or more Third Parties in order to obtain or maintain license rights under Patent Rights of such Third Party that would be infringed by the use or sale of the Collaboration Compound contained in the Product in a country, Company shall be entitled to deduct [...***...] ([...***...]) of such payment(s) from royalty payments otherwise payable by Company to Licensor for Net Sales of such Product in such country in such Calendar Quarter. Notwithstanding the foregoing, in no event shall such deduction exceed [...***...]

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([...***...]) of the royalties otherwise payable with respect to such country in such Calendar Quarter.

(c) Limit on Deductions . Under no circumstances shall the deductions under this Section 6.6 result in the amount payable to Licensor being reduced by more than [...***...] ([...***...]) compared with the amount otherwise payable under Section 6.5 in a Calendar Quarter. In the event that Company is not able to deduct the full amount of the permitted deduction from the amount due to Licensor due to the [...***...] ([...***...]) minimum amount, Company shall be entitled to deduct any undeducted excess amount from subsequent amounts owed to Licensor under Section 6.5 (subject always to Licensor receiving a minimum of [...***...] ([...***...]) of the amount owed) in a subsequent Calendar Quarter.

6.7 **Timing of Payment** . Royalties payable under Section 6.5 shall be payable on actual Net Sales and shall accrue at the time the invoice for the sale of Product is delivered. Royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis, within [...***...] after the end of each Calendar Quarter during which the royalty obligation accrued.

6.8 **Mode of Payment and Currency; Invoices.**

(a) Currency . All payments to Licensor hereunder shall be made by deposit of USD in the requisite amount to such bank account as Licensor may from time to time designate by written notice to Company. With respect to sales not denominated in USD, Company shall convert applicable sales in foreign currency into USD by using the then current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in USD, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual written agreement, and any change shall be consistent with the local Law at the place of payment or remittance.

(b) Invoices .

Licensor shall address its invoices to:

Merck KGaA
Accounts Payable
PO Box

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64279 Darmstadt
Germany

Company shall address its invoices to:

BeiGene, LTD.
Mourant Ozannes Corporate Services
(Cayman) Limited
94 Solaris Avenue, PO Box 1348
Grand Cayman KY1-1108
Cayman Islands
GB

With a copy to:

BeiGene, LTD.
c/o BeiGene (Beijing) Co., Ltd.
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
Beijing P.R. China
102206
Attn: [...***...]
Facsimile: [...***...]
Telephone: [...***...]

6.9 **Royalty Reports and Records Retention** . Within [...***...] after the end of each Calendar Quarter during which Product has been sold, Company shall deliver to Licensor, together with the applicable royalty payment due for such Calendar Quarter, a written report of Net Sales on a Product-by-Product and a country-by-country basis, subject to royalty payments for such Calendar Quarter. Such report shall be deemed "Confidential Information" of Company subject to the obligations of ARTICLE 8 of this Agreement. For [...***...] after the end of each Calendar Year in which sale of Product occurs, Company shall, and shall ensure that its Affiliates and Sublicensees, keep complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty calculations hereunder.

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6.10 **Legal Restrictions** . If at any time legal restrictions prevent the remittance by Company of all or any part of royalties due on Net Sales in any country, Company shall have the right and option to make such payment either by depositing the amount thereof in local currency to an account in the name of Licensor in a bank or other depository selected by Licensor in such country.

6.11 **Late Payments** . All payments under this Agreement shall earn interest from the date due until paid at a per annum rate equal to the lesser of (a) the maximum rate permissible under Law and (b) [...***...] ([...***...]) above the monthly Reuters 01 EURIBOR, measured at 2 p.m. Frankfurt/Germany time on the date payment is due. Interest will be calculated on a 365/360 basis.

6.12 **Audits.**

(a) Audits Generally . During the Royalty Term and for [...***...] thereafter, and [...***...] in each Calendar Year, Company shall permit, and shall cause its Affiliates or Sublicensees to permit, an independent certified public accounting firm of nationally recognized standing selected by Licensor, and reasonably acceptable to Company or such Affiliate or Sublicensee, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of Company and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and payments under this ARTICLE 6. Such review may cover the records for sales made in any Calendar Year ending not more than [...***...] prior to the date of such request. The accounting firm shall disclose to Licensor and Company only whether the royalty reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Licensor.

(b) Audit-Based Payments . If such accounting firm concludes that additional royalties were owed during such period, Company shall pay the additional undisputed royalties within [...***...] after the date Licensor delivers to Company such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods. Licensor shall pay for the cost of any audit, unless Company has underpaid Licensor by [...***...] ([...***...]) or more, in which case Company shall pay for the costs of audit.

(c) Audit Confidentiality . Each Party shall treat all information that it receives under this Section 6.12 in accordance with the confidentiality provisions of ARTICLE 8 of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with the

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other Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for such Party to enforce its rights under this Agreement. The terms of this Section 6.12 shall apply *mutatis mutandis* with respect to Company's right to audit Licensor's records related to those Out-of-Pocket Expenses for which Licensor seeks reimbursement hereunder.

6.13 **Taxes.**

(a) Withholding Tax . Except for the payments under Section 6.1 (which the Parties agree shall be net amounts payable by Company to Licensor), applicable Law requires that income or similar Taxes be deducted and withheld from royalties or other payments paid under this Agreement, Company shall (i) deduct those Taxes from the payment of the relevant royalty or other payment; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to Licensor within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 6.13(a); and (v) cooperate with Licensor in any way reasonably requested by Licensor to obtain available reductions, credits or refunds of such Taxes.

(b) Value Added Tax . It is understood and agreed between the Parties that any payment amounts to be made by Company under this Agreement are exclusive of any value added or similar Tax (" **Value Added Tax** ") imposed upon such payment and that Company shall be responsible for the payment of any and all Value Added Tax imposed levied on account of any payments paid to Licensor by Company. Licensor will provide Company with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable.

ARTICLE 7
INVENTIONS AND PATENTS

7.1 **Certification Under Patent Listing under Public Health Services Act** . Each Party shall immediately give written notice to the other Party of any certification of which they become aware filed pursuant to 42 USC. §262(1)(3), and any equivalent law in any country in the Territory, (or any amendment or successor statute thereto) claiming that any Licensor Patents Covering or claiming Collaboration Compound or Product, or the manufacture of Product, are invalid or unenforceable, or that infringement will not arise from the manufacture, use or sale of a product by a Third Party.

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7.2 **Listing of Patents** . Company shall have the sole right to determine which of the Licensor Patents, if any, shall be listed for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S.C. Section 355, or any successor Law in the United States, together with any comparable Laws in any other country in the Territory.

7.3 **Further Assurances** . Licensor shall require all of its employees, and use its commercially reasonable efforts to require its contractors and agents, and any Affiliates and Third Parties working on its behalf under this Agreement (and their respective employees, contractors and agents), to assign to Licensor any Licensor Technology.

7.4 **Patent Ownership, Prosecution and Maintenance.**

(a) Program IP . Any Patent Rights (" **Joint Patents** ") and Know-How invented jointly between the Parties during the Term relating to Product shall be owned jointly by the Parties (" **Program IP** "). Any Patent Rights and Know-How invented solely by a Party relating to the Product shall be solely owned by such Party, provided that any Product IP invented solely by Company shall be jointly owned. Company agrees to assign and hereby assigns to Company and Licensor, as joint owners, all of Company's rights, title and interest in and to any Product IP that is solely invented by Company or its Affiliates or Sublicensees or its or their contractors, to the extent legally possible, and shall take all actions and execute all documents reasonably required by Licensor to perfect or register Company's and Licensor's joint interests therein. Company shall obtain from such Affiliates, Sublicensees and contractors equivalent present assignments of such Affiliates', Sublicensees' and contractors' rights, title and interest in any Product IP and promptly assign the same to Company and Licensor, as joint owners, and provide written notice thereof to Licensor.

(b) Patent Coordinators . Licensor and Company shall, by written notice to the other Party, each appoint a patent coordinator reasonably acceptable to the other Party (each, a **"Patent Coordinator"**) to serve as such Party's primary liaison with the other Party on matters relating to patent filing, prosecution, maintenance and enforcement. Each Party may replace its Patent Coordinator at any time by notice in writing to the other Party. The initial Patent Coordinators shall be:

For Licensor: [...***...]

For Company: [...***...]

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(c) Inventorship. Inventorship shall be determined under U.S. patent law. The Patent Coordinators shall initially determine inventorship of all inventions made in the Development and Commercialization of Collaboration Compounds and Products. In case of a dispute between the Patent Coordinators over inventorship, such dispute shall be resolved according to U.S. patent law in accordance with Section 12.

(d) Licensor Patents and Joint Patents.

(i) Starting with the Continuation Date, Company shall have the first right, and the obligation, to file, prosecute and maintain Licensor Patents (in Licensor's name) and Joint Patents (in both Parties' names) in the Territory, to the extent such Patent Rights solely Cover Collaboration Compounds and Products. In the event that any Licensor Patent or Joint Patent Covers both Collaboration Compounds and Products and compositions that are not Collaboration Compounds and Products, the Parties shall attempt to file divisional or other applications separating the claims covering Collaboration Compounds and Products from claims covering other compositions, and each Party shall bear the costs incurred respectively. If such separation cannot be achieved, then Licensor shall have the right to make decisions, after due consultation with Company as set forth in paragraph (f) below, provided that Licensor shall reimburse Company for any additional costs and expense incurred by Company in following such Licensor decision. Except to the extent set forth otherwise in the preceding two sentences of this Section 7.4(d), Company shall bear all costs and expenses of filing, prosecuting and maintaining such Licensor Patents and Joint Patents in the Territory. Company shall keep Licensor informed of the status of the filing and prosecution of such Licensor Patents and Joint Patents or related proceedings (e.g. interferences, oppositions, reexaminations, reissues, revocations or nullifications) in the Territory. At Company's request, Licensor will provide Company with reasonable free-of-charge assistance in prosecuting such Licensor Patents and Joint Patents to the extent possible, including providing such data in Licensor's Control that is, in Company's reasonable judgment, needed to support the prosecution of such Licensor Patents and Joint Patents. If Company elects not to file or to continue to prosecute or maintain any of such Licensor Patents or Joint Patents in any country in the Territory, then it shall notify Licensor in writing at least [...***...] before any final deadline applicable to the filing,

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prosecution or maintenance of such Licensor Patent or Joint Patent, as the case may be, or any other date by which an action must be taken to establish or preserve such Licensor Patent or Joint Patent in such country or possession. In such case, Licensor shall have the right, at its own cost and expense, to pursue the filing or support the continued prosecution or maintenance of such Licensor Patent or Joint Patent in the Territory. Licensor Patents and Joint Patents will be filed, prosecuted and maintained in the jurisdictions set forth on Schedule 7.4(d). Jurisdictions may be added or deleted from Schedule 7.4(d) only by written agreement of the Parties executed by their Patent Coordinators.

(ii) Licensor shall have the first right, and the obligation, to file, prosecute and maintain Licensor Patents (in Licensor's name) and Joint Patents (in both Parties' names) outside the Territory. Licensor shall bear all costs and expenses of filing, prosecuting and maintaining Licensor Patents and Joint Patents outside the Territory. Licensor shall keep Company informed of the status of the filing and prosecution of Licensor Patents and Joint Patents or related proceedings (e.g. interferences, oppositions, reexaminations, reissues, revocations or nullifications) outside the Territory. At Licensor's request, Company will provide Licensor with reasonable free-of-charge assistance in prosecuting Licensor Patents and Joint Patents to the extent possible, including providing such data in Company's Control that is, in Licensor's reasonable judgment, needed to support the prosecution of a Licensor Patent and Joint Patents outside the Territory. If Licensor elects not to file or to continue to prosecute or maintain a Licensor Patent or Joint Patent outside the Territory, then it shall notify Company in writing at least [...***...] before any final deadline applicable to the filing, prosecution or maintenance of such Licensor Patent or Joint Patent, as the case may be, or any other date by which an action must be taken to establish or preserve such Licensor Patent or Joint Patent outside the Territory. In such case, Company shall have the right, at its own cost and expense, to pursue the filing or support the continued prosecution or maintenance of such Licensor Patent or Joint Patent outside the Territory.

(e) Patent Term Extension and Supplemental Protection Certificates. Company shall be responsible, in Licensor's name, for obtaining patent term extensions wherever available for Licensor Patents and Joint Patents in the Territory and for obtaining Supplemental Protection

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Certificates effectively extending a Licensor Patent or Joint Patent wherever available. Licensor shall provide Company free-of-charge with all relevant information, documentation and assistance in this respect as may reasonably be requested by Company. Any such assistance, supply of information and consultation shall be provided promptly. In the event that any election with respect to obtaining patent term extensions or Supplemental Protection Certificates is to be made in the Territory, Company shall have the right to make such elections after reasonable consultation with Licensor, and Licensor shall abide by all such elections.

(f) Information and Cooperation . Each Party that has responsibility for filing and prosecuting any Patent Rights under this Section 7.4 (a " **Filing Party** ") shall (a) regularly provide the other Party (the " **Non-Filing Party** ") with copies of all patent applications filed hereunder and other material submissions and correspondence with the patent offices, in sufficient time to allow for review and comment by the Non-Filing Party; and (b) provide the Non-Filing Party and its patent counsel with an opportunity to consult with the Filing Party and its patent counsel regarding the filing and contents of any such application, amendment, submission or response. The advice and suggestions of the Non-Filing Party and its patent counsel shall be taken into consideration in good faith by such Filing Party and its patent counsel in connection with such filing. Each Filing Party shall pursue in good faith all reasonable claims and take such other reasonable actions, as may be requested by the Non-Filing Party in the prosecution of any Patent Rights covering any Program Technology under this Section 7.4; provided, however, if the Filing Party incurs any additional expense as a result of any such request, the Non-Filing Party shall be responsible for the cost and expenses of pursuing any such additional claim or taking such other actions. In addition, Company agrees that if Licensor claims any action taken under Section 7.4(d) (i) would be detrimental to Patent Rights covering Licensor Technology, Licensor shall provide written notice to Company and the Patent Coordinators shall, as promptly as possible thereafter, meet to discuss and resolve such matter and, if they are unable to resolve such matter, the Parties shall refer such matter to a mutually agreeable outside patent counsel for resolution.

7.5 **Enforcement of Patents and Know-How.**

(a) **Notice** . If either Party believes that an infringement, unauthorized use, misappropriation or ownership claim or threatened infringement or other such activity by a Third Party has occurred with respect to any Licensor Technology or Joint Technology, or if a Third Party claims that any Licensor Patent or Joint Patent is invalid or unenforceable, the Party possessing such

knowledge or belief shall notify the other Party and provide it with details of such infringement or claim that are known by such Party.

(b) **Right to Bring an Action** . Starting with the Continuation Date, Company shall have the exclusive right to attempt to resolve any infringement or claim in the Territory, including by filing an infringement suit, defending against such claim or taking other similar action, with respect to a Licensor Patent or Joint Patent (each, an " **Action** ") and to compromise or settle any such infringement or claim. At Company's request, Licensor shall promptly provide Company with all relevant documentation (as may be requested by Company) evidencing that Company is validly empowered by Licensor to take such an Action. Licensor is obligated to join Company in such Action, or bring such Action on Company's behalf upon Company's request, in each case at Company's expense, if Company determines that it is necessary to demonstrate "standing to sue". Licensor shall cooperate with Company in any such Action. If Company does not intend to prosecute or defend an Action, Company shall promptly inform Licensor.

(c) **Costs of an Action** . The Party taking an Action under 7.5(b) shall pay all costs associated with such Action, other than (subject to Section 7.5(e)) the expenses of the other Party if the other Party elects to join such Action (as provided in the last sentence of this paragraph). Each Party shall have the right to join an Action relating to a Licensor Patent or Joint Patent, at its own expense.

(d) **Settlement** . Neither Party shall settle or otherwise compromise any Action by admitting that any Licensor Patent or Joint Patent is invalid or unenforceable without the other Party's prior written consent, and, in the case of Licensor, Licensor may not settle or otherwise compromise an Action in a way that adversely affects or would be reasonably expected to adversely affect Company's rights or benefits hereunder, without Company's prior written consent.

(e) **Reasonable Assistance** . The Party not enforcing or defending Licensor Patents or Joint Patent shall provide reasonable assistance to the other Party, including providing access to relevant documents and other evidence and making its employees available, subject to the other Party's reimbursement of any reasonable Out-of-Pocket Expenses incurred on an on-going basis by the non-enforcing or non-defending Party in providing such assistance.

(f) **Distribution of Amounts Recovered** . Any amounts recovered by the Party taking an Action pursuant to this Section 7.5, whether by settlement or judgment, shall be allocated in the following order: (i) to reimburse the Party taking such Action for any costs incurred, to

reimburse the Party not taking such Action for its costs incurred in such Action, if it joins such Action as provided in the last sentence of Section 7.5(c); and (iv) the remaining amount of such recovery shall be allocated to Company and deemed to be Net Sales for the Calendar Quarter in which the amount is paid and Company shall pay to Licensor a royalty on such remaining amount based on the royalty rates set forth in Section 6.5(a).

7.6 **Third Party Actions Claiming Infringement.**

(a) **Notice** . If a Party becomes aware of any Third Party Action, such Party shall promptly notify the other Party of all details regarding such claim or action that is reasonably available to such Party.

(b) **Right to Defend** . Company shall have the right and obligation, at its sole expense, to defend a Third Party Action in the Territory described in Section 7.6(a) and to compromise or settle such Third Party Action. If Company declines or fails to assert its intention to defend such Third Party Action within [...***...] of after sending (in the event that Licensor is the notifying Party) or receipt (in the event that Company is the notifying Party) of notice under Section 7.6(a), then Licensor shall have the right to defend such Third Party Action. The Party defending such Third Party Action shall have the sole and exclusive right to select counsel for such Third Party Action.

(c) **Consultation** . The Party defending a Third Party Action pursuant to Section 7.6(b) shall be the " **Controlling Party** ." The Controlling Party shall consult with the non-Controlling Party on all material aspects of the defense. The non-Controlling Party shall have a reasonable opportunity for meaningful participation in decision-making and formulation of defense strategy. The Parties shall reasonably cooperate with each other in all such actions or proceedings. The non-Controlling Party will be entitled to be represented by independent counsel of its own choice at its own expense.

(d) **Appeal** . In the event that a judgment in a Third Party Action is entered against the Controlling Party and an appeal is available, the Controlling Party shall have the first right, but not the obligation, to file such appeal. In the event the Controlling Party does not desire to file such an appeal, it will promptly, in a reasonable time period (i.e., with sufficient time for the non-Controlling Party to take whatever action may be necessary) prior to the date on which such right to appeal will lapse or otherwise diminish, permit the non-Controlling Party to pursue such appeal at such non-Controlling Party's own cost and expense. If Law requires the other Party's

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involvement in an appeal, the other Party shall be a nominal party of the appeal and shall provide reasonable cooperation to such Party at such Party's expense.

(e) **Costs of an Action** . The Controlling Party shall pay all costs associated with such Third Party Action other than the expenses of the other Party if the other Party elects to join such Third Party Action (as provided in the last sentence of this paragraph). Each Party shall have the right to join a Third Party Action defended by the other Party, at its own expense.

(f) **No Settlement Without Consent** . Neither Party shall settle or otherwise compromise any Third Party Action by admitting that any Licensor Patent is invalid or unenforceable without the other Party's prior written consent, and, in the case of Licensor, Licensor may not settle or otherwise compromise a Third Party Action in a way that adversely affects or would be reasonably expected to adversely affect Company's rights and benefits hereunder, without Company's prior written consent.

ARTICLE 8
CONFIDENTIALITY

8.1 **Confidentiality Obligations** . Each Party agrees that, for the Term and for [...***...] thereafter, such Party shall, and shall ensure that its Representatives, hold in confidence all Confidential Information disclosed to it by the other Party pursuant to this Agreement, unless the recipient of the Confidential Information demonstrates by written evidence that such information:

(i) is or has become generally available to the public other than as a result of disclosure by the recipient;

(ii) is already known by or in the possession of the recipient at the time of disclosure by the disclosing Party;

(iii) is independently developed by recipient without use of or reference to the disclosing Party's Confidential Information; or

(iv) is obtained by recipient from a Third Party that has not breached any obligations of confidentiality.

The recipient shall not disclose any of the Confidential Information, except to Representatives of the recipient who need to know the Confidential Information for the purpose of performing the

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recipient's obligations, or exercise its rights, under this Agreement and who will, prior to their access to such Confidential Information, be bound by written obligations of non-use and non-disclosure substantially similar to those set forth herein. Each Party agrees to use, and to cause its Affiliates to use, reasonable efforts to enforce such obligations and to prohibit Representatives from using such Confidential Information except as expressly permitted hereunder. Each Party shall be liable to the other for any disclosure or use of the Confidential Information by such Representatives. The recipient shall (i) protect Confidential Information using not less than the same care with which it treats its own confidential information, but at all times shall use at least reasonable care and (ii) not use, and cause its Affiliates and Representatives not to use, any Confidential Information of the other Party except as expressly permitted hereunder. Each Party shall: (a) implement and maintain appropriate security measures to prevent unauthorized access to, or disclosure of, the other Party's Confidential Information; (b) promptly notify the other Party of any unauthorized access or disclosure of such other Party's Confidential Information; and (c) cooperate with such other Party in the investigation and remediation of any such unauthorized access or disclosure.

8.2 **Use** . Notwithstanding Section 8.1, a Party may use the Confidential Information of the other Party for the purpose of performing its obligations, or exercising its rights, under this Agreement, including for purposes of:

(i) filing or prosecuting patent applications;

(ii) prosecuting or defending litigation;

(iii) conducting pre-clinical studies or Clinical Trials pursuant to this Agreement;

(iv) seeking or maintaining Regulatory Approval for Product;

(v) complying with Law, including securities Law and the rules of any securities exchange or market on which a Party's securities are listed or traded;

(vi) disclosure to such other Party's legal and financial advisors;

(vii) in connection with an actual or potential (a) permitted sublicense of such other Party's rights hereunder, (b) debt, equity or other financing of such other Party or (c) merger, acquisition, consolidation, share exchange or other similar transaction involving such Party and any Third Party; or

(viii) for any other purpose with the other Party's written consent, not to be unreasonably withheld.

In making any disclosures set forth in clauses (i) through (v) above, the disclosing Party shall, where reasonably practicable, give such advance notice to the other Party of such disclosure requirement as is reasonable under the circumstances and will use its reasonable efforts to cooperate with the other Party in order to secure confidential treatment of such Confidential Information required to be disclosed. In addition, in connection with any permitted filing by either Party of this Agreement with any Governmental Body, the filing Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the other Party, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, and shall include in such confidential treatment request all reasonable comments of the other Party.

8.3 **Required Disclosure** . The recipient may disclose the Confidential Information to the extent required by Law or court order; provided, however, that the recipient promptly provides to the disclosing party prior written notice of such disclosure and provides reasonable assistance in obtaining an order or other remedy protecting the Confidential Information from public disclosure.

8.4 **Publications** . Prior to the Continuation Date, Company shall not publish any information relating to the Collaboration Compound or Product without the prior written consent of Licensor which consent may be withheld or given in Licensor's sole discretion), unless such information has already been publicly disclosed either prior to the Execution Date or after the Execution Date through no fault of Company or otherwise not in violation of this Agreement. Company shall submit to Licensor for Licensor's written approval (which approval be granted or denied in Licensor's sole discretion) any publication or presentation (including in any seminars, symposia or otherwise) of information related directly or indirectly to Collaboration Compound or Product for review and approval at least [...***...] prior to submission for the proposed date of publication or presentation. After the Continuation Date, each Party may publish in its respective territory any information relating to the Collaboration Compound or Product that does not constitute Confidential Information of the other Party, without the prior written consent of the other Party.

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8.5 **Press Releases and Disclosure.**

(a) **Initial Press Release** . The proposed public announcement by Licensor of the execution of this Agreement is set forth on Schedule 8.5(a) hereto.

(b) **Subsequent Public Disclosures By Licensor** . Licensor may not make any subsequent press release or public announcements regarding this Agreement or any matter covered by this Agreement, other than the development and commercialization of Product by Licensor outside the Territory, and the achievement of milestones and receipt of milestone payments hereunder, without the prior written consent of Company. In the event that Licensor believes it is required to issue a press release or make another public announcement to comply with Law as a publicly-traded company and Company does not believe such public announcement is so required, Licensor may only issue such press release if (i) it obtains an opinion of legal counsel, from a reputable law firm approved by Company, that it is required to make such disclosure to comply with Law and (ii) after receiving such opinion, provides the text of such planned disclosure to Company no less than [...***...] prior to disclosure, and has incorporated all reasonable comments of Company regarding such disclosure.

(c) **Public Disclosures by Company** . Company shall have the right to make such press releases as it chooses, in its sole discretion, without the approval of Licensor, provided that such press releases do not contain Confidential Information of Licensor.

(d) **Prior Approved Publication** . Notwithstanding Sections 8.4 and 8.5, either Party may include in a public disclosure, press release or in a scientific or medical publication or presentation, without prior delivery to or review by the other Party, any information which has previously been included in a public disclosure, press release or scientific or medical publication that has been reviewed pursuant to Section 8.4 or 8.5 or published or publicly disclosed by the other Party.

ARTICLE 9
WARRANTIES AND COVENANTS

9.1 **Warranties** . Each Party warrants to the other Party that, as of the Effective Date:

(i) such Party is duly organized and validly existing under the Laws of the jurisdiction of its incorporation or organization;

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(ii) such Party has taken all corporate action necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(iii) this Agreement is a legal and valid obligation of such Party, binding upon such Party and enforceable against such Party in accordance with the terms of this Agreement, except as enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement by such Party does not conflict with, breach or create in any Third Party the right to accelerate, terminate or modify any agreement or instrument to which such Party is a party or by which such Party is bound, and does not violate any Law of any Governmental Body having authority over such Party; and

(iv) such Party has all right, power and authority to enter into this Agreement, to perform its obligations under this Agreement.

9.2 **Additional Warranties of Licensor** . Licensor warrants to Company that, as of the Effective Date:

(i) no consent by any Third Party or Governmental Body is required with respect to the execution and delivery of this Agreement by Licensor or the consummation by Licensor of the transactions contemplated hereby;

(ii) no claims have been asserted in writing, to the effect that the manufacture, use or sale of BGB-283 infringes any issued Patent Right of any Third Party;

(iii) the Licensor Patents are subsisting and are not the subject of any litigation procedure, discovery process, interference, reissue, reexamination, opposition, appeal proceedings or any other legal dispute;

(iv) the Licensor Patents listed on Schedule 1.51 hereto constitute all Patent Rights owned or Controlled by Licensor as of the Effective Date that Cover the research, Development, Manufacture, use or Commercialization of the Collaboration Compound and Product;

(v) the Licensor Know-How constitutes all Know-How owned or Controlled by Licensor as of the Effective Date that is directly related to, or are necessary or useful for, the research, Development, Manufacture, use or Commercialization of the Collaboration Compound and Product;

(vi) Licensor has not licensed to a Third Party the right to develop a Competing Product;

(vii) no Third Party has filed or threatened in writing to file any lawsuit or other action alleging that any Licensor Patent is invalid or unenforceable;

(viii) it has the full right to provide the Licensor Materials to Company pursuant to this Agreement, and neither Company's use of the Licensor Material as contemplated by this Agreement, nor such transfer, will violate any agreement with any Third Party;

(ix) all Representatives of Licensor who have performed any activities on its behalf in connection with research regarding the Collaboration Compound or Product have assigned to Licensor the whole of their rights in any intellectual property made, discovered or developed by them as a result of such research;

(x) the Licensor Technology is free and clear of any liens, charges, encumbrances or rights of others to possession or use, in each case that were created by an action of Licensor;

(xi) except with respect to rights granted to an Affiliate of BeiGene outside the Territory, Licensor has not previously licensed, assigned, transferred, or otherwise conveyed any right, title or interest in and to the Licensor Technology to any Third Party, including any rights with respect to any Collaboration Compound or Product;

(xii) There are no Existing Third Party Agreements;

(xiii) Licensor (and its Affiliates) has not employed or otherwise used in any capacity, and will not employ or otherwise use in any capacity, the services of any Person debarred under United States law, including under Section 21 USC 335a or any

foreign equivalent thereof, with respect to the Collaboration Compound or Product; and

(xiv) all research and development related to the Collaboration Compound and Product prior to the Effective Date has been conducted in accordance with all Laws.

9.3 **Licensor Covenants** . Licensor covenants to Company that:

(i) Licensor shall fulfill all of its obligations, including but not limited to its payment obligations, under any Third Party License Agreement; and

(ii) Licensor shall not amend or waive, or take any action or omit to taking any action that would alter, any of Licensor's rights under any Third Party License Agreement in any manner that adversely affects, or would reasonably be expected to adversely affect, Company's rights and benefits under this Agreement. Licensor shall promptly notify Company of any default under, termination or amendment of, Third Party License Agreement.

ARTICLE 10
INDEMNIFICATION AND INSURANCE

10.1 **Indemnification by Company** . Company shall indemnify, defend and hold Licensor and its Affiliates and each of their respective employees, officers, directors and agents and their respective heirs, successors and assigns (the " **Licensor Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Company's negligence or willful misconduct; (b) Company's performance of its obligations under this Agreement; (c) willful breach by Company of its representations or warranties set forth in ARTICLE 9, or (d) the Development of any Collaboration Compound or Product or the Commercialization (including, without limitation, the use by any Person) of any Product by Company or any of its Affiliates, Sublicensees, distributors or agents in the Territory; provided, however, that Company's obligations pursuant to this Section 10.1 shall not apply (i) to the extent such claims or suits result from the negligence or willful misconduct of any of the Licensor Indemnitees, (ii) with respect to claims or suits arising out of breach by Licensor of its warranties or covenants set forth in ARTICLE 9.

10.2 **Indemnification by Licensor** . Licensor shall indemnify, defend and hold Company and its Affiliates and each of their respective agents, employees, officers and directors and their respective heirs, successors and assigns (" **Company Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Licensor's negligence or willful misconduct; (b) Licensor's performance of its obligations under this Agreement; (c) willful breach by Licensor of its representations, warranties or covenants set forth in ARTICLE 9; or (d) Licensor or its Affiliates activities outside the Territory with respect to the Collaboration Compound and Product, or within the Territory with respect to the Phase I Clinical Trials; provided, however, that Licensor's obligations pursuant to this Section 10.2 shall not apply (i) to the extent that such claims or suits result from the negligence or willful misconduct of any of Company Indemnitees, (ii) with respect to claims or suits arising out of breach by Company of its warranties set forth in ARTICLE 9.

10.3 **Certain Liabilities** . NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER PARTY'S LIABILITY IS LIMITED WITH RESPECT TO (i) DEATH OR PERSONAL INJURY DUE TO NEGLIGENCE (AS NEGLIGENCE IS DEFINED IN THE UNFAIR CONTRACTS ACT 1977 OF ENGLAND AND WALES) or (ii) FRAUD.

10.4 **No Consequential Damages** . EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 OR SECTION 10.2 FOR PAYMENTS TO THIRD PARTIES, AS APPLICABLE, AND SUBJECT ALWAYS TO SECTION 10.3 (CERTAIN LIABILITIES), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR COMPANY FROM SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY BREACH OF BY THE OTHER PARTY OF ITS CONFIDENTIALITY AND NON-USE OBLIGATIONS UNDER ARTICLE 8.

10.5 **Notification of Claims; Conditions to Indemnification Obligations** . As a condition to a Party's right to receive indemnification under this ARTICLE 10, it shall: (a) promptly notify the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto; (b) cooperate, and cause the individual indemnitees to cooperate, with the indemnifying Party in the defense, settlement or compromise of such claim or suit; and (c) permit the indemnifying Party to control the defense, settlement or compromise of such claim or suit, including the right to select defense counsel. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of the indemnified Party or any indemnitee without the prior written consent of the indemnified Party. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defense of any such suit, claim or demand, such cooperation to include without limitation using reasonable efforts to provide or make available documents, information and witnesses. The indemnifying Party shall have no liability under this ARTICLE 10 with respect to claims or suits settled or compromised without its prior written consent.

10.6 **Insurance** . During the Term, each Party shall obtain and maintain, at its sole cost and expense, insurance (including any self-insured arrangements) in types and amounts that are reasonable and customary in the pharmaceutical and biotechnology industry for companies engaged in comparable activities. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 10.6.

ARTICLE 11
TERM AND TERMINATION

11.1 **Term and Expiration** . The term of this Agreement (the " **Term** ") shall commence on the Effective Date and, unless earlier terminated as provided in this ARTICLE 11, shall continue in full force and effect, on a country-by-country and Product-by-Product basis until the date on which the Royalty Term in such country with respect to such Product expires, at which time this Agreement shall expire in its entirety with respect to such Product in such country and the terms of Section 11.5(b)(i) shall apply.

11.2 **Termination of the Agreement for Convenience** . At any time during the Term, Company may, at its convenience, terminate this Agreement in its entirety with ninety (90) days' prior written notice to Licensor.

11.3 **Termination of the Agreement by Licensor** . Except to the extent the following is unenforceable under the law of a particular jurisdiction where a patent application for Licensor Patents is pending or a patent within the Licensor Patents is issued, Licensor may terminate this Agreement immediately upon written notice to Company in the event that Company or any of its Affiliates or Sublicensees Challenges any Licensor Patents or assists a Third Party in initiating or pursuing a Challenge of any Licensor Patents.

11.4 **Termination upon Material Breach.**

(a) **Material Breach** . If a Party breaches any of its material obligations under this Agreement, the Party not in default may give to the breaching Party a written notice specifying the nature of the default, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured within sixty (60) days. If such breach is not cured within sixty (60) days after the receipt of such notice and such breach remains uncured, the Party not in default shall be entitled to terminate this Agreement immediately by written notice to the other Party, subject to Section 11.4(c).

(b) **Sole Remedy** . In the event that Company fails to fulfill its obligations under Section 8 (and does not cure such failure as provided in Section 11.4(a)), Licensor's sole and exclusive remedy shall be to terminate this Agreement as provided in Section 11.4(a).

(c) **Material Breach Dispute** . Notwithstanding Section 11.4(a), any dispute regarding an alleged material breach, including, but not limited to, whether an alleged material breach of this Agreement occurred or whether an alleged breach of this Agreement is material, shall be resolved in accordance with ARTICLE 12 hereof.

11.5 **Effects of Termination.**

(a) **Survival.**

(i) Notwithstanding the expiration or termination of this Agreement, the following provisions shall survive the expiration or termination of this Agreement: Articles 1 (Definitions), 8 (Confidentiality)(other than Section 8.4 (Publications) and

Section (8.5 (Press Releases and Disclosure), and with respect to the remaining sections only for the time period set forth in Section 8.1), 10 (Indemnification and Insurance), 11 (Term and Termination)(other than Section 11.6(b) which shall only survive for the time period set forth in Section 11.6(b)(ii)), 12 (Dispute Resolution), and 13 (Miscellaneous)(other than 13.2 (Assignment) and 13.4 (Change of Control)); and Section 2.3(b)(No Other Rights), 5.4 (Adverse Events), 6.9 (Royalty Reports and Records Retention), 6.11 (Late Payments), 6.12 (Audits), and 6.13 (Taxes) (including all other Sections or Articles referenced in any such Article or Section).

(ii) Expiration or termination of this Agreement shall not relieve the Parties of any liability that accrued hereunder prior to the effective date of such termination. For purposes of this Section, the obligation to pay a milestone payment pursuant to Section 6.2 or Section 6.3 shall accrue as of the date the relevant milestone is achieved. In addition, termination of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

(b) **Licenses, Contracts, Regulatory Matters and Other Obligations** .

(i) As of the effective date of expiration of the Royalty Term with respect to a given Product and country, the license from Licensor to Company under Section 2.1 shall convert to a fully paid, royalty free, irrevocable, perpetual, exclusive, and sublicensable license under the Licensor Technology to research, develop, manufacture, have manufactured, use and Commercialize such Product in the Field in such country.

(ii) Upon termination of this Agreement by Company pursuant to Section 11.2 or Section 11.4(a) or by Licensor pursuant to Section 11.3 or Section 11.4(a), the following terms and conditions shall apply with respect to Collaboration Compounds and Product(s) throughout the Territory:

(1) all licenses and rights granted to Company, including, without limitation, all licenses granted to Company under Section 2.1, shall immediately terminate;

(2) all sublicenses granted by Company shall immediately terminate;

(3) all licenses and rights granted by Company to Licensor, including, without limitation, all licenses granted to Licensor pursuant to Section 2.2 shall survive and shall, except as limited by the rights of Third Parties, become, in the Territory, fully-paid and royalty-free (but otherwise remain subject to the same limitations set forth in those Sections and otherwise in this Agreement), with the unrestricted right to grant sublicenses, and shall apply to the Development and Commercialization, including the Manufacture, of Collaboration Compounds and Products in the Territory;

(4) Company shall assign to Licensor, free of charge, its interest in the Product IP such that the Product IP is owned solely by Licensor;

(5) each Party shall promptly return all Confidential Information and proprietary materials of the other Party that are not subject to a continuing license hereunder; provided, that, each Party may retain one copy of the Confidential Information of the other Party in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder;

(6) with respect to a termination of this Agreement by Company pursuant to Section 11.2 only, from the period commencing on the date that Licensor receives the notice described in Section 11.2, Company shall relinquish its rights to representation on the JAC;

(7) (x) In the event the effective date of termination of this Agreement occurs less than [...***...] after a notice of termination is given by the Party terminating this Agreement (including without limitation, termination of this Agreement pursuant to Section 4.1(b)), then to the extent requested by Licensor in writing before the effective date of termination or within [...***...] after the effective date of termination or (y) in the event the effective date of termination of this agreement occurs more than [...***...] after a notice of termination is given by the Party terminating this Agreement (including without limitation, termination of this

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Agreement pursuant to Section 11.2), then to the extent requested by Licensor in writing before the effective date of termination, (the period in (x) or (y) in which Licensor may make a request being referred to herein as the "Transition Request Period") , Company shall promptly, and in any event within [...***...] after Licensor's request (which request may specify any or all of the actions in clauses (i) through (xiii)):

(i) assign to Licensor, free of charge, the ownership of all trademarks for Products in the Field in the Territory; provided that after such assignment Licensor shall assume all responsibility for maintaining such trademarks, and if Licensor does not request such assignment, Company may terminate or withdraw from registration, all such trademark.

(ii) grant Licensor an exclusive royalty-free license in the Territory, with the unrestricted right to sublicense, under all Company Patents and Company Technology specific to the Collaboration Compounds and Products and a non-exclusive, royalty-free license in the Territory, with the unrestricted right to sublicense, under all other Company Patents and Company Technology necessary or useful for Licensor to Develop and Commercialize Collaboration Compounds and Products, in each case solely for use by Licensor to Develop and Commercialize Collaboration Compounds and Products in the Territory.

(iii) transfer to Licensor all of its right, title and interest in all Regulatory Filings and Regulatory Approvals then in its name applicable to Products in the Territory, if any, and all Confidential Information Controlled by it as of the date of termination relied on by such Regulatory Filings and Regulatory Approvals;

(iv) notify the applicable Regulatory Authorities in the Territory and take any other action reasonably necessary to effect such transfer;

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(v) provide Licensor with copies of all relevant correspondence between Company and such Regulatory Authorities relating to such Regulatory Filings and Regulatory Approvals in the Territory;

(vi) unless expressly prohibited by any Regulatory Authority, transfer sponsorship and control to Licensor of all Clinical Trials of Products being conducted in the Territory as of the effective date of termination as quickly as reasonably possible and bear the costs of conducting such Clinical Trials and such transfer activities for a period of no longer than [...***...] after the effective date of termination, after which [...***...] period Licensor shall reimburse Company for all costs incurred in continuing to conduct such trials and transferring the same, provided that in no event Company shall be required to continue to conduct any Clinical Trial for a period longer than [...***...] from the effective date of termination. In the event, however, that Licensor does not request in writing the transfer of such Clinical Trials prior to or during the Transition Request Period, Company shall have the right to wind-down any Clinical Trial of Products being conducted in the Territory as quickly as possible at Company's cost. For clarity, all biological samples collected in the course of such Clinical Trials shall be transferred to Licensor and Company shall ensure that all of the informed consent forms used in the Clinical Trials of Products that Company or its Affiliates or Sublicensees sponsor shall include consent to such a transfer of samples to Licensor.

(vii) assign (or cause its Affiliates to assign) to Licensor all agreements with any Third Party with respect to Manufacture of Collaboration Compounds and Products or the conduct of Clinical Trials for Products, including, without limitation, agreements with contract research organizations, clinical sites and investigators, unless expressly prohibited by any such

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agreement (in which case Company shall cooperate with Licensor in all reasonable respects to secure the consent of such Third Party to such assignment);

(viii) cooperate with Licensor, cause its Affiliates to cooperate with Licensor and use Commercially Reasonable Efforts to require any Third Party with which Company has an agreement with respect to the conduct of Clinical Trials for Products or the Manufacture of Products that cannot be assigned pursuant to clause (vii) above (including, without limitation, agreements with contract manufacturing organizations, contract research organizations, clinical sites and investigators), to cooperate with Licensor in order to accomplish the grant to Licensor of similar rights as held by Company under its agreements with such Third Parties;

(ix) provide Licensor at cost with all supplies of Collaboration Compounds and Products in the possession of Company or any Affiliate or contractor of Company at the effective date of termination;

(x) provide Licensor with copies of all reports and data generated or obtained by Company or its Affiliates pursuant to this Agreement that are relevant for further Development and Commercialization by Licensor of any Collaboration Compound or Product in the Territory that have not previously been provided to Licensor;

(xi) grant to Licensor the right to use and disclose in connection with the Development and Commercialization of Products in the Territory all Company Confidential Information that is necessary or useful for the Development and Commercialization of Collaboration Compounds or Products, and all such Company Confidential Information shall be subject to first sentence of the second paragraph of Section 8.1 with respect to disclosure to

Representatives of Company as if it were Licensor Confidential Information; and

(xii) if Company has Manufactured, is Manufacturing or is having Manufactured any Collaboration Compound or Product or any intermediate of any Collaboration Compound or Product as of the date of termination, (A) transfer copies of all documents and materials Controlled by Company and embodying Company Technology and/or Company Patent Rights that are at the time of such termination being used by Company or its Third Party manufacturers to Manufacture a Collaboration Compound or Product, including but not limited to all suppliers, analytical methods, quality standards, specifications, commercial API formula, process chemistry, Manufacturing process descriptions, process flows, cycle times, process parameters, process equipment type and sizes, cleaning methods, commercial API samples, master safety data sheets, and stability reports, all to the extent permissible under the applicable Third Party agreement (the "Company Manufacturing Know-How") solely to enable the Manufacture of Collaboration Compounds or Products by Licensor, its Affiliates or any Third Party manufacturer of Licensor; (B) promptly make available to Licensor or any such Third Party manufacturer a reasonable number of appropriately trained personnel to provide, on a mutually convenient timetable, technical assistance in the transfer of Company Manufacturing Know-How to Licensor against reimbursement by Licensor of the Out-of-Pocket Expenses incurred by Licensor or any of its Affiliates; (C) cooperate with Licensor, cause its Affiliates to cooperate with Licensor and use Commercially Reasonable Efforts to require its Third Party manufacturers of Collaboration Compounds or Products to cooperate with Licensor in order to accomplish the transfer to Licensor of similar rights as held by Company under its Third Party manufacturer agreements; and (D) supply Licensor with its requirements of Collaboration

Compounds or Products for up to [...***...] following such termination at a transfer price equal to [...***...] thereof if a Third Party contract manufacturer is used, or at [...***...] if Company or any of its Affiliates Manufacture Collaboration Product or Products; and

(xiii) enter into negotiations with Licensor and agree upon and implement a plan for the orderly transition of Development and Commercialization from Company to Licensor in a manner consistent with Laws and standards of ethical conduct of human Clinical Trials and seek to replace all Company personnel engaged in any clinical trial activities with Licensor personnel, in each case, as promptly as practicable.

(iii) Immediately following Company's notification of termination to Licensor, the diligence obligations in Section 4.8 shall no longer apply and, subject to Section 11.5(b)(ii), Company shall have the right to wind-down all then on-going Development, manufacturing and/or Commercialization activities.

11.6 **Continuing Rights in Case of Licensor Bankruptcy or Insolvency; Right of First Refusal.**

(a) **Continuing Rights .** The Parties agree that, in the event of a Licensor Bankruptcy Event, Company shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Licensor Technology and all embodiments thereof, which, if not already in Company's possession, shall be promptly delivered to it (a) following any such commencement of a bankruptcy proceeding upon Company's written request therefor, unless Licensor elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by Licensor upon written request therefor by Company.

(b) **Right of First Refusal** . In addition to the foregoing, in the event of a Licensor Bankruptcy Event, Company shall, to the extent allowed by Law, have a right of first refusal to purchase all of Licensor's interest in the Collaboration Compound and Product and the Licensor

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Technology to the extent the Licensor Technology relates solely to the Collaboration Compound and Product (the " **Right of First Refusal** "). The Right of First Refusal shall operate as follows:

(i) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a reasonably detailed written notification of any Licensor Bankruptcy Event.

(ii) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a written notification of any Third Party offer made for the Collaboration Compound, Product or Licensor Technology. Company shall have a Right Of First Refusal for a period of up to [...***...] after Company receives such notice (such period, the " **Right of First Refusal Notice Period** "). In the event Company exercises its Right of First Refusal, the terms of the Third Party offer shall become binding upon Company and Licensor. For the avoidance of doubt, Licensor shall not enter into any agreement with a Third Party relating to Licensor's interest in Products or Licensor Technology during the Right of First Refusal Notice Period.

11.7 **Other Remedies** . Termination of this Agreement for any reason shall not release either Party from any liability or obligation that already has accrued prior to such termination. Termination of this Agreement for any reason shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect or limit, any rights or remedies that otherwise may be available at Law or in equity.

ARTICLE 12
DISPUTE RESOLUTION

12.1 **Disputes** . The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish under this ARTICLE 12 procedures to facilitate the resolution of disputes arising under this Agreement (other than any disputes relating to matters for which under this Agreement Company or Licensor has sole decision-making authority and/or discretion (each, a " **Non-Escalable Dispute** "), in which case, such matter shall be determined by Company or Licensor, as the case may be, and shall not be part of the dispute resolution procedure set forth in this ARTICLE 12) in an expedient manner by mutual cooperation and without resort to litigation. In the event that the Parties are unable to resolve such dispute through diligent review

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and deliberation by the Senior Executives within thirty (30) days from the day that a Party had designated the issue as a dispute in written notice to the other Party, then either Party shall have the right to escalate such matter to the Executive Officers as set forth in Section 12.2.

12.2 **Escalation to Executive Officers** . Either Party may, by written notice to the other Party, request that a dispute (other than a Non-Escalable Dispute) that remains unresolved by the Senior Executives for a period of thirty (30) days as set forth in Section 12.1 arising between the Parties in connection with this Agreement, or a dispute relating to material breach, be resolved by the Executive Officers, within fifteen (15) days after referral of such dispute to them . If the Executive Officers cannot resolve such dispute within fifteen (15) days after referral of such dispute to them, then, at any time after such fifteen (15) day period, either Party may proceed to enforce any and all of its rights with respect to such dispute.

12.3 **Full Arbitration** . If the Parties are unable to resolve the dispute following the procedure set forth in Section 12.2, then the dispute for arbitration shall be submitted in London, England in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the " **ICC Rules** ") then in effect. Notwithstanding the foregoing, in all events, the provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. Any judgment upon the award rendered by the panel of the arbitrators shall be entered in any court having jurisdiction over the subject matter thereof. The panel of the arbitrators shall have the authority to grant any equitable and legal remedies that would be available if any judicial proceeding was instituted to resolve said dispute. The final decision of such panel of the arbitrators, as entered by a court of competent jurisdiction, will be furnished by such panel of the arbitrator in writing and will constitute a final, conclusive and non-appealable determination of the issue in question, binding upon the Parties, and an order with respect thereto may be entered in any court of competent jurisdiction. Except as set forth in Section 12.4, the following procedures shall apply:

(a) Each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the ICC.

(b) No arbitrator shall have any past or present family, business or other relationship with the Parties or any Affiliate, director or officer thereof, unless following full disclosure of all such

relationships, the Parties agree in writing to waive such requirement with respect to an individual in connection with any dispute.

(c) No discovery other than an exchange of relevant documents may occur in any arbitration commenced under the provisions of this ARTICLE 12. The Parties agree to act in good faith to promptly exchange relevant documents.

(d) The Parties will each pay fifty percent (50%) of the initial compensation to be paid to the arbitrator in any such arbitration and fifty percent (50%) of the costs of transcripts and other normal and regular expenses of the arbitration proceedings; provided, however, that: (i) the prevailing Party in any arbitration will be entitled to an award of attorneys' fees and costs; and (ii) all costs of arbitration, other than those provided for above, will be paid by the losing Party, and the arbitrator will be authorized to determine the identity of the prevailing Party and the losing Party.

(e) The panel of the arbitrators chosen in accordance with these provisions will not have the power to alter, amend or otherwise affect the terms of these arbitration provisions or any other provisions contained in this Agreement.

12.4 **Injunctive Relief** . Subject to Section 11.4(b), no provision herein shall be construed as precluding a Party from bringing an action for injunctive relief or other equitable relief prior to the initiation or completion of the above procedure.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 **Relationship of the Parties** . The Parties hereto understand and agree that the Collaboration is limited to the activities, rights and obligations as set forth in this Agreement. Nothing in this Agreement shall be construed or shall be deemed, for financial, tax, legal or other purposes (a) to create or imply a general partnership between the Parties, (b) to make either Party the agent of the other for any purpose, (c) to alter, amend, supersede or vitiate any other arrangements between the Parties with respect to any subject matters not covered hereunder, (d) to give either Party the right to bind the other, (e) to create any duties or obligations between the Parties except as expressly set forth herein, or (f) to grant any direct or implied licenses or any other right other than as expressly set forth herein.

13.2 **Assignment.**

(a) **Assignment and Successors.** Neither this Agreement nor any obligation of a Party hereunder may be assigned by either Party without the consent of the other which shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, (i) in whole or in part, to any of its Affiliates, or (ii) in whole, but not in part, to any purchaser of all of its assets or all of its assets to which this Agreement relates or shares representing a majority of its common stock voting rights or to any successor corporation resulting from any merger, consolidation, share exchange or other similar transaction.

(b) **Continuing Obligations** . No assignment under this Section 0 shall relieve the assigning Party of any of its responsibilities or obligations hereunder accruing prior to such assignment and, as a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties.

(c) **Void Assignments** . Any assignment not in accordance with this Section 0 shall be void.

(d) **Assignment of Licensor Technology** . Licensor shall not assign or transfer any Licensor Technology to any of its Affiliates or any Third Party without the prior written consent of Company, unless the assignee agrees in writing that such Licensor Technology shall be subject to this Agreement.

13.3 **Performance and Exercise by Affiliates** . Either Party shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by, any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by such Party; provided, however, that each Party shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of such Party hereunder shall be deemed to be a failure by such Party to perform such obligations. For clarity, either Party may designate an Affiliate to perform any of its obligations hereunder or to exercise any of its rights hereunder.

13.4 **Change of Control** . In the event of a Change of Control of Licensor by a Company Competitor , then as from the date of such Change of Control:

(i) Upon Company's written request, the JAC shall disband;

(ii) Company shall no longer be obligated to provide Company Product Commercialization Plans as set forth in Section 4.6(a); and

(iii) Except as set forth in Article 6, Article 7 and Section 5.4 or other provisions relating to Milestones and royalties, Company's reporting obligations hereunder with respect to Development and Commercialization of Collaboration Compounds and Products shall be reduced to an annual report of results achieved and current status of Development (for example, completion of a Phase II clinical trial, or filing or an IND) to Licensor or its successor entity, and in particular the obligations of Company under Section 4.13 shall no longer apply.

13.5 **Further Actions** . Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.6 **Accounting Procedures** . Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with the accounting principles and standards applicable to it (for example IFRS or GAAP).

13.7 **Force Majeure** . Neither Party shall be liable to the other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a governmental authority, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other reason which is beyond the reasonable control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

13.8 **No Trademark Rights** . No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise.

13.9 **Entire Agreement of the Parties; Amendments** . This Agreement and the Schedules hereto and the Other Agreement constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

13.10 **Captions** . The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.11 **Governing Law** . This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England.

13.12 **Notices and Deliveries** . Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service (signature required) to the Party to which it is directed at its address or facsimile number shown below or such other address or facsimile number as such Party shall have last given by notice to the other Party.

If to Company, addressed to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany
Attn:	Head of Alliance Management
Facsimile:	[...***...]

With a copy, which shall not constitute notice, to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany
Attn:	Legal
Facsimile:	[...***...]

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If to Licensor, addressed to:

Name:	BeiGene, LTD. c/o Mourant Ozannes Corporate Services
Street:	(Cayman) Limited 94 Solaris Avenue, PO Box 1348
City:	Grand Cayman KY1-1108
Country:	Cayman Islands GB
Attn:	Chief Executive Officer

With a copy, which shall not constitute notice, to:

Name:	BeiGene, LTD. c/o BeiGene (Beijing) Co., Ltd.
Street:	No. 30 Science Park Road Zhong-Guan-Cun Life Science Park Changping District
City:	Beijing
Country:	P.R. China 102206
Attn:	[...***...]
Facsimile:	[...***...]
Telephone:	[...***...]

With a copy, which shall not constitute notice, to:

Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: [...***...]
Tel: [...***...]
Fax: [...***...]

13.13 **Language.** The official language of this Agreement and between the Parties for all correspondence shall be the English language.

13.14 **Waiver** . A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall apply only to the specific instance and shall not be deemed or construed to be an ongoing or future waiver of such term or condition or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

13.15 **Severability** . When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

13.16 **No Implied License** . No right or license is granted to either Party hereunder by implication, estoppel, or otherwise to any know-how, patent or other intellectual property right owned or controlled by the other Party or its Affiliates.

13.17 **Interpretation** . The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time. Unless the context otherwise requires, countries shall include territories.

13.18 **Counterparts** . This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

13.19 **No Third Party Beneficiaries.** Except as set forth in Sections 11.1 and 11.2, no Third Party (including, without limitation, employees of either Party) shall have or acquire any rights under this Agreement under the Contracts (Rights of Third Parties) Act 1999 of England and Wales or otherwise.

13.20 **No Reliance.** Each Party acknowledges that, in entering into this Agreement (and any document referred to in it), it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing herein shall limit a party's liability for fraud or fraudulent misrepresentation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date first above written.

BEIGENE, LTD.

Signature: /s/ John V. Oyler

Printed Name: John V. Oyler

Title: CEO

MERCK KGAA

Signature: /s/ Belen Garijo

Printed Name: Belen Garijo

Title: President & CEO Merck Serono

ppa.

Signature: /s/ Jens Eckhardt

Printed Name: Jens Eckhardt

Title: Regional General Counsel

[Signature Page to License Agreement]

Exhibit 1

[...***... (13 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.49

Licensor Know-How

[...***... (17 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.50

Licensor Materials

[...***... (19 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.51

Licensor Patents

[...***...]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 7.4(d)

Licensor Patents and Joint Patents Country List

[...***...]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

DRAFT ONLY

BeiGene and Merck KGaA Enter into Global Co-Develop and Commercialization Agreement for Cancer Therapy

Beijing: Monday, Month , 2013: BeiGene (Beijing) Co., Ltd. ("BeiGene"), a biotech R&D company in Beijing, and Merck KGaA, Darmstadt, Germany, today announced that they have entered into a global licensing, co-development, and commercialization agreement for BeiGene-283. The compound is a second-generation BRAF inhibitor for the treatment of cancer. BeiGene-283, which is currently in preclinical development, was discovered and developed in the People's Republic of China by BeiGene. It is expected to enter clinical development next year. BRAF inhibitors target a protein (BRAF) that is a downstream component of the MAPK* pathway, which is thought to promote cancer cell growth and is dysregulated in a number of human cancers.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-283 in the People's Republic of China and Merck KGaA will be responsible for the development and commercialization of BGB-283 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to US$ 236 million for the achievement of clinical development and potential commercial milestones in both the People's Republic of China and rest of the world, as well as up to double digit royalties on net sales.

John Oyler, CEO of BeiGene said: "We are very much looking forward to collaborating with Merck around BeiGene-283. Our collaboration will accelerate the global development and commercialization of this novel, China-discovered oncology innovation, something we could not have achieved alone."

"Today's announcement reflects our commitment to forge strategic partnerships in China with companies focusing on innovation." said <<spokesperson>>. "The collaboration with BeiGene brings together two teams with a common interest in finding solutions in the battle against cancer."

*mitogen-activated protein kinase

About MerckKGaA

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 39,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.com or www.merckgroup.com.

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is

a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com

MerckSerono

MERCK

Your Contact

Dr. Raphaela Farrenkopf
Phone +49 6151 72-2274

News Release

Month XX, 2013

Merck Enters into Global Co-Development and Commercialization Agreement with Chinese R&D Company BeiGene on Second-Generation BRAF Inhibitor

- **Collaboration will accelerate the global development of an innovative oncology product discovered in China**

Darmstadt, Germany, Month XX, 2013 – Merck Serono, a division of Merck, Darmstadt, Germany today announced that a global licensing, co-development, and commercialization agreement has been signed with BeiGene Co., Ltd., a biotech research and development company in Beijing, for BeiGene-283. The compound is a second-generation BRAF inhibitor for the treatment of cancer that is currently in preclinical development. It is expected to enter clinical development next year. It was discovered and developed in the People's Republic of China by BeiGene. BRAF inhibitors target a protein (BRAF) that is a downstream component of the MAPK* signaling pathway, which is thought to promote cancer cell growth and is dysregulated in a number of human cancers.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-283 in the People's Republic of China and Merck will be responsible for the development and commercialization of BGB-283 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments for the achievement of clinical development milestones in both the People's Republic of China and rest of the world, commercial milestones, and up to double digit royalties on net sales. This collaboration further underscores Merck

Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt
Germany
Hotline +49 (0) 6151 72-5000
www.merckgroup.com

www.merckserono.com

Merck Serono is a division of Merck.

Tel. +49 (0) 6151 72-2274
raphaela.farrenkopf@merckgroup.com

goal to provide innovative medicines for patients with cancer in the People's Republic of China and throughout the world.

"Today's announcement reflects our commitment to forge strategic partnerships in China with companies focusing on innovation." said <<spokesperson>>. "The collaboration with BeiGene brings together two teams with a common interest in finding solutions in the battle against cancer."

John Oyler, CEO of BeiGene commented: "We are very much looking forward to collaborating with Merck around BeiGene-283. Our collaboration will accelerate the global development and commercialization of this novel, China-discovered oncology innovation, something we could not have achieved alone."

*mitogen-activated protein kinase

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com

Merck Serono

MERCK

News Release

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

About Merck

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 39,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.com or www.merckgroup.com

Exhibit 10.6

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

AMENDED AND RESTATED LICENSE AGREEMENT

DATED AS OF DECEMBER 10, 2013

BY AND BETWEEN

BEIGENE, LTD.

AND

MERCK KGAA

TABLE OF CONTENTS

AMENDED AND RESTATED LICENSE AGREEMENT

This Amended and Restated License Agreement (this " **Agreement** ") is dated as of December 10, 2013 (the " **Amendment Date** ") by and between BeiGene , Ltd, a corporation organized under the laws of the Cayman Islands having a place of business at c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman, KY1-1108, Cayman Islands (" **BeiGene** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Company** "). BeiGene and Company may be referred to herein as a " **Party** " or, collectively, as " **Parties** ."

RECITALS:

WHEREAS , BeiGene has developed and controls certain technology and proprietary materials related to its proprietary BRAF inhibitor (" **BGB-283** ") and is engaged in the research, discovery, development, manufacture and commercialization of biopharmaceutical products;

WHEREAS , Company is engaged in the research, development, manufacturing and commercialization of pharmaceutical products;

WHEREAS , Company and BeiGene are parties to an arrangement whereby (i) the Parties collaborate in the development and manufacturing of Collaboration Compound and Product and commercialization of Product, and (ii) Company has exclusive license rights to Develop and Commercialize Collaboration Compound and Product in the Field in the Territory, pursuant to that certain Amended and Restated License Agreement between Company and BeiGene of even date herewith (the " **Territory License Agreement** "); and

WHEREAS , Company and BeiGene entered into a License Agreement, dated as of May 24, 2013 (the " **Effective Date** ") setting forth (i) BeiGene's exclusive license from Company under Company Technology to Develop and Commercialize Collaboration Compound and Product in the Field in PRC, in exchange for royalties, and (ii) a right of first negotiation to Company with respect to a license of the rights to research, Develop, Manufacture and Commercialize the Collaboration Compound and Product in PRC (the " **Original Agreement** "); and

WHEREAS , the parties desire to amend and restate the Original Agreement as set forth herein to clarify certain language and better reflect their original intent.

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 " **Affiliate** " means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.2, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.2 " **BeiGene Bankruptcy Event** " means: (a) voluntary or involuntary proceedings by or against BeiGene are instituted in bankruptcy under any insolvency Law, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; (b) a receiver or custodian is appointed for BeiGene; (c) proceedings are instituted by or against BeiGene for corporate reorganization, dissolution, liquidation or winding-up of BeiGene, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; or (d) substantially all of the assets of BeiGene are seized or attached and not released within sixty (60) days thereafter.

1.3 " **BeiGene Know-How** " means all Know-How that is Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product. The BeiGene Know-How shall include all Know-How set forth on Schedule 1.3 .

1.4 " **BeiGene Materials** " means all chemical, biological or physical materials other than Collaboration Compounds that are Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound

or Product. The BeiGene Materials set forth on Schedule 1.4 constitute all BeiGene Materials as of the Effective Date.

1.5 " **BeiGene Patents** " means all Patent Rights that are Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product. Listed on Schedule 1.5 are all BeiGene Patents existing as of the Effective Date; provided, that BeiGene shall update Schedule 1.5 from time-to-time to include any new Patent Rights that come to be Controlled by BeiGene or any of its Affiliates at any time during the Term on or following the Effective Date that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.6 " **BeiGene Technology** " means the BeiGene Patents, the BeiGene Know-How, the BeiGene Materials, and BeiGene's rights in the Program IP and Joint Patents

1.7 " **Business Day** " means a day other than Saturday or Sunday on which banking institutions in Beijing, China; and Darmstadt, Germany are open for business.

1.8 " **Calendar Quarter** " means each three (3) month period commencing January 1, April 1, July 1 or October 1 of any year; provided, however, that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the expiration of this Agreement.

1.9 " **Calendar Year** " means the period beginning on the 1st of January and ending on the 31 st of December of the same year; provided, however, that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same year and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this Agreement terminates or expires and end on the date of expiration of this Agreement.

1.10 " **Challenge** " means any challenge to the validity or enforceability of any of the BeiGene Patents, including without limitation by (a) filing a declaratory judgment action in which any of the BeiGene Patents is alleged to be invalid or unenforceable or (b) filing or commencing any re-examination, interference, derivation proceeding, post-issuance proceeding, opposition, cancellation, nullity or similar proceedings against any of the BeiGene Patents in the courts or patent offices in any country.

1.11 " **Change of Control** " means, with respect to Licensor or its parent entity (the " **Target** "): (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Target's assets; or (b) a merger or consolidation in which, whether or not the Target is the surviving corporation, the shareholders of the Target immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the surviving entity's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Target's stock or the issuance, sale or exchange of stock of the Target) if a single Person or group of Persons who are Affiliates (including, without limitation, Affiliates that are venture capital or investment divisions of such Person) and who are engaged in the research, development, manufacturing and commercialization of pharmaceutical products acquire the Target's stock in such transaction or series of related transactions that possesses a majority of the voting power of all of the Target's outstanding stock and other securities and the power to elect a majority of the members of the Target's board of directors.

1.12 " **Clinical Trial** " means a clinical trial in human subjects that has been approved by a Regulatory Authority and Institutional Review Board or Ethics Committee, and is designed to measure the safety and/or efficacy of Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and Phase IV Clinical Trials.

1.13 " **Collaboration Compound** " means, collectively, (a) BGB-283, (b) any compound (i) whose primary activity is the inhibition of wildtype BRAF or any of the following mutants: [...***...] (collectively, the " **BRAF Mutants** "), and (ii) which, if compared directly with BGB-283 in the same assay measuring cellular inhibition of [...***...] which are stably expressing the corresponding BRAF Mutants, has an inhibition level on BRAF or its mutants that is [...***...] than the inhibition level of BGB-283 on BRAF and its mutants , and (iii) is within the claims of the BGB-283 Patent Application, (c) any prodrugs, salts and solvates of the compounds described in clauses (a) and (b), (d) any metabolites of the compounds described in clauses (a) and (b), (i) whose primary activity is the inhibition of BRAF and which meet the affinity requirements in clause (b), and (ii) which are within the claims of the BGB-283 Patent Application, and (e) any dosage form or formulation of the compounds described in clauses (a), (b), (c) and (d).

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

1.14 " **Combination Product** " means a fixed dose oral (or other form of administration) product containing Product and another product (such other product, which, for the avoidance of doubt, is not itself a Product, an " **Additional Product** ") that has received Commercialization Regulatory Approval for treating an Indication for which the Product has received Commercialization Regulatory Approval.

1.15 " **Commercialization** " or " **Commercialize** " means any and all activities undertaken before and after Regulatory Approval of an MAA for Product and that relate to the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of Product, and interacting with Regulatory Authorities regarding the foregoing.

1.16 " **Commercialization Regulatory Approval** " means, with respect to any Product, final approval of the counterpart of an NDA application submitted to the SFDA, together with pricing approval and government reimbursement approval by appropriate central and at least one provincial authority in China required by applicable law to market the Product, as may be amended from time to time.

1.17 " **Commercially Reasonable Efforts** " means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Development or Commercialization of Product by a Party, the application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as Product and having profit potential and strategic value comparable to that of Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of Product, and the strength of its proprietary position all based on conditions then prevailing. For clarity, Commercially Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable objective.

1.18 " **Company Know-How** " means all Know-How that is Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term relating or that is

necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product under the Territory License Agreement or this Agreement.

1.19 " **Company Patents** " means all Patent Rights that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product under the Territory License Agreement or this Agreement.

1.20 " **Company Materials** " means all chemical, biological or physical materials that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound or Product under the Territory License Agreement or this Agreement.

1.21 " **Company Technology** " means the Company Patents, the Company Know-How, the Company Materials and Company's rights in the Program IP and Joint Patents.

1.22 " **Confidential Information** " of a Party means non-public information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.23 " **Controlled** " means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or, in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party.

1.24 " **Cover** ", " **Covering** " or " **Covered** " means, with respect to Product, that the making, using, selling, or offering for sale of Product would, but for a license granted in this Agreement under the Program IP and Company Patents, infringe a Valid Claim of the Program IP or Company Patents in PRC.

1.25 " **Development** " or " **Develop** " means with respect to Product, the performance of all pre-clinical and clinical development (including toxicology, pharmacology, test method development and

stability testing, process development, formulation development, quality control development, statistical analysis), Clinical Trials, manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product in PRC.

1.26 " **European Union** " or " **EU** " means the European Union, as it may be reconstituted from time to time.

1.27 " **Executive Officers** " means, together, a member of the senior management of the pharmaceutical division of Company and the Chief Executive Officer of BeiGene.

1.28 " **FDA** " means the United States Food and Drug Administration or a successor federal agency thereto.

1.29 " **Field** " means the diagnosis, treatment, palliation or prevention of all diseases or conditions in humans or animals.

1.30 " **First Commercial Sale** " means the first transfer or disposition for value of Product in PRC to a Third Party by BeiGene, or any of its Affiliates or Sublicensees, in each case, after Commercialization Regulatory Approval have been obtained in PRC.

1.31 " **Governmental Body** " means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.32 " **Indication** " means a generally acknowledged disease or condition, a significant manifestation of a disease or condition, or symptoms associated with a disease or condition or a risk for a disease or condition for which a MAA may be obtained. For purposes of clarity, each separate oncology indication will be defined by a combination of the tissue type in which the cancer has its primary origin and the gene or set of genes in which mutations are present.

1.33 " **IFRS** " means the International Financial Reporting Standards, the set of accounting standards and interpretations and the framework in force on the Effective Date and adopted by the European Union as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as such accounting standards may be amended from time to time.

1.34 " **Joint Patents** " means any Patent Rights invented jointly by Company and BeiGene during the term of the Territory License Agreement relating to Product.

1.35 " **Know-How** " means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including manufacturing processes, specifications and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a patent or patent application; and (b) compositions of matter, cells, cell lines, assays, animal models and physical, biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples and proprietary equipment, procedures or methodologies relating to the manufacturing of the Product. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights including copyright, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.36 " **Law** " or " **Laws** " means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.37 " **MAA** " means an application for marketing approval equivalent to an NDA submitted in PRC, and including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.38 " **Manufacture** " or " **Manufacturing** " or " **Manufactured** " means all operations involved in the manufacture, receipt, incoming inspection, storage and handling of raw materials, and the manufacture, processing, purification, packaging, labeling, warehousing, quality control testing (including in-process release and stability testing), shipping and release of Collaboration Compound and/or Product.

1.39 " **NDA** " means a New Drug Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR.§ 314.3 et seq, or a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601.

1.40 " **Net Sales** " means [...***...].

1.41 " **Patent Rights** " means: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.42 " **Person** " means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.43 " **Phase I Clinical Trial** " means a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(a). For the avoidance of doubt, Phase I Clinical Trials include the Initial Phase I Clinical Trials.

1.44 " **Phase II Clinical Trial** " means, as to a particular Product for any Indication, a Clinical Trial conducted in any country that would satisfy the requirements of 21 CFR 312.21(b).

1.45 " **Phase III Clinical Trial** " means, as to a particular Product for any Indication, a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(c).

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1.46 " **Phase IV Clinical Trial** " means a post-registrational Clinical Trial conducted in any country or countries and required as a condition to, or for the maintenance of, any Regulatory Approval for a Product in the Territory.

1.47 " **PRC** " means The People's Republic of China. For clarity, PRC excludes Hong Kong, Macau and Taiwan.

1.48 " **Price Approvals** " means, in PRC where Regulatory Authorities may approve or determine pricing and/or pricing reimbursement for pharmaceutical products, such pricing and/or pricing reimbursement approval or determination.

1.49 " **Product** " means any pharmaceutical product, in any dosage form, formulation, presentation or package configuration that is commercialized or undergoing research or pre-clinical or clinical development that contains or comprises, in part or in whole, the Collaboration Compound. For clarity, different formulations or dosage strengths of a given Product shall be considered the same Product for purposes of this Agreement.

1.50 " **Product IP** " means any Patent Rights that Cover, or Know-How that is reasonably useful in connection with, the composition of matter and/or use of a Collaboration Compound and/or Product.

1.51 " **Program IP** " means the Joint Patents and Know-How invented jointly between Company and BeiGene during the Term of the Territory License Agreement relating to Collaboration Compounds and/or Product, provided that any Product IP invented solely by Company shall be jointly owned by Company and BeiGene and shall be Program IP.

1.52 " **Regulatory Authority** " means the State Food and Drug Administration in PRC (" **SFDA** ") and any other authority granting Regulatory Approvals.

1.53 " **Regulatory Approval** " means any and all approvals, licenses, registrations, or authorizations of the Regulatory Authority, including Price Approvals, necessary for the development, manufacture, use, storage, import, transport or Commercialization of Product in PRC.

1.54 " **Representatives** " means employees, consultants, contractors, advisors and agents of a Party or its Affiliates.

1.55 " **Royalty Term** " means, on a Product-by-Product basis in PRC, the period beginning on the date of the First Commercial Sale of a Product in PRC and ending on the latest to occur of (a) the last date on which the manufacture, use, import, offer for sale or sale of such Product is Covered by a Valid Claim within the Program IP or Company Patents in PRC, which, but for the license granted by Company, would be infringed, or (b) [...***...] from the date of the First Commercial Sale of such Product in PRC.

1.56 " **Senior Executive** " means a member of senior management of a Party who is designated by such Party to resolve disputes under this Agreement.

1.57 " **Sublicensee** " means a Person other than an Affiliate of BeiGene to which BeiGene (or its Affiliate) has granted sublicense rights under the Company Technology to Product, subject to the ROFN set forth in Section 2.3; provided, that "Sublicensee" shall exclude distributors.

1.58 " **Tax** " or " **Taxes** " means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.59 " **Territory** " means all the countries of the world, except PRC.

1.60 " **Third Party** " means any Person other than BeiGene, Company or any of their respective Affiliates.

1.61 " **Third Party Action** " means any Action made by a Third Party against either Party that claims that the Collaboration Compound or Product, or its use or Development, Manufacture or sale infringes or misappropriates such Third Party's intellectual property rights.

1.62 " **United States** " or " **US** " means the United States of America, its territories and possessions.

1.63 " **USD** " or " **$** " means the lawful currency of the United States.

1.64 " **Valid Claim** " means a claim of (a) an issued and unexpired patent which has not lapsed or been revoked, abandoned or held unenforceable or invalid by a final decision of a court or governmental or supra-governmental agency of competent jurisdiction, unappealable or

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unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, reexamination or disclaimer or otherwise or (b) any patent application which was filed in good faith and which has not been cancelled, withdrawn, abandoned, or disallowed without the possibility of appeal or re-filing of the application and that has not been pending for more than [...***...] from the first substantive office action on such patent application. If the patent application has been refiled or is a divisional application, the [...***...] period mentioned above shall be calculated from the first application filed in the series of applications.

1.65 **Other Terms** . The definition of each of the following terms is set forth in the section of the Agreement indicated below:

Defined Term	Section
"Agreement"	Preamble
"Acquirer"	9.4
"Additional Product"	1.14
"BeiGene"	Preamble
"BeiGene Indemnitees"	6.1
"BGB-283"	Recitals
"BRAF Mutants"	Recitals
"CoC Notice"	9.4
"Company"	Preamble
"Company Indemnitees"	6.2
"Effective Date"	Preamble
"ICC Rules"	8.3
"Non-Escalable Dispute "	8.1
"Party" and **"Parties"**	Preamble
"PRC Commercialization Right"	9.4
"Product Bundle"	1.40
"Right of First Negotiation" or **"ROFN"**	2.3
"ROFN Period"	2.3
"Target"	1.11
"Territory License Agreement"	Recitals
"Term"	7.1

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"Unrestricted Period"	2.3
"Value Added Tax"	3.11(b)

ARTICLE 2
GRANT OF RIGHTS

2.1 **License Grants** .

(a) **Development License** . Subject to the terms and conditions of this Agreement and the Territory License Agreement, Company hereby grants to BeiGene an exclusive (even as to Company), right and license during the Term (with the right to sublicense solely as provided in Section 2.2 below) under the Company Technology for the sole purpose of Development of Collaboration Compounds and Products in the Field in PRC, including without limitation, the Manufacture of Collaboration Compounds and Products for use in Development in PRC. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product.

(b) **Commercialization License** . Subject to the terms and conditions of this Agreement and the Territory License Agreement, Company hereby grants to BeiGene an exclusive (even as to Company), royalty-bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.2 below) under the Company Technology for the sole purpose of (i) Commercializing the Product in the Field in PRC and (ii) Manufacture of Collaboration Compounds and Product for use in Commercialization in the Field in PRC. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product.

2.2 **Right to Sublicense** .

(a) **Sublicenses** . Subject to compliance with Section 2.3 below and subject to Section 9.3 in the case of Affiliates, BeiGene shall have the right to grant sublicenses to its Affiliates and to Sublicensees under the Development and Commercialization licenses granted to BeiGene under Section 2.1 above, with respect to Product for sale in the Field in PRC; provided, that, (i) it shall be a condition of any such sublicense that each Sublicensee under the Commercialization license agrees to be bound by the terms of this Agreement applicable to the Commercialization of Products in the Field in PRC (including, without limitation, Article 4); (ii) BeiGene shall provide written notice to Company of any such proposed sublicense at least [...***...] prior to such

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extension and provide copies to Company of each such sublicense within [...***...] of its execution (provided that such copies may be appropriately redacted to protect confidential information of the Sublicensee); (iii) if BeiGene grants a sublicense to a Sublicensee, BeiGene shall be deemed to have guaranteed that such Sublicensee will fulfill all of BeiGene's obligations under this Agreement applicable to the subject matter of such sublicense; and (iv) BeiGene shall not be relieved of its obligations pursuant to this Agreement as a result of such sublicense.

(b) **No Other Rights** . BeiGene shall have no rights to use or otherwise exploit Company Technology except as expressly set forth herein.

2.3 **Right of First Negotiation** .

(a) BeiGene hereby grants Company an exclusive right of first negotiation to license under BeiGene Technology the right to research, Develop, and Manufacture and Commercialize Collaboration Compound and Product in PRC as set forth in this Section 2.3 (" **Right of First Negotiation** " or " **ROFN** "). Prior to BeiGene negotiating with or entertaining offers from a Third Party to license BeiGene's rights to Product in PRC, BeiGene shall first notify Company and shall negotiate solely and in good faith with Company to grant Company a license to Develop, Manufacture and Commercialize Collaboration Compound and Product in PRC for a period commencing with the date Company receives notice from BeiGene and expiring [...***...] thereafter (the " **ROFN Period** "). If the Parties are unable to agree on substantive terms within the ROFN Period, Company shall promptly reduce to writing its last offer to BeiGene and provide such writing to BeiGene, and BeiGene shall be free to enter into an agreement with a Third Party for the acquisition of BeiGene's rights for Product in PRC by such Third Party, provided that the financial terms of such agreement shall be more favorable to BeiGene in the aggregate by at least [...***...] ([...***...]) of the aggregate of those financial terms last offered by Company; provided further, that such agreement is entered into within the period commencing with the expiration of the ROFN Period and expiring [...***...] thereafter (the " **Unrestricted Period** "). BeiGene shall not be permitted to disclose the terms of Company's offer to any Third Party.

(b) If, during the Unrestricted Period, BeiGene is unable to enter into an agreement with a Third Party on terms that are at least [...***...] ([...***...]) more favorable in the aggregate than those financial terms last offered by Company, then the ROFN shall again be in effect and prior to BeiGene negotiating with or entertaining offers from a Third Party to license BeiGene's rights

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to the Collaboration Compound and Product in PRC, BeiGene shall notify Company and enter into another ROFN Period and the terms set forth in paragraph (a) above shall apply.

(c) By way of illustration, if Company offers BeiGene a royalty to license the Collaboration Compound and Product in PRC, and BeiGene and Company are unable to agree on substantive terms during the ROFN Period, and during the Unrestricted Period a Third Party offers BeiGene different financial terms to license the Collaboration Compound and Product in PRC, the aggregate financial terms to BeiGene in such Third Party offer must be more favorable to BeiGene by at least [...***...] ([...***...]) compared to Company's offer to BeiGene, taking into account the royalty obligation to Company hereunder.

ARTICLE 3
FINANCIAL PROVISIONS

3.1 **Initial Fee** . In consideration of the already agreed future royalty payments by BeiGene to Company under Section 3.2 hereunder, Company shall pay, or cause to be paid, to BeiGene a one-time, non-refundable fee of $[...***...] USD, within [...***...] following the Effective Date and receipt by Company of corresponding invoice.

3.2 **Royalty Payments** . In partial consideration of Company's grant of the rights and licenses to BeiGene hereunder, BeiGene shall pay to Company a royalty of [...***...] ([...***...]) on aggregate annual Net Sales of all Products in PRC for each Calendar Year during the Royalty Term. For clarity, BeiGene's obligation to pay royalties to Company under this ARTICLE 3 is imposed only once with respect to the same unit of Product.

3.3 **Reductions, Deductions and Reimbursements.**

(a) Royalty Step-Down . The royalty rate set forth in Section 3.2 applicable to the Net Sales of a Product in PRC will be reduced by [...***...] ([...***...]) during any period in which there exists no Valid Claim of a Company Patent or Joint Patents in PRC that Covers such Product in PRC.

(b) Third Party License Agreements . If, in any Calendar Quarter, BeiGene makes royalty payment(s) to one or more Third Parties in order to obtain or maintain license rights under Patent Rights of such Third Party that would be infringed by the use or sale of the Collaboration Compound contained in the Product in PRC, BeiGene shall be entitled to deduct [...***...] ([...***...]) of such payment(s) from royalty payments otherwise payable by BeiGene to Company

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for Net Sales of such Product in PRC in such Calendar Quarter. Notwithstanding the foregoing, in no event shall such deduction exceed [...***...] ([...***...]) of the royalties otherwise payable with respect to PRC in such Calendar Quarter.

(c) Limit on Deductions . Under no circumstances shall the deductions under this Section 3.3 result in the amount payable to Company being reduced by more than [...***...] ([...***...]) compared with the amount otherwise payable under Section 3.2 in a Calendar Quarter. In the event that BeiGene is not able to deduct the full amount of the permitted deduction from the amount due to Company due to the [...***...] ([...***...]) minimum amount, BeiGene shall be entitled to deduct any undeducted excess amount from subsequent amounts owed to Company under Section 3.2 (subject always to Company receiving a minimum of [...***...] ([...***...]) of the amount owed) in a subsequent Calendar Quarter.

3.4 **Timing of Payment** . Royalties payable under Section 3.2 shall be payable on actual Net Sales and shall accrue at the time the invoice for the sale of Product is delivered. Royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis, within [...***...] after the end of each Calendar Quarter during which the royalty obligation accrued.

3.5 **Milestone Payments** . As further consideration for the already agreed future Royalty payments by BeiGene to Company under Section 3.2, as well as the design, preparation, conduct and supervision of certain Clinical Trials (as set forth in the table below), Company shall pay, or cause to be paid, to BeiGene the following one-time, non-refundable milestone payments with respect to the first Product to achieve the milestone events described below. BeiGene shall promptly (and in any event within [...***...] after achievement of such milestone event) notify Company in writing of the achievement of any such milestone event and BeiGene shall issue Company an invoice for the amount of the corresponding milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

Milestone event for the First Product to achieve the event	Milestone Payment in USD
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]

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Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Total development milestones	**$** [...***...]

For the avoidance of doubt, the total maximum milestones payable under this Section 3.4 for Product shall not exceed $[...***...].

With respect to each milestone, the milestone payments to be made under this Agreement shall be due and payable only once, regardless of the number of Products developed or Commercialized.

3.6 **Mode of Payment and Currency; Invoices** .

(a) **Currency** . All payments to a Party hereunder shall be made by deposit of USD in the requisite amount to such bank account as a Party may from time to time designate by written notice to the other Party. With respect to sales not denominated in USD, BeiGene shall convert applicable sales in foreign currency into USD by using the then current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in USD, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual written agreement, and any change shall be consistent with the local Law at the place of payment or remittance.

(b) **Invoices** .

BeiGene shall address its invoices to:

Merck KGaA
Accounts Payable
PO Box
64279 Darmstadt
Germany

Company shall address its invoices to:

BeiGene Ltd. c/o BeiGene(Beijing) Co., Ltd.
No.30 Science Park Road
Zhong-Guan-Cun Life Science Park

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Changping district
Beijing 102206
P.R.China
Attn: [...***...]
Facsimile: [...***...]

3.7 **Royalty Reports and Records Retention** . Within [...***...] after the end of each Calendar Quarter during which Product has been sold, BeiGene shall deliver to Company, together with the applicable royalty payment due for such Calendar Quarter, a written report of Net Sales on a Product-by-Product basis, subject to royalty payments for such Calendar Quarter. Such report shall be deemed "Confidential Information" of BeiGene subject to the obligations of ARTICLE 4 of this Agreement. [...***...] after the end of each Calendar Year in which sale of Product occurs, BeiGene shall, and shall ensure that its Affiliates and Sublicensees, keep complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty calculations hereunder.

3.8 **Legal Restrictions** . If at any time legal restrictions prevent the remittance by BeiGene of all or any part of royalties due on Net Sales, BeiGene shall have the right and option to make such payment either by depositing the amount thereof in local currency to an account in the name of Company in a bank or other depository selected by Company in PRC.

3.9 **Late Payments** . All payments under this Agreement shall earn interest from the date due until paid at a per annum rate equal to the lesser of (a) the maximum rate permissible under Law and (b) [...***...] ([...***...]) above the monthly Reuters 01 EURIBOR, measured at 2 p.m. Frankfurt/Germany time on the date payment is due. Interest will be calculated on a 365/360 basis.

3.10 **Audits** .

(a) **Audits Generally** . During the Term and for [...***...] thereafter, and not more than [...***...] in each Calendar Year, BeiGene shall permit, and shall cause its Affiliates or Sublicensees to permit, an independent certified public accounting firm of nationally recognized standing selected by Company, and reasonably acceptable to BeiGene or such Affiliate or Sublicensee, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of BeiGene and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and payments under this ARTICLE 3. Such review may cover the records for

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sales made in any Calendar Year ending not more than [...***...] prior to the date of such request. The accounting firm shall disclose to Company and BeiGene only whether the royalty reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Company.

(b) **Audit-Based Payments** . If such accounting firm concludes that additional royalties were owed during such period, BeiGene shall pay the additional undisputed royalties within [...***...] after the date Company delivers to BeiGene such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods Company shall pay for the cost of any audit, unless BeiGene has underpaid Company by [...***...] ([...***...]) or more, in which case BeiGene shall pay for the costs of audit.

(c) **Audit Confidentiality** . Company shall treat all information that it receives under this Section 3.10 in accordance with the confidentiality provisions of ARTICLE 4 of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with BeiGene obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for Company to enforce its rights under this Agreement.

3.11 **Taxes** .

(a) **Withholding Tax** .

(i) BeiGene Obligations . If applicable Law requires that income or similar Taxes be deducted and withheld from royalties paid under this Agreement, BeiGene shall (i) deduct those Taxes from the payment of the relevant royalty payment owed by BeiGene hereunder; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to Company within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 3.11(a)(i); and (v) cooperate with Company in any way reasonably requested by Company to obtain available reductions, credits or refunds of such Taxes.

(ii) Company Obligations . Except for payments under Sections 3.1 and 3.5 (which the Parties agree shall be net amounts payable by Company to BeiGene), if applicable Law requires that income or similar Taxes be deducted and withheld from milestone or other payments

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paid under this Agreement other than payments under Sections 3.1 and 3.5, Company shall (i) deduct those Taxes from the payment of the relevant milestone or other payment owed by Company hereunder; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to BeiGene within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 3.11(a)(i); and (v) cooperate with BeiGene in any way reasonably requested by BeiGene to obtain available reductions, credits or refunds of such Taxes.

(b) **Value Added Tax** . It is understood and agreed between the Parties that any payment amounts to be made by BeiGene or Company under this Agreement are exclusive of any value added or similar Tax (" **Value Added Tax** ") imposed upon such payment and that Company shall be responsible for the payment of any and all Value Added Tax imposed on account of any payments paid to BeiGene by Company and that BeiGene shall be responsible for the payment of any and all Value Added Tax imposed on account of any payments paid to Company by BeiGene. Company will provide BeiGene with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable, and BeiGene will provide Company with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable.

ARTICLE 4
CONFIDENTIALITY

4.1 **Confidentiality Obligations** . Each Party agrees that, for the Term and for [...***...] thereafter, such Party shall, and shall ensure that its Representatives, hold in confidence all Confidential Information disclosed to it by the other Party pursuant to this Agreement, unless the recipient of the Confidential Information demonstrates by written evidence that such information:

(i) is or has become generally available to the public other than as a result of disclosure by the recipient;

(ii) is already known by or in the possession of the recipient at the time of disclosure by the disclosing Party;

(iii) is independently developed by recipient without use of or reference to the disclosing Party's Confidential Information; or

(iv) is obtained by recipient from a Third Party that has not breached any obligations of confidentiality.

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The recipient shall not disclose any of the Confidential Information, except to Representatives of the recipient who need to know the Confidential Information for the purpose of performing the recipient's obligations, or exercise its rights, under this Agreement and who will, prior to their access to such Confidential Information, be bound by written obligations of non-use and non-disclosure substantially similar to those set forth herein. Each Party agrees to use, and to cause its Affiliates to use, reasonable efforts to enforce such obligations and to prohibit Representatives from using such Confidential Information except as expressly permitted hereunder. Each Party shall be liable to the other for any disclosure or use of the Confidential Information by such Representatives. The recipient shall (i) protect Confidential Information using not less than the same care with which it treats its own confidential information, but at all times shall use at least reasonable care, and (ii) not use, and cause its Affiliates and Representatives not to use, any Confidential Information of the other Party except as expressly permitted hereunder. Each Party shall: (a) implement and maintain appropriate security measures to prevent unauthorized access to, or disclosure of, the other Party's Confidential Information; (b) promptly notify the other Party of any unauthorized access or disclosure of such other Party's Confidential Information; and (c) cooperate with such other Party in the investigation and remediation of any such unauthorized access or disclosure.

4.2 **Use** . Notwithstanding Section 4.1, a Party may use the Confidential Information of the other Party for the purpose of performing its obligations, or exercising its rights, under this Agreement, including for purposes of:

(i) filing or prosecuting patent applications;

(ii) prosecuting or defending litigation;

(iii) conducting pre-clinical studies or Clinical Trials pursuant to this Agreement;

(iv) seeking or maintaining Regulatory Approval for Product;

(v) complying with Law, including securities Law and the rules of any securities exchange or market on which a Party's securities are listed or traded

(vi) disclosure to such other Party's legal and financial advisors;

(vii) in connection with an actual or potential (a) permitted sublicense of such other Party's rights hereunder, (b) debt, equity or other financing of such other Party, or (c) merger, acquisition, consolidation, share exchange or other similar transaction involving such Party and any Third Party; or

(viii) for any other purpose with the other Party's written consent, not to be unreasonably withheld.

In making any disclosures set forth in clauses (i) through (iv) above, the disclosing Party shall, where reasonably practicable, give such advance notice to the other Party of such disclosure requirement as is reasonable under the circumstances and will use its reasonable efforts to cooperate with the other Party in order to secure confidential treatment of such Confidential Information required to be disclosed. In addition, in connection with any permitted filing by either Party of this Agreement with any Governmental Body, the filing Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the other Party, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, and shall include in such confidential treatment request all reasonable comments of the other Party.

4.3 **Publication** . BeiGene may publish in PRC any information relating to the Collaboration Compound or Product that does not constitute Confidential Information of Company, without the prior written consent of Company.

4.4 **Required Disclosure** . The recipient may disclose the Confidential Information to the extent required by Law or court order; provided, however, that the recipient promptly provides to the disclosing party prior written notice of such disclosure and provides reasonable assistance in obtaining an order or other remedy protecting the Confidential Information from public disclosure.

4.5 **Press Releases and Disclosure** .

(a) **Initial Press Release** . The proposed public announcement by the Parties of the execution of this Agreement is set forth on Schedule 4.5(a) hereto.

(b) **Subsequent Public Disclosures** . BeiGene may not make any subsequent press release or public announcements regarding this Agreement or any matter covered by this Agreement, other than the development and commercialization of Product by BeiGene in PRC, and the achievement of milestones and receipt of milestone payments hereunder, without the prior written

consent of Company. In the event that BeiGene believes it is required to issue a press release or make another public announcement to comply with Law as a publicly-traded company and Company does not believe such public announcement is so required, BeiGene may only issue such press release if (i) it obtains an opinion of legal counsel, from a reputable law firm approved by Company, that it is required to make such disclosure to comply with Law and (ii) after receiving such opinion, provides the text of such planned disclosure to Company no less than [...***...] prior to disclosure, and has incorporated all reasonable comments of Company regarding such disclosure.

(c) **Public Disclosures by Company** . Company shall have the right to make such press releases as it chooses, in its sole discretion, without the approval of BeiGene, provided that such press releases do not contain Confidential Information of BeiGene.

(d) **Prior Approved Publication.** Notwithstanding anything else to the contrary set forth in this Section 4.4 either Party may include in a public disclosure, press release or in a scientific or medical publication or presentation, without prior delivery to or review by the other Party, any information which has previously been included in a public disclosure, press release or scientific or medical publication that has been reviewed pursuant to this Section 4.4 or published or publicly disclosed by the other Party.

ARTICLE 5
WARRANTIES AND COVENANTS

5.1 **Warranties** . Each Party warrants to the other Party that, as of the Effective Date:

(i) such Party is duly organized and validly existing under the Laws of the jurisdiction of its incorporation or organization;

(ii) such Party has taken all action necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(iii) this Agreement is a legal and valid obligation of such Party, binding upon such Party and enforceable against such Party in accordance with the terms of this Agreement, except as enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement by such Party does not conflict with, breach or create in any Third Party the right to accelerate,

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terminate or modify any agreement or instrument to which such Party is a party or by which such Party is bound, and does not violate any Law of any Governmental Body having authority over such Party; and

(iv) such Party has all right, power and authority to enter into this Agreement, to perform its obligations under this Agreement.

5.2 **Additional Warranties and Covenants of BeiGene** . BeiGene warrants to Company that, as of the Effective Date:

(a) this Agreement is not, and BeiGene commits to Company that this Agreement never will be, in conflict with any existing or future agreement entered into between BeiGene and any of its Affiliates; and

(b) no consent by any Third Party or Governmental Body is required with respect to the execution and delivery of this Agreement by BeiGene or the consummation by BeiGene of the transactions contemplated hereby.

BeiGene covenants to Company that, to the extent required by Law, BeiGene shall file this Agreement with Governmental Bodies in PRC and use commercially reasonable efforts to obtain all required documentation, including a filing certificate, to make payments to Company hereunder.

ARTICLE 6
INDEMNIFICATION AND INSURANCE

6.1 **Indemnification by Company** . Company shall indemnify, defend and hold BeiGene and its Affiliates and each of their respective employees, officers, directors and agents and their respective heirs, successors and assigns (the " **BeiGene Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Company's negligence or willful misconduct; (b) Company's performance of its obligations under this Agreement; (c) willful breach by Company of its warranties set forth in ARTICLE 5, or, in the event that the Parties enter into a license agreement pursuant to Company's exercise of its Right of First Negotiation or otherwise, the Commercialization (including, without limitation, the use by any Person) of any Product by Company or any of its Affiliates, Sublicensees, distributors or agents in PRC; provided, however,

that Company's obligations pursuant to this Section 6.1 shall not apply (i) to the extent such claims or suits result from the negligence or willful misconduct of any of the BeiGene Indemnitees, or (ii) with respect to claims or suits arising out of breach by BeiGene of its warranties or covenants set forth in ARTICLE 5.

6.2 **Indemnification by BeiGene** . BeiGene shall indemnify, defend and hold Company and its Affiliates and each of their respective agents, employees, officers and directors and their respective heirs, successors and assigns (" **Company Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) BeiGene's negligence or willful misconduct; (b) BeiGene's performance of its obligations under this Agreement; (c) BeiGene's activities in PRC with respect to the Collaboration Compound and Product; or (d) willful breach by BeiGene of its warranties or covenants set forth in ARTICLE 5; provided, however, that BeiGene's obligations pursuant to this Section 6.2 shall not apply (i) to the extent that such claims or suits result from the negligence or willful misconduct of any of Company Indemnitees or (ii) with respect to claims or suits arising out of a breach by Company of its warranties set forth in ARTICLE 5.

6.3 **Certain Liabilities** . NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER PARTY'S LIABILITY IS LIMITED WITH RESPECT TO (i) DEATH OR PERSONAL INJURY DUE TO NEGLIGENCE (AS NEGLIGENCE IS DEFINED IN THE UNFAIR CONTRACTS ACT 1977 OF ENGLAND AND WALES) or (ii) FRAUD.

6.4 **No Consequential Damages** . EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6.1 OR SECTION 6.2 FOR PAYMENTS TO THIRD PARTIES, AS APPLICABLE, AND SUBJECT ALWAYS TO SECTION 6.3 (CERTAIN LIABILITIES), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR COMPANY FROM

SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY BREACH OF BY THE OTHER PARTY OF ITS CONFIDENTIALITY AND NON-USE OBLIGATIONS UNDER ARTICLE 4.

6.5 **Notification of Claims; Conditions to Indemnification Obligations** . As a condition to a Party's right to receive indemnification under this ARTICLE 6, it shall: (a) promptly notify the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto; (b) cooperate, and cause the individual indemnitees to cooperate, with the indemnifying Party in the defense, settlement or compromise of such claim or suit; and (c) permit the indemnifying Party to control the defense, settlement or compromise of such claim or suit, including the right to select defense counsel. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of the indemnified Party or any indemnitee without the prior written consent of the indemnified Party. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defense of any such suit, claim or demand, such cooperation to include without limitation using reasonable efforts to provide or make available documents, information and witnesses. The indemnifying Party shall have no liability under this ARTICLE 6 with respect to claims or suits settled or compromised without its prior written consent.

6.6 **Insurance** . During the Term, each Party shall obtain and maintain, at its sole cost and expense, insurance (including any self-insured arrangements) in types and amounts that are reasonable and customary in the pharmaceutical and biotechnology industry for companies engaged in comparable activities. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self-insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 6.

ARTICLE 7
TERM AND TERMINATION

7.1 **Term and Expiration** . The term of this Agreement (the " **Term** ") shall commence on the Effective Date and, unless earlier terminated as provided in this ARTICLE 7, shall continue in full force and effect.

7.2 **Termination** .

(a) **Termination for Convenience** . At any time during the Term, Company may, at its convenience, terminate this Agreement in its entirety with ninety (90) days' prior written notice to BeiGene.

(b) **Termination by Mutual Agreement** . The Parties may terminate this Agreement at any time by mutual agreement in a writing executed between the Parties.

(c) **Termination on Bankruptcy or Insolvency** . The Parties agree that, in the event of a BeiGene Bankruptcy Event, Company shall be entitled to a complete duplicate of (or complete access to, as appropriate) any BeiGene Technology and all embodiments thereof, which, if not already in Company's possession, shall be promptly delivered to it (a) following any such commencement of a bankruptcy proceeding upon Company's written request therefor, unless BeiGene elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by BeiGene upon written request therefor by Company.

(d) **Material Breach** . If a Party breaches any of its material obligations under this Agreement, the Party not in default may give to the breaching Party a written notice specifying the nature of the default, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured within sixty (60) days. If such breach is not cured within sixty (60) days after the receipt of such notice and such breach remains uncured, the Party not in default shall be entitled to terminate this Agreement immediately by written notice to the other Party. Any dispute regarding an alleged material breach, including, but not limited to, whether an alleged material breach of this Agreement occurred or whether an alleged breach of this Agreement is material, shall be resolved in accordance with ARTICLE 8 hereof.

(e) **BeiGene Right to Terminate** .

(i) Except to the extent the following is unenforceable under the law of a particular jurisdiction where a patent application with BeiGene Patents is pending or a patent within the BeiGene Patents is issued, prior to and during the ROFN Period, BeiGene may terminate this Agreement immediately upon written notice to Company in the event that Company or any of its Affiliates or Sublicensees Challenges any BeiGene Patents or assists a Third Party in initiating a Challenge of any BeiGene Patents.

(ii) BeiGene shall have the right to terminate this Agreement if BeiGene terminates the Territory License Agreement pursuant to Section 11.4 (Termination Upon Material Breach) thereof. If BeiGene exercises such termination right, this Agreement will terminate upon the date of termination of the Territory License Agreement.

7.3 **Effects of Expiration or Termination** .

(a) **Survival** . Notwithstanding the expiration or termination of this Agreement, the following provisions shall survive: **Articles 1** (Definitions), **Article 4** (Confidentiality)(other than Section 4.5(b)(Subsequent Public Disclosures), and with respect to the other remaining sections only for the period set forth in Section 4.1), **Article 8** (Dispute Resolution), and **Article 9** (Miscellaneous Provisions) (other than Section 9.4 (Change of Control)); and **Sections 3.6** (Mode of Payment and Currency; Invoices), **3.7** (Royalty Reports and Records Retention (but only for the period set forth therein), **3.8** (Legal Restrictions), **3.9** (Late Payments), **3.10** (Audits) (but only for the period set forth in Section 3.10(a)), **3.11** (Taxes), and **7.3** (Effects or expiration or termination) (including all other Sections or Articles referenced in any such Section or Article).

(b) **Accrued liabilities** . Expiration or termination of this Agreement shall not relieve the Parties of any liability that accrued hereunder prior to the effective date of such termination. For purposes of this Section, the obligation to pay a milestone payment pursuant to Section 3.5 shall accrue as of the date the relevant milestone is achieved. In addition, termination of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

(c) **Milestone Payments** . Company's obligation to pay milestone payments pursuant to Section 3.5, shall survive any termination of this Agreement unless the Territory License Agreement has been terminated, provided that any milestone payment pursuant to Section 3.5 shall be reduced by [...***...] ([...***...]).

ARTICLE 8
DISPUTE RESOLUTION

8.1 **Disputes** . The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

objective of the Parties to establish under this ARTICLE 8 procedures to facilitate the resolution of disputes arising under this Agreement (other than any disputes relating to matters for which under the Territory License Agreement Company or BeiGene has sole decision-making authority and/or discretion (each, a " **Non-Escalable Dispute** "), in which case, such matter shall be determined by Company or BeiGene, as the case may be, as set forth in the Territory License Agreement and shall not be part of the dispute resolution procedure set forth in this ARTICLE 8) in an expedient manner by mutual cooperation and without resort to litigation. In the event that the Parties are unable to resolve such dispute through diligent review and deliberation by the Senior Executives within thirty (30) days from the day that one Party had designated the issue as a dispute in written notice to the other Party, then either Party shall have the right to escalate such matter to the Executive Officers as set forth in Section 8.2.

8.2 **Escalation to Executive Officers** . Either Party may, by written notice to the other Party, request that a dispute (other than a Non-Escalable Dispute) that remains unresolved by the Senior Executives for a period of thirty (30) days as set forth in Section 8.1 arising between the Parties in connection with this Agreement, or a dispute relating to material breach, be resolved by the Executive Officers, within fifteen (15) days after referral of such dispute to them. If the Executive Officers cannot resolve such dispute within fifteen (15) days after referral of such dispute to them, then, at any time after such fifteen (15) day period, either Party may proceed to enforce any and all of its rights with respect to such dispute.

8.3 **Arbitration** . If the Parties are unable to resolve the dispute following the procedure set forth in Section 8.2, then the dispute for arbitration shall be submitted in London, England in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the " **ICC Rules** ") then in effect. Notwithstanding the foregoing, in all events, the provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. Any judgment upon the award rendered by the panel of the arbitrators shall be entered in any court having jurisdiction over the subject matter thereof. The panel of the arbitrators shall have the authority to grant any equitable and legal remedies that would be available if any judicial proceeding was instituted to resolve said dispute. The final decision of such panel of the arbitrators, as entered by a court of competent jurisdiction, will be furnished by such panel of the arbitrator in writing and will constitute a final, conclusive and non-appealable determination of the issue in question, binding upon the Parties, and an order with respect thereto may be entered in any court of competent jurisdiction. Except as set forth in Section 8.4, the following procedures shall apply:

(a) Each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the ICC.

(b) No arbitrator shall have any past or present family, business or other relationship with the Parties or any Affiliate, director or officer thereof, unless following full disclosure of all such relationships, the Parties agree in writing to waive such requirement with respect to an individual in connection with any dispute.

(c) No discovery other than an exchange of relevant documents may occur in any arbitration commenced under the provisions of this ARTICLE 8. The Parties agree to act in good faith to promptly exchange relevant documents.

(d) The Parties will each pay fifty percent (50%) of the initial compensation to be paid to the arbitrator in any such arbitration and fifty percent (50%) of the costs of transcripts and other normal and regular expenses of the arbitration proceedings; provided, however, that: (i) the prevailing Party in any arbitration will be entitled to an award of attorneys' fees and costs; and (ii) all costs of arbitration, other than those provided for above, will be paid by the losing Party, and the arbitrator will be authorized to determine the identity of the prevailing Party and the losing Party.

(e) The panel of the arbitrators chosen in accordance with these provisions will not have the power to alter, amend or otherwise affect the terms of these arbitration provisions or any other provisions contained in this Agreement.

8.4 **Injunctive Relief** . No provision herein shall be construed as precluding a Party from bringing an action for injunctive relief or other equitable relief prior to the initiation or completion of the above procedure.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 **Relationship of the Parties** . Nothing in this Agreement shall be construed or shall be deemed, for financial, tax, legal or other purposes (a) to create or imply a general partnership between the Parties, (b) to make either Party the agent of the other for any purpose, (c) to alter, amend, supersede or vitiate any other arrangements between the Parties with respect to any subject

matters not covered hereunder, (d) to give either Party the right to bind the other, (e) to create any duties or obligations between the Parties except as expressly set forth herein, or (f) to grant any direct or implied licenses or any other right other than as expressly set forth herein.

9.2 **Assignment** .

(a) **Assignment and Successors** . Neither this Agreement nor any obligation of a Party hereunder may be assigned by either Party without the consent of the other which shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, (i) in whole or in part, to any of its Affiliates, or (ii) in whole, but not in part, to any purchaser of all of its assets or all of its assets to which this Agreement relates or shares representing a majority of its common stock voting rights or to any successor corporation resulting from any merger, consolidation, share exchange or other similar transaction.

(b) **Continuing Obligations** . No assignment under this Section 9.2 shall relieve the assigning Party of any of its responsibilities or obligations hereunder accruing prior to such assignment and, as a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties.

(c) **Void Assignments** . Any assignment not in accordance with this Section 9.2 shall be void.

(d) **Assignment of BeiGene Technology** . BeiGene shall not assign or transfer any BeiGene Technology to any of its Affiliates or any Third Party without the prior written consent of Company, unless the assignee agrees in writing that such BeiGene Technology shall be subject to this Agreement.

9.3 **Performance and Exercise by Affiliates** . Either Party shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by, any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by such Party; provided, however, that each Party shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of such Party hereunder shall be deemed to be a failure by such Party to perform such

obligations. For clarity, either Party may designate an Affiliate to perform any of its obligations hereunder or to exercise any of its rights hereunder.

9.4 **Change of Control** . In the event BeiGene undergoes a Change of Control, and the Territory License Agreement has not expired or been terminated at the time of the Change of Control, Company shall have a right to obtain a license under BeiGene Technology to research, Develop, Manufacture and Commercialize Products in the Field in the PRC (the " **PRC Commercialization Right** ") as set forth below. BeiGene (or the Acquirer) shall notify Company in writing of the occurrence of a Change of Control (the " **CoC Notice** "), identifying the party that has obtained control of BeiGene or become the successor entity to BeiGene resulting from the transaction constituting the Change of Control (the " **Acquirer** "). The word " **Party** " below shall refer to the Acquirer.

9.4.1 Terms of PRC Commercialization Right . The PRC Commercialization Right shall (i) be on the terms set forth in the Territory License Agreement as if PRC was included in the " **Territory** " as defined therein, except for Sections 6.1, 6.2, 6.3, 6.4, and 6.5 thereof, (ii) require the payment of milestone payments as set forth in Section 3.5 of this Agreement, and (iii) be on other economic terms including any or all of an initial payment, additional milestone payments, royalties and other economic provisions either (a) agreed in good faith negotiations between the Parties not to exceed a period of more than [...***...] of receipt by Company of the CoC Notice, or (b) in the case no agreement is reached in that [...***...] negotiation period, be determined by binding arbitration as set forth below.

9.4.2 Arbitration . If no agreement is reached in the [...***...] negotiation period described in Section 9.4.1 above, then upon the written application of either Party, binding arbitration shall be conducted before a single arbitrator in London, England in accordance with ICC Rules then in effect. Notwithstanding the foregoing, in all events, the provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. The arbitrator shall be selected by agreement of the Parties, shall have no affiliation with either Party, shall not have been retained for any purpose by either Party at any time and shall have substantial experience in the development and licensing of oncology pharmaceutical products. If the Parties fail to choose an arbitrator within fourteen (14) days after the application of either Party to the ICC for binding arbitration, the London office of the International Chamber of Commerce shall, upon the request of both or either of the Parties to the arbitration, appoint the arbitrator.

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

9.4.3 Exchange of Proposals . Within ten (10) days of the appointment of the arbitrator, the Parties shall exchange documents setting forth their final detailed proposals for the acquisition of the PRC Commercialization Rights by Company on terms that comply with Section 9.4.1 and represent the fair value of the PRC Commercialization Rights, including any or all of an initial payment, additional milestone payments, royalties and other economic provisions, together with a brief or other written memorandum no longer than ten (10) pages supporting the merits of their final proposal. The arbitrator shall promptly convene a hearing, at which time each Party shall have a period of time determined by the arbitrator time to argue and present witnesses in support of its final proposal.

9.4.4 Selection of Final Proposal . The arbitrator shall select the proposal which most closely reflects fair value of the PRC Commercialization Rights. In making his or her selection, the arbitrator shall not modify the terms or conditions of either Party's final proposal nor shall the arbitrator combine provisions from both final proposals. In making his or her selection, the arbitrator shall consider the terms and conditions of this Agreement, the relative merits of the final proposals, the prior investments made by the Company into the Collaboration Compound and Product and the written and oral arguments of the Parties. In the event the arbitrator seeks the guidance of the law of any jurisdiction, the law of the England and Wales shall govern.

9.4.5 Notification of Decision . The arbitrator shall make his or her decision known to both Parties as quickly as possible by delivering written notice of the decision to both Parties. If the arbitrator selects the Company's proposal, then the Company and BeiGene (or the Acquirer) shall enter into an agreement for the PRC Commercialization Right on the terms set forth in Section 9.4.1 and the terms of the Company's proposal. If the arbitrator selects BeiGene's (or the Acquirer's) proposal, then at the Company's option either (i) the Company and BeiGene (or the Acquirer) shall enter into an agreement for the PRC Commercialization Right on the terms set forth in Section 9.4.1 and the terms of the BeiGene's (or the Acquirer's) proposal, or (ii) the Company shall have no further right to obtain the PRC Commercialization Right and this Agreement shall continue without modification, except that the royalty rate in Section 3.2 shall increase to [...***...] ([...***...]).

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9.4.6 Costs . The Parties shall bear their own costs in preparing for the arbitration. The costs of the arbitrator shall be equally divided between the Parties.

9.5 **Further Actions** . Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

9.6 **Accounting Procedures** . Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with the accounting principles and standards applicable to it (for example IFRS or GAAP).

9.7 **Force Majeure** . Neither Party shall be liable to the other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a governmental authority, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other reason which is beyond the reasonable control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

9.8 **No Trademark Rights** . No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise.

9.9 **Entire Agreement of the Parties; Amendments** . This Agreement and the Schedules hereto and the Territory License Agreement constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

9.10 **Captions** . The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

9.11 **Governing Law** . This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England.

9.12 **Notices and Deliveries** . Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service (signature required) to the Party to which it is directed at its address or facsimile number shown below or such other address or facsimile number as such Party shall have last given by notice to the other Party.

If to Company, addressed to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany

With a copy, which shall not constitute notice, to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany
Attn:	Legal
Facsimile:	[...***...]

If to BeiGene, addressed to:

Name:	BeiGene, LTD.
Street:	c/o Mourant Ozannes Corporate Services (Cayman) Limited 94 Solaris Avenue, PO Box 1348
City:	Grand Cayman KY1-1108

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Country:	Cayman Islands
	GB
Attn:	Chief Executive Officer

With a copy, which shall not constitute notice, to:

Name:	BeiGene Ltd. c/o BeiGene (Beijing) Co.,Ltd
Street:	No.30 Science Park Road
City:	Zhong-Guan-Cun Life Science Park
	Changping district
City:	Beijing 102206
Country:	P.R.China
Attn:	[...***...]
Facsimile:	[...***...]

With a copy, which shall not constitute notice, to:

Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: [...***...]
Tel: [...***...]
Fax: [...***...]

9.13 **Language** . The official language of this Agreement and between the Parties for all correspondence shall be the English language.

9.14 **Waiver** . A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall apply only to the specific instance and shall not be deemed or construed to be an ongoing or future waiver of such term or condition, or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

9.15 **Severability** . When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

9.16 **No Implied License** . No right or license is granted to BeiGene hereunder by implication, estoppel, or otherwise to any know-how, patent or other intellectual property right owned or controlled by Company or its Affiliates.

9.17 **Interpretation** . The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." All references herein to Articles, Sections, and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time. Unless the context otherwise requires, countries shall include territories.

9.18 **Counterparts** . This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

9.19 **No Third Party Beneficiaries** . Except as set forth in Sections 9.1 and 9.2, no Third Party (including, without limitation, employees of either Party) shall have or acquire any rights under this Agreement under the Contracts (Rights of Third Parties) Act 1999 of England and Wales or otherwise.

9.20 **No Reliance** . Each Party acknowledges that, in entering into this Agreement (and any document referred to in it), it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing herein shall limit a party's liability for fraud or fraudulent misrepresentation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date first above written.

BEIGENE, LTD.

Signature: /s/ John V. Oyler

Printed Name: John V. Oyler

Title: CEO

MERCK KGAA

Signature: /s/ Belen Garijo

Printed Name: Belen Garijo

Title: President & CEO Merck Serono

ppa.

Signature: /s/ Jens Eckhardt

Printed Name: Jens Eckhardt

Title: Regional General Counsel

[Signature Page to License Agreement]

Schedule 1.3

BeiGene Know-How

[...***... (17 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.4

BeiGene Materials

[...***... (19 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.5

BeiGene Patents

[...***...]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 4.5(a)

Initial Press Release

DRAFT ONLY

BEIGENE AND MERCK KGAA
ENTER INTO GLOBAL CO-DEVELOP AND COMMERCIALIZATION AGREEMENT FOR CANCER THERAPY

Beijing: Monday, Month , 2013: BeiGene (Beijing) Co., Ltd. ("BeiGene"), a biotech R&D company in Beijing, and Merck KGaA, Darmstadt, Germany, today announced that they have entered into a global licensing, co-development, and commercialization agreement for BeiGene-283. The compound is a second-generation BRAF inhibitor for the treatment of cancer. BeiGene-283, which is currently in preclinical development, was discovered and developed in the People's Republic of China by BeiGene. It is expected to enter clinical development next year. BRAF inhibitors target a protein (BRAF) that is a downstream component of the MAPK* pathway, which is thought to promote cancer cell growth and is dysregulated in a number of human cancers.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-283 in the People's Republic of China and Merck KGaA will be responsible for the development and commercialization of BGB-283 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to US$ 233 million for the achievement of clinical development and potential commercial milestones in both the People's Republic of China and rest of the world, as well as up to double digit royalties on net sales.

John Oyler, CEO of BeiGene said: "We are very much looking forward to collaborating with Merck around BeiGene-283. Our collaboration will accelerate the global development and commercialization of this novel, China-discovered oncology innovation, something we could not have achieved alone."

"Today's announcement reflects our commitment to forge strategic partnerships in China with companies focusing on innovation." said <<spokesperson>>. "The collaboration with BeiGene brings together two teams with a common interest in finding solutions in the battle against cancer."

*mitogen-activated protein kinase

About MerckKGaA

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 39,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.com or www.merckgroup.com.

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is

a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com

Merck Serono

MERCK

Your Contact

Dr. Raphaela Farrenkopf
Phone +49 6151 72-2274

News Release

Month XX, 2013

Merck Enters into Global Co-Development and Commercialization Agreement with Chinese R&D Company BeiGene on Second-Generation BRAF Inhibitor

- **Collaboration will accelerate the global development of an innovative oncology product discovered in China**

Darmstadt, Germany, Month XX, 2013 – Merck Serono, a division of Merck, Darmstadt, Germany today announced that a global licensing, co-development, and commercialization agreement has been signed with BeiGene Co., Ltd., a biotech research and development company in Beijing, for BeiGene-283. The compound is a second-generation BRAF inhibitor for the treatment of cancer that is currently in preclinical development. It is expected to enter clinical development next year. It was discovered and developed in the People's Republic of China by BeiGene. BRAF inhibitors target a protein (BRAF) that is a downstream component of the MAPK* signaling pathway, which is thought to promote cancer cell growth and is dysregulated in a number of human cancers.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-283 in the People's Republic of China and Merck will be responsible for the development and commercialization of BGB-283 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments for the achievement of clinical development milestones in both the People's Republic of China and rest of the world, commercial milestones, and up to double digit royalties on net sales. This collaboration further underscores Merck

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News Release

goal to provide innovative medicines for patients with cancer in the People's Republic of China and throughout the world.

"Today's announcement reflects our commitment to forge strategic partnerships in China with companies focusing on innovation." said <<spokesperson>>. "The collaboration with BeiGene brings together two teams with a common interest in finding solutions in the battle against cancer."

John Oyler, CEO of BeiGene commented: "We are very much looking forward to collaborating with Merck around BeiGene-283. Our collaboration will accelerate the global development and commercialization of this novel, China-discovered oncology innovation, something we could not have achieved alone."

*mitogen-activated protein kinase

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com

Merck Serono

MERCK

News Release

About Merck Serono

Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

About Merck

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 39,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest and free shareholders own the remaining approximately 30%. In 1917 the U.S. subsidiary Merck & Co. was expropriated and has been an independent company ever since.

For more information, please visit www.merckserono.com or www.merckgroup.com

Exhibit 10.7

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

LICENSE AGREEMENT

DATED AS OF OCTOBER 28, 2013

BY AND BETWEEN

BEIGENE, LTD.

AND

MERCK KGAA

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LICENSE AGREEMENT

This License Agreement (this " **Agreement** ") is dated as of October 28, 2013 (the " **Effective Date** ") by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited 94 Solaris Avenue, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands GB (" **Licensor** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Company** "). Licensor and Company may be referred to herein as a " **Party** " or, collectively, as " **Parties** ."

RECITALS:

WHEREAS , Licensor has developed and controls certain technology and proprietary materials related to its proprietary poly (ADP-ribose) polymerase (" **PARP** ") inhibitor known as BGB-290 (" **BGB-290** ") and is engaged in the research, discovery, development, manufacture and commercialization of biopharmaceutical products;

WHEREAS , Company is engaged in the research, development, manufacturing and commercialization of pharmaceutical products and is interested in developing and manufacturing the Collaboration Compound and Product and commercializing Product;

WHEREAS , Licensor and Company desire to enter into a collaboration for the purpose of developing, manufacturing and commercializing Collaboration Compound and Product (" **Collaboration** "); and

WHEREAS , as part of the Collaboration, Company and Licensor desire to enter into this Agreement setting forth a licensing arrangement whereby Company will have exclusive rights to Develop and Commercialize Collaboration Compound and Product in the Field in the Company Territory, in exchange for upfront, milestone and royalty payments;

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 **"Adverse Event"** means any serious untoward medical occurrence in a patient or subject who is administered Product.

1.2 **"Affiliate** " means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.2, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.3 **"API"** means the active pharmaceutical ingredient known as BGB-290 and/or any other Collaboration Compound Developed and/or Commercialized under this Agreement.

1.4 **"Back-Up Compound"** means any Collaboration Compound that is designated by the JAC for further Development as an alternative to or in addition to BGB-290 pursuant to Section 4.5.

1.5 **"BGB-290 PARP Program"** means Licensor's Development program relating to Collaboration Compounds and/or Product in the Reserved Territory.

1.6 **"BGB-290 Patent Application"** means [...***...].

1.7 **"Business Day"** means a day other than Saturday or Sunday on which banking institutions in Beijing, China; and Darmstadt, Germany are open for business.

1.8 **"Calendar Quarter** " means each three (3) month period commencing January 1, April 1, July 1 or October 1 of any year; provided, however, that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the expiration or termination of this Agreement.

1.9 **"Calendar Year"** means the period beginning on the 1st of January and ending on the 31st of December of the same year; provided, however, that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same year and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this Agreement terminates or expires and end on the date of termination or expiration of this Agreement.

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

1.10 **"Challenge** " means any challenge to the validity or enforceability of any of the Licensor Patents, including without limitation by (a) filing a declaratory judgment action in which any of the Licensor Patents is alleged to be invalid or unenforceable; or (b) filing or commencing any re-examination, interference, derivation proceeding, post-issuance proceeding, opposition, cancellation, nullity or similar proceedings against any of the Licensor Patents in the courts or patent offices in any country.

1.11 **"Change of Control** " means, with respect to Licensor or its parent entity (the "Target"): (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Target's assets; or (b) a merger or consolidation in which, whether or not the Target is the surviving corporation, the shareholders of the Target immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the surviving entity's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Target's stock or the issuance, sale or exchange of stock of the Target) if a single Person or group of Persons who are Affiliates (including, without limitation, Affiliates that are venture capital or investment divisions of such Person) and who are engaged in the research, development, manufacturing and commercialization of pharmaceutical products acquire the Target's stock in such transaction or series of related transactions that possesses a majority of the voting power of all of the Target's outstanding stock and other securities and the power to elect a majority of the members of the Target's board of directors.

1.12 **"Clinical Trial"** means a clinical trial in human subjects that has been approved by a Regulatory Authority and institutional review board or ethics committee, and is designed to measure the safety and/or efficacy of Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and Phase IV Clinical Trials.

1.13 **"Collaboration Compound"** means, collectively, (a) BGB-290, (b) any other compound which is within the claims of the BGB-290 Patent Application, (c) any prodrugs, salts or solvates of the compounds described in clauses (a) and (b), and (d) any dosage form or formulation of the compounds described in clauses (a), (b) and (c).

1.14 **"Combination Product** " means a fixed dose oral (or other form of administration) product containing Product and another product (such other product, which, for the avoidance of doubt, is not itself a Product, an "Additional Product") that has received Commercialization Regulatory Approval for treating an Indication for which the Product has received Commercialization Regulatory Approval.

1.15 **"Commercialization" or "Commercialize"** means any and all activities undertaken before and after Regulatory Approval of a MAA for Product and that relate to the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of Product, and interacting with Regulatory Authorities regarding the foregoing **.**

1.16 **"Commercialization Regulatory Approval"** means, with respect to any Product, the Regulatory Approval required by Laws to sell such Product for use for an Indication in the Field, as well as, to the extent required by Laws for the sale of the Product, Price Approvals and government reimbursement approvals. For purposes of clarity, (a) "Commercialization Regulatory Approval" in the United States means final approval of an NDA or sNDA permitting marketing of the applicable Product in interstate commerce in the United States; (b) "Commercialization Regulatory Approval" in the European Union means marketing authorization for the applicable Product granted either by a Regulatory Authority in any European country or by the EMA, together, if required by Laws, with the first Price Approval for the applicable Product granted by a Regulatory Authority in the United Kingdom, France, Germany, Italy or Spain.

1.17 **"Commercially Reasonable Efforts** " means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Development or Commercialization of Product by a Party, the application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as Product and having profit potential and strategic value comparable to that of Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of Product, and the strength of its proprietary position all based on conditions then prevailing. For clarity, Commercially

Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable objective.

1.18 **"Company Competitor"** means any company that (itself or through an Affiliate) is developing or commercializing a product, including any Competing Product, that is, or could reasonably be expected to be, in competition with any product that Company (itself or through an Affiliate) is developing or commercializes.

1.19 **"Company Know-How"** means all Know-How that is Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.20 **"Company Materials"** means all chemical, biological or physical materials that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound or Product.

1.21 **"Company Patents** " means all Patent Rights that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.22 **"Company Technology"** means the Company Patents, the Company Know-How, Company Materials, and Company's rights in the Program IP.

1.23 **"Company Territory"** means (a) the Ex-PRC Territory and (b) from and after the occurrence of a Territory Expansion Event, the PRC Territory.

1.24 **"Competing Product** " means any pharmaceutical product in any dosage form, formulation, presentation or package configuration which contains a Collaboration Compound.

1.25 **"Confidential Information"** of a Party means non-public information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.26 **"Controlled** " means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or, in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party.

1.27 **"Cover",** Covering" or "Covered" means, with respect to Product, that the making, using, selling, or offering for sale of Product would, but for a license granted in this Agreement under the Licensor Patents, infringe a Valid Claim of the Licensor Patents in the country in which the activity occurs.

1.28 **"Development" or "Develop"** means, with respect to a Collaboration Compound or Product, the performance of all pre-clinical and clinical development (including, without limitation, toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development and/or statistical analysis), Clinical Trials and any other manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product.

1.29 **"Development Plan"** means with respect to each Collaboration Compound and Product, the written plan for the Development activities to be conducted for such Collaboration Compound and Product, as such written plan may be prepared, amended, modified or updated in accordance with Section 4.4.

1.30 **"Development Program** " means the Development activities to be conducted during the Term by each Party with respect to each Collaboration Compound and Product pursuant to the Development Plans.

1.31 **"DMF"** means a Drug Master File submitted to an appropriate Regulatory Authority.

1.32 **"EMA"** means the European Medicines Agency or a successor agency thereto.

1.33 **"European Commission"** means the authority within the European Union that has the legal authority to grant Regulatory Approvals in the European Union based on input received from the EMA or other competent Regulatory Authorities.

1.34 **"European Union"** or **"EU"** means the European Union, as it may be reconstituted from time to time.

1.35 **"Euros"** or **"€"** means the lawful currency of the member states of the European Union that adopt the single currency in accordance with the relevant European Union treaties.

1.36 **"Executive Officers"** means, together, a member of the senior management of the pharmaceutical division of Company and the Chief Executive Officer of Licensor.

1.37 **"Existing Third Party Agreement(s)"** means a license agreement under which rights with respect to any Collaboration Compound or Product are granted to Licensor by a Third Party.

1.38 **"Ex-PRC Phase I Dose Escalation Clinical Trial"** means the Clinical Trial described in Section A of Exhibit 1 attached hereto.

1.39 **"Ex-PRC Phase I Expansion Cohort Clinical Trial"** means any Phase I Clinical Trial in patients with a specified cancer (i) described in Section B of Exhibit 1 attached hereto or (ii) subsequently agreed in writing by the Parties, such agreement not to be unreasonably withheld.

1.40 **"Ex-PRC Territory"** means all the countries of the world, except the PRC Territory.

1.41 **"FDA"** means the United States Food and Drug Administration or a successor federal agency thereto.

1.42 **"Field** " means the diagnosis, treatment, palliation or prevention of all diseases or conditions in humans or animals.

1.43 **"First Commercial Sale** " means, on a country-by-country basis, the first transfer or disposition for value of Product in such country to a Third Party by Company or any of its Affiliates or Sublicensees, in each case, after Commercialization Regulatory Approval has been obtained in the applicable country in the Territory.

1.44 **"Governmental Body"** means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational

organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.45 **"IFRS"** means the International Financial Reporting Standards, the set of accounting standards and interpretations and the framework in force on the Effective Date and adopted by the European Union as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as such accounting standards may be amended from time to time.

1.46 **"Indication"** means a generally acknowledged disease or condition, a significant manifestation of a disease or condition, or symptoms associated with a disease or condition or a risk for a disease or condition for which MAA may be obtained. For purposes of clarity, each separate oncology indication will be defined by a combination of the tissue type in which the cancer has its primary origin and the gene or set of genes in which mutations are present.

1.47 **"Initial Phase I Clinical Trials"** means the PRC Phase I Dose Escalation Clinical Trial, the Ex-PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Expansion Cohort Clinical Trial.

1.48 **"IND"** means an investigational new drug application submitted to applicable Regulatory Authorities for approval to commence Clinical Trials in a given jurisdiction.

1.49 **"Know How"** means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including manufacturing processes, specifications and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a patent or patent application; and (b) compositions of matter, cells, cell lines, assays, animal models and physical,

biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples, and proprietary equipment, procedures or methodologies relating to the manufacturing of Collaboration Compound or Product. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights including copyright, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.50 **"Knowledge"** means, with respect to a matter that is the subject of a given warranty of Licensor, the actual knowledge, information or belief of any officer of Licensor after making reasonable inquiry into the relevant subject matter of senior employees of Licensor. "Knowingly" means with Knowledge.

1.51 **"Law" or "Laws"** means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.52 **"Licensor Bankruptcy Event"** means: (a) voluntary or involuntary proceedings by or against Licensor are instituted in bankruptcy under any insolvency Law, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; (b) a receiver or custodian is appointed for Licensor; (c) proceedings are instituted by or against Licensor for corporate reorganization, dissolution, liquidation or winding-up of Licensor, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; or (d) substantially all of the assets of Licensor are seized or attached and not released within sixty (60) days thereafter.

1.53 **"Licensor Know How"** means all Know-How that is Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product. The Licensor Know-How shall include all Know-How set forth on Schedule 1.53.

1.54 **"Licensor Materials"** means all chemical, biological or physical materials other than Collaboration Compounds that are Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound

or Product. The Licensor Materials set forth on Schedule 1.54 constitute all Licensor Materials as of the Effective Date.

1.55 **"Licensor Patents"** means all Patent Rights that are Controlled by Licensor or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compounds or Products. Listed on Schedule 1.55 are all Licensor Patents existing as of the Effective Date; provided, that Licensor shall update Schedule 1.55 from time-to-time to include any new Patent Rights that come to be Controlled by Licensor or any of its Affiliates at any time during the Term on or following the Effective Date that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compounds or Products.

1.56 **"Licensor Technology"** means the Licensor Patents, the Licensor Know-How, Licensor Materials, Product IP, and Licensor's rights in the Program IP.

1.57 **"MAA"** means an NDA and any equivalent application for marketing approval submitted in any country in the Territory, including a European Marketing Authorization Application, and including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.58 **"Manufacture" "** or **"Manufacturing"** or **"Manufactured"** means all operations involved in the manufacture, receipt, incoming inspection, storage and handling of raw materials, and the manufacture, processing, purification, packaging, labeling, warehousing, quality control testing (including in-process release and stability testing), shipping and release of Collaboration Compound and/or Product.

1.59 **"Manufacturing Costs"** means with respect to any Collaboration Compound or Product Manufactured by or on behalf of a Party, such Party's costs of Manufacturing such Collaboration Compound or Product, which shall be the sum of the following components: (a) direct costs, including manufacturing labor and materials directly used in Manufacturing such Collaboration Compound or Product by such Party or its Affiliates and allocated supervisory costs of the manufacturing department; (b) direct labor and allocated supervisory costs of non-manufacturing departments (such as quality and regulatory) attributable to such Collaboration Compound or Product; (c) an allocation of depreciation of facilities, machinery and equipment used in Manufacture of such Collaboration Compound or Product; (d) toll process and other charges incurred by such Party or its Affiliates for outsourcing the Manufacture of such Collaboration

Compound or Product and the cost of supervising and managing the Third Party manufacturers, and of receipt, incoming inspections, storage, packaging, handling quality control testing and release of the outsourced items, (e) allocated general and administrative costs, including, without limitation, purchasing, human resources, payroll, legal, maintenance, information system and accounting, attributable to such Collaboration Compound or Product, and (f) any other reasonable and customary Out-of-Pocket Expenses borne by such Party or its Affiliates for the testing, transport, customs clearance, duty, insurance and/or storage of such Collaboration Compound or Product. For purposes of clarity, all allocations under this Section 1.59 shall be based on space occupied or head-count or other activity-based method.

1.60 **"Manufacturing Development"** means, with respect to a Collaboration Compound and/or Product, all activities related to the optimization of a commercial-grade Manufacturing process for the Manufacture of such Collaboration Compound and/or Product including, without limitation, test method development and stability testing, formulation, validation, productivity, trouble shooting and next generation formulation, process development, Manufacturing scale-up, development-stage Manufacturing, and quality assurance/quality control development .

1.61 **"NDA"** means a New Drug Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR.§ 314.3 et seq, or a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601.

1.62 **"Net Sales"** means [...***...].

1.63 **"Option Date"** means (i) if Licensor does not conduct any Ex-PRC Phase I Expansion Cohort Clinical Trial, sixty (60) days after Licensor delivers to Company the last of the final reports of the results of (a) PRC Phase I Expansion Cohort Clinical Trial, (b) the PRC Phase I Dose Escalation Clinical Trial, and (c) the Ex-PRC Phase I Dose Escalation Clinical Trial, or (ii) if Licensor conducts any Ex-PRC Phase I Expansion Cohort Clinical Trial, sixty (60) days after Licensor delivers to Company the last of the final reports of the results of (a) any Ex-PRC Phase I Expansion Cohort Clinical Trial conducted by Licensor, (b) the PRC Phase I Expansion Cohort Clinical Trial, (c) the PRC Phase I Dose Escalation Clinical Trial, and (d) the Ex-PRC Phase I Dose Escalation Clinical Trial.

1.64 **"Other Agreement"** means the agreement between the Parties of even date herewith with respect to Development and Commercialization of Collaboration Compounds and Products in the PRC Territory.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

1.65 **"Out-of-Pocket Expenses** " means expenses actually paid by a Party or its Affiliate to any Third Party; provided, that "Out-of-Pocket Expenses" shall not include expenses paid to any consultants (or service providers of like kind), except for travel expenses associated with a consultant (or service provider of like kind).

1.66 **"PARP Inhibitor"** means a Collaboration Compound whose primary activity is the inhibition of PARP1, PARP2 or PARP3 (collectively, the "PARP Family Enzymes").

1.67 **"Patent Rights"** means all rights in, to and under: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.68 **"Person** " means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

1.69 **"Phase I Clinical Trial"** means a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(a). For the avoidance of doubt, Phase I Clinical Trials include the Initial Phase I Clinical Trials.

1.70 **"Phase II Clinical Trial"** means, as to a particular Product for any Indication, a Clinical Trial conducted in any country that would satisfy the requirements of 21 CFR 312.21(b).

1.71 **"Phase III Clinical Trial"** means, as to a particular Product for any Indication, a Clinical Trial in any country that would satisfy the requirements of 21 CFR 312.21(c).

1.72 **"Phase IV Clinical Trial"** means a post-registrational Clinical Trial conducted in any country or countries and required as a condition to, or for the maintenance of, any Regulatory Approval for a Product in the Territory.

1.73 **"PRC Commercialization Option"** has the meaning assigned to it in the Other Agreement.

1.74 **"PRC Phase I Dose Escalation Clinical Trial"** means the Clinical Trial described in Section C of Exhibit 1 attached hereto.

1.75 **"PRC Phase I Expansion Cohort Clinical Trial"** means any phase I Clinical Trial in patients with a specified cancer (i) described in Section D of Exhibit 1 attached hereto, or (ii) subsequently agreed by the Parties, such agreement not to be unreasonably withheld.

1.76 **"PRC ROFN"** has the meaning assigned to it in the Other Agreement.

1.77 **"PRC Territory** " means The People's Republic of China, excluding Hong Kong, Macau and Taiwan.

1.78 **"Price Approvals"** means, in those countries where Regulatory Authorities may approve or determine pricing and/or pricing reimbursement for pharmaceutical products, such pricing and/or pricing reimbursement approval or determination.

1.79 **"Product"** means any pharmaceutical product, in any dosage form, formulation, presentation or package configuration that is commercialized or undergoing research or pre-clinical or clinical Development that contains or comprises, in part or in whole, a Collaboration Compound. For clarity, different formulations or dosage strengths of a given Product shall be considered the same Product for purposes of this Agreement.

1.80 **"Product IP** " means any Patent Rights that Cover, or Know-How that is reasonably useful in connection with, the composition of matter and/or use of a Collaboration Compound and/or Product.

1.81 **"Program IP"** means Joint Patents and Joint Know-How, collectively.

1.82 **"Regulatory Authority"** means: (a) in the US, the FDA; (b) in the EU, the EMA or the European Commission; or (c) in any other jurisdiction anywhere in the world, any regulatory body with similar regulatory authority over pharmaceutical or biotechnology products.

1.83 **"Regulatory Approval"** means any and all approvals, licenses, registrations, or authorizations of the relevant Regulatory Authority, including Price Approvals, necessary for the Development, Manufacture, use, storage, import, transport or Commercialization of Product in a particular country or jurisdiction.

1.84 **"Regulatory Filings"** means, collectively: (a) all INDs, NDAs, establishment license applications, DMFs, applications for designation as an "Orphan Product(s)" under the Orphan Drug Act, for "Fast Track" status under Section 506 of the FDCA (21 U.S.C. § 356) or for a

Special Protocol Assessment under Section 505(b)(4)(B) and (C) of the FDCA (21 U.S.C. § 355(b)(4)(B)) and all other similar filings (including, without limitation, counterparts of any of the foregoing in any country or region in the Territory); (b) all supplements and amendments to any of the foregoing; and (c) all data and other information contained in, and correspondence relating to, any of the foregoing.

1.85 **"Representatives"** means employees, consultants, contractors, advisors and agents of a Party or its Affiliates.

1.86 **"Reserved Territory"** means, prior to the occurrence of a Territory Expansion Event or execution by the Parties of an agreement pursuant to the PRC ROFN, the PRC Territory. For clarity, the Reserved Territory will cease to exist after the occurrence of a Territory Expansion Event or execution by the Parties of an agreement pursuant to the PRC ROFN.

1.87 **"Royalty Term"** means, on a Product-by-Product and country-by-country basis, the period beginning on the date of the First Commercial Sale of a Product in a country and ending on the latest to occur of (a) the last date on which the Manufacture, use, import, offer for sale or sale of such Product is Covered by a Valid Claim within the Licensor Patents (other than a Valid Claim of Licensor Patents that are Product IP that was invented solely by Company) in such country or the country in which the Product was Manufactured, which, but for the license granted by Licensor, would be infringed or (b) [...***...] from the date of First Commercial Sale of such Product in such country.

1.88 **"Senior Executive"** means a member of senior management of a Party who is designated by such Party to resolve disputes under this Agreement.

1.89 **"sNDA"** means a supplemental New Drug Application submitted pursuant to the requirements of the FDA in the United States or requirements of the equivalent Regulatory Authority in another jurisdiction.

1.90 **"Sublicensee** " means a Person other than an Affiliate of a Party to which either Party (or its Affiliate) has, pursuant to Section 2.3, granted sublicense rights under any of the license rights granted under Section 2.1 and Section 2.2; provided, that "Sublicensee" shall exclude distributors.

1.91 **"Tax"** or **"Taxes"** means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security,

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unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.92 **"Territory"** means, as the context requires, the Company Territory and/or Reserved Territory.

1.93 **"Territory Expansion Event** " means (a) Company's exercise of the PRC Commercialization Option or (b) if elected by the Parties under an agreement pursuant to the PRC ROFN, the execution of such agreement.

1.94 **"Third Party"** means any Person other than Licensor, Company or any of their respective Affiliates.

1.95 **"Third Party Action"** means any claim, suit, action or proceeding made by a Third Party against either Party that claims that the Collaboration Compound or Product, or its use or Development, Manufacture or sale, infringes or misappropriates such Third Party's intellectual property rights.

1.96 **"Third Party License Agreement"** means any agreement entered into by a Party or its Affiliate with a Third Party, or any amendment or supplement thereto, in each case following the Effective Date, whereby royalties, fees or other payments are to be made by a Party or its Affiliate to such Third Party in connection with the grant of rights under intellectual property rights Controlled by such Third Party, which rights are necessary or useful for the Development, Manufacture, use or Commercialization of the Collaboration Compound or Product.

1.97 **"United States"** or **"US"** means the United States of America, its territories and possessions.

1.98 **"USD"** or " **$** " means the lawful currency of the United States.

1.99 **"Valid Claim"** means a claim of (a) any issued and unexpired patent which claim has not lapsed or been revoked, abandoned or held unenforceable or invalid by a final decision of a court or governmental or supra-governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, reexamination or disclaimer or otherwise or (b) any patent application which claim was filed in good faith and which has not been cancelled, withdrawn, abandoned, or disallowed without the possibility of appeal or re-filing of the application and that has not been pending for more than [...***...] from the first substantive office action on such patent application. If the patent application has been re-filed or is a

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divisional application, the [...***...] period mentioned above shall be calculated from the first application filed in the series of applications.

1.100 **Other Terms.** The definition of each of the following terms is set forth in the section of the Agreement indicated below:

Defined Term	Section
" **Action** "	7.5(b)
" **Additional Product** "	1.14
" **Agreement** "	Preamble
" **Alliance Manager** "	3.7(a)
" **BGB-290** "	Recitals
" **Chairperson** "	3.1
" **Co-Chairperson** "	3.1
" **CM&C Know-How"**	2.6
" **Collaboration** "	Recitals
" **Company** "	Preamble
" **Company Indemnitees** "	10.2
" **Company Manufacturing Know-How** "	11.5(b)(ii)(7)(xii)
" **Continuation Date** "	4.1(b)
" **Controlling Party** "	7.6(c)
" **Development Support** "	4.3(a)
" **Distributor** "	4.6(c)
" **Effective Date** "	Preamble
" **Filing Party** "	7.4(f)
" **ICC Rules** "	12.3
" **Knowingly** "	1.50
" **JAC** "	3.1
" **Joint Know-How** "	7.4(a)
" **Joint Patents** "	7.4(a)
" **Licensor** "	Preamble
" **Licensor Indemnitees** "	10.1
" **Manufacturing Technology Transfer** "	2.6

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Defined Term	Section
" **Non-Escalable Dispute** "	12.1
" **Non-Filing Party** "	7.4(f)
" **PARP** "	Recitals
" **PARP Family Enzymes** "	1.66
" **Party** " and " **Parties** "	Preamble
" **Patent Coordinator** "	7.4(b)
" **Phase II Clinical Trial Manufacturing** "	4.7(b)
" **Product Commercialization Plan** "	4.6(a)
" **Regulatory Support** "	5.3
" **Right of First Refusal** "	11.6(b)
" **Right of First Refusal Notice Period** "	11.6(b)(ii)
" **Target** "	1.11
" **Term** "	11.1
" **Transition Request Period** "	11.5(b)(ii)(7)
" **Value Added Tax** "	6.12(b)

ARTICLE 2
L ICENSES AND OTHER RIGHTS

2.1 **Grant of License to Company.**

(a) Development License . Subject to the terms and conditions of this Agreement, Licensor hereby grants to Company an exclusive (even as to Licensor, except as set forth in Section 2.9), right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Licensor Technology for the sole purpose of Development of Collaboration Compounds and Products that are PARP Inhibitors in the Field in the Company Territory, including without limitation, the Manufacture of Collaboration Compounds and Product that are PARP Inhibitors for use in Development in the Field in the Company Territory. For clarity, no license is granted under Licensor Technology to Develop any Additional Product component of any Combination Product.

(b) Commercialization License . Effective as of the Continuation Date and subject to the terms of this Agreement, Licensor hereby grants to Company an exclusive (even as to Licensor), royalty-bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Licensor Technology for the sole purpose of (i) Commercializing Products that are PARP Inhibitors in the Field in the Company Territory and (ii) Manufacture of Collaboration Compounds and Products that are PARP Inhibitors for use in Commercialization in the Field in the Company Territory. For clarity, no license is granted under Licensor Technology to Commercialize or Manufacture any Additional Product component of any Combination Product.

2.2 **Grant of License to Licensor.**

(a) Development License . Subject to the terms and conditions of this Agreement and the Other Agreement, Company hereby grants to Licensor an exclusive (even as to Company), right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Company Technology for the sole purpose of Development of Collaboration Compounds and Products that are PARP Inhibitors in the Field in the Reserved Territory and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and any Ex-PRC Phase I Expansion Cohort Clinical Trial, including without limitation, the Manufacture of Collaboration Compounds and Product that are PARP Inhibitors for use in Development in the Reserved Territory and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and any Ex-PRC Phase I Expansion Cohort Clinical Trial; provided, however, such license shall immediately terminate upon the occurrence of a Territory Expansion Event. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product.

(b) Commercialization License . Subject to the other terms of this Agreement and the Other Agreement, Company hereby grants to Licensor an exclusive (even as to Company), royalty-bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.3) under the Company Technology for the sole purposes of (i) Commercializing Products that are PARP Inhibitors in the Field in the Reserved Territory and (ii) Manufacture of Collaboration Compounds and Product that are PARP Inhibitors for use in Commercialization in the Field in the Reserved Territory; provided, however, such license shall immediately terminate upon the occurrence of a Territory Expansion Event. For clarity, no license is granted under

Company Technology to Commercialize or Manufacture any Additional Product component of any Combination Product.

2.3 **Right to Sublicense.**

(a) Sublicenses . Either Party shall have the right to grant sublicenses to Sublicensees under the Development and Commercialization licenses granted to it under Section 2.1 and 2.2 respectively, with respect to Products for sale in the Field in the Company Territory for Company, and, subject to the terms of the Other Agreement, in the Field in the Reserved Territory for Licensor, provided that (i) it shall be a condition of any such sublicense that each Sublicensee agrees to be bound by the terms of this Agreement applicable to the Commercialization of Products in the Field in the applicable country or countries within the Territory (including, without limitation, ARTICLE 8); (ii) the Party that is the sublicensor shall provide written notice to the other Party of any such proposed sublicense at least [...***...] prior to such extension and provide copies to such Party of each such sublicense within [...***...] of its execution (provided that such copies may be appropriately redacted to protect confidential information of the Sublicensee); (iii) if a Party grants a sublicense to a Sublicensee, the Party that is the sublicensor shall be deemed to have guaranteed that such Sublicensee will fulfill all of such Party's obligations under this Agreement applicable to the subject matter of such sublicense; (iv) the Party that is the sublicensor shall not be relieved of its obligations pursuant to this Agreement as a result of such sublicense.

(b) No Other Rights . Company shall have no rights to use or otherwise exploit Licensor Technology, and Licensor shall have no rights to use or otherwise exploit Company Technology, except, in each case, as expressly set forth herein or with respect to Licensor in the Other Agreement.

2.4 **Regulatory Technology Transfer** . Effective after the Continuation Date, upon Company's written request, Licensor shall (to the extent permitted by Law or otherwise), at Licensor's cost and expense, assign to Company all applications and filings made by or on behalf of Licensor with any Regulatory Authority in the Company Territory with respect to the Collaboration Compound or Product, including any IND, MAA or orphan drug designations or any other application for regulatory consultations or consideration, including sponsorship thereof in the Company Territory.

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2.5 **Procedures for Regulatory Technology Transfer** . The transfer of regulatory documentation set forth in Section 2.4 shall occur in an orderly fashion and in a manner such that the value, usefulness and confidentiality of the transferred Licensor regulatory documentation are preserved in all material respects. During the Term, Licensor shall provide to Company full and prompt disclosure, but in no event less frequently than [...***...], of any additional regulatory documentation filed by Licensor or any of its Affiliates after the Effective Date and that is necessary or useful to Company to conduct its activities or exercise its rights as contemplated hereunder.

2.6 **Manufacturing Technology Transfer** . Within [...***...] following Company's written request, Licensor will transfer (" **Manufacturing Technology Transfer** ") to Company, at Licensor's cost and expense, written or electronic copies of all Licensor Know-How and reasonable quantities of Licensor Materials, including such Know-How that relates to the Development and Manufacture of the Collaboration Compound and Product, including related documentation and all such information as is reasonably anticipated to become a part of the Chemistry, Manufacturing and Controls section of a regulatory submission document included in an MAA (collectively, " **CM&C Know-How** ") or otherwise related to the formulation of the Collaboration Compound and Product (including all information necessary or useful for operation of the transferred process and all biochemical and biophysical analytical assays, in vitro assays and in vivo assays (including all proprietary materials necessary or useful for performing such assays), pharmacokinetic analytics, pharmacodynamics markers, bioanalytical methods for anti-drug antibodies (neutralizing antibodies and binding antibodies), including standard operating procedures, and data received thereon).

2.7 **Procedures for Manufacturing Technology Transfer** . The technology transfer set forth in Section 2.6 shall occur in an orderly fashion and in a manner such that the usefulness and confidentiality of the transferred Licensor Know-How, Licensor Materials and regulatory documentation are preserved in all material respects. During the Term, Licensor shall provide to Company full and prompt disclosure, but in no event less frequently than [...***...], of any Licensor Technology (including CM&C Know-How) that becomes Controlled by Licensor or any of its Affiliates after the Effective Date and that is necessary or useful to Company to conduct its activities or exercise its rights as contemplated hereunder and shall, in the case of Licensor Know-How (including CM&C Know-How) or Licensor Materials, promptly following such disclosure, transfer to Company written or electronic copies of such Licensor Know-How (including CM&C Know-How) and reasonable quantities of such Licensor Materials.

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2.8 **Exclusivity .** Licensor and its Affiliates shall not, during the Term, develop, manufacture, have manufactured, use, sell, offer for sale, promote, import, export or distribute a Competing Product nor enter into any relationship with any Third Party with respect thereto. The aforementioned restriction shall remain in effect in the event of Change of Control of Licensor and shall apply to the successor or assignee of Licensor.

2.9 **Phase I Clinical Trials in Ex-PRC Territory.** Notwithstanding Section 2.1, but subject to Section 4.1, Company hereby authorizes Licensor to conduct (i) at Licensor's cost, the Ex-PRC Phase I Dose Escalation Clinical Trial which Phase I Clinical Trial shall be performed by Licensor under Licensor's full responsibility, and (ii) at Licensor's cost, the Ex-PRC Phase I Expansion Cohort Clinical Trial. Any Licensor Technology created in such Phase I Clinical Trials conducted in the Ex-PRC Territory shall be included in the license grant set forth in Section 2.1.

ARTICLE 3
GOVERNANCE

3.1 **Formation and Composition of Joint Advisory Committee** . As soon as reasonably practicable after the Effective Date, but in no event later than thirty (30) days following the Effective Date, a joint advisory committee (" **JAC** ") shall be established, composed of three (3) representatives from each Party who shall be shall be senior level personnel who will have the appropriate technical credentials, experience and knowledge in business, pharmaceutical drug discovery, development and/or commercialization, and will have ongoing familiarity with the Development Program, with such representatives for Licensor being, as of the Effective Date, [...***...], and such representatives for Company, being, as of the Effective Date, [...***...]. The Parties shall notify one another in writing of any change in their respective members of the JAC. An alternate member designated by a Party may serve temporarily in the absence of a permanent member of the JAC for such Party. Company will designate one member of the JAC as the " **Chairperson** " and Licensor will designate one member of the JAC as the " **Co-Chairperson"** . The Chairperson shall be responsible for (a) calling meetings, (b) preparing and issuing minutes of each such meeting within a reasonable time thereafter (but in any event not to exceed thirty (30) days following such meeting), and (c) preparing and circulating an agenda for any upcoming meeting. Each member of the JAC, and each substitute, shall be subject to the confidentiality obligations contained in ARTICLE 8.

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3.2 **Function.** The JAC shall be responsible for advising on a research and Development strategy and Manufacturing for Product with respect to the Company in the Company Territory and Licensor in the Reserved Territory. The Parties shall act reasonably and in good faith with respect of the timing of such Development to avoid adverse impact on Development, Manufacture and Commercialization of Product by Company in the Company Territory and Licensor in the Reserved Territory. The JAC shall have no power to amend this Agreement and shall have only such powers as are specifically delegated to it hereunder.

3.3 **Meetings** . Subject to the provisions of the next sentence and Section 3.6, the JAC shall hold meetings at least once each Calendar Quarter (unless otherwise unanimously agreed by the JAC) at such times and places as shall be determined by the JAC (including by videoconference, telephone, or web conference) to the extent necessary to fulfill the functions described in Section 3.2 and below; provided that in no event shall such meetings be held in person less frequently than once every six (6) months (unless otherwise unanimously agreed by the JAC). At least two (2) members of the JAC from each Party will constitute a quorum for any meeting. The Chairperson will be responsible for organizing the meetings of the JAC, but will have no additional powers or rights beyond those held by the other representatives to the JAC. The Chairperson will include on the agenda any item within the scope of the responsibility of the JAC that is requested to be included by a Party, and will distribute the agenda to the Parties no less than five (5) days before any meeting of the JAC. A Party may invite other senior personnel of their organization to attend meetings of the JAC, as appropriate; provided, however, that such other senior personnel shall not have any duties of a JAC member or be taken into account for purposes of achieving a quorum. The JAC may act without a meeting if, prior to such action, a written consent thereto is given by both the Chairperson and the Co-Chairperson. Each Party shall be responsible for its travel costs incurred for attending JAC meetings.

3.4 **JAC Responsibilities** . Company shall have the ultimate right to determine the strategy with respect to Development of Collaboration Compound and Product and Commercialization of Product in the Company Territory (including Manufacturing for the foregoing purposes) and Licensor shall have the ultimate right to determine the strategy with respect to the Development and Commercialization of Collaboration Compound and Product in the Reserved Territory and in and the conduct of the Ex-PRC Phase I Dose Escalation Clinical Trial and Ex-PRC Phase I Expansion Cohort Clinical Trials as set forth in Section 4.1(a) (including Manufacturing for the foregoing purposes). The JAC shall be responsible for general oversight of the conduct and

progress of the Collaboration. Without limiting the generality of the foregoing, the JAC shall have the following responsibilities:

3.4.1 reviewing Development Plans and Product Commercialization Plans;

3.4.2 reviewing data, reports or other information submitted to it by the Parties from time to time; and

3.4.3 appointing committees with specific responsibilities in connection with the foregoing activities;

provided, however, that in no event shall the JAC have any authority to (x) resolve any disputes involving the breach or alleged breach of this Agreement, or (y) otherwise amend or modify this Agreement, or the Parties' respective rights and obligations hereunder.

3.5 **Minutes of Committee Meetings** . Minutes will be kept of all JAC meetings by the Chairperson and sent to all members of the JAC for review and approval within fourteen (14) days after each meeting. Minutes will be deemed approved unless any member of the JAC objects to the accuracy of such minutes by providing written notice to the other members of the JAC within seven (7) days after receipt of the minutes. In the event of any such objection that is not resolved by mutual agreement of the Parties, such minutes will be amended to reflect such unresolved dispute.

3.6 **Urgent Matters** . Notwithstanding anything in Section 3.3 expressed or implied to the contrary, in the event that an urgent issue or matter arises that requires prompt action by the JAC, the JAC shall arrange for a teleconference (or otherwise meet) for the purpose of resolving such issue or matter. Such JAC teleconference or meeting shall take place as promptly as possible, with the immediacy of such issue or matter requiring JAC action determining the time, place and manner of such teleconference or meeting.

3.7 **Alliance Managers.**

(a) Appointment **.** Each Party shall have the right to appoint a person who shall oversee interactions between the Parties for all matters related to the Development and Commercialization of Products between JAC meetings (each, an " **Alliance Manager** "). The Alliance Managers shall have the right to attend all JAC meetings as non-voting participants and may bring to the attention of the JAC any matters or issues either of them reasonably believes should be discussed and shall have such other responsibilities as the Parties may mutually agree in writing. Each

Party may replace its Alliance Manager at any time or may designate different Alliance Managers with respect to Development and Commercialization, respectively, by notice in writing to the other Party.

(b) Responsibilities . The Alliance Managers, if appointed, shall have the responsibility of creating and maintaining a constructive work environment within the JAC and JAC-appointed committees and between the Parties for all matters related to Development and Commercialization. Without limiting the generality of the foregoing, each Alliance Manager shall:

i. identify and bring to the attention of the JAC, as applicable, any disputes arising between the Parties related to Development and Commercialization in a timely manner, including, without limitation, any asserted occurrence of a material breach by a Party, and function as the point of first referral in the resolution of each dispute;

ii. provide a single point of communication for seeking consensus within the Parties' respective organizations and between the Parties with respect to Development and Commercialization;

iii. plan and coordinate cooperative efforts, internal communications and external communications between the Parties with respect to Development and Commercialization;

iv. take such steps as may be required to ensure that JAC meetings occur as set forth in this Agreement, that procedures are followed with respect to such meetings (including, without limitation, the giving of proper notice and the preparation and approval of minutes) and that relevant action items resulting from such meetings are appropriately carried out or otherwise addressed.

ARTICLE 4
DEVELOPMENT, MANUFACTURE AND COMMERCIALIZATION OF PRODUCT

4.1 **Phase I Development by Licensor.**

(a) Phase I Clinical Trials . Licensor shall have the exclusive right, and sole responsibility and decision-making authority, to Develop the Collaboration Compound and Product in the Reserved Territory and in the Company Territory by conducting (either itself or through its

Affiliates, agents, subcontractors and/or Sublicensees) the PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Dose Escalation Clinical Trial, at its own cost and expense. With regard to the Ex-PRC Phase I Expansion Cohort Clinical Trial, the Parties shall, through the JAC, use good faith efforts to agree its final study design. Whether or not such agreement has been reached, Company, within [...***...] after consideration in the JAC of the final study design of the Ex-PRC Phase I Expansion Cohort Clinical Trial, shall notify Licensor in writing if it will conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) one or more Ex-PRC Phase I Expansion Cohort Clinical Trials at its own cost and expense. Unless Company gives such written notice (or if Company gives such written notice but the notice indicates that Company will not conduct all of the Ex-PRC Phase I Expansion Cohort Clinical Trials), Licensor shall have the right to determine, in its sole discretion, to conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) one or more Ex-PRC Phase I Expansion Cohort Clinical Trials at its own cost and expense; and, if Licensor makes such determination, Licensor shall have the exclusive right and sole responsibility and decision-making authority with respect to such the Ex-PRC Phase I Expansion Cohort Clinical Trial(s). Notwithstanding Licensor's responsibilities and decision-making rights set forth with regard to the PRC Phase I Dose Escalation Clinical Trial, the PRC Phase I Expansion Cohort Clinical Trial, and the Ex-PRC Phase I Dose Escalation Clinical Trial, Licensor agrees to consult and review with Company, through the JAC, the design of such planned Phase I Clinical Trials, and allow Company to review and comment on the respective draft protocols.

(b) Company Option to Continue or Terminate the Agreement . On or before the Option Date, Company shall notify Licensor in writing of the Company's intent to either continue or terminate the Agreement. If the Option Date is as defined under subsection (i) of Section 1.63 and Company notifies Licensor in writing of its intent to continue the Agreement, the Agreement shall continue on the terms and conditions set forth herein. If the Option Date is as defined under subsection (ii) of Section 1.63 and Company notifies Licensor in writing of its intent to continue the Agreement, Company shall pay Licensor [...***...] ([...***...]) of Licensor's fully burdened costs of conducting any Ex-PRC Phase I Expansion Cohort Clinical Trial and the Agreement shall continue on the terms and conditions set forth herein. The date of Licensor's receipt of written notice from Company of its intent to continue the Agreement shall be referred to as the " **Continuation Date** ." In the event that Company does not notify Licensor in writing on or before

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the Option Date of its intent to continue the Agreement, the Agreement shall terminate and Section 11.5(b) shall apply.

4.2 **Development of Product by Company** . Starting on the Continuation Date, except as set forth in Section 2.9 and Section 4.1 above, Company shall have the exclusive right, and sole responsibility and decision-making authority, to research and Develop the Collaboration Compound and Product in the Company Territory and to conduct (either itself or through its Affiliates, agents, subcontractors and/or Sublicensees) all Clinical Trials and non-clinical studies necessary to obtain Regulatory Approval for Product in the Field in the Company Territory in accordance with the Development Plan, and to Manufacture Collaboration Compound and Product for Development and Commercialization in the Company Territory. Licensor shall retain all other rights not described in Section 4.1 above to research, Develop and Commercialize Product in the Reserved Territory, at its own cost and expense, and to Manufacture Collaboration Compound and Product for Development and Commercialization in the Territory. Notwithstanding the foregoing, each Party shall disclose to the other Party all non-clinical and clinical data relating to Collaboration Compound and Product generated by either Party in the Company Territory and Licensor in the Reserved Territory. Each Party hereby grants the other Party the right to use such data for Development and Commercialization of the Collaboration Compound and Product and to obtain Regulatory Approval by Company in the Company Territory and Licensor in the Reserved Territory, and to Manufacture Collaboration Compound and Product for Development and Commercialization by Company in the Company Territory and by Licensor in the Reserved Territory.

4.3 **Development Support.**

(a) Each Party shall make its Representatives that are knowledgeable regarding the Licensor Technology, the Company Technology, the Collaboration Compound or Product (including the properties and functions thereof), available to the other Party for scientific and technical explanations, advice and on-site support that may reasonably be required by the other Party relating to the Development of the Collaboration Compound and Product (the " **Development Support** "). The Development Support shall be provided by each Party to the other Party free-of-charge during the Term, but the Party receiving Development Support shall reimburse the Party providing Development Support for all Out-of-Pocket Expenses incurred by such Party in providing the Development Support.

(b) In the event Company wishes Licensor to recruit patients and participate in a Clinical Trial in the Reserved Territory as part of a Company sponsored Clinical Trial, Company may so notify Licensor in writing and the Parties will negotiate in good faith with respect to Licensor's recruitment of patients and participation in such Clinical Trial and the compensation to Licensor for such activities.

4.4 **Preparation of Development Plans.** During the Term, each Party will prepare an initial Development Plan, and subsequent revisions to it, each of which shall be prepared by Company for the Company Territory and Licensor for the Reserved Territory and submitted to the JAC for review at least twenty (20) days before the meeting of the JAC at which it will be considered. Each Development Plan shall: (a) set forth the Development objectives, including Clinical Trials to be conducted and the other Development activities to be conducted, and the timelines applicable to such activities for the period covered by such Development Plan, and (b) be consistent with the other terms of this Agreement. Each amendment, modification and/or update to a Party's Development Plan shall be set forth in a written document prepared by such Party, and submitted for review to the JAC.

4.5 **Identification of Back-Up Compounds** . If the Parties determine to seek to identify a Back-up Compound for Development under this Agreement, then upon agreement by the Parties on a research plan, including the allocation of research responsibilities, a budget, and responsibility for all costs of performing such research plan, one or both Parties will use Commercially Reasonable Efforts to identify one (1) or more Collaboration Compounds as potential Back-Up Compound(s). The rights and obligations of the Parties relating to each Back-Up Compound shall be identical to those applicable to BGB-290, except as otherwise expressly provided herein. Either Party shall notify the other Party in writing in the event it wishes to replace BGB-290 with a specified Collaboration Compound identified hereunder as a Back-Up Compound or to Develop such Collaboration Compound as a Back-Up Compound in addition to BGB-290. The Parties shall promptly review the available data and other information and determine whether to so designate the proposed Collaboration Compound as a Back-Up Compound. Subsequent to such designation, as applicable, any reference to the Product shall be deemed to include or to be made to a Product that contains, incorporates, comprises or is derived from a Back-Up Compound.

4.6 **Commercialization.**

(a) Company Product Commercialization Plans . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, then Company will make a reasonable effort to prepare and provide to the JAC for its review a Product Commercialization Plan for each Product [...***...] prior to the date Company anticipates filing a MAA in the Company Territory. Failure to provide such Product Commercialization Plan prior to filing a MAA shall not be a breach of this Agreement, but in any event within [...***...] after filing a MAA in any country or region in the Company Territory with respect to each Product, Company shall provide such a Commercialization Plan for such country or region (each a " **Product Commercialization Plan** ") to the JAC. The Product Commercialization Plan(s) shall be updated and reviewed at least annually.

(b) Licensor Product Commercialization Plans . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, within [...***...] of filing a MAA in the Reserved Territory with respect to each Product, Licensor shall prepare and provide to the JAC for its review a Product Commercialization Plan for each such Product. The Licensor Product Commercialization Plan shall be updated and reviewed at least annually.

(c) Company Responsibility for Commercialization of Products . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, (i) Company shall have the sole right and responsibility, at its sole expense, for all aspects of the Commercialization of Products in accordance with the applicable Product Commercialization Plan, in the Field and in the Company Territory and (ii) shall have the sole right and responsibility, at its sole expense, for order fulfillment and distribution of Product and for booking all sales of Product in the Company Territory, including, without limitation, the conduct of: (A) all activities relating to the Manufacture and supply of Products for Commercialization in the Company Territory; and (B) all marketing, promotion, sales, distribution, import and export activities (including securing reimbursement, conducting sales and marketing activities and any post-marketing trials or post-marketing safety surveillance and maintaining databases). Company and its Affiliates shall have the right, in their sole discretion, to appoint Distributors to distribute Products in the Company Territory. For purposes of this Section 4.6(c), the term " **Distributor** " shall mean a Third Party which warehouses and distributes a Product for which Company or an Affiliate or Sublicensee (x) holds the Commercialization Regulatory Approval and (y) is responsible for marketing the Product, and shall not include any entity which holds Commercialization Regulatory Approval

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for the Product or is responsible for marketing the Product, unless such entity was granted a sublicense pursuant to Section 2.3 above. The fact that an entity is the party that actually sells the Product is not determinative of whether such party is a Distributor.

(d) Licensor Responsibility for Commercialization of Products . Prior to the occurrence of a Territory Expansion Event, Licensor shall have the sole right and responsibility, at its sole expense, for all aspects of the Commercialization of Products in accordance with the applicable Product Commercialization Plan, in the Field and in the Reserved Territory and shall have the sole right and responsibility, at its sole expense, for order fulfillment and distribution of Product and for booking all sales of Product in the Reserved Territory, including, without limitation, the conduct of: (i) all activities relating to the Manufacture and supply of Products for Commercialization in the Reserved Territory; and (ii) all marketing, promotion, sales, distribution, import and export activities (including securing reimbursement, conducting sales and marketing activities and any post-marketing trials or post-marketing safety surveillance and maintaining databases).

4.7 **Clinical and Commercial Manufacturing.**

(a) Development Supply for Phase I Clinical Trials . Licensor will be solely responsible for supplying Collaboration Compounds and/or finished Products necessary for the conduct of the Initial Phase I Clinical Trials conducted by Licensor.

(b) Development Supply for the Development Program . Company shall have the right to Manufacture Collaboration Compounds and/or finished Products in the Company Territory or the Reserved Territory as necessary for the conduct of the Development Program in the Company Territory other than Initial Phase I Clinical Trials. In an effort to establish efficient Manufacturing for Collaboration Compounds and/or finished Products, the Parties agree to use Commercially Reasonable Efforts to coordinate the Manufacturing activities in their respective territories, provided that each Party shall retain the right to Manufacture Collaboration Compounds and/or finished Products in quantities necessary for the Development Program in their respective territories. In the event that one Party agrees to supply the other Party with its requirements of Collaboration Compounds and/or finished Products in quantities necessary for the Development Program in their respective territories, then the transfer price for such Collaboration Compounds and/or Products for the conduct of the Development Program will be (i) [...***...] if the Collaboration Compounds and/or Products are Manufactured by a Party or its

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Affiliates in its or their own facility, or (ii) [...***...] if the Collaboration Compounds and/or Products are Manufactured by a contract manufacturer. Notwithstanding the foregoing, Licensor has the right to Manufacture Collaboration Compounds and/or finished Products as necessary for the Development Program or for the Commercialization of Products in the Reserved Territory and for the Initial Phase I Clinical Trials. In the event that, before expiry of the Option Date, Company has not exercised the option to continue the Agreement under Section 4.1(b) above, and Licensor in good faith concludes that Phase II Clinical Trial supplies of Collaboration Compound and/or finished Product and/or supplies of Collaboration Compound and/or finished Product for use in a 3-month tox study to enable a Phase III Clinical Trial need to be Manufactured to be able to meet the timelines set forth in the Development Plan, then Licensor shall notify Company and bring such need to Manufacture to the JAC for discussion and review, and the Parties shall negotiate in good faith whether or not, within which timeframe and under which terms and conditions such Manufacture is required to be assured (the " **Phase II Clinical Trial Manufacturing** "). Should the Parties be unable, after due consideration by the JAC, to reach agreement on the Phase II Clinical Trial Manufacturing, then Licensor shall have the right to procure Phase II Clinical Trial Manufacturing in the Reserved Territory at Licensor's sole expense, as Licensor considers necessary. In the event that Licensor has so decided to procure Phase II Clinical Trial Manufacturing in the Reserved Territory at Licensor's sole expense, and should thereafter, following exercise by Company of the option to continue the Agreement under section 4.1(b) above, process changes implemented by Company in the Manufacture of Collaboration Compound and/or Product require Licensor to implement any such Manufacturing process changes into the Manufacturing processes established by Licensor in the Reserved Territory to conform the Collaboration Compound and/or Product to be used in Phase II Clinical Trials in the Reserved Territory with the Collaboration Compound and/or Product to be used in Phase II Clinical Trials in the Company Territory, such that portions of the Collaboration Compound and/or finished Product produced by Licensor at Licensor's expense in the Phase II Clinical Trial Manufacturing can no longer be utilized for Phase II Clinical Trials, then Company agrees to reimbursed Licensor for the Out of Pocket Expenses incurred by Licensor in the Manufacture of such portion(s) of the Phase II Clinical Trial Manufacturing against appropriate documentation provided by Licensor.

(c) Commercial Supply for Commercialization Plans . The same coordination efforts referred to in the second sentence of paragraph (b) above shall be undertaken by the Parties with respect to Manufacture of Collaboration Compounds and/or Products for Commercialization of Product in

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the Company Territory and in the Reserved Territory, and the Parties shall discuss in good faith through the JAC the location of such Manufacture. In the event that one Party agrees to supply the other Party with its requirements of Collaboration Compounds and/or finished Products in quantities necessary to Commercialize the Product according to the Commercialization Plan applicable in their respective territories, then the transfer price shall be determined in the manner set forth in paragraph (b) above.

(d) Notwithstanding the foregoing, each Party shall have the sole right and decision making authority with respect to the Manufacture of Collaboration Compound and Product in the Company Territory by Company and in the Reserved Territory by Licensor.

4.8 **Diligence by Company** . If Company has exercised the option to continue the Agreement under Section 4.1(b) above, subject to Licensor's fulfillment of its obligations under this Agreement, Company shall use Commercially Reasonable Efforts to (a) Develop at least one Product and (b) Commercialize at least one Product throughout the Company Territory after receiving Commercialization Regulatory Approval, subject always to the next to last sentence of this Section 4.8; provided, that such Development and Commercialization obligations shall be expressly conditioned upon the continuing absence of any adverse condition or event relating to the safety or efficacy of the Collaboration Compound or Product, and Company's obligation to Develop and Commercialize Product in the Field in the Company Territory shall be delayed or suspended so long as, in Company's opinion, any such condition or event exists. Company shall have the exclusive right to determine, in its sole discretion, the launch strategy for Product in the Field in each country in the Company Territory, subject to its exercise of Commercially Reasonable Efforts and the availability of any necessary Third Party licenses or other rights. Activities by Company's Affiliates and Sublicensees will be considered as Company's activities under this Agreement for purposes of determining whether Company has complied with its obligation to use Commercially Reasonably Efforts. For clarity, Company shall have no obligation to Develop or Commercialize Product in any particular country or countries, provided that Company shall use Commercially Reasonable Efforts to Develop and Commercialize Product in the United States and the European Union, subject to receipt of Commercialization Regulatory Approval therein. Company shall be relieved of its diligence obligations under this Section 4.8 starting from the date Company provides Licensor with a termination notice.

4.9 **Compliance** . Each Party shall perform its obligations under each Development Plan and Product Commercialization Plan in good scientific manner and in compliance in all material respects with

all Laws. For purposes of clarity, with respect to each activity performed under a Development Plan and/or Product Commercialization Plan that will or would reasonably be expected to be submitted to a Regulatory Authority in support of a Regulatory Filing or MAA, the Party performing such activity shall comply in all material respects with then-current Good Laboratory Practices (cGLP), Good Manufacturing Practices (cGMP) or Good Clinical Practices (cGCP)(or, if and as appropriate under the circumstances, International Conference on Harmonization (ICH) guidance or other comparable regulation and guidance of any applicable Regulatory Authority).

4.10 **Cooperation and Coordination.** Company and Licensor shall cooperate in the performance of the Development Program and, subject to the terms of this Agreement and any confidentiality obligations to Third Parties, shall exchange such data, information and materials as is reasonably necessary for the other Party to perform its obligations under any Development Plan and Product Commercialization Plan. Both Parties will review all significant Regulatory Filings applicable to the Commercialization of a Product prior to submission by either Party to the applicable Regulatory Authorities with respect to the Commercialization of a Product, and will receive copies of all correspondence from Regulatory Authorities with respect to the Commercialization of a Product in a timely manner. For clarity, nothing in this Section 4.10 shall reduce a Party's sole right and responsibility to Commercialize Products in its respective Territory.

4.11 **Right to Subcontract of Company** . Company may exercise any of its rights, or perform any of its obligations, under this Agreement (including any of the rights licensed in Section 2.1) by subcontracting the exercise or performance of all or any portion of such rights and obligations on Company's behalf. Any subcontract granted or entered into by Company as contemplated by this Section 4.11 of the exercise or performance of all or any portion of the rights or obligations that Company may have under this Agreement shall not relieve Company from any of its obligations under this Agreement.

4.12 **Trade Marks** . As between Licensor and Company, Company shall have the sole authority to select trademarks for Product in the Field in the Company Territory and shall own all such trademarks.

4.13 **Reporting** . Each Party shall, within plus or minus [...***...] of each anniversary of the Effective Date, provide the other Party with a written report summarizing in reasonable detail its Commercialization activities conducted during the prior Calendar Year with respect to the Commercialization of Product in the Company Territory by Company and with respect to the

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Commercialization of Product in the Reserved Territory by Licensor. All information and reports provided to a Party pursuant to this Section 4.13 shall be without any commitment from a Party and shall be treated as Confidential Information of such Party. Notwithstanding the foregoing, each Party's obligation to provide reports under this Section 4.13 shall expire upon the fifth anniversary of the First Commercial Sale of Product in the Company Territory for Company and in the Reserved Territory for Licensor.

ARTICLE 5
REGULATORY MATTERS

5.1 **Regulatory Filings** . Except with respect to the Phase I Clinical Trials for the Product in the Ex-PRC Territory pursuant to Section 2.9 and Section 4.1, as between Company and Licensor, Company shall own and maintain all Regulatory Filings and Regulatory Approvals for Product, including all INDs and MAAs, in the Company Territory.

5.2 **Communications with Authorities** . Company (or one of its Affiliates or Sublicensees) shall be responsible, and act as the sole point of contact, for communications with Regulatory Authorities in connection with the Development, Commercialization, and Manufacturing of Product in the Company Territory. Following the Effective Date, Licensor shall not initiate, with respect to Product, any meetings or contact with Regulatory Authorities without Company's prior written consent in the Company Territory. To the extent Licensor receives any written or oral communication from any Regulatory Authority in the Company Territory relating to Product, Licensor shall (a) refer such Regulatory Authority to Company, and (b) as soon as reasonably practicable (but in any event within [...***...], notify Company and provide Company with a copy of any written communication received by Licensor or, if applicable, complete and accurate minutes of such oral communication. At the request of Company, Licensor shall make available to Company, free of charge, a qualified Representative who shall, together with the Representatives of Company, participate in and contribute to meetings with the Regulatory Authorities in the Company Territory with respect to regulatory matters relating to the Licensor Technology. Company shall reimburse Licensor for all Out-of-Pocket Expenses incurred in such participation. The provisions of this Section 5.2 shall not apply to the Phase I Clinical Trials for the Product in the Ex-PRC Territory pursuant to Section 2.9.

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5.3 **Support in Regulatory Matters** . Each Party shall make its Representatives that are knowledgeable regarding the Licensor Technology, the Collaboration Compound or Product available to the other Party for regulatory explanations, advice and on-site support, that may reasonably be required by the other Party relating to regulatory matters (including preparation and filing for any INDs and MAAs and obtaining and maintaining Marketing Authorizations) (the " **Regulatory Support** "). The Regulatory Support shall be provided by each Party to the other Party free-of-charge during the Term. The Party receiving Regulatory Support shall reimburse the Party providing Regulatory Support for all Out-of-Pocket Expenses incurred in such activities.

5.4 **Adverse Event Reporting** . The Parties agree to comply with any and all Laws that are applicable as of the Effective Date and thereafter during the Term in connection with Product safety data collection and reporting. If either Party has or receives any information regarding any Adverse Event, then such Party shall provide the other Party with all such information in English within such timelines which enable the other Party to comply with all Laws and relevant regulations and requirements. Each Party shall report to the other Party any Adverse Event culminating in death or permanent disability of a patient or subject who is administered Product. The information exchanged between the Parties pursuant to this Section 5.4 shall be transmitted by e-mail, facsimile or overnight courier to the following address:

Transmission to Licensor:

BeiGene, LTD.
c/o BeiGene (Beijing) Co., Ltd.
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
Beijing P.R. China
102206
Email: [...***...]
Fax: [...***...]
Tel: [...***...]

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Transmission to Company:

Global Drug Safety
Merck KGaA
Frankfurter Strasse 250
D-64293 Darmstadt
Germany
Drug Safety mailbox:
[...***...]
Fax: [...***...]
Tel: [...***...]

5.5 **Recalls** . Company shall have the sole right to determine whether and how to implement a recall or other market withdrawal of Product in the Company Territory and shall notify Company promptly of any recall or other market withdrawal of Product in the Company Territory. Licensor shall notify Company promptly of any recall or other market withdrawal of Product in the Reserved Territory.

5.6 **Pharmacovigilance Agreement** . Without limitation of Section 5.4, the Parties shall meet, as soon as practical following the Effective Date, but in no event later than four (4) weeks after the Effective Date of this Agreement, to commence good faith negotiations to establish a detailed pharmacovigilance agreement relating to the Product, which shall set forth standard operating procedures governing the collection, investigation, reporting, and exchange of information concerning adverse drug reactions/adverse events sufficient to permit each Party to comply with its regulatory and other legal obligations within applicable timeframes.

ARTICLE 6
FINANCIAL PROVISIONS

6.1 **Phase I Development Support** . (a) To support Licensor's timely design and preparation of the Ex-PRC Phase I Dose Escalation Clinical Trial as set forth in Section 4.1(a), Company shall pay, or cause to be paid, to Licensor the following one-time, non-refundable fee of $[...***...] USD, within [...***...] following the Effective Date and receipt by Company of corresponding invoice.

(b) To further support and fund Licensor's conduct, supervision, interpretation and analysis of the Ex-PRC Phase I Dose Escalation Clinical Trial as set forth in Section 4.1(a), Company shall pay,

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or cause to be paid, to Licensor the following one-time, non-refundable fee of $9,000,000 USD, within [...***...] following [...***...].

6.2 **Milestone Payments** . As partial consideration for Licensor's grant of the rights and licenses to Company hereunder—as set forth in Section 4.2 starting on the Continuation Date—, Company shall pay, or cause to be paid, to Licensor the following one-time, non-refundable milestone payments with respect to the first Product to achieve the milestone events described below. Company shall promptly (and in any event within [...***...] after achievement of such milestone event) notify Licensor in writing of the achievement of such milestone event and Licensor shall issue Company an invoice for the amount of the corresponding milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

Milestone event for the First Product to achieve the event	**Milestone Payment in USD**
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
[...***...]	$[...***...]
Total development milestones in the Ex-PRC Territory	**$[...***...]**

For the avoidance of doubt, the total maximum milestones payable under this Section 6.2 for Product shall not exceed $[...***...].

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With respect to each milestone, the milestone payments to be made under this Agreement shall be due and payable only once, regardless of the number of Products Developed or Commercialized.

A Regulatory Approval milestone that occurs in or with respect to the "EU" shall mean any such event in or with respect to (i) any three of the United Kingdom, France, Germany, Italy or Spain or (b) the EMA, as applicable.

6.3 **Commercial Event Payments** . As further partial consideration for Licensor's grant of rights and licenses to Company hereunder, Company shall pay Licensor the following one-time, non-refundable amounts for the first achievement of the following commercial event milestones for sales of all Products for all Indications to achieve such milestone:

(i) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Ex-PRC Territory determined in accordance with this Section 6.3 exceed $[...***...];

(ii) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Ex-PRC Territory determined in accordance with this Section 6.3 exceed $[...***...];

(iii) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Ex-PRC Territory determined in accordance with this Section 6.3 exceed $[...***...];

(iv) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Ex-PRC Territory determined in accordance with this Section 6.3 exceed $[...***...];

(v) $[...***...] for the first Calendar Year in which the aggregate annual Net Sales of Product in the Field in the Ex-PRC Territory determined in accordance with this Section 6.3 exceed $[...***...].

For clarity, Net Sales shall be calculated on the basis of total sales in all Indications for all Products. In addition, if there is a Territory Expansion Event that results from the PRC ROFN, Net Sales for purposes of calculating the foregoing commercial event milestones will include Net

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Sales in the PRC Territory unless the Agreement resulting from the PRC ROFN provides otherwise.

Company shall deliver written notice to Licensor within [...***...] of the end of the Calendar Year in which a commercial event milestone occurs and Licensor shall issue Company an invoice for the amount of the corresponding commercial event milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

For the avoidance of doubt, each aforementioned commercial event milestone payment shall be made only once, regardless of the number of Calendar Years in which sales of all Products for all Indications achieves such commercial event milestone. For example, if for a Calendar Year, aggregate annual Net Sales in the Field in the Ex-PRC Territory, in all Indications for all Products are $[...***...], the total commercial event milestone payments earned shall be $[...***...], and such commercial event milestone payment shall no longer be triggered in any other Calendar Year.

For the avoidance of doubt, the total maximum milestones payable under this Section 6.3 shall not exceed $[...***...].

6.4 **Notice and Payment of Milestones.**

(a) Notice of Milestone Events. Company shall provide Licensor with prompt written notice upon each occurrence of a milestone event set forth in Section 6.2 or 6.3. In the event that, notwithstanding the fact that Company has not given such a notice, Licensor believes any such milestone event has occurred, it shall so notify Company in writing and shall provide to Company the data, documentation or other information that supports its belief. Any dispute under this Section 6.4(a) that relates to whether or not a milestone event has occurred shall first be referred to the JAC for resolution , and if not resolved after due consideration by the JAC, shall be subject to dispute resolution under Article 12.

(b) Skipped Milestones. If at the time any given milestone payment set forth in Section 6.2 or 6.3 is due and one or more preceding milestone payments for preceding milestone events have not been paid, then such unpaid preceding milestone payments shall be paid at such time as well. For example, (i) [...***...] and (ii) [...***...].

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6.5 **Royalty Payments for Product by Company.**

(a) Royalty Rate. As further consideration for Licensor's grant of the rights and licenses to Company hereunder, Company shall, during each applicable Royalty Term, pay to Licensor a royalty on aggregate annual Net Sales of all Products in the Field in the Company Territory, for each Calendar Year, at the percentage rates set forth in Table 6.5(a)(i), Table 6.5(a)(ii) and Table 6.5(a)(iii) below (subject to Section 6.6 below).

(i) The royalty rates set forth in Table 6.5(a)(i) below will be applicable to Net Sales of all Products in the Ex-PRC Territory, except if there is a Territory Expansion Event that results from the PRC ROFN, in which case annual Net Sales of all Products per Calendar Year for purposes of determining the applicable royalty rate will be calculated on Net Sales of all Products in the Company Territory unless the Agreement resulting from the PRC ROFN provides otherwise.

Table 6.5(a)(i)

Annual Net Sales of all Products per Calendar Year (in USD) in the Ex-PRC Territory (or in the event of a Territory Expansion Event that results from the PRC ROFN, the Company Territory)	**Incremental Royalty Rate**
For Net Sales of all Products up to and including USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...]	[...***...]%

(ii) The royalty rates set forth in Table 6.5(a)(ii) below will be applicable to Net Sales in the PRC Territory only in the case of (A) the occurrence of a Territory

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Expansion Event that results from exercise of the PRC Commercialization Option and (B) if Product is being sold only in the PRC Territory and not in the Ex-PRC Territory:

Table 6.5(a)(ii)

Annual Net Sales of all Products per Calendar Year (in USD) in the PRC Territory	Incremental Royalty Rate
For Net Sales of all Products up to and including USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...]	[...***...]%

(iii) The royalty rates set forth in Table 6.5(a)(iii) below will be applicable to Net Sales in the PRC Territory only in the case of (A) the occurrence of a Territory Expansion Event that results from exercise of the PRC Commercialization Option and (B) if and for as long as Product is being sold in both the PRC Territory and the Ex-PRC Territory:

Table 6.5(a)(iii)

Annual Net Sales of all Products per Calendar Year (in USD) in the PRC Territory	Incremental Royalty Rate
For Net Sales of all Products up to and including USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%

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Annual Net Sales of all Products per Calendar Year (in USD) in the PRC Territory	Incremental Royalty Rate
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...] and less than or equal to USD $[...***...]	[...***...]%
For that portion of Net Sales of all Products that are greater than USD $[...***...]	[...***...]%

(b) Net Sales Subject to Royalty Payments. For purposes of determining whether a royalty threshold above has been attained, only Net Sales that are subject to a royalty payment shall be included in the total amount of Net Sales and any Net Sales that are not subject to a royalty payment shall be excluded. In addition, in no event shall the Manufacture of a Product give rise to a royalty obligation without a sale of such Product. For clarity, Company's obligation to pay royalties to Licensor under this ARTICLE 6 is imposed only once with respect to the same unit of Product regardless of the number of Licensor Patents pertaining thereto.

6.6 **Reductions, Deductions and Reimbursements.**

(a) Royalty Step-Down. The royalty rates set forth in Section 6.5(a) applicable to the Net Sales of a Product in a country will be reduced by [...***...] ([...***...]) during any period in which there exists no Valid Claim of a Licensor Patent in such country that Covers such Product in such country.

(b) Third Party License Agreements. On a country-by-country basis, if, in any Calendar Quarter, Company makes royalty payment(s) to one or more Third Parties in order to obtain or maintain license rights under Patent Rights of such Third Party that would be infringed by the use or sale of the Collaboration Compound contained in the Product in a country, Company shall be

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entitled to deduct [...***...] ([...***...]) of such payment(s) from royalty payments otherwise payable by Company to Licensor pursuant to Section 6.5(a) for Net Sales of such Product in such country in such Calendar Quarter. Notwithstanding the foregoing, in no event shall such deduction exceed [...***...] ([...***...]) of the royalties otherwise payable with respect to such country in such Calendar Quarter.

(c) Limit on Deductions . Under no circumstances shall the deductions under this Section 6.6 result in the amount payable to Licensor being reduced by more than [...***...] ([...***...]) compared with the amount otherwise payable under Section 6.5(a) in a Calendar Quarter. In the event that Company is not able to deduct the full amount of the permitted deduction from the amount due to Licensor due to the [...***...] ([...***...]) minimum amount, Company shall be entitled to deduct any undeducted excess amount from subsequent amounts owed to Licensor under Section 6.5(a) (subject always to Licensor receiving a minimum of [...***...] ([...***...]) of the amount owed) in a subsequent Calendar Quarter.

6.7 **Timing of Payment** . Royalties payable under Section 6.5 shall be payable on actual Net Sales and shall accrue at the time the invoice for the sale of Product is delivered. Royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis, within [...***...] after the end of each Calendar Quarter during which the royalty obligation accrued.

6.8 **Mode of Payment and Currency; Invoices.**

(a) Currency . All payments to Licensor hereunder shall be made by deposit of USD in the requisite amount to such bank account as Licensor may from time to time designate by written notice to Company. With respect to sales not denominated in USD, Company shall convert applicable sales in foreign currency into USD by using the then current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in USD, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual written agreement, and any change shall be consistent with the local Law at the place of payment or remittance.

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(b) Invoices .

Licensor shall address its invoices to:

Merck KGaA
Accounts Payable
PO Box
64279 Darmstadt
Germany

Company shall address its invoices to:

BeiGene, LTD.
Mourant Ozannes Corporate Services
(Cayman) Limited
94 Solaris Avenue, PO Box 1348
Grand Cayman KY1-1108
Cayman Islands
GB

With a copy to:

BeiGene, LTD.
c/o BeiGene (Beijing) Co., Ltd.
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
Beijing P.R. China
102206
Attn: [...***...]
Facsimile: [...***...]
Telephone: [...***...]

6.9 **Royalty Reports and Records Retention** . Within [...***...] after the end of each Calendar Quarter during which Product has been sold, Company shall deliver to Licensor, together with the applicable royalty payment due for such Calendar Quarter, a written report of Net Sales on a Product-by-Product and a country-by-country basis, subject to royalty payments for such Calendar Quarter. Such report shall be deemed Confidential Information of Company subject to the obligations of ARTICLE 8 of this Agreement. For [...***...] after the end of each Calendar

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Year in which sale of Product occurs, Company shall, and shall ensure that its Affiliates and Sublicensees, keep complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty calculations hereunder.

6.10 **Legal Restrictions** . If at any time legal restrictions prevent the remittance by Company of all or any part of royalties due on Net Sales in any country, Company shall have the right and option to make such payment either by depositing the amount thereof in local currency to an account in the name of Licensor in a bank or other depository selected by Licensor in such country.

6.11 **Late Payments** . All payments under this Agreement shall earn interest from the date due until paid at a per annum rate equal to the lesser of (a) the maximum rate permissible under Law and (b) [...***...] ([...***...]) above the monthly Reuters 01 EURIBOR, measured at 2 p.m. Frankfurt/Germany time on the date payment is due. Interest will be calculated on a 365/360 basis.

6.12 **Audits.**

(a) Audits Generally . During the Royalty Term and for [...***...] thereafter, and [...***...] in each Calendar Year, Company shall permit, and shall cause its Affiliates or Sublicensees to permit, an independent certified public accounting firm of nationally recognized standing selected by Licensor, and reasonably acceptable to Company or such Affiliate or Sublicensee, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of Company and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and payments under this ARTICLE 6. Such review may cover the records for sales made in any Calendar Year ending not more than [...***...] prior to the date of such request. The accounting firm shall disclose to Licensor and Company only whether the royalty reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Licensor.

(b) Audit-Based Payments . If such accounting firm concludes that additional royalties were owed during such period, Company shall pay the additional undisputed royalties within [...***...] after the date Licensor delivers to Company such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods. Licensor shall pay for the cost of any audit, unless Company has underpaid Licensor by [...***...] ([...***...]) or more, in which case Company shall pay for the costs of audit.

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(c) Audit Confidentiality . Each Party shall treat all information that it receives under this Section 6.12 in accordance with the confidentiality provisions of ARTICLE 8 of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with the other Party obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for such Party to enforce its rights under this Agreement. The terms of this Section 6.12 shall apply *mutatis mutandis* with respect to Company's right to audit Licensor's records related to those Out-of-Pocket Expenses for which Licensor seeks reimbursement hereunder.

6.13 **Taxes.**

(a) **Withholding Tax** . Except for the payments under Section 6.1 (which the Parties agree shall be net amounts payable by Company to Licensor), if applicable Law requires that income or similar Taxes be deducted and withheld from royalties or other payments paid under this Agreement, Company shall (i) deduct those Taxes from the payment of the relevant royalty or other payment; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to Licensor within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 6.13(a); and (v) cooperate with Licensor in any way reasonably requested by Licensor to obtain available reductions, credits or refunds of such Taxes.

(b) **Value Added Tax** . It is understood and agreed between the Parties that any payment amounts to be made by Company under this Agreement are exclusive of any value added or similar Tax (" **Value Added Tax** ") imposed upon such payment and that Company shall be responsible for the payment of, any and all Value Added Tax levied on account of any payments paid to Licensor by Company. Licensor will provide Company with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable.

ARTICLE 7
INVENTIONS AND PATENTS

7.1 **Certification Under Patent Listing under Public Health Services Act** . Each Party shall immediately give written notice to the other Party of any certification of which they become aware filed pursuant to 42 USC. §262(1)(3), and any equivalent law in any country in the Territory, (or any amendment or successor statute thereto) claiming that any Licensor Patents Covering or claiming Collaboration Compound or Product, or the Manufacture of Product, are

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invalid or unenforceable, or that infringement will not arise from the Manufacture, use or sale of a product by a Third Party.

7.2 **Listing of Patents** . Company shall have the sole right to determine which of the Licensor Patents, if any, shall be listed for inclusion in the Approved Drug Products with Therapeutic Equivalence Evaluations pursuant to 21 U.S.C. Section 355, or any successor Law in the United States, together with any comparable Laws in any other country in the Company Territory.

7.3 **Further Assurances** . Licensor shall require all of its employees, and use its Commercially Reasonable Efforts to require its contractors and agents, and any Affiliates and Third Parties working on its behalf under this Agreement (and their respective employees, contractors and agents), to assign to Licensor any Licensor Technology.

7.4 **Patent Ownership, Prosecution and Maintenance.**

(a) Program IP . Any Patent Rights and Know-How invented jointly between the Parties during the Term relating to Product (such Patent Rights, " **Joint Patents** " and such Know-How, " **Joint Know-How** ") be owned jointly by the Parties. Any Patent Rights and Know-How invented solely by a Party relating to the Product shall be solely owned by such Party, provided that any Product IP invented solely by Company shall be jointly owned. Company agrees to assign and hereby assigns to Company and Licensor, as joint owners, all of Company's rights, title and interest in and to any Product IP that is solely invented by Company or its Affiliates or Sublicensees or its or their contractors, to the extent legally possible, and shall take all actions and execute all documents reasonably required by Licensor to perfect or register Company's and Licensor's joint interests therein. Company shall obtain from such Affiliates, Sublicensees and contractors equivalent present assignments of such Affiliates', Sublicensees' and contractors' rights, title and interest in any Product IP and promptly assign the same to Company and Licensor, as joint owners, and provide written notice thereof to Licensor.

(b) Patent Coordinators . Licensor and Company shall, by written notice to the other Party, each appoint a patent coordinator reasonably acceptable to the other Party (each, a **"Patent Coordinator"**) to serve as such Party's primary liaison with the other Party on matters relating to patent filing, prosecution, maintenance and enforcement. Each Party may replace its Patent Coordinator at any time by notice in writing to the other Party. The initial Patent Coordinators shall be:

For Licensor: [...***...]

For Company: [...***...]

(c) Inventorship . Inventorship shall be determined under U.S. patent law. The Patent Coordinators shall initially determine inventorship of all inventions made in the Development and Commercialization of Collaboration Compounds and Products. In case of a dispute between the Patent Coordinators over inventorship, such dispute shall be resolved according to U.S. patent law in accordance with ARTICLE 12.

(d) Licensor Patents and Joint Patents .

(i) Starting with the Continuation Date, Company shall have the first right, and the obligation, to file, prosecute and maintain Licensor Patents (in Licensor's name) and Joint Patents (in both Parties' names) in the Company Territory, to the extent such Patent Rights solely Cover Collaboration Compounds and Products. In the event that any Licensor Patent or Joint Patent Covers both Collaboration Compounds and Products and compositions that are not Collaboration Compounds and Products, the Parties shall attempt to file divisional or other applications separating the claims covering Collaboration Compounds and Products from claims covering other compositions, and each Party shall bear the costs incurred respectively. If such separation cannot be achieved, then Licensor shall have the right to make decisions, after due consultation with Company as set forth in paragraph (f) below, provided that Licensor shall reimburse Company for any additional costs and expense incurred by Company in following such Licensor decision. Except to the extent set forth otherwise in the preceding two sentences of this Section 7.4(d)(i), Company shall bear all costs and expenses of filing, prosecuting and maintaining such Licensor Patents and Joint Patents in the Company Territory. Company shall keep Licensor informed of the status of the filing and prosecution of such Licensor Patents and Joint Patents or related proceedings (e.g. interferences, oppositions, reexaminations, reissues, revocations or nullifications) in the Company Territory. At Company's request, Licensor will provide Company with reasonable free-of-charge assistance in prosecuting such Licensor Patents and Joint Patents to the extent possible, including providing such data in Licensor's Control that is, in Company's

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reasonable judgment, needed to support the prosecution of such Licensor Patents and Joint Patents. If Company elects not to file or to continue to prosecute or maintain any of such Licensor Patents or Joint Patents in any country in the Company Territory, then it shall notify Licensor in writing at least [...***...] before any final deadline applicable to the filing, prosecution or maintenance of such Licensor Patent or Joint Patent, as the case may be, or any other date by which an action must be taken to establish or preserve such Licensor Patent or Joint Patent in such country or possession. In such case, Licensor shall have the right, at its own cost and expense, to pursue the filing or support the continued prosecution or maintenance of such Licensor Patent or Joint Patent in the Company Territory. Licensor Patents and Joint Patents will be filed, prosecuted and maintained in the jurisdictions set forth on Schedule 7.4(d) . Jurisdictions may be added or deleted from Schedule 7.4(d) only by written agreement of the Parties executed by their Patent Coordinators.

(ii) Licensor shall have the first right, and the obligation, to file, prosecute and maintain Licensor Patents (in Licensor's name) and Joint Patents (in both Parties' names) in the Reserved Territory. Licensor shall bear all costs and expenses of filing, prosecuting and maintaining Licensor Patents and Joint Patents in the Reserved Territory. Licensor shall keep Company informed of the status of the filing and prosecution of Licensor Patents and Joint Patents or related proceedings (e.g. interferences, oppositions, reexaminations, reissues, revocations or nullifications) in the Reserved Territory. At Licensor's request, Company will provide Licensor with reasonable free-of-charge assistance in prosecuting Licensor Patents and Joint Patents to the extent possible, including providing such data in Company's Control that is, in Licensor's reasonable judgment, needed to support the prosecution of a Licensor Patent and Joint Patents in the Reserved Territory. If Licensor elects not to file or to continue to prosecute or maintain a Licensor Patent or Joint Patent in the Reserved Territory, then it shall notify Company in writing at least [...***...] before any final deadline applicable to the filing, prosecution or maintenance of such Licensor Patent or Joint Patent, as the case may be, or any other date by which an action must be taken to establish or preserve such Licensor Patent or Joint Patent in the Reserved Territory. In such case, Company shall have the right, at its own cost

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and expense, to pursue the filing or support the continued prosecution or maintenance of such Licensor Patent or Joint Patent in the Reserved Territory.

(e) Patent Term Extension and Supplemental Protection Certificates . Company shall be responsible, in Licensor's name, for obtaining patent term extensions wherever available for Licensor Patents and Joint Patents in the Company Territory and for obtaining Supplemental Protection Certificates effectively extending a Licensor Patent or Joint Patent wherever available. Licensor shall provide Company free-of-charge with all relevant information, documentation and assistance in this respect as may reasonably be requested by Company. Any such assistance, supply of information and consultation shall be provided promptly. In the event that any election with respect to obtaining patent term extensions or Supplemental Protection Certificates is to be made in the Company Territory, Company shall have the right to make such elections after reasonable consultation with Licensor, and Licensor shall abide by all such elections.

(f) Information and Cooperation . Each Party that has responsibility for filing and prosecuting any Patent Rights under this Section 7.4 (a " **Filing Party** ") shall (a) regularly provide the other Party (the " **Non-Filing Party** ") with copies of all patent applications filed hereunder and other material submissions and correspondence with the patent offices, in sufficient time to allow for review and comment by the Non-Filing Party; and (b) provide the Non-Filing Party and its patent counsel with an opportunity to consult with the Filing Party and its patent counsel regarding the filing and contents of any such application, amendment, submission or response. The advice and suggestions of the Non-Filing Party and its patent counsel shall be taken into consideration in good faith by such Filing Party and its patent counsel in connection with such filing. Each Filing Party shall pursue in good faith all reasonable claims and take such other reasonable actions, as may be requested by the Non-Filing Party in the prosecution of any Patent Rights covering any Program Technology under this Section 7.4; provided, however, if the Filing Party incurs any additional expense as a result of any such request, the Non-Filing Party shall be responsible for the cost and expenses of pursuing any such additional claim or taking such other actions. In addition, Company agrees that if Licensor claims any action taken under Section 7.4(d) (i) would be detrimental to Patent Rights covering Licensor Technology, Licensor shall provide written notice to Company and the Patent Coordinators shall, as promptly as possible thereafter, meet to discuss and resolve such matter and, if they are unable to resolve such matter, the Parties shall refer such matter to a mutually agreeable outside patent counsel for resolution.

7.5 **Enforcement of Patents and Know-How.**

(a) **Notice** . If either Party believes that an infringement, unauthorized use, misappropriation or ownership claim or threatened infringement or other such activity by a Third Party has occurred with respect to any Licensor Technology or Joint Technology, or if a Third Party claims that any Licensor Patent or Joint Patent is invalid or unenforceable, the Party possessing such knowledge or belief shall notify the other Party and provide it with details of such infringement or claim that are known by such Party.

(b) **Right to Bring an Action** . Starting with the Continuation Date, Company shall have the exclusive right to attempt to resolve any infringement or claim in the Company Territory, including by filing an infringement suit, defending against such claim or taking other similar action, with respect to a Licensor Patent or Joint Patent (each, an " **Action** ") and to compromise or settle any such infringement or claim. At Company's request, Licensor shall promptly provide Company with all relevant documentation (as may be requested by Company) evidencing that Company is validly empowered by Licensor to take such an Action. Licensor is obligated to join Company in such Action, or bring such Action on Company's behalf upon Company's request, in each case at Company's expense, if Company determines that it is necessary to demonstrate "standing to sue". Licensor shall cooperate with Company in any such Action. If Company does not intend to prosecute or defend an Action, Company shall promptly inform Licensor.

(c) **Costs of an Action** . The Party taking an Action under 7.5(b) shall pay all costs associated with such Action, other than (subject to Section 7.5(e)) the expenses of the other Party if the other Party elects to join such Action (as provided in the last sentence of this paragraph). Each Party shall have the right to join an Action relating to a Licensor Patent or Joint Patent, at its own expense.

(d) **Settlement** . Neither Party shall settle or otherwise compromise any Action by admitting that any Licensor Patent or Joint Patent is invalid or unenforceable without the other Party's prior written consent, and, in the case of Licensor, Licensor may not settle or otherwise compromise an Action in a way that adversely affects or would be reasonably expected to adversely affect Company's rights or benefits hereunder, without Company's prior written consent.

(e) **Reasonable Assistance** . The Party not enforcing or defending Licensor Patents or Joint Patents shall provide reasonable assistance to the other Party, including providing access to relevant documents and other evidence and making its employees available, subject to the other

Party's reimbursement of any reasonable Out-of-Pocket Expenses incurred on an on-going basis by the non-enforcing or non-defending Party in providing such assistance.

(f) **Distribution of Amounts Recovered** . Any amounts recovered by the Party taking an Action pursuant to this Section 7.5, whether by settlement or judgment, shall be allocated in the following order: (i) to reimburse the Party taking such Action for any costs incurred, to reimburse the Party not taking such Action for its costs incurred in such Action, if it joins such Action as provided in the last sentence of Section 7.5(c); and (iv) the remaining amount of such recovery shall be allocated to Company and deemed to be Net Sales for the Calendar Quarter in which the amount is paid and Company shall pay to Licensor a royalty on such remaining amount based on the royalty rates set forth in Section 6.5(a).

7.6 **Third Party Actions Claiming Infringement.**

(a) **Notice** . If a Party becomes aware of any Third Party Action, such Party shall promptly notify the other Party of all details regarding such claim or action that is reasonably available to such Party.

(b) **Right to Defend** . Company shall have the right and obligation, at its sole expense, to defend a Third Party Action in the Company Territory described in Section 7.6(a) and to compromise or settle such Third Party Action. If Company declines or fails to assert its intention to defend such Third Party Action within [...***...] of after sending (in the event that Licensor is the notifying Party) or receipt (in the event that Company is the notifying Party) of notice under Section 7.6(a), then Licensor shall have the right to defend such Third Party Action. The Party defending such Third Party Action shall have the sole and exclusive right to select counsel for such Third Party Action.

(c) **Consultation** . The Party defending a Third Party Action pursuant to Section 7.6(b) shall be the " **Controlling Party** ." The Controlling Party shall consult with the non-Controlling Party on all material aspects of the defense. The non-Controlling Party shall have a reasonable opportunity for meaningful participation in decision-making and formulation of defense strategy. The Parties shall reasonably cooperate with each other in all such actions or proceedings. The non-Controlling Party will be entitled to be represented by independent counsel of its own choice at its own expense.

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(d) **Appeal** . In the event that a judgment in a Third Party Action is entered against the Controlling Party and an appeal is available, the Controlling Party shall have the first right, but not the obligation, to file such appeal. In the event the Controlling Party does not desire to file such an appeal, it will promptly, in a reasonable time period (i.e., with sufficient time for the non-Controlling Party to take whatever action may be necessary) prior to the date on which such right to appeal will lapse or otherwise diminish, permit the non-Controlling Party to pursue such appeal at such non-Controlling Party's own cost and expense. If Law requires the other Party's involvement in an appeal, the other Party shall be a nominal party of the appeal and shall provide reasonable cooperation to such Party at such Party's expense.

(e) **Costs of an Action** . The Controlling Party shall pay all costs associated with such Third Party Action other than the expenses of the other Party if the other Party elects to join such Third Party Action (as provided in the last sentence of this paragraph). Each Party shall have the right to join a Third Party Action defended by the other Party, at its own expense.

(f) **No Settlement Without Consent** . Neither Party shall settle or otherwise compromise any Third Party Action by admitting that any Licensor Patent is invalid or unenforceable without the other Party's prior written consent, and, in the case of Licensor, Licensor may not settle or otherwise compromise a Third Party Action in a way that adversely affects or would be reasonably expected to adversely affect Company's rights and benefits hereunder, without Company's prior written consent.

ARTICLE 8
CONFIDENTIALITY

8.1 **Confidentiality Obligations** . Each Party agrees that, for the Term and for [...***...] thereafter, such Party shall, and shall ensure that its Representatives, hold in confidence all Confidential Information disclosed to it by the other Party pursuant to this Agreement, unless the recipient of the Confidential Information demonstrates by written evidence that such information:

(i) is or has become generally available to the public other than as a result of disclosure by the recipient;

(ii) is already known by or in the possession of the recipient at the time of disclosure by the disclosing Party;

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(iii) is independently developed by recipient without use of or reference to the disclosing Party's Confidential Information; or

(iv) is obtained by recipient from a Third Party that has not breached any obligations of confidentiality.

The recipient shall not disclose any of the Confidential Information, except to Representatives of the recipient who need to know the Confidential Information for the purpose of performing the recipient's obligations, or exercise its rights, under this Agreement and who will, prior to their access to such Confidential Information, be bound by written obligations of non-use and non-disclosure substantially similar to those set forth herein. Each Party agrees to use, and to cause its Affiliates to use, reasonable efforts to enforce such obligations and to prohibit Representatives from using such Confidential Information except as expressly permitted hereunder. Each Party shall be liable to the other for any disclosure or use of the Confidential Information by such Representatives. The recipient shall (i) protect Confidential Information using not less than the same care with which it treats its own confidential information, but at all times shall use at least reasonable care and (ii) not use, and cause its Affiliates and Representatives not to use, any Confidential Information of the other Party except as expressly permitted hereunder. Each Party shall: (a) implement and maintain appropriate security measures to prevent unauthorized access to, or disclosure of, the other Party's Confidential Information; (b) promptly notify the other Party of any unauthorized access or disclosure of such other Party's Confidential Information; and (c) cooperate with such other Party in the investigation and remediation of any such unauthorized access or disclosure.

8.2 **Use** . Notwithstanding Section 8.1, a Party may use the Confidential Information of the other Party for the purpose of performing its obligations, or exercising its rights, under this Agreement, including for purposes of:

(i) filing or prosecuting patent applications;

(ii) prosecuting or defending litigation;

(iii) conducting pre-clinical studies or Clinical Trials pursuant to this Agreement;

(iv) seeking or maintaining Regulatory Approval for Product;

(v) complying with Law, including securities Law and the rules of any securities exchange or market on which a Party's securities are listed or traded;

(vi) disclosure to such other Party's legal and financial advisors;

(vii) in connection with an actual or potential (a) permitted sublicense of such other Party's rights hereunder, (b) debt, equity or other financing of such other Party or (c) merger, acquisition, consolidation, share exchange or other similar transaction involving such Party and any Third Party; or

(viii) for any other purpose with the other Party's written consent, not to be unreasonably withheld.

In making any disclosures set forth in clauses (i) through (v) above, the disclosing Party shall, where reasonably practicable, give such advance notice to the other Party of such disclosure requirement as is reasonable under the circumstances and will use its reasonable efforts to cooperate with the other Party in order to secure confidential treatment of such Confidential Information required to be disclosed. In addition, in connection with any permitted filing by either Party of this Agreement with any Governmental Body, the filing Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the other Party, and shall provide the other Party with the proposed confidential treatment request with reasonable time for such other Party to provide comments, and shall include in such confidential treatment request all reasonable comments of the other Party.

8.3 **Required Disclosure** . The recipient may disclose the Confidential Information to the extent required by Law or court order; provided, however, that the recipient promptly provides to the disclosing party prior written notice of such disclosure and provides reasonable assistance in obtaining an order or other remedy protecting the Confidential Information from public disclosure.

8.4 **Publications** . Prior to the Continuation Date, Company shall not publish any information relating to the Collaboration Compound or Product without the prior written consent of Licensor (which consent may be withheld or given in Licensor's sole discretion), unless such information has already been publicly disclosed either prior to the Execution Date or after the Execution Date through no fault of Company or otherwise not in violation of this Agreement. Company shall

submit to Licensor for Licensor's written approval (which approval be granted or denied in Licensor's sole discretion) any publication or presentation (including in any seminars, symposia or otherwise) of information related directly or indirectly to Collaboration Compound or Product for review and approval at least [...***...] prior to submission for the proposed date of publication or presentation. After the Continuation Date, each Party may publish in its respective Territory any information relating to the Collaboration Compound or Product that does not constitute Confidential Information of the other Party, without the prior written consent of the other Party.

8.5 **Press Releases and Disclosure.**

(a) **Initial Press Release** . The proposed public announcement by Licensor of the execution of this Agreement is set forth on Schedule 8.5(a) hereto.

(b) **Subsequent Public Disclosures By Licensor** . Licensor may not make any subsequent press release or public announcements regarding this Agreement or any matter covered by this Agreement, other than the Development and Commercialization of Product by Licensor in the Reserved Territory, and the achievement of milestones and receipt of milestone payments hereunder, without the prior written consent of Company. In the event that Licensor believes it is required to issue a press release or make another public announcement to comply with Law as a publicly-traded company and Company does not believe such public announcement is so required, Licensor may only issue such press release if (i) it obtains an opinion of legal counsel, from a reputable law firm approved by Company, that it is required to make such disclosure to comply with Law and (ii) after receiving such opinion, provides the text of such planned disclosure to Company no less than [...***...] prior to disclosure, and has incorporated all reasonable comments of Company regarding such disclosure.

(c) **Public Disclosures by Company** . Company shall have the right to make such press releases as it chooses, in its sole discretion, without the approval of Licensor, provided that such press releases do not contain Confidential Information of Licensor.

(d) **Prior Approved Publication** . Notwithstanding Section 8.4 and this Section 8.5, either Party may include in a public disclosure, press release or in a scientific or medical publication or presentation, without prior delivery to or review by the other Party, any information which has previously been included in a public disclosure, press release or scientific or medical publication that has been reviewed pursuant to Section 8.4 or this Section 8.5 or published or publicly disclosed by the other Party.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

ARTICLE 9
WARRANTIES AND COVENANTS

9.1 **Warranties** . Each Party warrants to the other Party that, as of the Effective Date:

(i) such Party is duly organized and validly existing under the Laws of the jurisdiction of its incorporation or organization;

(ii) such Party has taken all corporate action necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(iii) this Agreement is a legal and valid obligation of such Party, binding upon such Party and enforceable against such Party in accordance with the terms of this Agreement, except as enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement by such Party does not conflict with, breach or create in any Third Party the right to accelerate, terminate or modify any agreement or instrument to which such Party is a party or by which such Party is bound, and does not violate any Law of any Governmental Body having authority over such Party; and

(iv) such Party has all right, power and authority to enter into this Agreement, to perform its obligations under this Agreement.

9.2 **Additional Warranties of Licensor** . Licensor warrants to Company that, as of the Effective Date:

(i) no consent by any Third Party or Governmental Body is required with respect to the execution and delivery of this Agreement by Licensor or the consummation by Licensor of the transactions contemplated hereby;

(ii) no claims have been asserted in writing, to the effect that the manufacture, use or sale of BGB-290 infringes any issued Patent Right of any Third Party;

(iii) the Licensor Patents are subsisting and are not the subject of any litigation procedure, discovery process, interference, reissue, reexamination, opposition, appeal proceedings or any other legal dispute;

(iv) the Licensor Patents listed on Schedule 1.55 hereto constitute all Patent Rights owned or Controlled by Licensor as of the Effective Date that Cover the research, Development, Manufacture, use or Commercialization of the Collaboration Compounds;

(v) the Licensor Know-How constitutes all Know-How owned or Controlled by Licensor as of the Effective Date that is directly related to, or are necessary or useful for, the research, Development, Manufacture, use or Commercialization of the Collaboration Compound and Product;

(vi) Licensor has not licensed to a Third Party the right to develop a Competing Product;

(vii) no Third Party has filed or threatened in writing to file any lawsuit or other action alleging that any Licensor Patent is invalid or unenforceable;

(viii) it has the full right to provide the Licensor Materials to Company pursuant to this Agreement, and neither Company's use of the Licensor Material as contemplated by this Agreement, nor such transfer, will violate any agreement with any Third Party;

(ix) all Representatives of Licensor who have performed any activities on its behalf in connection with research regarding the Collaboration Compound or Product have assigned to Licensor the whole of their rights in any intellectual property made, discovered or developed by them as a result of such research;

(x) the Licensor Technology is free and clear of any liens, charges, encumbrances or rights of others to possession or use, in each case that were created by an action of Licensor;

(xi) except with respect to rights granted to an Affiliate of Licensor in the PRC Territory, Licensor has not previously licensed, assigned, transferred, or otherwise conveyed any right, title or interest in and to the Licensor Technology

to any Third Party, including any rights with respect to any Collaboration Compound or Product;

(xii) There are no Existing Third Party Agreements;

(xiii) Licensor (and its Affiliates) has not employed or otherwise used in any capacity, and will not employ or otherwise use in any capacity, the services of any Person debarred under United States law, including under Section 21 USC 335a or any foreign equivalent thereof, with respect to the Collaboration Compound or Product; and

(xiv) all research and Development related to the Collaboration Compound and Product prior to the Effective Date has been conducted in accordance with all Laws.

9.3 **Licensor Covenants** . Licensor covenants to Company that:

(i) Licensor shall fulfill all of its obligations, including but not limited to its payment obligations, under any Third Party License Agreement; and

(ii) Licensor shall not amend or waive, or take any action or omit to taking any action that would alter, any of Licensor's rights under any Third Party License Agreement in any manner that adversely affects, or would reasonably be expected to adversely affect, Company's rights and benefits under this Agreement. Licensor shall promptly notify Company of any default under, termination or amendment of, Third Party License Agreement.

ARTICLE 10
INDEMNIFICATION AND INSURANCE

10.1 **Indemnification by Company** . Company shall indemnify, defend and hold Licensor and its Affiliates and each of their respective employees, officers, directors and agents and their respective heirs, successors and assigns (the " **Licensor Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Company's negligence or willful misconduct; (b) Company's performance of its obligations under this Agreement; (c) willful breach by Company of its

representations or warranties set forth in ARTICLE 9, or (d) the Development of any Collaboration Compound or Product or the Commercialization (including, without limitation, the use by any Person) of any Product by Company or any of its Affiliates, Sublicensees, distributors or agents in the Company Territory; provided, however, that Company's obligations pursuant to this Section 10.1 shall not apply (i) to the extent such claims or suits result from the negligence or willful misconduct of any of the Licensor Indemnitees, (ii) with respect to claims or suits arising out of breach by Licensor of its warranties or covenants set forth in Article 9.

10.2 **Indemnification by Licensor** . Licensor shall indemnify, defend and hold Company and its Affiliates and each of their respective agents, employees, officers and directors and their respective heirs, successors and assigns (" **Company Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Licensor's negligence or willful misconduct; (b) Licensor's performance of its obligations under this Agreement; (c) willful breach by Licensor of its representations, warranties or covenants set forth in Article 9; or (d) Licensor or its Affiliates activities in the Reserved Territory with respect to the Collaboration Compound and Product, or within the Company Territory with respect to the Phase I Clinical Trials; provided, however, that Licensor's obligations pursuant to this Section 10.2 shall not apply (i) to the extent that such claims or suits result from the negligence or willful misconduct of any of Company Indemnitees, (ii) with respect to claims or suits arising out of breach by Company of its warranties set forth in Article 9.

10.3 **Certain Liabilities** . NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER PARTY'S LIABILITY IS LIMITED WITH RESPECT TO (i) DEATH OR PERSONAL INJURY DUE TO NEGLIGENCE (AS NEGLIGENCE IS DEFINED IN THE UNFAIR CONTRACTS ACT 1977 OF ENGLAND AND WALES) or (ii) FRAUD.

10.4 **No Consequential Damages** . EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 10.1 OR SECTION 10.2 FOR PAYMENTS TO THIRD PARTIES, AS APPLICABLE, AND SUBJECT ALWAYS TO SECTION 10.3 (CERTAIN LIABILITIES), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT,

NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR COMPANY FROM SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY BREACH OF BY THE OTHER PARTY OF ITS CONFIDENTIALITY AND NON-USE OBLIGATIONS UNDER ARTICLE 8.

10.5 **Notification of Claims; Conditions to Indemnification Obligations** . As a condition to a Party's right to receive indemnification under this ARTICLE 10, it shall: (a) promptly notify the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto; (b) cooperate, and cause the individual indemnitees to cooperate, with the indemnifying Party in the defense, settlement or compromise of such claim or suit; and (c) permit the indemnifying Party to control the defense, settlement or compromise of such claim or suit, including the right to select defense counsel. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of the indemnified Party or any indemnitee without the prior written consent of the indemnified Party. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defense of any such suit, claim or demand, such cooperation to include without limitation using reasonable efforts to provide or make available documents, information and witnesses. The indemnifying Party shall have no liability under this Article 10 with respect to claims or suits settled or compromised without its prior written consent.

10.6 **Insurance** . During the Term, each Party shall obtain and maintain, at its sole cost and expense, insurance (including any self-insured arrangements) in types and amounts that are reasonable and customary in the pharmaceutical and biotechnology industry for companies engaged in comparable activities. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self-insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 10.6.

ARTICLE 11
TERM AND TERMINATION

11.1 **Term and Expiration** . The term of this Agreement (the " **Term** ") shall commence on the Effective Date and, unless earlier terminated as provided in this ARTICLE 11, shall continue in full force and effect, on a country-by-country and Product-by-Product basis until the date on which the Royalty Term in such country with respect to such Product expires, at which time this Agreement shall expire in its entirety with respect to such Product in such country and the terms of Section 11.5(b)(i) shall apply.

11.2 **Termination of the Agreement for Convenience** . At any time during the Term, Company may, at its convenience, terminate this Agreement in its entirety with ninety (90) days' prior written notice to Licensor.

11.3 **Termination of the Agreement by Licensor** . Except to the extent the following is unenforceable under the law of a particular jurisdiction where a patent application for Licensor Patents is pending or a patent within the Licensor Patents is issued, Licensor may terminate this Agreement immediately upon written notice to Company in the event that Company or any of its Affiliates or Sublicensees Challenges any Licensor Patents or assists a Third Party in initiating or pursuing a Challenge of any Licensor Patents..

11.4 **Termination upon Material Breach.**

(a) **Material Breach** . If a Party breaches any of its material obligations under this Agreement, the Party not in default may give to the breaching Party a written notice specifying the nature of the default, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured within sixty (60) days. If such breach is not cured within sixty (60) days after the receipt of such notice and such breach remains uncured, the Party not in default shall be entitled to terminate this Agreement immediately by written notice to the other Party, subject to Section 11.4(c).

(b) **Sole Remedy** . In the event that Company fails to fulfill its obligations under Section 8 (and does not cure such failure as provided in Section 11.4(a)), Licensor's sole and exclusive remedy shall be to terminate this Agreement as provided in Section 11.4(a).

(c) **Material Breach Dispute** . Notwithstanding Section 11.4(a), any dispute regarding an alleged material breach, including, but not limited to, whether an alleged material breach of this

Agreement occurred or whether an alleged breach of this Agreement is material, shall be resolved in accordance with ARTICLE 12 hereof.

11.5 **Effects of Termination.**

(a) **Survival.**

(i) Notwithstanding the expiration or termination of this Agreement, the following provisions shall survive the expiration or termination of this Agreement: Articles 1 (Definitions), 8 (Confidentiality)(other than Section 8.4 (Publications) and Section 8.5 (Press Releases and Disclosure), and with respect to the remaining sections only for the time period set forth in Section 8.1), 10 (Indemnification and Insurance), 11 (Term and Termination)(other than Section 11.6(b) which shall only survive for the time period set forth in Section 11.6(b)(ii)), 12 (Dispute Resolution), and 13 (Miscellaneous)(other than 13.2 (Assignment) and 13.4 (Change of Control)); and Section 2.3(b)(No Other Rights), 5.4 (Adverse Event Reporting), 6.9 (Royalty Reports and Records Retention), 6.11 (Late Payments), 6.12 (Audits), and 6.13 (Taxes) (including all other Sections or Articles referenced in any such Article or Section). Expiration or termination of this Agreement shall not relieve the Parties of any liability that accrued hereunder prior to the effective date of such termination. For purposes of this Section, the obligation to pay a milestone payment pursuant to Section 6.2 or Section 6.3 shall accrue as of the date the relevant milestone is achieved. In addition, termination of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

(b) **Licenses, Contracts, Regulatory Matters and Other Obligations** .

(i) As of the effective date of expiration of the Royalty Term with respect to a given Product and country, the license from Licensor to Company under Section 2.1 shall convert to a fully paid, royalty free, irrevocable, perpetual, exclusive, and sublicensable license under the Licensor Technology to research, Develop, Manufacture, have Manufactured, use and Commercialize such Product in the Field in such country.

(ii) Upon termination of this Agreement by Company pursuant to Section 11.2 or Section 11.4(a) or by Licensor pursuant to Section 11.3 or Section 11.4(a), the following terms and conditions shall apply with respect to Collaboration Compounds and Product(s) throughout the Company Territory:

(1) all licenses and rights granted to Company, including, without limitation, all licenses granted to Company under Section 2.1, shall immediately terminate;

(2) all sublicenses granted by Company shall immediately terminate;

(3) all licenses and rights granted by Company to Licensor, including, without limitation, all licenses granted to Licensor pursuant to Section 2.2 shall survive and shall, except as limited by the rights of Third Parties, become, in the Company Territory, fully-paid and royalty-free (but otherwise remain subject to the same limitations set forth in those Sections and otherwise in this Agreement), with the unrestricted right to grant sublicenses, and shall apply to the Development and Commercialization, including the Manufacture, of Collaboration Compounds and Products in the Company Territory;

(4) Company shall assign to Licensor, free of charge, its interest in the Product IP such that the Product IP is owned solely by Licensor;

(5) each Party shall promptly return all Confidential Information and proprietary materials of the other Party that are not subject to a continuing license hereunder; provided, that, each Party may retain one copy of the Confidential Information of the other Party in its archives solely for the purpose of establishing the contents thereof and ensuring compliance with its obligations hereunder;

(6) with respect to a termination of this Agreement by Company pursuant to Section 11.2 only, from the period commencing on the date that Licensor receives the notice described in Section 11.2, Company shall relinquish its rights to representation on the JAC;

(7) (x)In the event the effective date of termination of this Agreement occurs less than [...***...] after a notice of termination is given by the Party terminating this Agreement (including without limitation, termination of this Agreement pursuant to Section 4.1(b)), then to the extent requested by Licensor in writing before the effective date of termination or within [...***...] after the effective date of termination or (y) in the event the effective date of termination of this agreement occurs more than [...***...] after a notice of termination is given by the Party terminating this Agreement (including without limitation, termination of this Agreement pursuant to Section 11.2), then to the extent requested by Licensor in writing before the effective date of termination, (the period in (x) or (y) in which Licensor may make a request being referred to herein as the " **Transition Request Period** ") , Company shall promptly, and in any event within [...***...] after Licensor's request (which request may specify any or all of the actions in clauses (i) through (xiii)):

(i) assign to Licensor, free of charge, the ownership of all trademarks for Products in the Field in the Company Territory; provided that after such assignment Licensor shall assume all responsibility for maintaining such trademarks, and if Licensor does not request such assignment, Company may terminate or withdraw from registration, all such trademark.

(ii) grant Licensor an exclusive royalty-free license in the Company Territory, with the unrestricted right to sublicense, under all Company Patents and Company Technology specific to the Collaboration Compounds and Products and a non-exclusive, royalty-free license in the Company Territory, with the unrestricted right to sublicense, under all other Company Patents and Company Technology necessary or useful for Licensor to Develop and Commercialize Collaboration Compounds and Products, in each case solely for use by Licensor to Develop and Commercialize Collaboration Compounds and Products in the Company Territory.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

(iii) transfer to Licensor all of its right, title and interest in all Regulatory Filings and Regulatory Approvals then in its name applicable to Products in the Company Territory, if any, and all Confidential Information Controlled by it as of the date of termination relied on by such Regulatory Filings and Regulatory Approvals;

(iv) notify the applicable Regulatory Authorities in the Company Territory and take any other action reasonably necessary to effect such transfer;

(v) provide Licensor with copies of all relevant correspondence between Company and such Regulatory Authorities relating to such Regulatory Filings and Regulatory Approvals in the Company Territory;

(vi) unless expressly prohibited by any Regulatory Authority, transfer sponsorship and control to Licensor of all Clinical Trials of Products being conducted in the Company Territory as of the effective date of termination as quickly as reasonably possible and bear the costs of conducting such Clinical Trials and such transfer activities for a period of no longer than [...***...] after the effective date of termination, after which [...***...] period Licensor shall reimburse Company for all costs incurred in continuing to conduct such trials and transferring the same, provided that in no event Company shall be required to continue to conduct any Clinical Trial for a period longer than [...***...] from the effective date of termination. In the event, however, that Licensor does not request in writing the transfer of such Clinical Trials prior to or during the Transition Request Period, Company shall have the right to wind-down any Clinical Trial of Products being conducted in the Company Territory as quickly as possible at Company's cost. For clarity, all biological samples collected in the course of such Clinical Trials shall be transferred to Licensor and Company shall ensure that all of the informed

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consent forms used in the Clinical Trials of Products that Company or its Affiliates or Sublicensees sponsor shall include consent to such a transfer of samples to Licensor.

(vii) assign (or cause its Affiliates to assign) to Licensor all agreements with any Third Party with respect to Manufacture of Collaboration Compounds and Products or the conduct of Clinical Trials for Products, including, without limitation, agreements with contract research organizations, clinical sites and investigators, unless expressly prohibited by any such agreement (in which case Company shall cooperate with Licensor in all reasonable respects to secure the consent of such Third Party to such assignment);

(viii) cooperate with Licensor, cause its Affiliates to cooperate with Licensor and use Commercially Reasonable Efforts to require any Third Party with which Company has an agreement with respect to the conduct of Clinical Trials for Products or the Manufacture of Products that cannot be assigned pursuant to clause (vii) above (including, without limitation, agreements with contract manufacturing organizations, contract research organizations, clinical sites and investigators), to cooperate with Licensor in order to accomplish the grant to Licensor of similar rights as held by Company under its agreements with such Third Parties;

(ix) provide Licensor at cost with all supplies of Collaboration Compounds and Products in the possession of Company or any Affiliate or contractor of Company at the effective date of termination;

(x) provide Licensor with copies of all reports and data generated or obtained by Company or its Affiliates pursuant to this Agreement that are relevant for further Development and Commercialization by Licensor of any Collaboration Compound

or Product in the Company Territory that have not previously been provided to Licensor;

(xi) grant to Licensor the right to use and disclose in connection with the Development and Commercialization of Products in the Company Territory all Company Confidential Information that is necessary or useful for the Development and Commercialization of Collaboration Compounds or Products, and all such Company Confidential Information shall be subject to first sentence of the second paragraph of Section 8.1 with respect to disclosure to Representatives of Company as if it were Licensor Confidential Information; and

(xii) if Company has Manufactured, is Manufacturing or is having Manufactured any Collaboration Compound or Product or any intermediate of any Collaboration Compound or Product as of the date of termination, (A) transfer copies of all documents and materials Controlled by Company and embodying Company Technology and/or Company Patent Rights that are at the time of such termination being used by Company or its Third Party manufacturers to Manufacture a Collaboration Compound or Product, including but not limited to all suppliers, analytical methods, quality standards, specifications, commercial API formula, process chemistry, Manufacturing process descriptions, process flows, cycle times, process parameters, process equipment type and sizes, cleaning methods, commercial API samples, master safety data sheets, and stability reports, all to the extent permissible under the applicable Third Party agreement (the " **Company Manufacturing Know-How** ") solely to enable the Manufacture of Collaboration Compounds or Products by Licensor, its Affiliates or any Third Party manufacturer of Licensor; (B) promptly make available to Licensor or any such Third Party manufacturer a reasonable number of appropriately trained personnel to provide, on a mutually convenient timetable, technical assistance in the transfer of Company Manufacturing

Know-How to Licensor against reimbursement by Licensor of the Out-of-Pocket Expenses incurred by Licensor or any of its Affiliates; (C) cooperate with Licensor, cause its Affiliates to cooperate with Licensor and use Commercially Reasonable Efforts to require its Third Party manufacturers of Collaboration Compounds or Products to cooperate with Licensor in order to accomplish the transfer to Licensor of similar rights as held by Company under its Third Party manufacturer agreements; and (D) supply Licensor with its requirements of Collaboration Compounds or Products for up to [...***...] following such termination at a transfer price equal to [...***...] thereof if a Third Party contract manufacturer is used, or at Company's [...***...] if Company or any of its Affiliates Manufacture Collaboration Product or Products; and

(xiii) enter into negotiations with Licensor and agree upon and implement a plan for the orderly transition of Development and Commercialization from Company to Licensor in a manner consistent with Laws and standards of ethical conduct of human Clinical Trials and seek to replace all Company personnel engaged in any Clinical Trial activities with Licensor personnel, in each case, as promptly as practicable.

(iii) Upon termination of this Agreement by Licensor pursuant to Section 11.4(a), Licensor shall have the right to terminate the Other Agreement by written notice to Company. For the avoidance of doubt, (A) unless Licensor exercises the foregoing right, termination of this Agreement shall not affect Company's rights (including the PRC ROFN and the PRC Commercialization Option) and obligations (including milestones payments) under the Other Agreement and (B) if this Agreement terminates prior to a Territory Expansion Event and Licensor has not exercised the foregoing right, the Agreement shall be deemed to have not been terminated in the event of a Territory Expansion Event, except that the Company Territory in such event will be solely the PRC Territory.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

(iv) Immediately following Company's notification of termination to Licensor, the diligence obligations in Section 4.8 shall no longer apply and, subject to Section 11.5(b)(ii), Company shall have the right to wind-down all then on-going Development, manufacturing and/or Commercialization activities.

11.6 **Continuing Rights in Case of Licensor Bankruptcy or Insolvency; Right of First Refusal.**

(a) **Continuing Rights .** The Parties agree that, in the event of a Licensor Bankruptcy Event, Company shall be entitled to a complete duplicate of (or complete access to, as appropriate) any Licensor Technology and all embodiments thereof, which, if not already in Company's possession, shall be promptly delivered to it (a) following any such commencement of a bankruptcy proceeding upon Company's written request therefor, unless Licensor elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by Licensor upon written request therefor by Company.

(b) **Right of First Refusal** . In addition to the foregoing, in the event of a Licensor Bankruptcy Event, Company shall, to the extent allowed by Law, have a right of first refusal to purchase all of Licensor's interest in the Collaboration Compound and Product and the Licensor Technology to the extent the Licensor Technology relates solely to the Collaboration Compound and Product (the " **Right of First Refusal** "). The Right of First Refusal shall operate as follows:

(i) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a reasonably detailed written notification of any Licensor Bankruptcy Event.

(ii) Licensor (or other authorized representative of Licensor, including a bankruptcy trustee) shall promptly send to Company a written notification of any Third Party offer made for the Collaboration Compound, Product or Licensor Technology. Company shall have a Right Of First Refusal for a period of up to [...***...] after Company receives such notice (such period, the " **Right of First Refusal Notice Period** "). In the event Company exercises its Right of First Refusal, the terms of the Third Party offer shall become binding upon Company and Licensor. For the avoidance of doubt, Licensor shall not enter into any agreement with a Third Party relating to Licensor's interest in Products or Licensor Technology during the Right of First Refusal Notice Period.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

11.7 **Other Remedies** . Termination of this Agreement for any reason shall not release either Party from any liability or obligation that already has accrued prior to such termination. Termination of this Agreement for any reason shall not constitute a waiver or release of, or otherwise be deemed to prejudice or adversely affect or limit, any rights or remedies that otherwise may be available at Law or in equity.

ARTICLE 12
DISPUTE RESOLUTION

12.1 **Disputes** . The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish under this ARTICLE 12 procedures to facilitate the resolution of disputes arising under this Agreement (other than any disputes relating to matters for which under this Agreement Company or Licensor has sole decision-making authority and/or discretion (each, a " **Non-Escalable Dispute** "), in which case, such matter shall be determined by Company or Licensor, as the case may be, and shall not be part of the dispute resolution procedure set forth in this Article 12) in an expedient manner by mutual cooperation and without resort to litigation. In the event that the Parties are unable to resolve such dispute through diligent review and deliberation by the Senior Executives within thirty (30) days from the day that a Party had designated the issue as a dispute in written notice to the other Party, then either Party shall have the right to escalate such matter to the Executive Officers as set forth in Section 12.2.

12.2 **Escalation to Executive Officers** . Either Party may, by written notice to the other Party, request that a dispute (other than a Non-Escalable Dispute) that remains unresolved by the Senior Executives for a period of thirty (30) days as set forth in Section 12.1 arising between the Parties in connection with this Agreement, or a dispute relating to material breach, be resolved by the Executive Officers, within fifteen (15) days after referral of such dispute to them . If the Executive Officers cannot resolve such dispute within fifteen (15) days after referral of such dispute to them, then, at any time after such fifteen (15) day period, either Party may proceed to enforce any and all of its rights with respect to such dispute.

12.3 **Full Arbitration** . If the Parties are unable to resolve the dispute following the procedure set forth in Section 12.2, then the dispute for arbitration shall be submitted in London, England in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the " **ICC Rules** ") then in effect. Notwithstanding the foregoing, in all events, the

provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. Any judgment upon the award rendered by the panel of the arbitrators shall be entered in any court having jurisdiction over the subject matter thereof. The panel of the arbitrators shall have the authority to grant any equitable and legal remedies that would be available if any judicial proceeding was instituted to resolve said dispute. The final decision of such panel of the arbitrators, as entered by a court of competent jurisdiction, will be furnished by such panel of the arbitrator in writing and will constitute a final, conclusive and non-appealable determination of the issue in question, binding upon the Parties, and an order with respect thereto may be entered in any court of competent jurisdiction. Except as set forth in Section 12.4, the following procedures shall apply:

(a) Each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the ICC.

(b) No arbitrator shall have any past or present family, business or other relationship with the Parties or any Affiliate, director or officer thereof, unless following full disclosure of all such relationships, the Parties agree in writing to waive such requirement with respect to an individual in connection with any dispute.

(c) No discovery other than an exchange of relevant documents may occur in any arbitration commenced under the provisions of this Article 12. The Parties agree to act in good faith to promptly exchange relevant documents.

(d) The Parties will each pay fifty percent (50%) of the initial compensation to be paid to the arbitrator in any such arbitration and fifty percent (50%) of the costs of transcripts and other normal and regular expenses of the arbitration proceedings; provided, however, that: (i) the prevailing Party in any arbitration will be entitled to an award of attorneys' fees and costs; and (ii) all costs of arbitration, other than those provided for above, will be paid by the losing Party, and the arbitrator will be authorized to determine the identity of the prevailing Party and the losing Party.

(e) The panel of the arbitrators chosen in accordance with these provisions will not have the power to alter, amend or otherwise affect the terms of these arbitration provisions or any other provisions contained in this Agreement.

12.4 **Injunctive Relief** . Subject to Section 11.4(b), no provision herein shall be construed as precluding a Party from bringing an action for injunctive relief or other equitable relief prior to the initiation or completion of the above procedure.

ARTICLE 13
MISCELLANEOUS PROVISIONS

13.1 **Relationship of the Parties** . The Parties hereto understand and agree that the Collaboration is limited to the activities, rights and obligations as set forth in this Agreement. Nothing in this Agreement shall be construed or shall be deemed, for financial, tax, legal or other purposes (a) to create or imply a general partnership between the Parties, (b) to make either Party the agent of the other for any purpose, (c) to alter, amend, supersede or vitiate any other arrangements between the Parties with respect to any subject matters not covered hereunder, (d) to give either Party the right to bind the other, (e) to create any duties or obligations between the Parties except as expressly set forth herein, or (f) to grant any direct or implied licenses or any other right other than as expressly set forth herein.

13.2 **Assignment.**

(a) **Assignment and Successors.** Neither this Agreement nor any obligation of a Party hereunder may be assigned by either Party without the consent of the other which shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, (i) in whole or in part, to any of its Affiliates, or (ii) in whole, but not in part, to any purchaser of all of its assets or all of its assets to which this Agreement relates or shares representing a majority of its common stock voting rights or to any successor corporation resulting from any merger, consolidation, share exchange or other similar transaction.

(b) **Continuing Obligations** . No assignment under this Section 13.2 shall relieve the assigning Party of any of its responsibilities or obligations hereunder accruing prior to such assignment and, as a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties.

(c) **Void Assignments** . Any assignment not in accordance with this Section 13.2 shall be void.

(d) **Assignment of Licensor Technology** . Licensor shall not assign or transfer any Licensor Technology to any of its Affiliates or any Third Party without the prior written consent of Company, unless the assignee agrees in writing that such Licensor Technology shall be subject to this Agreement.

13.3 **Performance and Exercise by Affiliates** . Either Party shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by, any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by such Party; provided, however, that each Party shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of such Party hereunder shall be deemed to be a failure by such Party to perform such obligations. For clarity, either Party may designate an Affiliate to perform any of its obligations hereunder or to exercise any of its rights hereunder.

13.4 **Change of Control** . In the event of a Change of Control of Licensor by a Company Competitor , then as from the date of such Change of Control:

(i) Upon Company's written request, the JAC shall disband;

(ii) Company shall no longer be obligated to provide Company Product Commercialization Plans as set forth in Section 4.6(a); and

(iii) Except as set forth in Article 6, Article 7 and Section 5.4 or other provisions relating to Milestones and royalties, Company's reporting obligations hereunder with respect to Development and Commercialization of Collaboration Compounds and Products shall be reduced to an annual report of results achieved and current status of Development (for example, completion of a Phase II Clinical Trial, or filing or an IND) to Licensor or its successor entity, and in particular the obligations of Company under Section 4.13 shall no longer apply.

13.5 **Further Actions** . Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

13.6 **Accounting Procedures** . Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with the accounting principles and standards applicable to it (for example IFRS or GAAP).

13.7 **Force Majeure** . Neither Party shall be liable to the other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations under this Agreement for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a Governmental Body, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other reason which is beyond the reasonable control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

13.8 **No Trademark Rights** . No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise.

13.9 **Entire Agreement of the Parties; Amendments** . This Agreement and the Schedules hereto and the Other Agreement constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

13.10 **Captions** . The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

13.11 **Governing Law** . This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England.

13.12 **Notices and Deliveries** . Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service (signature required) to the Party to which it is directed at its address or facsimile number shown below or such other address or facsimile number as such Party shall have last given by notice to the other Party.

If to Company, addressed to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany
Attn:	Head of Alliance Management
Facsimile:	[...***...]

With a copy, which shall not constitute notice, to:

Name:	MERCK KGaA
Street:	Frankfurter Str. 250
City:	D-64293 Darmstadt
Country:	Germany
Attn:	Legal
Facsimile:	[...***...]

If to Licensor, addressed to:

Name:	BeiGene, LTD.
Street:	c/o Mourant Ozannes Corporate Services (Cayman) Limited 94 Solaris Avenue, PO Box 1348
City:	Grand Cayman KY1-1108
Country:	Cayman Islands GB
Attn:	Chief Executive Officer

With a copy, which shall not constitute notice, to:

Name:	BeiGene, LTD. c/o BeiGene (Beijing) Co., Ltd.
Street:	No. 30 Science Park Road Zhong-Guan-Cun Life Science Park Changping District

City:	Beijing
Country:	P.R. China

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

102206
Attn: [...***...]
Facsimile: [...***...]
Telephone: [...***...]

With a copy, which shall not constitute notice, to:

Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: [...***...]
Tel: [...***...]
Fax: [...***...]

13.13 **Language.** The official language of this Agreement and between the Parties for all correspondence shall be the English language.

13.14 **Waiver** . A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall apply only to the specific instance and shall not be deemed or construed to be an ongoing or future waiver of such term or condition or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

13.15 **Severability** . When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

13.16 **No Implied License** . No right or license is granted to either Party hereunder by implication, estoppel, or otherwise to any know-how, patent or other intellectual property right owned or controlled by the other Party or its Affiliates.

13.17 **Interpretation** . The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time. Unless the context otherwise requires, countries shall include territories.

13.18 **Counterparts** . This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

13.19 **No Third Party Beneficiaries.** Except as set forth in Sections 10.1 and 10.2, no Third Party (including, without limitation, employees of either Party) shall have or acquire any rights under this Agreement under the Contracts (Rights of Third Parties) Act 1999 of England and Wales or otherwise.

13.20 **No Reliance.** Each Party acknowledges that, in entering into this Agreement (and any document referred to in it), it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing herein shall limit a Party's liability for fraud or fraudulent misrepresentation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date first above written.

BEIGENE, LTD.

Signature: /s/ John V. Oyler

Printed Name: John V. Oyler

Title: CEO

MERCK KGAA

Signature: /s/ Stefan Oschmann

Printed Name: Dr. Stefan Oschmann

Title: General Partner and Member of the Executive Board, Merck KGaA

ppa.

Signature: /s/ Jens Eckhardt

Printed Name: Jens Eckhardt

Title: Regional General Counsel

Exhibit 1

[...***... (18 pages omitted)]

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.53

[...***... (11 pages omitted)]

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.54

Licensor Material:

[...***... (14 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.55

Licensor Patents:

[...***...]

---

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 7.4(d)

Country List:

[...***...]

---

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Press Releases

(please see following pages)

MerckSerono

MERCK

Your Contact

Dr. Raphaela Farrenkopf
Phone +49 6151 72-2274

News Release

November xy, 2013

Merck Enters into Further Global Co-Development and Commercialization Agreement for PARP Inhibitor with Chinese R&D Company BeiGene

- **New agreement marks the second collaboration between Merck and BeiGene**

Darmstadt, Germany, November XY, 2013 – Merck Serono, the biopharmaceutical division of Merck, today announced that a global licensing, co-development, and commercialization agreement for BeiGene-290 has been signed with BeiGene Co., Ltd., a biotech research and development company in Beijing, China. The compound, which is a potent poly (ADP-ribose) polymerase (PARP) inhibitor for the treatment of cancer, is currently in preclinical development and is expected to enter clinical development next year. This is the second collaboration agreement between the two companies this year.

PARP inhibitors are thought to target an enzyme family, poly (ADP-ribose) polymerase, which is involved in a number of cellular processes, including DNA repair and programmed cell death.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-290 in China, and Merck will be responsible for the development and commercialization of BeiGene-290 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to € 170 million (US$ 232 million) for the achievement of clinical development

Merck KGaA
Frankfurter Strasse 250
64293 Darmstadt
Germany
Hotline +49 (0) 6151 72-5000
www.merckgroup.com

www.merckserono.com

Tel. +49 (0) 6151 72-2274

rapnaela.farrenkopf@merckgroup.com

and potential commercial milestones in both the People's Republic of China and rest of the world, as well as royalties on net sales.

"We are delighted to announce an expansion of our strategic partnership with BeiGene. Today's announcement highlights our commitment both to establishing strong R&D partnerships in China but also to our partner BeiGene, a preeminent Chinese life sciences company focused on discovering and developing innovative oncology drugs," said Dr. Susan Jane Herbert, Head of Global Business Development and Strategy for Merck Serono, the biopharmaceutical division of Merck.

John Oyler, CEO of BeiGene said: "We are very much looking forward to expanding further our collaboration with Merck to include BeiGene-290. This collaboration helps to accelerate the global development and commercialization of this China-discovered oncology innovation, something BeiGene could not have achieved alone. Furthermore this deal and Merck's previous deal with BeiGene to develop the second generation, China-discovered BRAF inhibitor, BGB-283, demonstrate Merck's deep commitment to China and external innovation."

Both companies were recently awarded the 2013 BayHelix-Elsevier Award for Alliance of the Year. This award recognizes a ground-breaking pharmaceutical collaboration agreement involving a Chinese entity—one that is centered on advancing the future of science and pharmaceutical innovation. It is a significant recognition for both organizations, underscoring a shared commitment to establishing strategic partnerships that accelerate the delivery of differentiated new therapies to people living with serious unmet medical needs.

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com.

MerckSerono

MERCK

About Merck Serono
Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

For more information, please visit www.merckserono.com.

All Merck Press Releases are distributed by e-mail at the same time they become available on the Merck Website. Please go to www.merckgroup.com/subscribe to register online, change your selection or discontinue this service.

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 38,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest

DRAFT ONLY

BeiGene and Merck KGaA Enter into Further Global Co-Development and Commercialization Agreement for a Second Cancer Therapy

Beijing: November XY, 2013: BeiGene (Beijing) Co., Ltd. ("BeiGene"), a biotech R&D company in Beijing, and Merck, today announced that they have entered into a deal involving the global licensing, co-development, and commercialization agreement for BeiGene-290. The compound is a potent PARP inhibitor for the treatment of cancer. BeiGene-290, which is currently in preclinical development, was discovered and developed in the People's Republic of China by BeiGene. It is expected to enter clinical development next year.

This is the second collaboration agreement between the two companies this year.

PARP inhibitors are thought to target an enzyme family, Poly (ADP-ribose) polymerase involved in a number of cellular processes including DNA repair and programmed cell death.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-290 in the People's Republic of China and Merck will be responsible for the development and commercialization of BGB-290 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to US$ 232 million for the achievement of clinical development and potential commercial milestones in both the People's Republic of China and rest of the world, as well as up to double digit royalties on net sales.

John Oyler, CEO of BeiGene said: "We are very much looking forward to expanding further our collaboration with Merck to include BeiGene-290. This collaboration helps to accelerate the global development and commercialization of this China-discovered oncology innovation, something BeiGene could not have achieved alone. Furthermore this deal and Merck's previous deal with BeiGene to develop outside of China BeiGene's Second Generation, China-discovered BRAF inhibitor, BGB-283, demonstrate Merck's deep commitment to China and external innovation."

"We are delighted to announce an expansion of our strategic partnership with BeiGene. Today's announcement highlights our commitment both to establishing strong R&D partnerships in China but also to our partner BeiGene, a preeminent Chinese life sciences company focused on discovering and developing innovative oncology drugs," said Dr. Susan Jane Herbert, Head of Global Business Development and Strategy for Merck Serono, the biopharmaceutical division of Merck.

Both companies were recently awarded the 2013 BayHelix-Elsevier Award for Alliance of the Year. This award recognizes a ground-breaking pharmaceutical collaboration agreement involving a Chinese entity—one that is centered on advancing the future of science and pharmaceutical innovation. It is a significant recognition for both organizations, underscoring a shared commitment to establishing strategic partnerships that accelerate the delivery of differentiated new therapies to people living with serious unmet medical needs.

About BeiGene

BeiGene is a Chinese oncology company focusing on discovering, developing and commercializing innovative, best-in-class, globally relevant oncology therapeutics. With a team of 150 scientists and staff, our pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd. For more information, please visit the company's website at www.beigene.com.

Exhibit 10.8

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

LICENSE AGREEMENT

DATED AS OF October 28, 2013

BY AND BETWEEN

BEIGENE, LTD.

AND

MERCK KGAA

TABLE OF CONTENTS

LICENSE AGREEMENT

This License Agreement (this " **Agreement** ") is dated as of October 28, 2013 (the " **Effective Date** ") by and between BeiGene , Ltd, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, P.O. Box 1348, Grand Cayman, KY1-1108, Cayman Islands GB (" **BeiGene** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Company** "). BeiGene and Company may be referred to herein as a "Party" or, collectively, as "Parties."

RECITALS:

WHEREAS , BeiGene has developed and controls certain technology and proprietary materials related to its proprietary poly (ADP-ribose) polymerase (" **PARP** ") inhibitor known as BGB-290 (" **BGB-290** ") and is engaged in the research, discovery, development, manufacture and commercialization of biopharmaceutical products;

WHEREAS , Company is engaged in the research, development, manufacturing and commercialization of pharmaceutical products;

WHEREAS , as of the date hereof, Company and BeiGene are entering into an arrangement whereby (i) the Parties will collaborate in the development and manufacturing of Collaboration Compound and Product and commercialization of Product , and (ii) Company will have exclusive license rights to Develop and Commercialize Collaboration Compound and Product in the Field outside the PRC Territory, in exchange for upfront, milestone and royalty payments pursuant to a license agreement entered into between Company and BeiGene on the date hereof (the " **Other License Agreement** "); and

WHEREAS , Company and BeiGene desire to enter into this Agreement setting forth (i) BeiGene's exclusive license from Company under Company Technology to Develop and Commercialize Collaboration Compound and Product in the Field in the PRC Territory, in exchange for royalties, and (ii) an option and a right of first negotiation to Company with respect to a license of the rights to research, Develop, Manufacture and Commercialize the Collaboration Compound and Product in the PRC Territory.

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

ARTICLE 1

DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 **"Affiliate"** means a Person that controls, is controlled by or is under common control with a Party, but only for so long as such control exists. For the purposes of this Section 1.1, the word "control" (including, with correlative meaning, the terms "controlled by" or "under the common control with") means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person or entity, whether by the ownership of more than fifty percent (50%) of the voting stock of such entity, or by contract or otherwise.

1.2 " **BGB-290 PARP Program** " means BeiGene's Development program relating to Collaboration Compounds and/or Product in the PRC Territory.

1.3 " **BGB-290 Patent Application** " means [...***...].

1.4 " **BeiGene Bankruptcy Event** " means: (a) voluntary or involuntary proceedings by or against BeiGene are instituted in bankruptcy under any insolvency Law, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; (b) a receiver or custodian is appointed for BeiGene; (c) proceedings are instituted by or against BeiGene for corporate reorganization, dissolution, liquidation or winding-up of BeiGene, which proceedings, if involuntary, shall not have been dismissed within sixty (60) days after the date of filing; or (d) substantially all of the assets of BeiGene are seized or attached and not released within sixty (60) days thereafter.

1.5 " **BeiGene Know-How** " means all Know-How that is Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Collaboration Compound or Product. The BeiGene Know-How shall include all Know-How set forth on Schedule 1.5 .

1.6 " **BeiGene Materials** " means all chemical, biological or physical materials other than Collaboration Compounds that are Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound or Product. The BeiGene Materials set forth on Schedule 1.6 constitute all BeiGene Materials as of the Effective Date.

1.7 " **BeiGene Patents** " means all Patent Rights that are Controlled by BeiGene or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Products. Listed on Schedule 1.7 are all BeiGene Patents existing as of the Effective Date; provided, that BeiGene shall update Schedule 1.7 from time-to-time to include any new Patent Rights that come to be Controlled by BeiGene or any of its Affiliates at any time during the Term on or following the Effective Date that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compounds or Products.

1.8 " **BeiGene Technology** " means the BeiGene Patents, the BeiGene Know-How, the BeiGene Materials, Product IP, and BeiGene's rights in the Program IP.

1.9 " **Business Day** " means a day other than Saturday or Sunday on which banking institutions in Beijing, China; and Darmstadt, Germany are open for business.

1.10 " **Calendar Quarter** " means each three (3) month period commencing January 1, April 1, July 1 or October 1 of any year; provided, however, that (a) the first Calendar Quarter of the Term shall extend from the Effective Date to the end of the first full Calendar Quarter thereafter, and (b) the last Calendar Quarter of the Term shall end upon the termination or expiration of this Agreement.

1.11 " **Calendar Year** " means the period beginning on the 1st of January and ending on the 31st of December of the same year; provided, however, that (a) the first Calendar Year of the Term shall commence on the Effective Date and end on December 31 of the same year and (b) the last Calendar Year of the Term shall commence on January 1 of the Calendar Year in which this

Agreement terminates or expires and end on the date of expiration or termination of this Agreement.

1.12 " **Challenge** " means any challenge to the validity or enforceability of any of the BeiGene Patents, including without limitation by (a) filing a declaratory judgment action in which any of the BeiGene Patents is alleged to be invalid or unenforceable; or (b) filing or commencing any re-examination, interference, derivation proceeding, post-issuance proceeding, opposition, cancellation, nullity or similar proceedings against any of the BeiGene Patents in the courts or patent offices in any country.

1.13 " **Change of Control** " means, with respect to BeiGene or its parent entity (the " **Target** "): (a) a transaction or series of related transactions that results in the sale or other disposition of all or substantially all of the Target's assets; or (b) a merger or consolidation in which, whether or not the Target is the surviving corporation, the shareholders of the Target immediately prior to the consummation of such merger or consolidation do not, immediately after consummation of such merger or consolidation, possess, directly or indirectly through one or more intermediaries, a majority of the voting power of all of the surviving entity's outstanding stock and other securities and the power to elect a majority of the members of the surviving entity's board of directors; or (c) a transaction or series of related transactions (which may include a tender offer for the Target's stock or the issuance, sale or exchange of stock of the Target) if a single Person or group of Persons who are Affiliates (including, without limitation, Affiliates that are venture capital or investment divisions of such Person) and who are engaged in the research, development, manufacturing and commercialization of pharmaceutical products acquire the Target's stock in such transaction or series of related transactions that possesses a majority of the voting power of all of the Target's outstanding stock and other securities and the power to elect a majority of the members of the Target's board of directors.

1.14 " **Clinical Trial** " means a clinical trial in human subjects that has been approved by a Regulatory Authority and institutional review board or ethics committee, and is designed to measure the safety and/or efficacy of Product. Clinical Trials shall include Phase I Clinical Trials, Phase II Clinical Trials, Phase III Clinical Trials and Phase IV Clinical Trials.

1.15 " **Collaboration Compound** " means, collectively, (a) BGB-290, (b) any other compound which is within the claims of the BGB-290 Patent Application, (c) any prodrugs, salts or solvates of the

compounds described in clauses (a) and (b), and (d) any dosage form or formulation of the compounds described in clauses (a), (b) and (c).

1.16 " **Combination Product** " means a fixed dose oral (or other form of administration) product containing Product and another product (such other product, which, for the avoidance of doubt, is not itself a Product, an " **Additional Product** ") that has received Commercialization Regulatory Approval for treating an Indication for which the Product has received Commercialization Regulatory Approval.

1.17 " **Commercialization** " or " **Commercialize** " means any and all activities undertaken before and after Regulatory Approval of a MAA for Product and that relate to the marketing, promoting, distributing, importing or exporting for sale, offering for sale, and selling of Product, and interacting with Regulatory Authorities regarding the foregoing.

1.18 " **Commercialization Regulatory Approval** " means, with respect to any Product, final approval of the counterpart of an NDA application submitted to the SFDA, together with pricing approval and government reimbursement approval by appropriate central authority and at least one provincial authority in the PRC Territory, required by applicable Law to permit the marketing of any applicable Product, as may be amended from time to time.

1.19 " **Commercially Reasonable Efforts** " means: (a) with respect to the efforts to be expended by a Party with respect to any objective, such reasonable, diligent, and good faith efforts as such Party would normally use to accomplish a similar objective under similar circumstances; and (b) with respect to any objective relating to Development or Commercialization of Product by a Party, the application by such Party, consistent with the exercise of its prudent scientific and business judgment, of diligent efforts and resources to fulfill the obligation in issue, consistent with the level of efforts such Party would devote to a product at a similar stage in its product life as Product and having profit potential and strategic value comparable to that of Product, taking into account, without limitation, commercial, legal and regulatory factors, target product profiles, product labeling, past performance, the regulatory environment and competitive market conditions in the therapeutic area, safety and efficacy of Product, and the strength of its proprietary position all based on conditions then prevailing. For clarity, Commercially Reasonable Efforts will not mean that a Party guarantees that it will actually accomplish the applicable objective.

1.20 " **Company Know-How** " means all Know-How that is Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that is necessary or useful in the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.21 " **Company Materials** " means all chemical, biological or physical materials that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that are necessary or useful in the research, Development, Manufacture, use or Commercialization of the Collaboration Compound or Product in the PRC Territory.

1.22 " **Company Patents** " means all Patent Rights that are Controlled by Company or any of its Affiliates, as of the Effective Date or at any time thereafter during the Term, and that Cover the research, Development, Manufacture, use, or Commercialization of the Collaboration Compound or Product.

1.23 " **Company Technology** " means the Company Patents, the Company Know-How, Company Materials and Company's rights in the Program IP.

1.24 " **Confidential Information** " of a Party means non-public information relating to the business, operations or products of a Party or any of its Affiliates, including any Know-How, that such Party discloses to the other Party under this Agreement, or otherwise becomes known to the other Party by virtue of this Agreement.

1.25 " **Controlled** " means, with respect to (a) Patent Rights, (b) Know-How or (c) biological, chemical or physical material, that a Party or one of its Affiliates owns or has a license or sublicense to such Patent Rights, Know-How or material (or, in the case of material, has the right to physical possession of such material) and has the ability to grant a license or sublicense to, or assign its right, title and interest in and to, such Patent Rights, Know-How or material as provided for in this Agreement without violating the terms of any agreement or other arrangement with any Third Party.

1.26 " **Cover** ", " **Covering** " or " **Covered** " means, with respect to Product, that the making, using, selling, or offering for sale of Product would, but for a license granted in this Agreement under the Joint Patents and Company Patents, infringe a Valid Claim of the Joint Patents or the Company Patents in the PRC Territory.

1.27 " **Development** " or " **Develop** " means with respect to a Collaboration Compound or Product, the performance of all pre-clinical and clinical development (including, without limitation, toxicology, pharmacology, test method development and stability testing, process development, formulation development, quality control development, and/or statistical analysis), Clinical Trials, and any other Manufacturing and regulatory activities that are required to obtain Regulatory Approval of Product in the PRC Territory.

1.28 " **European Union** " or " **EU** " means the European Union, as it may be reconstituted from time to time.

1.29 " **Executive Officers** " means, together, a member of the senior management of the pharmaceutical division of Company and the Chief Executive Officer of BeiGene.

1.30 " **FDA** " means the United States Food and Drug Administration or a successor federal agency thereto.

1.31 " **Field** " means the diagnosis, treatment, palliation or prevention of all diseases or conditions in humans or animals.

1.32 " **First Commercial Sale** " means the first transfer or disposition for value of Product in the PRC Territory to a Third Party by BeiGene, or any of its Affiliates or Sublicensees, in each case, after Commercialization Regulatory Approval has been obtained in the PRC Territory.

1.33 " **Governmental Body** " means any: (a) nation, principality, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental division, subdivision, department, agency, bureau, branch, office, commission, council, board, instrumentality, officer, official, representative, organization, unit, body or entity and any court or other tribunal); (d) multi-national or supranational organization or body; or (e) individual, entity, or body exercising, or entitled to exercise, any executive, legislative, judicial, administrative, regulatory, police, military or taxing authority or power of any nature.

1.34 " **Indication** " means a generally acknowledged disease or condition, a significant manifestation of a disease or condition, or symptoms associated with a disease or condition or a risk for a disease

or condition for which MAA may be obtained. For purposes of clarity, each separate oncology indication will be defined by a combination of the tissue type in which the cancer has its primary origin and the gene or set of genes in which mutations are present.

1.35 " **IFRS** " means the International Financial Reporting Standards, the set of accounting standards and interpretations and the framework in force on the Effective Date and adopted by the European Union as issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC), as such accounting standards may be amended from time to time.

1.36 " **Joint Patents** " has the meaning set forth in the Other License Agreement.

1.37 " **Joint Know-How** " has the meaning set forth in the Other License Agreement.

1.38 " **Know-How** " means any: (a) scientific or technical information, results and data of any type whatsoever, in any tangible or intangible form whatsoever, that is not in the public domain or otherwise publicly known, including discoveries, inventions, trade secrets, devices, databases, practices, protocols, regulatory filings, methods, processes (including manufacturing processes, specifications and techniques), techniques, concepts, ideas, specifications, formulations, formulae, data (including pharmacological, biological, chemical, toxicological, clinical and analytical information, quality control, trial and stability data), case reports forms, medical records, data analyses, reports, studies and procedures, designs for experiments and tests and results of experimentation and testing (including results of research or development), summaries and information contained in submissions to and information from ethical committees, or Regulatory Authorities, and manufacturing process and development information, results and data, whether or not patentable, all to the extent not claimed or disclosed in a patent or patent application; and (b) compositions of matter, cells, cell lines, assays, animal models and physical, biological or chemical material, including drug substance samples, intermediates of drug substance samples, drug product samples and intermediates of drug product samples and proprietary equipment, procedures or methodologies relating to the manufacturing of Collaboration Compound or Product. The fact that an item is known to the public shall not be taken to exclude the possibility that a compilation including the item, and/or a development relating to the item, is (and remains) not known to the public. "Know-How" includes any rights

including copyright, database or design rights protecting such Know-How. "Know-How" excludes Patent Rights.

1.39 " **Law** " or " **Laws** " means all applicable laws, statutes, rules, regulations, ordinances and other pronouncements having the binding effect of law of any Governmental Body.

1.40 " **MAA** " means an application for marketing approval equivalent to an NDA submitted in the PRC Territory, and including all additions, deletions or supplements thereto, and as any and all such requirements may be amended, or supplanted, at any time.

1.41 " **Manufacture** " or " **Manufacturing** " or " **Manufactured** " means all operations involved in the manufacture, receipt, incoming inspection, storage and handling of raw materials, and the manufacture, processing, purification, packaging, labeling, warehousing, quality control testing (including in-process release and stability testing), shipping and release of Collaboration Compound and/or Product.

1.42 " **NDA** " means a New Drug Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR.§ 314.3 et seq, or a Biologics License Application submitted pursuant to the requirements of the FDA, as more fully defined in 21 U.S. CFR § 601.

1.43 " **Net Sales** " means [...***...].

1.44 " **PARP Inhibitor** " means a Collaboration Compound whose primary activity is the inhibition of PARP1, PARP2 or PARP 3 (collectively, the " **PARP Family Enzymes** ").

1.45 " **Patent Rights** " means all rights in, to and under: (a) an issued or granted patent, including any extension, supplemental protection certificate, registration, confirmation, reissue, reexamination or renewal thereof; (b) a pending patent application, including any continuation, divisional, continuation-in-part, substitute or provisional application thereof; and (c) all counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction.

1.46 " **Person** " means any natural person, corporation, firm, business trust, joint venture, association, organization, company, partnership or other business entity, or any government or agency or political subdivision thereof.

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1.47 " **Phase I Clinical Trial** " means a Clinical Trial in the PRC Territory that would satisfy the requirements of 21 CFR 312.21(a).

1.48 " **Phase II Clinical Trial** " means, as to a particular product for any Indication, a Clinical Trial conducted in the PRC Territory that would satisfy the requirements of 21 CFR 312.21(b).

1.49 " **Phase III Clinical Trial** " means, as to a particular product for any Indication, a Clinical Trial conducted in the PRC Territory that would satisfy the requirements of 21 CFR 312.21(c).

1.50 " **Phase IV Clinical Trial** " means a post-registrational Clinical Trial conducted in the PRC Territory and required as a condition to, or for the maintenance of, any Regulatory Approval for a Product in the PRC Territory.

1.51 " **PRC Territory** " means The People's Republic of China, excluding Hong Kong, Macau and Taiwan.

1.52 " **Price Approval** " means, in jurisdictions where the approval or determination of pricing and/or pricing reimbursement for pharmaceutical products by a Regulatory Authority is required, such approval or determination.

1.53 " **Product** " means any pharmaceutical product, in any dosage form, formulation, presentation or package configuration that is commercialized or undergoing research or pre-clinical or clinical Development that contains or comprises, in part or in whole, a Collaboration Compound. For clarity, different formulations or dosage strengths of a given Product shall be considered the same Product for purposes of this Agreement.

1.54 " **Product IP** " means any Patent Rights that Cover, or Know-How that is reasonably useful in connection with, the composition of matter and/or use of a Collaboration Compound and/or Product.

1.55 " **Program IP** " means Joint Patents and Joint Know-How, collectively.

1.56 " **Regulatory Authority** " means the State Food and Drug Administration in the PRC Territory (" **SFDA** ") and any other authority granting Regulatory Approvals.

1.57 " **Regulatory Approval** " means any and all approvals, licenses, registrations, or authorizations of the relevant Regulatory Authority, including Price Approvals, necessary for the Development, Manufacture, use, storage, import, transport or Commercialization of Product in the PRC Territory.

1.58 " **Representatives** " means employees, consultants, contractors, advisors and agents of a Party or its Affiliates.

1.59 " **Royalty Term** " means, on a Product-by-Product basis in the PRC Territory, the period beginning on the date of the First Commercial Sale of a Product in the PRC Territory and ending on the latest to occur of (a) the last date on which the Manufacture, use, import, offer for sale or sale of such Product is Covered by a Valid Claim within the Joint Patents or Company Patents in the PRC Territory or where Product was Manufactured, which, but for the license granted by Company, would be infringed or (b) […***…] from the date of the First Commercial Sale of such Product in the PRC Territory.

1.60 " **Senior Executive** " means a member of senior management of a Party who is designated by such Party to resolve disputes under this Agreement.

1.61 " **Sublicensee** " means a Person other than an Affiliate of BeiGene to which BeiGene (or its Affiliate) has granted sublicense rights under the Company Technology to Product, subject to the PRC ROFN or PRC Commercialization Option; provided, that "Sublicensee" shall exclude distributors.

1.62 " **Tax** " or " **Taxes** " means any federal, state, local or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.

1.63 " **Territory Expansion Event** " means (a) Company's exercise of the PRC Commercialization Option or (b) if elected by the Parties under an agreement pursuant to the PRC ROFN, the execution of such agreement.

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1.64 " **Third Party** " means any Person other than BeiGene, Company or any of their respective Affiliates.

1.65 " **Third Party Action** " means any Action made by a Third Party against either Party that claims that the Collaboration Compound or Product, or its use or Development, Manufacture or sale infringes or misappropriates such Third Party's intellectual property rights.

1.66 " **United States** " or " **US** " means the United States of America, its territories and possessions.

1.67 " **USD** " or **"$"** means the lawful currency of the United States.

1.68 " **Valid Claim** " means a claim of (a) any issued and unexpired patent which claim has not lapsed or been revoked, abandoned or held unenforceable or invalid by a final decision of a court or governmental or supra-governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been disclaimed, denied or admitted to be invalid or unenforceable through reissue, reexamination or disclaimer or otherwise or (b) any patent application which claim was filed in good faith and which has not been cancelled, withdrawn, abandoned, or disallowed without the possibility of appeal or re-filing of the application and that has not been pending for more than [...***...] from the first substantive office action on such patent application. If the patent application has been re-filed or is a divisional application, the [...***...] period mentioned above shall be calculated from the first application filed in the series of applications.

1.69 **Other Terms** . The definition of each of the following terms is set forth in the section of the Agreement indicated below:

Defined Term	Section
" **Additional Product** "	1.14
" **Agreement** "	Preamble
" **Acquirer** "	9.4
" **BeiGene** "	Preamble
" **BeiGene Indemnitees** "	6.1

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Defined Term	Section
“ **BGB-290** ”	Recitals
“ **CoC Notice** ”	9.4
“ **Company** ”	Preamble
“ **Company Indemnitees** ”	6.2
“ **Effective Date** ”	Preamble
“ **ICC Rules** ”	8.3
“ **Non-Escalable Dispute** ”	8.1
“ **PARP** ”	Recitals
“ **PARP Family Enzymes** ”	1.13
“ **Party** ” **and** “ **Parties** ”	Preamble
“ **PRC Commercialization Right** ”	9.4
“ **PRC ROFN** ”	2.3
“ **Product Bundle** ”	1.42
“ROFN Period ”	2.3
“ **SFDA** ”	1.48
“Target”	1.11
“Other License Agreement ”	Recitals
“ **Term** ”	7.1
“ **Unrestricted Period** ”	2.3
“ **Value Added Tax** ”	3.11(b)

ARTICLE 2
GRANT OF RIGHTS

2.1 **License Grants** .

(a) **Development License** . Subject to the terms and conditions of this Agreement and the Other License Agreement, Company hereby grants to BeiGene an exclusive (even as to Company), right and license during the Term (with the right to sublicense solely as provided in Section 2.2 below) under the Company Technology for the sole purpose of Development of Collaboration Compounds and Products that are PARP Inhibitors in the Field in the PRC Territory, including without limitation, the Manufacture of Collaboration Compounds and Products for use in Development in the PRC Territory. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product.

(b) **Commercialization License** . Subject to the terms and conditions of this Agreement and the Other License Agreement, Company hereby grants to BeiGene an exclusive (even as to Company), royalty-bearing right and license during the Term (with the right to sublicense solely as provided in Section 2.2 below) under the Company Technology for the sole purpose of (i) Commercializing the Products that are PARP Inhibitors in the Field in the PRC Territory and (ii) Manufacture of Collaboration Compounds and Products that are PARP Inhibitors for use in Commercialization in the Field in the PRC Territory. For clarity, no license is granted under Company Technology to Develop any Additional Product component of any Combination Product.

2.2 **Right to Sublicense** .

(a) **Sublicenses** . Subject to compliance with Section 2.3 below and subject to Section 9.3 in the case of Affiliates, BeiGene shall have the right to grant sublicenses to its Affiliates and to Sublicensees under the Development and Commercialization licenses granted to BeiGene under Section 2.1 above, with respect to Products for sale in the Field in the PRC Territory; provided, that, (i) it shall be a condition of any such sublicense that each Sublicensee under the Commercialization license agrees to be bound by the terms of this Agreement applicable to the Commercialization of Products in the Field in the PRC Territory (including, without limitation,

Article 4); (ii) BeiGene shall provide written notice to Company of any such proposed sublicense at least [...***...] prior to such extension and provide copies to Company of each such sublicense within [...***...] of its execution (provided that such copies may be appropriately redacted to protect confidential information of the Sublicensee); (iii) if BeiGene grants a sublicense to a Sublicensee, BeiGene shall be deemed to have guaranteed that such Sublicensee will fulfill all of BeiGene's obligations under this Agreement applicable to the subject matter of such sublicense; and (iv) BeiGene shall not be relieved of its obligations pursuant to this Agreement as a result of such sublicense.

(b) No Other Rights. BeiGene shall have no rights to use or otherwise exploit Company Technology except as expressly set forth herein.

2.3 **Right of First Negotiation** .

(a) **Application for 12-5 Status; PRC ROFN** . BeiGene shall apply for national priority project status in the PRC Territory under the twelfth or thirteenth five-year plan of the People's Republic of China (" **12-5 Status** ") for its BGB-290 PARP Program. Provided that the BGB-290 PARP Program receives 12-5 Status within twenty-four (24) months after the Effective Date, then BeiGene shall retain the right to Commercialize Product in the PRC Territory, and Company shall have the first right to negotiate with BeiGene with respect to rights under the Beigene Technology to research, Develop, and Manufacture and Commercialize Collaboration Compound and Product in the PRC Territory as set forth in this Section 2.3 (the " **PRC ROFN** "). Prior to BeiGene negotiating with or entertaining offers from a Third Party with respect to any such rights, BeiGene shall first notify Company and shall negotiate solely and in good faith with Company to grant Company a license to Develop, Manufacture and Commercialize Collaboration Compound and Product in the PRC Territory for a period commencing with the date Company receives notice from BeiGene and expiring [...***...] ([...***...]) days thereafter (the " **ROFN Period** "). If the Parties are unable to agree on substantive terms within the ROFN Period, Company shall promptly reduce to writing its last offer to BeiGene and provide such writing to BeiGene, and BeiGene shall be free to enter into an agreement with a Third Party for the acquisition of such rights in the PRC Territory by such Third Party, provided that (i) the financial terms of such agreement shall be more favorable to BeiGene in the aggregate by at least [...***...] ([...***...]) of the aggregate of those financial terms last offered by Company and (ii)

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such agreement is entered into within the period commencing with the expiration of the ROFN Period and expiring [...***...] thereafter (the " **Unrestricted Period** "). BeiGene shall not be permitted to disclose the terms of Company's offer to any Third Party.

(b) If, during the Unrestricted Period, BeiGene does not enter into agreement with a Third Party for such rights on terms that are at least [...***...] ([...***...]) more favorable in the aggregate than those financial terms offered by Company, then the PRC ROFN shall again be in effect and prior to BeiGene negotiating with or entertaining offers from a Third Party to license BeiGene's rights to the Collaboration Compound and Product in PRC, BeiGene shall notify Company and enter into another ROFN Period and the terms set forth in paragraph (a) above shall apply.

(c) By way of illustration, if Company offers BeiGene a royalty to license the Collaboration Compound and Product in the PRC Territory , and BeiGene and Company are unable to agree on substantive terms during the ROFN Period, and during the Unrestricted Period a Third Party offers BeiGene different financial terms to license the Collaboration Compound and Product in the PRC Territory, the aggregate financial terms to BeiGene in such Third Party offer must be more favorable to BeiGene by at least [...***...] ([...***...]) compared to Company's offer to BeiGene, taking into account the royalty obligation to Company hereunder.

2.4 **PRC Commercialization Option** . If the BGB-290 PARP Program does not receive 12-5 Status prior to twenty-four (24) months after the Effective Date, then Company shall have the right to expand its Commercialization rights and license to the PRC Territory (the " **PRC Commercialization Option** "). Company may exercise the PRC Commercialization Option at any time after the expiration of the twenty-four (24) month period and prior to [...***...]. In order to exercise the PRC Commercialization Option, Company shall (i) provide written notice of exercise to Beigene and (ii) make payment to BeiGene of Fifty Million U.S. Dollars ($50,000,000.00). Upon receipt of such notice and payment in full of such payment, it shall be deemed a Territory Expansion Event. In addition, if [...***...], then Company shall make payment to BeiGene of Twelve Million Five Hundred Thousand U.S. Dollars ($12,500,000.00) within [...***...] after receipt of such Commercialization Regulatory Approval; provided that if such Commercialization Regulatory Approval is received prior to the exercise of the PRC

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Commercialization Option, then such payment shall be made upon exercise of the PRC Commercialization Option.

ARTICLE 3
FINANCIAL PROVISIONS

3.1 **Initial Fee** . In consideration of the already agreed future royalty payments by BeiGene to Company under Section 3.2 hereunder, Company shall pay, or cause to be paid, to BeiGene a one-time, non-refundable fee of $[...***...] USD, within [...***...] following the Effective Date and receipt by Company of corresponding invoice.

3.2 **Royalty Payments** . In partial consideration of Company's grant of the rights and licenses to BeiGene hereunder, BeiGene shall pay to Company a royalty of [...***...] ([...***...]) on aggregate annual Net Sales of all Products in the PRC Territory for each Calendar Year during the Royalty Term. For clarity, BeiGene's obligation to pay royalties to Company under this ARTICLE 3 is imposed only once with respect to the same unit of Product.

3.3 **Reductions, Deductions and Reimbursements** .

(a) Royalty Step-Down . The royalty rate set forth in Section 3.2 applicable to the Net Sales of a Product in the PRC Territory will be reduced by [...***...] ([...***...]) during any period in which there exists no Valid Claim of a Company Patent or Joint Patents in PRC that Covers such Product in the PRC Territory.

(b) Third Party License Agreements . If, in any Calendar Quarter, BeiGene makes royalty payment(s) to one or more Third Parties in order to obtain or maintain license rights under Patent Rights of such Third Party that would be infringed by the use or sale of the Collaboration Compound contained in the Product in the PRC Territory, BeiGene shall be entitled to deduct [...***...] ([...***...]) of such payment(s) from royalty payments otherwise payable by BeiGene to Company for Net Sales of such Product in the PRC Territory in such Calendar Quarter. Notwithstanding the foregoing, in no event shall such deduction exceed [...***...] ([...***...]) of the royalties otherwise payable with respect to the PRC Territory in such Calendar Quarter.

(c) Limit on Deductions . Under no circumstances shall the deductions under this Section 3.3 result in the amount payable to Company being reduced by more than [...***...] ([...***...])

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compared with the amount otherwise payable under Section 3.2 in a Calendar Quarter. In the event that BeiGene is not able to deduct the full amount of the permitted deduction from the amount due to Company due to the [...***...] ([...***...]) minimum amount, BeiGene shall be entitled to deduct any undeducted excess amount from subsequent amounts owed to Company under Section 3.2 (subject always to Company receiving a minimum of [...***...] ([...***...]) of the amount owed) in a subsequent Calendar Quarter.

3.4 **Timing of Payment** . Royalties payable under Section 3.2 shall be payable on actual Net Sales and shall accrue at the time the invoice for the sale of Product is delivered. Royalty obligations that have accrued during a particular Calendar Quarter shall be paid, on a Calendar Quarter basis, within [...***...] after the end of each Calendar Quarter during which the royalty obligation accrued.

3.5 **Milestone Payments** . As further consideration for the already agreed future royalty payments by BeiGene to Company under Section 3.2 as well as the design, preparation, conduct and supervision of certain Clinical Trials (as set forth in the table below) , Company shall pay, or cause to be paid, to BeiGene the following one-time, non-refundable milestone payments with respect to the first Product to achieve the milestone events described below. BeiGene shall promptly (and in any event within [...***...] after achievement of such milestone event) notify Company in writing of the achievement of any such milestone event and BeiGene shall issue Company an invoice for the amount of the corresponding milestone payment, which invoice Company shall pay within [...***...] following receipt of such invoice.

Milestone event for the First Product to achieve the event	**Milestone Payment in USD**
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]

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Upon [...***...]	$[...***...]
Upon [...***...]	$[...***...]
Total development milestones	**$** [...***...]

For the avoidance of doubt, the total maximum milestones payable under this Section 3.5 for Product shall not exceed $[...***...]. For the avoidance of doubt, the milestones set forth in this Section 3.5 shall continue to apply notwithstanding the occurrence of a Territory Expansion Event.

With respect to each milestone, the milestone payments to be made under this Agreement shall be due and payable only once, regardless of the number of Products developed or Commercialized.

3.6 **Mode of Payment and Currency; Invoices** .

(a) **Currency** . All payments to a Party hereunder shall be made by deposit of USD in the requisite amount to such bank account as a Party may from time to time designate by written notice to the other Party. With respect to sales not denominated in USD, BeiGene shall convert applicable sales in foreign currency into USD by using the then current and reasonable standard exchange rate methodology applied to its external reporting. Based on the resulting sales in USD, the then applicable royalties shall be calculated. The Parties may vary the method of payment set forth herein at any time upon mutual written agreement, and any change shall be consistent with the local Law at the place of payment or remittance.

(b) **Invoices** .

BeiGene shall address its invoices to:

Merck KGaA
Accounts Payable
PO Box
64279 Darmstadt
Germany

Company shall address its invoices to:

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BeiGene LTD.
Mourant Ozannes Corporate Services
9Cayman) Limited
94 Solaris Avenue, PO Box 1348
Grand Cayman KY1-1108
Cayman Islands
GB

With a copy to:

BeiGene LTD.
c/o BeiGene (Beijing) co., LTD.
No. 30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
Beijing P.R. China
102206
Attn: [...***...]

Facsimile: [...***...]

Telephone: [...***...]

3.7 **Royalty Reports and Records Retention** . Within [...***...] after the end of each Calendar Quarter during which Product has been sold, BeiGene shall deliver to Company, together with the applicable royalty payment due for such Calendar Quarter, a written report of Net Sales on a Product-by-Product basis, subject to royalty payments for such Calendar Quarter. Such report shall be deemed "Confidential Information" of BeiGene subject to the obligations of ARTICLE 4 of this Agreement. For [...***...] after the end of each Calendar Year in which sale of Product occurs, BeiGene shall, and shall ensure that its Affiliates and Sublicensees, keep complete and accurate records of such sale in sufficient detail to confirm the accuracy of the royalty calculations hereunder.

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3.8 **Legal Restrictions** . If at any time legal restrictions prevent the remittance by BeiGene of all or any part of royalties due on Net Sales, BeiGene shall have the right and option to make such payment either by depositing the amount thereof in local currency to an account in the name of Company in a bank or other depository selected by Company in the PRC Territory.

3.9 **Late Payments** . All payments under this Agreement shall earn interest from the date due until paid at a per annum rate equal to the lesser of (a) the maximum rate permissible under Law and (b) [...***...] ([...***...]) above the monthly Reuters 01 EURIBOR, measured at 2 p.m. Frankfurt/Germany time on the date payment is due. Interest will be calculated on a 365/360 basis.

3.10 **Audits** .

(a) **Audits Generally** . During the Term and for [...***...] thereafter, and not more than [...***...] in each Calendar Year, BeiGene shall permit, and shall cause its Affiliates or Sublicensees to permit, an independent certified public accounting firm of nationally recognized standing selected by Company, and reasonably acceptable to BeiGene or such Affiliate or Sublicensee, to have access to and to review, during normal business hours upon reasonable prior written notice, the applicable records of BeiGene and its Affiliates or Sublicensees to verify the accuracy of the royalty reports and payments under this ARTICLE 3. Such review may cover the records for sales made in any Calendar Year ending not more than [...***...] prior to the date of such request. The accounting firm shall disclose to Company and BeiGene only whether the royalty reports are correct or incorrect and the specific details concerning any discrepancies. No other information shall be provided to Company.

(b) **Audit-Based Payments** . If such accounting firm concludes that additional royalties were owed during such period, BeiGene shall pay the additional undisputed royalties within [...***...] after the date Company delivers to BeiGene such accounting firm's written report. If such accounting firm concludes that an overpayment was made, such overpayment shall be fully creditable against amounts payable in subsequent payment periods Company shall pay for the cost of any audit, unless BeiGene has underpaid Company by [...***...] ([...***...]) or more, in which case BeiGene shall pay for the costs of audit.

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(c) **Audit Confidentiality** . Company shall treat all information that it receives under this Section 3.10 in accordance with the confidentiality provisions of ARTICLE 4 of this Agreement, and shall cause its accounting firm to enter into an acceptable confidentiality agreement with BeiGene obligating such firm to retain all such financial information in confidence pursuant to such confidentiality agreement, except to the extent necessary for Company to enforce its rights under this Agreement.

3.11 **Taxes.**

(a) Withholding Tax.

(i) BeiGene Obligations . If applicable Law requires that income or similar Taxes be deducted and withheld from royalties paid under this Agreement, BeiGene shall (i) deduct those Taxes from the payment of the relevant royalty payment owed by BeiGene hereunder; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to Company within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 3.11(a)(i); and (v) cooperate with Company in any way reasonably requested by Company to obtain available reductions, credits or refunds of such Taxes.

(ii) Company Obligations . Except for payments under Sections 3.1 and 3.5 (which the Parties agree shall be net amounts payable by Company to BeiGene) , if applicable Law requires that income or similar Taxes be deducted and withheld from milestone or other payments paid under this Agreement, other than payments under Sections 3.1 and 3.5, Company shall (i) deduct those Taxes from the payment of the relevant milestone or other payment owed by Company hereunder; (ii) pay the Taxes to the proper Governmental Body; (iii) send evidence of the obligation together with proof of Tax payment to BeiGene within [...***...] following such tax payment; (iv) remit the net amount, after deductions or withholding made under this Section 3.11(a)(i); and (v) cooperate with BeiGene in any way reasonably requested by BeiGene to obtain available reductions, credits or refunds of such Taxes.

3.12 **Value Added Tax** . It is understood and agreed between the Parties that any payment amounts to be made by BeiGene or Company under this Agreement are exclusive of any value added or similar Tax (" **Value Added Tax** ") imposed upon such payment and that Company shall bear the cost of, and be responsible for the payment of, any and all Value Added Tax imposed on account of any payments paid to BeiGene by Company and that BeiGene shall be responsible for the payment of any and all Value Added Tax imposed on account of any payments paid to Company by BeiGene. Company will provide BeiGene with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable, and BeiGene will provide Company with a proper tax invoice where any Value Added Tax amount is shown separately, if applicable.

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ARTICLE 4
CONFIDENTIALITY

4.1 **Confidentiality Obligations** . Each Party agrees that, for the Term and for [...***...] thereafter, such Party shall, and shall ensure that its Representatives, hold in confidence all Confidential Information disclosed to it by the other Party pursuant to this Agreement, unless the recipient of the Confidential Information demonstrates by written evidence that such information:

(i) is or has become generally available to the public other than as a result of disclosure by the recipient;

(ii) is already known by or in the possession of the recipient at the time of disclosure by the disclosing Party;

(iii) is independently developed by recipient without use of or reference to the disclosing Party's Confidential Information; or

(iv) is obtained by recipient from a Third Party that has not breached any obligations of confidentiality.

The recipient shall not disclose any of the Confidential Information, except to Representatives of the recipient who need to know the Confidential Information for the purpose of performing the recipient's obligations, or exercise its rights, under this Agreement and who will, prior to their access to such Confidential Information, be bound by written obligations of non-use and non-disclosure substantially similar to those set forth herein. Each Party agrees to use, and to cause its Affiliates to use, reasonable efforts to enforce such obligations and to prohibit Representatives from using such Confidential Information except as expressly permitted hereunder. Each Party shall be liable to the other for any disclosure or use of the Confidential Information by such Representatives. The recipient shall (i) protect Confidential Information using not less than the same care with which it treats its own confidential information, but at all times shall use at least reasonable care, and (ii) not use, and cause its Affiliates and Representatives not to use, any Confidential Information of the other Party except as expressly permitted hereunder. Each Party shall: (a) implement and maintain appropriate security measures to prevent unauthorized access to, or disclosure of, the other Party's Confidential Information; (b) promptly notify the other Party of any unauthorized access or disclosure of such other Party's Confidential Information; and (c)

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cooperate with such other Party in the investigation and remediation of any such unauthorized access or disclosure.

4.2 **Use** . Notwithstanding Section 4.1, a Party may use the Confidential Information of the other Party for the purpose of performing its obligations, or exercising its rights, under this Agreement, including for purposes of:

(i) filing or prosecuting patent applications;

(ii) prosecuting or defending litigation;

(iii) conducting pre-clinical studies or Clinical Trials pursuant to this Agreement;

(iv) seeking or maintaining Regulatory Approval for Product;

(v) complying with Law, including securities Law and the rules of any securities exchange or market on which a Party's securities are listed or traded

(vi) disclosure to such other Party's legal and financial advisors;

(vii) in connection with an actual or potential (a) permitted sublicense of such other Party's rights hereunder, (b) debt, equity or other financing of such other Party, or (c) merger, acquisition, consolidation, share exchange or other similar transaction involving such Party and any Third Party; or

(viii) for any other purpose with the other Party's written consent, not to be unreasonably withheld.

In making any disclosures set forth in clauses (i) through (iv) above, the disclosing Party shall, where reasonably practicable, give such advance notice to the other Party of such disclosure requirement as is reasonable under the circumstances and will use its reasonable efforts to cooperate with the other Party in order to secure confidential treatment of such Confidential Information required to be disclosed. In addition, in connection with any permitted filing by either Party of this Agreement with any Governmental Body, the filing Party shall endeavor to obtain confidential treatment of economic, trade secret information and such other information as may be requested by the other Party, and shall provide the other Party with the proposed

confidential treatment request with reasonable time for such other Party to provide comments, and shall include in such confidential treatment request all reasonable comments of the other Party.

4.3 **Publication** . BeiGene may publish in the PRC Territory any information relating to the Collaboration Compound or Product that does not constitute Confidential Information of Company, without the prior written consent of Company.

4.4 **Required Disclosure** . The recipient may disclose the Confidential Information to the extent required by Law or court order; provided, however, that the recipient promptly provides to the disclosing party prior written notice of such disclosure and provides reasonable assistance in obtaining an order or other remedy protecting the Confidential Information from public disclosure.

4.5 **Press Releases and Disclosure** .

(a) **Initial Press Release** . The proposed public announcement by the Parties of the execution of this Agreement is set forth on Schedule 4.5(a) hereto.

(b) **Subsequent Public Disclosures by BeiGene** . BeiGene may not make any subsequent press release or public announcements regarding this Agreement or any matter covered by this Agreement, other than the Development and Commercialization of Product by BeiGene in the PRC Territory, and the achievement of milestones and receipt of milestone payments hereunder, without the prior written consent of Company. In the event that BeiGene believes it is required to issue a press release or make another public announcement to comply with Law as a publicly-traded company and Company does not believe such public announcement is so required, BeiGene may only issue such press release if (i) it obtains an opinion of legal counsel, from a reputable law firm approved by Company, that it is required to make such disclosure to comply with Law and (ii) after receiving such opinion, provides the text of such planned disclosure to Company no less than [...***...] prior to disclosure, and has incorporated all reasonable comments of Company regarding such disclosure.

(c) **Public Disclosures by Company** . Company shall have the right to make such press releases as it chooses, in its sole discretion, without the approval of BeiGene, provided that such press releases do not contain Confidential Information of BeiGene.

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

(d) **Prior Approved Publication** . Notwithstanding Section 4.4 or this Section 4.5 either Party may include in a public disclosure, press release or in a scientific or medical publication or presentation, without prior delivery to or review by the other Party, any information which has previously been included in a public disclosure, press release or scientific or medical publication that has been reviewed pursuant to Section 4.4 or this Section 4.5 or published or publicly disclosed by the other Party.

ARTICLE 5
WARRANTIES AND COVENANTS

5.1 **Warranties** . Each Party warrants to the other Party that, as of the Effective Date:

(i) such Party is duly organized and validly existing under the Laws of the jurisdiction of its incorporation or organization;

(ii) such Party has taken all corporate action necessary to authorize the execution and delivery of this Agreement and the performance of its obligations under this Agreement;

(iii) this Agreement is a legal and valid obligation of such Party, binding upon such Party and enforceable against such Party in accordance with the terms of this Agreement, except as enforcement may be limited by applicable bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and by general equitable principles. The execution, delivery and performance of this Agreement by such Party does not conflict with, breach or create in any Third Party the right to accelerate, terminate or modify any agreement or instrument to which such Party is a party or by which such Party is bound, and does not violate any Law of any Governmental Body having authority over such Party; and

(iv) such Party has all right, power and authority to enter into this Agreement, to perform its obligations under this Agreement.

5.2 **Additional Warranties and Covenants of BeiGene** . BeiGene warrants to Company that, as of the Effective Date:

(a) this Agreement is not, and BeiGene commits to Company that this Agreement never will be, in conflict with any existing or future agreement entered into between BeiGene and any of its Affiliates; and

(b) no consent by any Third Party or Governmental Body is required with respect to the execution and delivery of this Agreement by BeiGene or the consummation by BeiGene of the transactions contemplated hereby.

BeiGene covenants to Company that, to the extent required by Law, BeiGene shall file this Agreement with Governmental Bodies in the PRC Territory and use commercially reasonable efforts to obtain all required documentation, including a filing certificate, to make payments to Company hereunder.

ARTICLE 6
INDEMNIFICATION AND INSURANCE

6.1 **Indemnification by Company** . Company shall indemnify, defend and hold BeiGene and its Affiliates and each of their respective employees, officers, directors and agents and their respective heirs, successors and assigns (the " **BeiGene Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorneys' fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) Company's negligence or willful misconduct; (b) Company's performance of its obligations under this Agreement; (c) willful breach by Company of its representations or warranties set forth in ARTICLE 5, or, (d) in the event that the Parties enter into a license agreement pursuant to Company's exercise of the PRC ROFN or otherwise, or in the event of exercise of the PRC Commercialization Option, Commercialization (including, without limitation, the use by any Person) of any Product by Company or any of its Affiliates, Sublicensees, distributors or agents in the PRC Territory; provided, however, that Company's obligations pursuant to this Section 6.1 shall not apply (i) to the extent such claims or suits result from the negligence or willful misconduct of any of the BeiGene Indemnitees, or (ii) with respect to claims or suits arising out of breach by BeiGene of its warranties or covenants set forth in ARTICLE 5.

6.2 **Indemnification by BeiGene** . BeiGene shall indemnify, defend and hold Company and its Affiliates and each of their respective agents, employees, officers and directors and their respective heirs, successors and assigns (" **Company Indemnitees** ") harmless from and against any and all liability, damage, loss, cost or expense (including reasonable attorney's fees and expenses of litigation) to the extent arising out of Third Party claims, actions, demands, suits or judgments related to: (a) BeiGene's negligence or willful misconduct; (b) BeiGene's performance of its obligations under this Agreement; (c) BeiGene's or its Affiliate's activities in the PRC Territory with respect to the Collaboration Compound and Product; or (d) willful breach by BeiGene of its representations, warranties or covenants set forth in ARTICLE 5; provided, however, that BeiGene's obligations pursuant to this Section 6.2 shall not apply (i) to the extent that such claims or suits result from the negligence or willful misconduct of any of Company Indemnitees or (ii) with respect to claims or suits arising out of a breach by Company of its warranties set forth in ARTICLE 5.

6.3 **Certain Liabilities** . NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, NEITHER PARTY'S LIABILITY IS LIMITED WITH RESPECT TO (i) DEATH OR PERSONAL INJURY DUE TO NEGLIGENCE (AS NEGLIGENCE IS DEFINED IN THE UNFAIR CONTRACTS ACT 1977 OF ENGLAND AND WALES) or (ii) FRAUD.

6.4 **No Consequential Damages** . EXCEPT WITH RESPECT TO EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER SECTION 6.1 OR SECTION 6.2 FOR PAYMENTS TO THIRD PARTIES, AS APPLICABLE, AND SUBJECT ALWAYS TO SECTION 6.3 (CERTAIN LIABILITIES), TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, IN NO EVENT SHALL EITHER PARTY OR ANY OF ITS AFFILIATES BE LIABLE TO THE OTHER PARTY OR ANY OF ITS AFFILIATES FOR SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, INCLUDING LOSS OF PROFITS, WHETHER IN CONTRACT, WARRANTY, TORT, NEGLIGENCE, STRICT LIABILITY OR OTHERWISE ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREIN OR ANY BREACH HEREOF. NOTWITHSTANDING THE FOREGOING, NOTHING IN THIS AGREEMENT SHALL LIMIT EITHER PARTY FROM SEEKING OR COMPANY FROM SEEKING OR OBTAINING ANY REMEDY AVAILABLE UNDER LAW FOR ANY

BREACH OF BY THE OTHER PARTY OF ITS CONFIDENTIALITY AND NON-USE OBLIGATIONS UNDER ARTICLE 4.

6.5 **Notification of Claims; Conditions to Indemnification Obligations** . As a condition to a Party's right to receive indemnification under this ARTICLE 6, it shall: (a) promptly notify the other Party as soon as it becomes aware of a claim or suit for which indemnification may be sought pursuant hereto; (b) cooperate, and cause the individual indemnitees to cooperate, with the indemnifying Party in the defense, settlement or compromise of such claim or suit; and (c) permit the indemnifying Party to control the defense, settlement or compromise of such claim or suit, including the right to select defense counsel. In no event, however, may the indemnifying Party compromise or settle any claim or suit in a manner which admits fault or negligence on the part of the indemnified Party or any indemnitee without the prior written consent of the indemnified Party. Each Party shall reasonably cooperate with the other Party and its counsel in the course of the defense of any such suit, claim or demand, such cooperation to include without limitation using reasonable efforts to provide or make available documents, information and witnesses. The indemnifying Party shall have no liability under this ARTICLE 6 with respect to claims or suits settled or compromised without its prior written consent.

6.6 **Insurance** . During the Term, each Party shall obtain and maintain, at its sole cost and expense, insurance (including any self-insured arrangements) in types and amounts that are reasonable and customary in the pharmaceutical and biotechnology industry for companies engaged in comparable activities. It is understood and agreed that this insurance shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party will, except to the extent self insured, provide to the other Party upon request a certificate evidencing the insurance such Party is required to obtain and keep in force under this Section 6.

ARTICLE 7
TERM AND TERMINATION

7.1 **Term and Expiration** . The term of this Agreement (the " **Term** ") shall commence on the Effective Date and, unless earlier terminated as provided in this ARTICLE 7, shall continue in full force and effect.

7.2 **Termination** .

(a) **Termination for Convenience** . At any time during the Term, Company may, at its convenience, terminate this Agreement in its entirety with ninety (90) days' prior written notice to BeiGene.

(b) **Termination by Mutual Agreement** . The Parties may terminate this Agreement at any time by mutual agreement in a writing executed between the Parties.

(c) **Termination on Bankruptcy or Insolvency** . The Parties agree that, in the event of a BeiGene Bankruptcy Event, Company shall be entitled to a complete duplicate of (or complete access to, as appropriate) any BeiGene Technology and all embodiments thereof, which, if not already in Company's possession, shall be promptly delivered to it (a) following any such commencement of a bankruptcy proceeding upon Company's written request therefor, unless BeiGene elects to continue to perform all of its obligations under this Agreement or (b) if not delivered under clause (a), following the rejection of this Agreement by BeiGene upon written request therefor by Company.

(d) **Material Breach** . If a Party breaches any of its material obligations under this Agreement, the Party not in default may give to the breaching Party a written notice specifying the nature of the default, requiring it to cure such breach, and stating its intention to terminate this Agreement if such breach is not cured within sixty (60) days. If such breach is not cured within sixty (60) days after the receipt of such notice and such breach remains uncured, the Party not in default shall be entitled to terminate this Agreement immediately by written notice to the other Party. Any dispute regarding an alleged material breach, including, but not limited to, whether an alleged material breach of this Agreement occurred or whether an alleged breach of this Agreement is material, shall be resolved in accordance with ARTICLE 8 hereof.

(e) **BeiGene Right to Terminate** .

(i) Except to the extent the following is unenforceable under the law of a particular jurisdiction where a patent application with BeiGene Patents is pending or a patent within the BeiGene Patents is issued, prior to and during the ROFN Period, BeiGene may terminate this Agreement immediately upon written notice to Company in the event that Company or any of its Affiliates or Sublicensees Challenges any BeiGene Patents or assists a Third Party in initiating a Challenge of any BeiGene Patents.

(ii) BeiGene shall have the right to terminate this Agreement if BeiGene terminates the Other License Agreement pursuant to Section 11.4 (Termination Upon Material Breach) thereof. If BeiGene exercises such termination right, this Agreement will terminate upon the date of termination of the Other License Agreement. For the avoidance of doubt, unless Licensor exercises the foregoing right, termination of the Other License Agreement shall not affect Company's rights (including the PRC ROFN and the PRC Commercialization Option) and obligations (including milestones payments) under this Agreement.

7.3 **Effects of Expiration or Termination** .

(a) **Survival** . Notwithstanding the expiration or termination of this Agreement, the following provisions shall survive: **Articles 1** (Definitions), **Article 4** (Confidentiality)(other than Section 4.5(b)(Subsequent Public Disclosures), and with respect to the other remaining sections only for the period set forth in Section 4.1), **Article 8** (Dispute Resolution), and **Article 9** (Miscellaneous Provisions) (other than **Section 9.4** (Change of Control)); and **Sections 3.6** (Mode of Payment and Currency; Invoices), **3.7** (Royalty Reports and Records Retention (but only for the period set forth therein), **3.8** (Legal Restrictions), **3.9** (Late Payments), **3.10** (Audits) (but only for the period set forth in Section 3.10(a)), **3.11** (Taxes), and **7.3** (Effects or expiration or termination) (including all other Sections or Articles referenced in any such Section or Article).

(b) **Accrued liabilities** . Expiration or termination of this Agreement shall not relieve the Parties of any liability that accrued hereunder prior to the effective date of such termination. For purposes of this Section, the obligation to pay a milestone payment pursuant to Section 3.5 shall accrue as of the date the relevant milestone is achieved. In addition, termination of this Agreement shall not preclude either Party from pursuing all rights and remedies it may have hereunder or at Law or in equity with respect to any breach of this Agreement nor prejudice either Party's right to obtain performance of any obligation.

(c) **Milestone Payments** . Company's obligation to pay milestone payments pursuant to Section 3.5, shall survive any termination of this Agreement unless the Other License Agreement has been terminated, provided that any milestone payment pursuant to Section 3.5 shall be reduced by [...***...] ([...***...]).

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ARTICLE 8
DISPUTE RESOLUTION

8.1 **Disputes** . The Parties recognize that disputes as to certain matters may from time to time arise during the Term which relate to either Party's rights and/or obligations hereunder. It is the objective of the Parties to establish under this ARTICLE 8 procedures to facilitate the resolution of disputes arising under this Agreement (other than any disputes relating to matters for which under the Other License Agreement Company or BeiGene has sole decision-making authority and/or discretion (each, a " **Non-Escalable Dispute** "), in which case, such matter shall be determined by Company or BeiGene, as the case may be, as set forth in the Other License Agreement and shall not be part of the dispute resolution procedure set forth in this ARTICLE 8) in an expedient manner by mutual cooperation and without resort to litigation. In the event that the Parties are unable to resolve such dispute through diligent review and deliberation by the Senior Executives within thirty (30) days from the day that one Party had designated the issue as a dispute in written notice to the other Party, then either Party shall have the right to escalate such matter to the Executive Officers as set forth in Section 8.2.

8.2 **Escalation to Executive Officers** . Either Party may, by written notice to the other Party, request that a dispute (other than a Non-Escalable Dispute) that remains unresolved by the Senior Executives for a period of thirty (30) days as set forth in Section 8.1 arising between the Parties in connection with this Agreement, or a dispute relating to material breach, be resolved by the Executive Officers, within fifteen (15) days after referral of such dispute to them. If the Executive Officers cannot resolve such dispute within fifteen (15) days after referral of such dispute to them, then, at any time after such fifteen (15) day period, either Party may proceed to enforce any and all of its rights with respect to such dispute.

8.3 **Arbitration** . If the Parties are unable to resolve the dispute following the procedure set forth in Section 8.2, then the dispute for arbitration shall be submitted in London, England in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (the " **ICC Rules** ") then in effect. Notwithstanding the foregoing, in all events, the provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. Any judgment upon the award rendered by the panel of the arbitrators shall be entered in any court having jurisdiction over the subject matter thereof. The panel of the

arbitrators shall have the authority to grant any equitable and legal remedies that would be available if any judicial proceeding was instituted to resolve said dispute. The final decision of such panel of the arbitrators, as entered by a court of competent jurisdiction, will be furnished by such panel of the arbitrator in writing and will constitute a final, conclusive and non-appealable determination of the issue in question, binding upon the Parties, and an order with respect thereto may be entered in any court of competent jurisdiction. Except as set forth in Section 8.4, the following procedures shall apply:

(a) Each Party shall select one person to act as arbitrator and the two Party-selected arbitrators shall select a third arbitrator within ten (10) days of their appointment. If the arbitrators selected by the Parties are unable or fail to agree upon the third arbitrator, the third arbitrator shall be appointed by the ICC.

(b) No arbitrator shall have any past or present family, business or other relationship with the Parties or any Affiliate, director or officer thereof, unless following full disclosure of all such relationships, the Parties agree in writing to waive such requirement with respect to an individual in connection with any dispute.

(c) No discovery other than an exchange of relevant documents may occur in any arbitration commenced under the provisions of this ARTICLE 8. The Parties agree to act in good faith to promptly exchange relevant documents.

(d) The Parties will each pay fifty percent (50%) of the initial compensation to be paid to the arbitrator in any such arbitration and fifty percent (50%) of the costs of transcripts and other normal and regular expenses of the arbitration proceedings; provided, however, that: (i) the prevailing Party in any arbitration will be entitled to an award of attorneys' fees and costs; and (ii) all costs of arbitration, other than those provided for above, will be paid by the losing Party, and the arbitrator will be authorized to determine the identity of the prevailing Party and the losing Party.

(e) The panel of the arbitrators chosen in accordance with these provisions will not have the power to alter, amend or otherwise affect the terms of these arbitration provisions or any other provisions contained in this Agreement.

8.4 **Injunctive Relief** . No provision herein shall be construed as precluding a Party from bringing an action for injunctive relief or other equitable relief prior to the initiation or completion of the above procedure.

ARTICLE 9
MISCELLANEOUS PROVISIONS

9.1 **Relationship of the Parties** . Nothing in this Agreement shall be construed or shall be deemed, for financial, tax, legal or other purposes (a) to create or imply a general partnership between the Parties, (b) to make either Party the agent of the other for any purpose, (c) to alter, amend, supersede or vitiate any other arrangements between the Parties with respect to any subject matters not covered hereunder, (d) to give either Party the right to bind the other, (e) to create any duties or obligations between the Parties except as expressly set forth herein, or (f) to grant any direct or implied licenses or any other right other than as expressly set forth herein.

9.2 **Assignment** .

(a) **Assignment and Successors** . Neither this Agreement nor any obligation of a Party hereunder may be assigned by either Party without the consent of the other which shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, (i) in whole or in part, to any of its Affiliates, or (ii) in whole, but not in part, to any purchaser of all of its assets or all of its assets to which this Agreement relates or shares representing a majority of its common stock voting rights or to any successor corporation resulting from any merger, consolidation, share exchange or other similar transaction.

(b) **Continuing Obligations** . No assignment under this Section 9.2 shall relieve the assigning Party of any of its responsibilities or obligations hereunder accruing prior to such assignment and, as a condition of such assignment, the assignee shall agree in writing to be bound by all obligations of the assigning Party hereunder. This Agreement shall be binding upon the successors and permitted assigns of the Parties.

(c) **Void Assignments** . Any assignment not in accordance with this Section 9.2 shall be void.

(d) **Assignment of BeiGene Technology** . BeiGene shall not assign or transfer any BeiGene Technology to any of its Affiliates or any Third Party without the prior written consent of Company, unless the assignee agrees in writing that such BeiGene Technology shall be subject to this Agreement.

9.3 **Performance and Exercise by Affiliates** . Either Party shall have the right to have any of its obligations hereunder performed, or its rights hereunder exercised, by, any of its Affiliates and the performance of such obligations by any such Affiliate shall be deemed to be performance by such Party; provided, however, that each Party shall be responsible for ensuring the performance of its obligations under this Agreement and that any failure of any Affiliate performing obligations of such Party hereunder shall be deemed to be a failure by such Party to perform such obligations. For clarity, either Party may designate an Affiliate to perform any of its obligations hereunder or to exercise any of its rights hereunder.

9.4 **Change of Control** . In the event BeiGene undergoes a Change of Control, and the Other License Agreement has not expired or been terminated at the time of the Change of Control, Company shall have a right to obtain a license under BeiGene Technology to research, Develop, Manufacture and Commercialize Products in the Field in the PRC Territory (the " **PRC Commercialization Right** ") as set forth below. BeiGene (or the Acquirer) shall notify Company in writing of the occurrence of a Change of Control (the " **CoC Notice** "), identifying the party that has obtained control of BeiGene or become the successor entity to BeiGene resulting from the transaction constituting the Change of Control (the " **Acquirer** "). The word "Party" below shall refer to the Acquirer.

9.4.1 Terms of PRC Commercialization Right . The PRC Commercialization Right shall (i) be on the terms set forth in the Other License Agreement as if the PRC Territory was included in the "Company Territory" as defined therein, except for Sections 6.1, 6.2, 6.3, 6.4, and 6.5 thereof, (ii) require the payment of milestone payments as set forth in Section 3.5 of this Agreement, and (iii) be on other economic terms including any or all of an initial payment, additional milestone payments, royalties and other economic provisions either (a) agreed in good faith negotiations between the Parties not to exceed a period of more than [...***...] of receipt by Company of the CoC Notice, or (b) in the case no agreement is

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reached in that [...***...] negotiation period, be determined by binding arbitration as set forth below.

9.4.2 Arbitration. If no agreement is reached in the [...***...] negotiation period described in Section 9.4.1 above, then upon the written application of either Party, binding arbitration shall be conducted before a single arbitrator in London, England in accordance with ICC Rules then in effect. Notwithstanding the foregoing, in all events, the provisions contained herein shall govern over any conflicting rules which may now or hereafter be contained in the ICC Rules. The arbitrator shall be selected by agreement of the Parties, shall have no affiliation with either Party, shall not have been retained for any purpose by either Party at any time and shall have substantial experience in the development and licensing of oncology pharmaceutical products. If the Parties fail to choose an arbitrator within fourteen (14) days after the application of either Party to the ICC for binding arbitration, the London office of the International Chamber of Commerce shall, upon the request of both or either of the Parties to the arbitration, appoint the arbitrator.

9.4.3 Exchange of Proposals. Within ten (10) days of the appointment of the arbitrator, the Parties shall exchange documents setting forth their final detailed proposals for the acquisition of the PRC Commercialization Rights by Company on terms that comply with Section 9.4.1 and represent the fair value of the PRC Commercialization Rights, including any or all of an initial payment, additional milestone payments, royalties and other economic provisions, together with a brief or other written memorandum no longer than ten (10) pages supporting the merits of their final proposal. The arbitrator shall promptly convene a hearing, at which time each Party shall have a period of time determined by the arbitrator time to argue and present witnesses in support of its final proposal.

9.4.4 Selection of Final Proposal. The arbitrator shall select the proposal which most closely reflects fair value of the PRC Commercialization Rights. In making his or her selection, the arbitrator shall not modify the terms or conditions of either Party's final proposal nor shall the arbitrator combine provisions from both final

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proposals. In making his or her selection, the arbitrator shall consider the terms and conditions of this Agreement, the relative merits of the final proposals, the prior investments made by the Company into the Collaboration Compound and Product and the written and oral arguments of the Parties. In the event the arbitrator seeks the guidance of the law of any jurisdiction, the law of the England and Wales shall govern.

9.4.5 Notification of Decision. The arbitrator shall make his or her decision known to both Parties as quickly as possible by delivering written notice of the decision to both Parties. If the arbitrator selects the Company's proposal, then the Company and BeiGene (or the Acquirer) shall enter into an agreement for the PRC Commercialization Right on the terms set forth in Section 9.4.1 and the terms of the Company's proposal. If the arbitrator selects BeiGene's (or the Acquirer's) proposal, then at the Company's option either (i) the Company and BeiGene (or the Acquirer) shall enter into an agreement for the PRC Commercialization Right on the terms set forth in Section 9.4.1 and the terms of the BeiGene's (or the Acquirer's) proposal, or (ii) the Company shall have no further right to obtain the PRC Commercialization Right and this Agreement shall continue without modification, except that the royalty rate in Section 3.2 shall increase to [...***...] ([...***...]).

9.4.6 Costs. The Parties shall bear their own costs in preparing for the arbitration. The costs of the arbitrator shall be equally divided between the Parties.

9.5 **Further Actions**. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement.

9.6 **Accounting Procedures**. Each Party shall calculate all amounts, and perform other accounting procedures required, under this Agreement and applicable to it in accordance with the accounting principles and standards applicable to it (for example IFRS or GAAP).

9.7 **Force Majeure**. Neither Party shall be liable to the other Party or be deemed to have breached or defaulted under this Agreement for failure or delay in the performance of any of its obligations

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under this Agreement for the time and to the extent such failure or delay is caused by or results from acts of God, earthquake, riot, civil commotion, terrorism, war, strikes or other labor disputes, fire, flood, failure or delay of transportation, omissions or delays in acting by a governmental authority, acts of a government or an agency thereof or judicial orders or decrees or restrictions or any other reason which is beyond the reasonable control of the respective Party. The Party affected by force majeure shall provide the other Party with full particulars thereof as soon as it becomes aware of the same (including its best estimate of the likely extent and duration of the interference with its activities), and will use Commercially Reasonable Efforts to overcome the difficulties created thereby and to resume performance of its obligations hereunder as soon as practicable.

9.8 **No Trademark Rights** . No right, express or implied, is granted by this Agreement to a Party to use in any manner the name or any other trade name or trademark of the other Party in connection with the performance of this Agreement or otherwise.

9.9 **Entire Agreement of the Parties; Amendments** . This Agreement and the Schedules hereto and the Other License Agreement constitute and contain the entire understanding and agreement of the Parties respecting the subject matter hereof and cancel and supersede any and all prior negotiations, correspondence, understandings and agreements between the Parties, whether oral or written, regarding such subject matter. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in a writing referencing this Agreement and signed by a duly authorized officer of each Party.

9.10 **Captions** . The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement.

9.11 **Governing Law** . This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England.

9.12 **Notices and Deliveries** . Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier

service (signature required) to the Party to which it is directed at its address or facsimile number shown below or such other address or facsimile number as such Party shall have last given by notice to the other Party.

If to Company, addressed to:

Name: MERCK KGaA
Street: Frankfurter Str. 250
City: D-64293 Darmstadt
Country: Germany
Attn: Head of Alliance Management
Facsimile: [...***...]

With a copy, which shall not constitute notice, to:

Name: MERCK KGaA
Street: Frankfurter Str. 250
City: D-64293 Darmstadt
Country: Germany
Attn: Legal
Facsimile: [...***...]

If to BeiGene, addressed to:

Name: BeiGene, LTD.
Street: c/o Mourant Ozannes Corporate Services (Cayman) Limited
94 Solaris Avenue, PO Box 1348
City: Grand Cayman KY1-1108
Country: Cayman Islands
GB
Attn: Chief Executive Officer

With a copy, which shall not constitute notice, to:

Name: BeiGene LTD.
Street: c/o BeiGene (Beijing) Co., Ltd
No.30 Science Park Road
Zhong-Guan-Cun Life Science Park
Changping District
City: Beijing
Country: P.R.China
102206

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Attn: [...***...]
Facsimile: [...***...]
Telephone: [...***...]

With a copy, which shall not constitute notice, to:

Mintz, Levin, Cohn, Ferris, Glovsky
and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attention: [...***...]
Tel: [...***...]
Fax: [...***...]

9.13 **Language** . The official language of this Agreement and between the Parties for all correspondence shall be the English language.

9.14 **Waiver** . A waiver by either Party of any of the terms and conditions of this Agreement in any instance shall apply only to the specific instance and shall not be deemed or construed to be an ongoing or future waiver of such term or condition, or of any other term or condition hereof. All rights, remedies, undertakings, obligations and agreements contained in this Agreement shall be cumulative and none of them shall be in limitation of any other remedy, right, undertaking, obligation or agreement of either Party.

9.15 **Severability** . When possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under Law, but if any provision of this Agreement is held to be prohibited by or invalid under Law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement. The Parties shall make a good faith effort to replace the invalid or unenforceable provision with a valid one which in its economic effect is most consistent with the invalid or unenforceable provision.

9.16 **No Implied License** . No right or license is granted to either Party hereunder by implication, estoppel, or otherwise to any know-how, patent or other intellectual property right owned or controlled by either Party or its Affiliates.

9.17 **Interpretation** . The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references herein to Articles, Sections, and Schedules shall be deemed references to Articles and Sections of, and Schedules to, this Agreement unless

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the context shall otherwise require. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with IFRS, as in effect from time to time. Unless the context otherwise requires, countries shall include territories.

9.18 **Counterparts** . This Agreement may be executed in counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. A facsimile or a portable document format (PDF) copy of this Agreement, including the signature pages, will be deemed an original.

9.19 **No Third Party Beneficiaries** . Except as set forth in Sections 9.1 and 9.2, no Third Party (including, without limitation, employees of either Party) shall have or acquire any rights under this Agreement under the Contracts (Rights of Third Parties) Act 1999 of England and Wales or otherwise.

9.20 **No Reliance** . Each Party acknowledges that, in entering into this Agreement (and any document referred to in it), it has not relied on, and shall have no right or remedy in respect of, any statement, representation, assurance or warranty (whether made negligently or innocently) other than as expressly set out in this agreement. Nothing herein shall limit a Party's liability for fraud or fraudulent misrepresentation.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Agreement as of the date first above written.

BEIGENE, LTD.

Signature: /s/ John V. Oyler

Printed Name: John V. Oyler

Title: CEO

MERCK KGAA

Signature: /s/ Stefan Oschmann

Printed Name: Dr. Stefan Oschmann

Title: General Partner and Member of the Executive Board, Merck KGaA

ppa.

Signature: /s/ Jens Eckhardt

Printed Name: Jens Eckhardt

Title: Regional General Counsel

Schedule 1.5

BeiGene Know-How

[...***... (10 pages omitted)]

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Schedule 1.6

BeiGene Material:

[...***... (16 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Schedule 1.7

BeiGene Patents:

[...***...]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Initial Press Release

(please see following pages)

Merck Serono

MERCK

Your Contact

Dr. Raphaela Farrenkopf
Phone +49 6151 72-2274

News Release

November xy, 2013

Merck Enters into Further Global Co-Development and Commercialization Agreement for PARP Inhibitor with Chinese R&D Company BeiGene

- **New agreement marks the second collaboration between Merck and BeiGene**

Darmstadt, Germany, November XY, 2013 – Merck Serono, the biopharmaceutical division of Merck, today announced that a global licensing, co-development, and commercialization agreement for BeiGene-290 has been signed with BeiGene Co., Ltd., a biotech research and development company in Beijing, China. The compound, which is a potent poly (ADP-ribose) polymerase (PARP) inhibitor for the treatment of cancer, is currently in preclinical development and is expected to enter clinical development next year. This is the second collaboration agreement between the two companies this year.

PARP inhibitors are thought to target an enzyme family, poly (ADP-ribose) polymerase, which is involved in a number of cellular processes, including DNA repair and programmed cell death.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-290 in China, and Merck will be responsible for the development and commercialization of BeiGene-290 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to € 170 million (US$ 232 million) for the achievement of clinical development

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and potential commercial milestones in both the People's Republic of China and rest of the world, as well as royalties on net sales.

"We are delighted to announce an expansion of our strategic partnership with BeiGene. Today's announcement highlights our commitment both to establishing strong R&D partnerships in China but also to our partner BeiGene, a preeminent Chinese life sciences company focused on discovering and developing innovative oncology drugs," said Dr. Susan Jane Herbert, Head of Global Business Development and Strategy for Merck Serono, the biopharmaceutical division of Merck.

John Oyler, CEO of BeiGene said: "We are very much looking forward to expanding further our collaboration with Merck to include BeiGene-290. This collaboration helps to accelerate the global development and commercialization of this China-discovered oncology innovation, something BeiGene could not have achieved alone. Furthermore this deal and Merck's previous deal with BeiGene to develop the second generation, China-discovered BRAF inhibitor, BGB-283, demonstrate Merck's deep commitment to China and external innovation."

Both companies were recently awarded the 2013 BayHelix-Elsevier Award for Alliance of the Year. This award recognizes a ground-breaking pharmaceutical collaboration agreement involving a Chinese entity—one that is centered on advancing the future of science and pharmaceutical innovation. It is a significant recognition for both organizations, underscoring a shared commitment to establishing strategic partnerships that accelerate the delivery of differentiated new therapies to people living with serious unmet medical needs.

About BeiGene (Beijing), Co., Ltd.

BeiGene is a Chinese novel R&D oncology company focusing on discovering, developing and commercializing innovative oncology therapeutics. With a team of around 150 scientists and staff, its pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd.

For more information please visit: www.beigene.com.

Merck Serono

MERCK

News Release

About Merck Serono
Merck Serono is the biopharmaceutical division of Merck. With headquarters in Darmstadt, Germany, Merck Serono offers leading brands in 150 countries to help patients with cancer, multiple sclerosis, infertility, endocrine and metabolic disorders as well as cardiovascular diseases. In the United States and Canada, EMD Serono operates as a separately incorporated subsidiary of Merck Serono.

Merck Serono discovers, develops, manufactures and markets prescription medicines of both chemical and biological origin in specialist indications. We have an enduring commitment to deliver novel therapies in our core focus areas of neurology, oncology, immuno-oncology and immunology.

For more information, please visit www.merckserono.com.

All Merck Press Releases are distributed by e-mail at the same time they become available on the Merck Website. Please go to www.merckgroup.com/subscribe to register online, change your selection or discontinue this service.

Merck is a leading pharmaceutical, chemical and life science company with total revenues of € 11.2 billion in 2012, a history that began in 1668, and a future shaped by approx. 38,000 employees in 66 countries. Its success is characterized by innovations from entrepreneurial employees. Merck's operating activities come under the umbrella of Merck KGaA, in which the Merck family holds an approximately 70% interest

DRAFT ONLY

BeiGene and Merck KGaA Enter into Further Global Co-Development and Commercialization Agreement for a Second Cancer Therapy

Beijing: November XY, 2013: BeiGene (Beijing) Co., Ltd. ("BeiGene"), a biotech R&D company in Beijing, and Merck, today announced that they have entered into a deal involving the global licensing, co-development, and commercialization agreement for BeiGene-290. The compound is a potent PARP inhibitor for the treatment of cancer. BeiGene-290, which is currently in preclinical development, was discovered and developed in the People's Republic of China by BeiGene. It is expected to enter clinical development next year.

This is the second collaboration agreement between the two companies this year.

PARP inhibitors are thought to target an enzyme family, Poly (ADP-ribose) polymerase involved in a number of cellular processes including DNA repair and programmed cell death.

Under the terms of the collaboration, BeiGene will be responsible for the development and commercialization of BeiGene-290 in the People's Republic of China and Merck will be responsible for the development and commercialization of BGB-290 for the rest of the world. BeiGene will receive an undisclosed upfront payment and is eligible to receive further payments of up to US$ 232 million for the achievement of clinical development and potential commercial milestones in both the People's Republic of China and rest of the world, as well as up to double digit royalties on net sales.

John Oyler, CEO of BeiGene said: "We are very much looking forward to expanding further our collaboration with Merck to include BeiGene-290. This collaboration helps to accelerate the global development and commercialization of this China-discovered oncology innovation, something BeiGene could not have achieved alone. Furthermore this deal and Merck's previous deal with BeiGene to develop outside of China BeiGene's Second Generation, China-discovered BRAF inhibitor, BGB-283, demonstrate Merck's deep commitment to China and external innovation."

"We are delighted to announce an expansion of our strategic partnership with BeiGene. Today's announcement highlights our commitment both to establishing strong R&D partnerships in China but also to our partner BeiGene, a preeminent Chinese life sciences company focused on discovering and developing innovative oncology drugs," said Dr. Susan Jane Herbert, Head of Global Business Development and Strategy for Merck Serono, the biopharmaceutical division of Merck.

Both companies were recently awarded the 2013 BayHelix-Elsevier Award for Alliance of the Year. This award recognizes a ground-breaking pharmaceutical collaboration agreement involving a Chinese entity—one that is centered on advancing the future of science and pharmaceutical innovation. It is a significant recognition for both organizations, underscoring a shared commitment to establishing strategic partnerships that accelerate the delivery of differentiated new therapies to people living with serious unmet medical needs.

About BeiGene
BeiGene is a Chinese oncology company focusing on discovering, developing and commercializing innovative, best-in-class, globally relevant oncology therapeutics. With a team of 150 scientists and staff, our pipeline is comprised of novel oral small molecules and monoclonal antibodies for cancer. BeiGene Ltd. is a Cayman Islands exempted company that is an investor in and collaborator with BeiGene (Beijing), Co. Ltd. For more information, please visit the company's website at www.beigene.com.

AMENDMENT NO. 1 TO LICENSE AGREEMENT

This Amendment No. 1 to License Agreement (this " **Amendment** "), effective as of May 8 th , 2015 (the " **Amendment Effective Date** "), is by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited, 94 Solaris Avenue, PO Box 1348, Grand Cayman KYI-1108, Cayman Islands GB (" **Licensor** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Company** "), under which the parties mutually agree to modify and amend the

License Agreement between the Parties, with an Effective Date of October 25, 2013 (the " **Agreement** "), as set forth below. Capitalized terms used in the Amendment but not defined shall have the meanings set forth in the Agreement. The parties hereby agree as follows:

1. Amendments . The Agreement is hereby amended as follows:

1.1 The second sentence of Section 2.3(a) of the Agreement is hereby amended by deleting the phrase "twenty-four (24) months" and replacing it with the phrase "forty-five (45) months."

1.2 The first and second sentences of Section 2.4(a) of the Agreement are hereby amended by deleting the phrase "twenty-four (24) months" in each sentence and replacing it with the phrase "forty-five (45) months."

2. Scope . This Amendment supersedes all proposals, negotiations, conversations and/or discussions between or among parties relating to the subject matter of this Amendment and all past dealing or industry custom. This Amendment shall be integrated in and form part of the Agreement effective as of the Amendment Effective Date. Except for the foregoing modifications, the Agreement is hereby ratified and confirmed in accordance with its original terms. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed by their duly authorized representatives as of the Amendment Effective Date.

BeiGene, LTD

By: /s/ John V. Oyler

Name: John V. Oyler

Title: Founder & CEO

Merck KGaA

By: /s/ Jens Eckhardt

Name: Jens Eckhardt

Title: Regional General Counsel

Merck KGaA

By: /s/ i.v. Harm-Jan Borgeld

Name: Harm-Jan Borgeld

Title: Head Alliance Management

Exhibit 10.9

EMPLOYMENT AGREEMENT

This Employment Agreement (this " Agreement ") is made and entered into as of this 13th day of July, 2015, by and between BeiGene USA, Inc., (the " Company "), a subsidiary of BeiGene, Ltd., and Howard Liang (the " Employee ").

W I T N E S S E T H :

WHEREAS, the Company desires to employ Employee and to enter into this Agreement embodying the terms of such employment, and Employee desires to enter into this Agreement and to accept such employment, subject to the terms and provisions of this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the Company and Employee hereby agree as follows:

Section 1. **Definitions** .

(a) " Accrued Obligations " shall mean (i) all accrued but unpaid Base Salary through the date of termination of Employee's employment, (ii) any unpaid or unreimbursed expenses incurred in accordance with Section 7 hereof, (iii) any unpaid Annual Bonus in respect of any completed fiscal year that has ended prior to the date of Employee's termination, which amount shall be determined by the Company in accordance with Section 4(b) and paid at such time annual bonuses are paid to other senior executives of the Company, but in no event later than the date that is 2½ months following the last day of the fiscal year in which such termination occurred, and (iv) any benefits provided under the Company's employee benefit plans upon a termination of employment, in accordance with the terms contained therein.

(b) " Agreement " shall have the meaning set forth in the preamble hereto.

(c) " Annual Bonus " shall have the meaning set forth in Section 4(b) hereof.

(d) " Base Salary " shall mean the salary provided for in Section 4(a) hereof or any increased salary granted to Employee pursuant to Section 4(a) hereof.

(e) " Board " shall mean the Board of Directors of BeiGene, Ltd.

(f) " Cause " shall mean, pursuant to the reasonable good faith determination by a majority of the Board, (i) any willful or intentional act of Employee that has, or could reasonably be expected to have, the effect of materially injuring the business of BeiGene, Ltd., (ii) Employee's conviction of, or plea of guilty or no contest to, (x) a felony or (y) any other criminal charge that has, or could be reasonably expected to have, a material adverse impact on the performance of Employee's duties to BeiGene, Ltd., or otherwise result in material injury to the reputation or business of the Company or any other member of the Company Group, (iii) the commission by Employee of an act of fraud or embezzlement against BeiGene, Ltd. or any member of the Company Group, (iv) Employee's failure (except where due to a Disability),

neglect, or refusal to perform in any material respect Employee's material duties and responsibilities or to follow any reasonable, lawful, written directive of the Chief Executive Officer or the Board, (v) any material violation by Employee of a material written policy of the Company or BeiGene, Ltd., that has been conveyed or otherwise made known to the Employee, including, but not limited to, those relating to sexual harassment or business conduct, and those otherwise set forth in the manuals or statements of policy of the Company, or (vi) Employee's material breach of a material provision of this Agreement or the Non-Disclosure Agreement.

(g) " Code " shall mean the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

(h) " Company " shall have the meaning set forth in the preamble hereto.

(i) " Company Group " shall mean (1) the Company, (2) its parent, BeiGene, Ltd., and (3) any direct or indirect subsidiaries, divisions or affiliates of the Company or the Company's parent.

(j) " Compensation Committee " shall mean the committee, if any, of the Board designated to make compensation decisions relating to senior executive officers of the Company Group. Prior to any time that such a committee has been designated, the Board shall be deemed the Compensation Committee for purposes of this Agreement.

(k) " Disability " shall mean any physical or mental disability or infirmity of Employee that prevents the performance of Employee's duties for a period of (i) ninety (90) consecutive days or (ii) one hundred twenty (120) non-consecutive days during any twelve (12) month period. Any question as to the existence, extent, or potentiality of Employee's Disability upon which Employee and the Company cannot agree shall be determined by a qualified, independent physician selected by the Company and approved by Employee (which approval shall not be unreasonably withheld). The determination of any such physician shall be final and conclusive for all purposes of this Agreement.

(l) " Effective Date " shall mean July 15, 2015.

(m) " Employee " shall have the meaning set forth in the preamble hereto.

(n) " Good Reason " shall mean, without Employee's consent, (i) a material diminution in Employee's material duties or responsibilities as set forth in Section 3 hereof, (ii) a material reduction in Base Salary set forth in Section 4(a) hereof or Annual Bonus opportunity set forth in Section 4(b) hereof (other than a reduction of not more than ten percent (10%) that is enacted pursuant to an across-the-board reduction applicable to, and applied proportionally to, all similarly situated executives), or (iii) a material breach of a provision of this Agreement by the Company (other than a provision that is covered by clause (i) or (ii) above). Employee acknowledges and agrees that Employee's exclusive remedy in the event of any breach of this Agreement shall be to assert Good Reason pursuant to the terms and conditions of Section 8(e) hereof. Notwithstanding the foregoing, during the Term, in the event that the Company reasonably believes that Employee may have engaged in conduct that could constitute Cause hereunder, the Company may, in its sole and absolute discretion, suspend Employee from performing Employee's duties hereunder, and in no event shall any such suspension constitute an

event pursuant to which Employee may terminate employment with Good Reason or otherwise constitute a breach hereunder; *provided* , that no such suspension shall alter the Company's obligations under this Agreement during such period of suspension, including the obligation to continue to pay Employee's compensation and benefits.

(o) " Confidentiality Agreement " shall mean the Confidentiality, Non-Competition, and Invention Assignment Agreement attached hereto as Exhibit A .

(p) " Person " shall mean any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust (charitable or non-charitable), unincorporated organization, or other form of business entity.

(q) " Release of Claims " shall mean a separation and release agreement in a form substantially similar to the form attached hereto as Exhibit C, which may be modified by the Company to make the release fully effective in the jurisdiction in which Employee is employed at the time of his termination and to comply with any changes in the law from and after the Effective Date, each as determined by the Company in its sole discretion.

(r) " Sale Event" means the consummation of (i) the sale of all or substantially all of the assets of the BeiGene, Ltd. and its subsidiaries on a consolidated basis to an unrelated person or entity, (ii) a merger, reorganization or consolidation of BeiGene, Ltd., in which the outstanding shares of BeiGene, Ltd., are converted into or exchanged for securities of the successor entity and the holders of BeiGene, Ltd.'s outstanding voting power immediately prior to such transaction do not own at least a majority of the outstanding voting power of the successor entity immediately upon completion of such transaction, or (iii) other than in connection with an initial public offering of the securities of BeiGene, Ltd. (an "IPO"), the sale by existing stockholders of BeiGene, Ltd. in a single transaction or a series of related transactions of all or a majority of the outstanding capital stock of BeiGene, Ltd. to an unrelated person or entity. For the avoidance of doubt, a Sale Event shall not include an IPO.

(s) " Severance Benefits " shall have the meaning set forth in Section 8(g) hereof.

(t) " Severance Term " shall mean the nine (9) month period following Employee's termination by the Company without Cause (other than by reason of death or Disability) or by Employee for Good Reason.

(u) " Term " shall mean the period specified in Section 2 hereof.

Section 2. **Acceptance and Term** .

The Company agrees to employ Employee, and Employee agrees to serve the Company, on the terms and conditions set forth herein. The Term of this Agreement shall commence on the Effective Date and continue thereafter until terminated in accordance with, and subject to the provisions of, Section 8 hereof.

Section 3. **Position, Duties, and Responsibilities; Place of Performance.**

(a) Position, Location, Duties, and Responsibilities . During the Term, Employee shall be employed by the Company and serve as the Chief Financial and Strategy Officer of BeiGene, Ltd. (together with such other position or positions consistent with Employee's title as the Board, in its sole discretion, shall specify from time to time). Employee's initial duties and responsibilities are set forth in Exhibit B attached hereto. To the extent requested by the Board or the Company, Employee agrees to serve as an officer and/or director of (i) BeiGene, Ltd., (ii) the Company, and (iii), with Employee's prior consent, which consent shall not be unreasonably withheld, any other member of the Company Group, in each case without additional compensation. At the Employee's request, the Company agrees to open a Company office in the Boston area as soon as practicable following the Effective Date, and maintain the office for at least three (3) years from the Effective Date. During such three year period, Employee will be permitted to perform his job duties at the Company's offices in the Boston area, but Employee understands that he will be required to travel to, and perform his job duties at, the Company's office in China, from time to time. If Employee's location of employment is moved by more than fifty (50) miles from the initial location in the Boston area at any time during the Term, the Company agrees to pay for Employee's reasonable relocation expenses in an amount to be mutually agreed upon.

(b) Performance . Employee shall devote his full business time, attention, skill, and best efforts to the performance of his duties under this Agreement and shall not engage in any other business or occupation during the Term, including, without limitation, any activity that (x) conflicts with the interests of the Company or any other member of the Company Group, (y) interferes with the proper and efficient performance of Employee's duties for the Company, or (z) interferes with Employee's exercise of judgment in the Company's best interests. Notwithstanding the foregoing, nothing herein shall preclude Employee from (i) performing services pursuant to his current arrangement with Hillhouse Capital Management, its successors or assignees, provided that Employee provide a copy of any final written agreement between him and Hillhouse Capital Management when it is finalized, (ii) performing services for such other company as the Company may designate or permit, which permission shall not be unreasonably withheld, (iii) serving, with the prior written consent of the Board, as a member of the boards of directors or advisory boards (or their equivalents in the case of a non-corporate entity) of non-competing businesses and charitable organizations, (iv) engaging in charitable activities and community affairs, and (v) managing Employee's personal investments and affairs; *provided* , *however* , that the activities set out in clauses (i), (ii), (iii), (iv) and (v) shall be limited by Employee so as not to materially interfere, individually or in the aggregate, with his obligation to provide a full time commitment to the Company and/or the performance of his duties and responsibilities hereunder.

Section 4. **Compensation** .

During the Term, Employee shall be entitled to the following compensation:

(a) Base Salary . Employee shall be paid an annualized Base Salary, payable in accordance with the regular payroll practices of the Company, of not less than $350,000 with increases, if any, as may be approved in writing by the Compensation Committee.

(b) Annual Bonus . Employee shall be eligible for an annual incentive bonus award determined by the Compensation Committee in respect of each fiscal year during the Term (the " Annual Bonus "). The amount of the Annual Bonus for each fiscal year shall be up to $105,000, with the actual Annual Bonus payable being based upon the level of achievement of Company, department and individual performance objectives for such fiscal year, as determined by the Compensation Committee in its sole discretion. For fiscal year 2015, the Company shall confer with Employee with respect to his individual performance objectives and provide such objectives to Employee within 45 days of the Effective Date. For each fiscal year thereafter, the Company shall provide Employee with his individual performance objectives within 60 days of the start of the fiscal year. For the avoidance of doubt, the payment of an Annual Bonus is highly performance based and, as such, there is no guarantee that Employee shall receive an Annual Bonus payment. Employee's Annual Bonus for the year in which his employment commences, if eligible, shall be prorated based on the number of days worked in that year. The Annual Bonus shall be paid to Employee at the same time as annual bonuses are generally payable to other senior executives of the Company subject to Employee's continuous employment through the Annual Bonus payment date.

(c) Stock Option Grant : Subject to the approval of the Board or the Compensation Committee, Employee shall be granted an option to purchase up to 4,900,000 ordinary shares of BeiGene, Ltd., at an exercise price per share equal to the fair market value per share of such stock as of the date of the grant, which option shall be governed by, and subject to the terms and conditions of, the Company's Stock Option and Incentive Plan and a Stock Option Agreement between Employee and the Company (the " Initial Option Grant "). The Board or the Compensation Committee shall confer regarding the issuance of Employee's Initial Option Grant on or before the first regularly-scheduled Board meeting following the Effective Date. The Stock Option Agreement shall provide for a four-year vesting schedule. The shares subject to the Initial Option Grant shall become exercisable with respect to 25% of the shares upon completion of one year of service measured from the Effective Date and with respect to the remaining shares in 36 equal successive monthly installments upon Employee's completion of each month of service over the 3 year period measured from the initial vesting date. Notwithstanding the foregoing, all unvested option and equity awards granted to Employee during his Employment, including the Initial Option Grant, shall become fully exercisable upon the consummation of a Sale Event. In addition, the shares subject to the Initial Option Grant (but not any subsequent option grant or equity award, unless otherwise agreed at the time of any such subsequent grant) shall be subject to accelerated vesting upon certain termination events as described in Section 8 hereto. The option shall have a term of 10 years measured from the grant date.

(d) Allowances : Employee shall be eligible for the following expense allowances when travelling on Company business in China:

(i) Company will provide Employee a mini-van and driver when travelling in China; and

(ii) Company will reimburse Employee up to $50,000 annually for any costs incurred for accommodations in China, subject to the Company's business expense reimbursement policies. These allowances are in addition to the reimbursement of

business-related expenses while traveling in China described in Section 7. Employee's China accommodation allowance for the year in which his employment commences and the year in which it terminates, shall be prorated based on the number of days worked in such year.

Section 5. **Employee Benefits** .

During the Term, Employee shall be entitled to participate in health, insurance, retirement, and other benefits provided generally to similarly situated employees of the Company. Employee shall also be entitled to the same number of holidays, vacation days, and sick days, as well as any other benefits, in each case as are generally allowed to similarly situated employees of the Company in accordance with the Company policy as in effect from time to time. Nothing contained herein shall be construed to limit the Company's ability to amend, suspend, or terminate any employee benefit plan or policy at any time without providing Employee notice, and the right to do so is expressly reserved.

Section 6. **Key-Man Insurance** .

At any time during the Term, the Company shall have the right to insure the life of Employee for the sole benefit of the Company, in such amounts, and with such terms, as it may determine. All premiums payable thereon shall be the obligation of the Company. Employee shall have no interest in any such policy, but agrees to cooperate with the Company in procuring such insurance by submitting to physical examinations, supplying all information required by the insurance company, and executing all necessary documents, provided that no financial obligation is imposed on Employee by any such documents.

Section 7. **Reimbursement of Business Expenses** .

During the Term of Employment, the Company shall pay (or promptly reimburse Employee) for documented, out-of-pocket expenses reasonably incurred by Employee in the course of performing his duties and responsibilities hereunder, which are consistent with the Company's policies in effect from time to time with respect to business expenses, subject to the Company's requirements with respect to reporting of such expenses. These business expenses shall include, but not be limited to, Employee's expenses travelling to and from China on Company business.

Section 8. **Termination of Employment.**

(a) General . The Term shall terminate upon the earliest to occur of: (i) Employee's death, (ii) a termination by reason of a Disability, (iii) a termination by the Company with or without Cause, and (iv) a termination by Employee with or without Good Reason. Upon any termination of Employee's employment for any reason, except as may otherwise be requested by the Company in writing and agreed upon in writing by Employee, Employee shall resign from any and all directorships, committee memberships, and any other positions Employee holds with the Company or any other member of the Company Group. Notwithstanding anything herein to the contrary, the payment (or commencement of a series of payments) hereunder of any nonqualified deferred compensation (within the meaning of Section 409A of the Code) upon a termination of employment shall be delayed until such time as

Employee has also undergone a "separation from service" as defined in Treas. Reg. 1.409A-1(h), at which time such nonqualified deferred compensation (calculated as of the date of Employee's termination of employment hereunder) shall be paid (or commence to be paid) to Employee on the schedule set forth in this Section 8 as if Employee had undergone such termination of employment (under the same circumstances) on the date of Employee's ultimate "separation from service."

(b) Termination Due to Death or Disability . Employee's employment shall terminate automatically upon Employee's death. The Company may terminate Employee's employment immediately upon the occurrence of a Disability, such termination to be effective upon Employee's receipt of written notice of such termination. Upon Employee's death or in the event that Employee's employment is terminated due to Employee's Disability, Employee or Employee's estate or beneficiaries, as the case may be, shall be entitled to payment of the Accrued Obligations, and shall have no further rights to any compensation or any other benefits under this Agreement.

(c) Termination by the Company with Cause .

(i) The Company may terminate Employee's employment at any time with Cause, effective upon Employee's receipt of written notice of such termination; *provided* , *however* , that with respect to any Cause termination relying on clause (i) or (iv) of the definition of Cause set forth in Section 1(f) hereof, to the extent that such act or acts or failure or failures to act are curable, Employee shall be given not less than thirty (30) days' written notice by the Company of its intention to terminate him with Cause, such notice to state in detail the particular act or acts or failure or failures to act that constitute the grounds on which the proposed termination with Cause is based, and such termination shall be effective at the expiration of such thirty (30) day notice period unless Employee has fully cured such act or acts or failure or failures to act that give rise to Cause during such period.

(ii) In the event that the Company terminates Employee's employment with Cause, Employee shall be entitled to payment of the Accrued Obligations and shall have no further rights to any compensation or any other benefits under this Agreement..

(d) Termination by the Company without Cause . The Company may terminate Employee's employment at any time without Cause, effective upon Employee's receipt of written notice of such termination. In the event that Employee's employment is terminated by the Company without Cause (other than due to death or Disability), and (except with respect to payment of the Accrued Obligations) subject to the Employee's execution of the Release of Claims (as described in Section 8(g) below), Employee shall be entitled to the additional benefits below:

(i) Payment of the Employee's monthly Base Salary for each month during the Severance Term, which shall be paid in accordance with the Company's regular payroll practices;

(ii) With respect to the Initial Option Grant, if Employee is terminated without Cause before the ten (10) month anniversary of the Effective Date, solely for purposes of vesting of the Initial Option Grant, Employee shall be deemed on the date of termination to have been employed for sixteen (16) months from the Effective Date and his options for the remaining shares shall terminate. In addition, if Employee is terminated without Cause on or after the ten (10) month anniversary of the Effective Date, solely for purposes of vesting of the Initial Option Grant, Employee's employment shall be deemed to have terminated six (6) months after the date of termination of his employment and all other options held by employee that are not then exercisable shall terminate.

(iii) If and to the extent that the Employee is able to continue his participation in the Company's group health and/or dental insurance from and after the date of termination in accordance with the terms of the benefits plans or applicable law and Employee so elects to continue such coverage, an amount equal to the monthly premium payment that the Company was contributing to such coverage on Employee's behalf as of the date of termination, adjusted for any premium increase and on an after-tax basis, for each month during the Severance Term; *provided* , that the payments pursuant to this clause (iv) shall cease earlier than the expiration of the Severance Term in the event that Employee becomes eligible to receive any comparable health and dental benefits, including through a spouse's employer, during the Severance Term. Any payments under this clause (iii) shall be made at the same time that payments under clause (ii) are made.

Notwithstanding the foregoing, the payments and benefits described in clauses (i), (ii), and (iii) above shall immediately terminate, and the Company shall have no further obligations to Employee with respect thereto, in the event that Employee breaches any provision of the Confidentiality Agreement. Following such termination of Employee's employment by the Company without Cause, except as set forth in this Section 8(d), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, Employee's sole and exclusive remedy upon a termination of employment by the Company without Cause shall be receipt of the Severance Benefits and the Accrued Obligations.

(e) Termination by Employee with Good Reason . Employee may terminate his employment with Good Reason by providing the Company thirty (30) days' written notice setting forth in reasonable specificity the event that constitutes Good Reason, which written notice, to be effective, must be provided to the Company within sixty (60) days of the occurrence of such event. During such thirty (30) day notice period, the Company shall have a cure right, and if the Company fails to cure the action identified in the written notice within such period, Employee's termination will be effective upon the expiration of such cure period, and (in addition to the payment of Accrued Obligations), Employee shall be entitled to receive the payments and benefits set forth in Section 8(d)(i), (ii) and (iii), subject to his execution of the Release of Claims and subject to the same terms and conditions described in Section 8(d). Following such termination of Employee's employment by Employee with Good Reason, except as set forth in this Section 8(e), Employee shall have no further rights to any compensation or any other benefits under this Agreement. For the avoidance of doubt, Employee's sole and

exclusive remedy upon a termination of employment with Good Reason shall be receipt of the payments and benefits described in this Section 8(e).

(f) Termination by Employee without Good Reason . Employee may terminate his employment without Good Reason by providing the Company ninety (90) calendar days' prior written notice of such termination. In the event of a termination of employment by Employee under this Section 8(f), Employee shall be entitled only to the Accrued Obligations. In the event of termination of Employee's employment under this Section 8(f), the Company may, in its sole and absolute discretion, by written notice accelerate such date of termination without changing the characterization of such termination as a termination by Employee without Good Reason and, in such event, the Company shall not be obligated to pay the Employee's base salary and/or benefits through the end of the 90 calendar day notice period. Following such termination of Employee's employment by Employee without Good Reason, Employee shall be entitled to the Accrued Obligations, and shall have no further rights to any compensation or any other benefits under this Agreement.

(g) Release . Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to subsection (b), (d), or (e) of this Section 8 (other than the Accrued Obligations) (collectively, the " Severance Benefits ") shall be conditioned upon parties' execution and non-revocation (if such right exists) of the Release of Claims, within sixty (60) days following the date of Employee's termination of employment hereunder. Further, to the extent that any of the Severance Benefits constitutes "nonqualified deferred compensation" for purposes of Section 409A of the Code, any payment of any amount or provision of any benefit otherwise scheduled to occur prior to the sixtieth (60th) day following the date of Employee's termination of employment hereunder, but for the condition on executing the Release of Claims as set forth herein, shall not be made until the first regularly scheduled payroll date following such sixtieth (60th) day, after which any remaining Severance Benefits shall thereafter be provided to Employee according to the applicable schedule set forth herein. For the avoidance of doubt, in the event of a termination due to Employee's death or Disability, Employee's obligations herein to execute and not revoke the Release of Claims may be satisfied on Employee's behalf by his estate or a person having legal power of attorney over his affairs.

Section 9. **Restrictive Covenant Agreement** .

As a condition of, and prior to commencement of, Employee's employment with the Company, Employee shall have executed and delivered to the Company the Confidentiality Agreement. The parties hereto acknowledge and agree that this Agreement and the Confidentiality Agreement shall be considered separate contracts.

Section 10. **Representations and Warranties of Employee** .

Employee represents and warrants to the Company that-

(a) Employee is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by Employee of any agreement to which he is a party or by which he may be bound;

(b) Employee has not violated, and in connection with his employment with the Company will not violate, any non-solicitation, non-competition, or other similar covenant or agreement of a prior employer by which Employee is or may be bound; and

(c) in connection with his employment with the Company, Employee will not use any confidential or proprietary information Employee may have obtained in connection with employment with any prior employer.

Section 11. **Taxes** .

The Company may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment, and social insurance taxes, as shall be required by law. Employee acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that Employee has been advised by the Company to seek tax advice from Employee's own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including specifically, the application of the provisions of Section 409A of the Code to such payments.

Section 12. **Set Off; Mitigation** .

The Company's obligation to pay Employee the amounts provided and to make the arrangements provided hereunder shall be subject to set-off, counterclaim, or recoupment of amounts owed by Employee to the Company or its affiliates; *provided* , *however* , that to the extent any amount so subject to set-off, counterclaim, or recoupment is payable in installments hereunder, such set-off, counterclaim, or recoupment shall not modify the applicable payment date of any installment, and to the extent an obligation cannot be satisfied by reduction of a single installment payment, any portion not satisfied shall remain an outstanding obligation of Employee and shall be applied to the next installment only at such time the installment is otherwise payable pursuant to the specified payment schedule. Employee shall not be required to mitigate the amount of any payment provided pursuant to this Agreement by seeking other employment or otherwise, and except as provided in Section 8(d)(v) hereof, the amount of any payment provided for pursuant to this Agreement shall not be reduced by any compensation earned as a result of Employee's other employment or otherwise.

Section 13. **Additional Section 409A Provisions** .

Notwithstanding any provision in this Agreement to the contrary—

(a) This Agreement is intended to comply with the requirements of Section 409A of the Code and its corresponding regulations ("Section 409A"), and shall in all respects be administered in accordance with Section 409A. Notwithstanding anything in this Agreement to the contrary, distributions may only be made under this Agreement upon an event and in a manner permitted by Section 409A or an applicable exemption. Severance benefits provided under this Agreement are intended to be exempt from Section 409A under the "separation pay exception" to the maximum extent applicable. Further, any payments that qualify for the "short-term deferral" exception or another exception under Section 409A shall be paid under the applicable exception. Each payment made under this Agreement shall be treated as a separate

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payment, and the right to a series of installment payments under this Agreement shall be treated as a right to a series of separate payments.

(b) Any payment otherwise required to be made hereunder to Employee at any date as a result of the termination of Employee's employment shall be delayed for such period of time as may be necessary to meet the requirements of Section 409A(a)(2)(B)(i) of the Code (the " Delay Period "). On the first business day following the expiration of the Delay Period, Employee shall be paid, in a single cash lump sum, an amount equal to the aggregate amount of all payments delayed pursuant to the preceding sentence, and any remaining payments not so delayed shall continue to be paid pursuant to the payment schedule set forth herein.

(c) To the extent that any right to reimbursement of expenses or payment of any benefit in-kind under this Agreement constitutes nonqualified deferred compensation (within the meaning of Section 409A of the Code), (i) any such expense reimbursement shall be made by the Company no later than the last day of the taxable year following the taxable year in which such expense was incurred by Employee, (ii) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit, and (iii) the amount of expenses eligible for reimbursement or in-kind benefits provided during any taxable year shall not affect the expenses eligible for reimbursement or in-kind benefits to be provided in any other taxable year; *provided* , that the foregoing clause shall not be violated with regard to expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect.

(d) While the payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Section 409A of the Code, in no event whatsoever shall the Parent or any of its affiliates (including, without limitation, the Company) be liable for any additional tax, interest, or penalties that may be imposed on Employee as a result of Section 409A of the Code or any damages for failing to comply with Section 409A of the Code (other than for withholding obligations or other obligations applicable to employers, if any, under Section 409A of the Code).

Section 14. **Successors and Assigns; No Third-Party Beneficiaries** .

(a) The Company . This Agreement shall be binding upon and inure to the benefit of the Company's successors and assigns, including any corporation with which, or into which, the Company may be merged or which may succeed to the Company's assets or business. Further, this Agreement may be assigned by the Company, without the prior consent of the Employee, to a person or entity which is a parent, subsidiary or affiliate of the Company or a successor in interest to substantially all of the business operations of the Company.

(b) Employee . Employee's rights and obligations under this Agreement shall not be transferable by Employee by assignment or otherwise, without the prior written consent of the Company; *provided* , *however* , that if Employee shall die, all amounts then payable to Employee hereunder shall be paid in accordance with the terms of this Agreement to Employee's devisee, legatee, or other designee, or if there be no such designee, to Employee's estate.

(c) No Third-Party Beneficiaries . Except as otherwise set forth in Section 8(b) or Section 14(b) hereof, nothing expressed or referred to in this Agreement will be construed to give any Person other than the Company, the other members of the Company Group, and Employee any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement.

Section 15. **Waiver and Amendments** .

Any waiver, alteration, amendment, or modification of any of the terms of this Agreement shall be valid only if made in writing and signed by each of the parties hereto; *provided* , *however* , that any such waiver, alteration, amendment, or modification must be consented to on the Company's behalf by the Board. No waiver by either of the parties hereto of their rights hereunder shall be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

Section 16. **Severability.**

If any covenants or such other provisions of this Agreement are found to be invalid or unenforceable by a final determination of a court of competent jurisdiction, (a) the remaining terms and provisions hereof shall be unimpaired, and (b) the invalid or unenforceable term or provision hereof shall be deemed replaced by a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision hereof.

Section 17. **Governing Law and Jurisdiction.**

This Agreement shall be governed by and construed in accordance with the laws of Commonwealth of Massachusetts, without regard to conflicts of laws principles thereof. The parties hereby consent to the jurisdiction of any state or federal court in the Commonwealth of Massachusetts. Accordingly, with respect to any such court action, the Employee hereby (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

Section 18. **Notices.**

(a) Place of Delivery . Every notice or other communication relating to this Agreement shall be in writing, and shall be mailed to or delivered to the party for whom or which it is intended at such address as may from time to time be designated by it in a notice mailed or delivered to the other party as herein provided; *provided* , that unless and until some other address be so designated, all notices and communications by Employee to the Company shall be mailed or delivered to the Company at its principal executive office, and all notices and communications by the Company to Employee may be given to Employee personally or may be mailed to Employee at Employee's last known address, as reflected in the Company's records.

(b) Date of Delivery . Any notice so addressed shall be deemed to be given or received (i) if delivered by hand, on the date of such delivery, (ii) if mailed by courier or by

overnight mail, on the first business day following the date of such mailing, and (iii) if mailed by registered or certified mail, on the third business day after the date of such mailing.

Section 19. **Section Headings.**

The headings of the sections and subsections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part thereof or affect the meaning or interpretation of this Agreement or of any term or provision hereof.

Section 20. **Entire Agreement.**

This Agreement, together with any exhibits attached hereto, constitutes the entire understanding and agreement of the parties hereto regarding the employment of Employee. This Agreement supersedes all prior negotiations, discussions, correspondence, communications, understandings, and agreements between the parties relating to the subject matter of this Agreement.

Section 21. **Survival of Operative Sections.**

Upon any termination of Employee's employment, the provisions of Section 8 through Section 22 of this Agreement (together with any related definitions set forth in Section 1 hereof) shall survive to the extent necessary to give effect to the provisions thereof.

Section 22. **Counterparts.**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The execution of this Agreement may be by actual or facsimile signature.

* * *

[Signatures to appear on the following page.]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date first above written.

BEIGENE USA, INC.,

/s/ John V. Oyler
By: John V. Oyler
Title: CEO

EMPLOYEE

/s/ Howard Liang
Howard Liang

EXHIBIT A

CONFIDENTIALITY, NON-COMPETITION, AND INVENTION ASSIGNMENT AGREEMENT

As a condition of my becoming employed by, or continuing employment with, BeiGene USA, Inc., including its parent, subsidiaries or affiliates (the " Company "), and in consideration of my employment with the Company and my receipt of the compensation now and hereafter paid to me by the Company, as further set forth in that certain Employment Agreement between me and the Company, I agree to the following:

Section 1. **Confidential Information** .

(a) Company Group Information . I acknowledge that, during the course of my employment, I will have access to information about the Company and its direct and indirect parents and subsidiaries (collectively, the " Company Group ") and that my employment with the Company shall bring me into close contact with confidential and proprietary information of the Company Group. In recognition of the foregoing, I agree, at all times during the term of my employment with the Company and for the ten (10) year period following the termination of my employment with the Company Group for any reason, to hold in confidence, and not to use, except for the benefit of the Company Group, or to disclose to any person, firm, corporation, or other entity without written authorization of the Company, any Confidential Information that I obtain or create. I understand that " Confidential Information " means information that the Company Group has developed, acquired, created, compiled, discovered, or owned or will develop, acquire, create, compile, discover, or own, that has value in or to the business of the Company Group that is not generally known and that the Company wishes to maintain as confidential. I understand that Confidential Information includes, but is not limited to, any and all non-public information that relates to the actual or anticipated business and/or products, research, or development of the Company, or to the Company's technical data, trade secrets, or know-how, including, but not limited to, research, product plans, or other information regarding the Company's products or services and markets, customer lists, and customers (including, but not limited to, customers of the Company on whom I called or with whom I may become acquainted during the term of my employment), software, developments, inventions, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company either directly or indirectly in writing, orally, or by drawings or inspection of premises, parts, equipment, or other Company property. Notwithstanding the foregoing, Confidential Information shall not include (i) any of the foregoing items that have become publicly and widely known through no unauthorized disclosure by me or others who were under confidentiality obligations as to the item or items involved or (ii) any information that I am required to disclose to, or by, any governmental or judicial authority; *provided* , *however* , that in such event I will give the Company prompt written notice thereof so that the Company Group may seek an appropriate protective order and/or waive in writing compliance with the confidentiality provisions of this Confidentiality, Non-Competition, and Invention Assignment Agreement (the " Confidentiality Agreement ").

(b) Former Employer Information . I represent that my performance of all of the terms of this Confidentiality Agreement as an employee of the Company has not breached and will not breach any agreement to keep in confidence proprietary information,

knowledge, or data acquired by me in confidence or trust prior or subsequent to the commencement of my employment with the Company, and I will not disclose to any member of the Company Group, or induce any member of the Company Group to use, any developments, or confidential or proprietary information or material I may have obtained in connection with my employment with any prior employer in violation of a confidentiality agreement, nondisclosure agreement, or similar agreement with such prior employer.

Section 2. **Developments** .

(a) Developments Retained and Licensed . I have attached hereto, as Schedule A , a list describing with particularity all developments, original works of authorship (except as noted below), developments, improvements, and trade secrets that I can demonstrate were created or owned by me prior to the commencement of my employment (collectively referred to as " Prior Developments "), which belong solely to me or belong to me jointly with another, that relate in any way to any of the actual or proposed businesses, products, or research and development of any member of the Company Group, and that are not assigned to the Company hereunder, or if no such list is attached, I represent that there are no such Prior Developments. If, during any period during which I perform or performed services for the Company Group both before or after the date hereof (the " Assignment Period "), whether as an officer, employee, director, independent contractor, consultant, or agent, or in any other capacity, I incorporate (or have incorporated) into a Company Group product or process a Prior Development owned by me or in which I have an interest, I hereby grant the Company, and the Company Group shall have, a non-exclusive, royalty-free, irrevocable, perpetual, transferable worldwide license (with the right to sublicense) to make, have made, copy, modify, make derivative works of, use, sell, and otherwise distribute such Prior Development as part of or in connection with such product or process. The Company acknowledges and agrees that I do not need to list as a Prior Development any of my original works of authorship that were published in a professional journal or publication prior to the commencement of my employment with the Company.

(b) Assignment of Developments . I agree that I will, without additional compensation, promptly make full written disclosure to the Company, and will hold in trust for the sole right and benefit of the Company all developments, original works of authorship, inventions, concepts, know-how, improvements, trade secrets, and similar proprietary rights, whether or not patentable or registrable under copyright or similar laws, which I may solely or jointly conceive or develop or reduce to practice, or have solely or jointly conceived or developed or reduced to practice, or have caused or may cause to be conceived or developed or reduced to practice, during the Assignment Period, whether or not during regular working hours, provided they either (i) relate at the time of conception, development or reduction to practice to the business of any member of the Company Group, or the actual or anticipated research or development of any member of the Company Group; (ii) result from or relate to any work performed for any member of the Company Group; or (iii) are developed through the use of equipment, supplies, or facilities of any member of the Company Group, or any Confidential Information, or in consultation with personnel of any member of the Company Group (collectively referred to as " Developments "). I further acknowledge that all Developments made by me (solely or jointly with others) within the scope of and during the Assignment Period are "works made for hire" (to the greatest extent permitted by applicable law) for which I am, in

part, compensated by my salary, unless regulated otherwise by law, but that, in the event any such Development is deemed not to be a work made for hire, I hereby assign to the Company, or its designee, all my right, title, and interest throughout the world in and to any such Development.

(c) Maintenance of Records . I agree to keep and maintain adequate and current written records of all Developments made by me (solely or jointly with others) during the Assignment Period. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, and any other format. The records will be available to and remain the sole property of the Company Group at all times. I agree not to remove such records from the Company's place of business except as expressly permitted by Company Group policy, which may, from time to time, be revised at the sole election of the Company Group for the purpose of furthering the business of the Company Group.

(d) Intellectual Property Rights . I agree to assist the Company, or its designee, at the Company's expense, in every way to secure the rights of the Company Group in the Developments and any copyrights, patents, trademarks, service marks, database rights, domain names, mask work rights, moral rights, and other intellectual property rights relating thereto in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments, recordations, and all other instruments that the Company shall deem necessary in order to apply for, obtain, maintain, and transfer such rights and in order to assign and convey to the Company Group the sole and exclusive right, title, and interest in and to such Developments, and any intellectual property and other proprietary rights relating thereto. I further agree that my obligation to execute or cause to be executed, when it is in my power to do so, any such instrument or papers shall continue after the termination of the Assignment Period until the expiration of the last such intellectual property right to expire in any country of the world; *provided* , *however* , the Company shall reimburse me for my reasonable expenses incurred in connection with carrying out the foregoing obligation. If the Company is unable because of my mental or physical incapacity or unavailability for any other reason to secure my signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations covering Developments or original works of authorship assigned to the Company as above, then I hereby irrevocably designate and appoint the Company and its duly authorized officers and agents as my agent and attorney in fact to act for and in my behalf and stead to execute and file any such applications or records and to do all other lawfully permitted acts to further the application for, prosecution, issuance, maintenance, and transfer of letters patent or registrations thereon with the same legal force and effect as if originally executed by me. I hereby waive and irrevocably quitclaim to the Company any and all claims, of any nature whatsoever, that I now or hereafter have for past, present, or future infringement of any and all proprietary rights assigned to the Company.

Section 3. **Returning Company Group Documents** .

I agree that, at the time of termination of my employment with the Company for any reason, I will deliver to the Company (and will not keep in my possession, recreate, or deliver to anyone else) any and all Confidential Information and all other documents, materials, information, and property developed by me pursuant to my employment or otherwise belonging

to the Company. I agree further that any property situated on the Company's premises and owned by the Company (or any other member of the Company Group), including disks and other storage media, filing cabinets, and other work areas, is subject to inspection by personnel of any member of the Company Group at any time with or without notice.

Section 4. **Disclosure of Agreement** .

As long as it remains in effect, I will disclose the existence of this Confidentiality Agreement to any prospective employer, partner, co-venturer, investor, or lender prior to entering into an employment, partnership, or other business relationship with such person or entity.

Section 5. **Restrictions on Interfering** .

(a) Non-Competition . During the period of my employment with the Company (the " Employment Period ") and during the nine (9) month period immediately following the termination of my employment, regardless of the reason for such termination, I shall not, directly or indirectly, individually or on behalf of any person, company, enterprise, or entity, or as a sole proprietor, partner, stockholder, director, officer, principal, agent, or executive, or in any other capacity, engage in any activity that competes with the Company in its Line of Business within any state of the United States of America, China and any other jurisdiction in which any member of the Company Group engages (or has committed plans to engage) in business during the Employment Period; *provided* , (i) that my indirect ownership (i.e. , ownership through a fund that is not controlled by me or any of my affiliates) of not more than three percent (3%) of the outstanding shares of any publicly traded company and (ii) being employed as an investment banker, fund manager, financial analyst, manager (or other role substantially similar to investment banker, fund manager, financial analyst, manager) by an investment bank or investment company shall not be deemed to breach of this Section 5(a).

(b) Non-Interference . During the Employment Period and during the twelve (12) month period immediately following the termination of my employment, regardless of the reason for such termination, I shall not, directly or indirectly for my own account or for the account of any other individual or entity, engage in Interfering Activities.

(c) Definitions . For purposes of this Confidentiality Agreement :

(i) " Business Relation " shall mean any current or prospective client, customer, licensee, or other business relation of the Company Group, or any such relation that was a client, customer, licensee, supplier, or other business relation within the six (6) month period prior to the termination of my employment, in each case, to whom I provided services, or with whom I transacted business, or about whom I obtained Confidential Information during my employment with the Company.

(ii) " Line of Business " shall mean the discovery or development of oncology drugs utilizing the local regulatory path for clinical compounds in China.

(iii) " Interfering Activities " shall mean (A) encouraging, soliciting, or inducing, or in any manner attempting to encourage, solicit, or induce, any individual or entity employed by, or providing consulting services to, any member of the Company Group to terminate such individual's or entity's employment or services (or in the case of a consultant, materially reducing such services) with or to the Company Group; (B) hiring any individual who was employed by any member of the Company Group within the six (6) month period prior to the termination of my employment; or (C) encouraging, soliciting, or inducing, or in any manner attempting to encourage, solicit, or induce, any Business Relation to cease doing business with or reduce the amount of business conducted with the Company Group, or in any way interfering with the relationship between any such Business Relation and the Company Group.

(d) Restrictions . The covenants contained in this Section 5 are in addition to, and not in lieu of, any similar covenants to which Employee may be subject from time to time.

Section 6. **Reasonableness of Restrictions** .

I acknowledge and recognize the highly competitive nature of the Company's business, that access to Confidential Information renders me special and unique within the Company's industry, and that I will have the opportunity to develop substantial relationships with existing and prospective clients, accounts, customers, consultants, contractors, investors, and strategic partners of the Company Group during the course of and as a result of my employment with the Company. In light of the foregoing, I recognize and acknowledge that the restrictions and limitations set forth in this Confidentiality Agreement are reasonable and valid in geographical and temporal scope and in all other respects and are essential to protect the value of the business and assets of the Company Group.

Section 7. **Independence; Severability; Blue Pencil** .

Each of the rights enumerated in this Confidentiality Agreement shall be independent of the others and shall be in addition to and not in lieu of any other rights and remedies available to the Company Group at law or in equity. If any of the provisions of this Confidentiality Agreement or any part of any of them is hereafter construed or adjudicated to be invalid or unenforceable, the same shall not affect the remainder of this Confidentiality Agreement, which shall be given full effect without regard to the invalid portions. If any of the covenants contained herein are held to be invalid or unenforceable because of the duration of such provisions or the area or scope covered thereby, I agree that the court making such determination shall have the power to reduce the duration, scope, and/or area of such provision to the maximum and/or broadest duration, scope, and/or area permissible by law, and in its reduced form said provision shall then be enforceable.

Section 8. **Injunctive Relief** .

I expressly acknowledge that any breach or threatened breach of any of the terms and/or conditions set forth in this Confidentiality Agreement may result in substantial, continuing, and irreparable injury to the members of the Company Group. Therefore, I hereby

agree that, in addition to any other remedy that may be available to the Company, any member of the Company Group shall be entitled to seek injunctive relief, specific performance, or other equitable relief by a court of appropriate jurisdiction in the event of any breach or threatened breach of the terms of this Confidentiality Agreement without the necessity of proving irreparable harm or injury as a result of such breach or threatened breach. Notwithstanding any other provision to the contrary, I acknowledge and agree that the time periods set forth in Section 5 shall be tolled during any period of violation of any of the covenants in Section 5 hereof and during any other period required for litigation during which the Company or any other member of the Company Group seeks to enforce such covenants against me if it is ultimately determined that I was in breach of such covenants.

Section 9. **Cooperation** .

I agree that, following any termination of my employment, I will continue to provide reasonable cooperation to the Company and/or any other member of the Company Group and its or their respective counsel in connection with any investigation, administrative proceeding, or litigation relating to any matter that occurred during my employment in which I was involved or of which I have knowledge. As a condition of such cooperation, the Company shall reimburse me for reasonable out-of-pocket expenses incurred at the request of the Company with respect to my compliance with this paragraph. I also agree that, in the event that I am subpoenaed by any person or entity (including, but not limited to, any government agency) to give testimony or provide documents (in a deposition, court proceeding, or otherwise) that in any way relates to my employment by the Company and/or any other member of the Company Group, I will give prompt notice of such request to the Company and will make no disclosure until the Company and/or the other member of the Company Group has had a reasonable opportunity to contest the right of the requesting person or entity to such disclosure.

Section 10. **Business Opportunities.**

During the Employment Period, I agree to bring all business opportunities to the Company relating to or otherwise associated with (i) the business or businesses conducted by the Company or any member of the Company Group in the Company's Line of Business, or (ii) the business or businesses in the Company's Line of Business proposed to be conducted by the Company or any member of the Company Group in the future of which I am aware or which has been publicly disclosed. I further agree that unless expressly authorized in writing by the Company's Chief Executive Officer I will not pursue any such business opportunity or opportunities for my own account or for the account of any third party irrespective of the Company's decision to exploit or not to exploit any such business opportunity. Notwithstanding the foregoing, to the extent that my current arrangement with Hillhouse Capital Management, its successors or assignees, requires me to pursue business opportunities related to the Company's Line of Business, I will promptly disclose such opportunities to the Company and agree to obtain the Company's prior consent before pursuing. The Company agrees that it shall not unreasonably withhold its consent. Further, I agree to provide a copy of any final written agreement with Hillhouse Capital Management when it is finalized.

Section 11. **General Provisions** .

(a) Governing Law and Jurisdiction . This Confidentiality Agreement shall be governed by and construed in accordance with the law of the Commonwealth of Massachusetts, without regard to conflicts of law principles thereof. The parties hereby consent to the jurisdiction of any state or federal court in the Commonwealth of Massachusetts. Accordingly, with respect to any such court action, the Employee hereby (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

(b) Entire Agreement . This Confidentiality Agreement sets forth the entire agreement and understanding between the Company and me relating to the subject matter herein and merges all prior discussions between us. No modification or amendment to this Confidentiality Agreement, nor any waiver of any rights under this Confidentiality Agreement, will be effective unless in writing signed by the party to be charged. Any subsequent change or changes in my duties, obligations, rights, or compensation will not affect the validity or scope of this Confidentiality Agreement.

(c) No Right of Continued Employment . I acknowledge and agree that nothing contained herein shall be construed as granting me any right to continued employment by the Company, and the right of the Company to terminate my employment at any time and for any reason, with or without cause, is specifically reserved.

(d) Successors and Assigns . This Confidentiality Agreement will be binding upon my heirs, executors, administrators, and other legal representatives and will be for the benefit of the Company, its successors, and its assigns. I expressly acknowledge and agree that this Confidentiality Agreement may be assigned by the Company without my consent to any other member of the Company Group as well as any purchaser of all or substantially all of the assets or stock of the Company, whether by purchase, merger, or other similar corporate transaction, provided that the license granted pursuant to Section 2(a) may be assigned to any third party by the Company without my consent.

(e) Survival . The provisions of this Confidentiality Agreement shall survive the termination of my employment with the Company and/or the assignment of this Confidentiality Agreement by the Company to any successor in interest or other assignee.

I, Howard Liang, have executed this Confidentiality, Non-Competition, and Invention Assignment Agreement on the respective date set forth below:

Date: 7 – 15 – 2015

/s/ Howard Liang
Howard Liang

SCHEDULE A

LIST OF PRIOR DEVELOPMENTS
AND ORIGINAL WORKS OF AUTHORSHIP
EXCLUDED FROM SECTION 2

Title	Date	Identifying Number or Brief Description

No Developments or improvements

Additional Sheets Attached

Signature of Employee: _____

Print Name of Employee: _____

Date: _____

EXHIBIT B

Employee's initial duties and responsibilities as Chief Financial & Strategy Officer shall include, without limitation, the following:

- Build and manage the Company's financial capabilities:
    - Provide leadership in the development for the continuous evaluation of short and long-term strategic financial objectives;
    - Ensure credibility of Finance group by providing timely and accurate analysis of budgets, financial trends and forecasts;
    - Direct and oversee all aspects of the Finance & Accounting functions of the organization;
    - Evaluate and advise on the impact of long range planning, introduction of new programs/ strategies and regulatory action;
    - Establish and maintain strong relationships with senior executives so as to identify their needs and seek full range of business solutions;
    - Provide executive management with advice on the financial implications of business activities;
    - Manage processes for financial forecasting, budgets and consolidation and reporting to the Company ;
    - Provide recommendations to strategically enhance financial performance and business opportunities; and
    - Ensure that effective internal controls are in place and ensure compliance with GAAP and applicable federal, state and local regulatory laws and rules for financial and tax reporting.
- Help drive the Company's strategic planning process:
    - Organize meetings to discuss program prioritization quarterly
    - Perform landscape analysis for competitive and new product areas
    - Participate in quarterly assessments of new research targets
    - Perform risk/cost assessments
- Participate in the Company's Key Leadership Team:
    - Participate in leadership meetings and prepare updates for your areas
    - Help recruit clinical team
- Provide overall strategic direction and planning for the Company and its affiliates:
    - Propose in-license/out license targets
    - Competitive assessment of other deals
    - Assessment of entry into new areas (e.g., manufacturing, new therapeutic areas, geographies)
- Perform such other duties and responsibilities commensurate with Employee's position that the Company may assign to Employee from time to time.

EXHIBIT C

FORM OF RELEASE AGREEMENT: ACTUAL AGREEMENT MAY DIFFER

GENERAL RELEASE

BeiGene USA, Inc., (the " Company "), a subsidiary of BeiGene, Ltd., and Howard Liang (the " Employee "), agree that this General Release (" Release ") sets forth their complete agreement and understanding regarding the termination of Employee's employment with Company. All terms not defined herein shall have the definition contained in that certain Employment Agreement between the Company and Employee dated as of July , 2015 (the "Employment Agreement") or the Confidentiality, Non-Competition, and Invention Assignment Agreement dated as of the same date (the " Nondisclosure Agreement "),

1. Separation Date . Employee's employment with Company will terminate effective (the " Separation Date "). The Company will provide Employee with the Accrued Obligations (as defined in the Employment Agreement) and, subject to his execution of this Release, the payments and benefits described in Section 2 below. Employee acknowledges that with such payments, Employee has received all compensation and benefits due to Employee in connection with Employee's employment, and Employee is not entitled to any additional payments or benefits except as specifically provided below.

2. Consideration of Company . In consideration for the releases and covenants by Employee herein, and upon expiration of the revocation period described in paragraph 12 below with no revocation by Employee and subject to Employee's compliance with his obligations under the Nondisclosure Agreement, the Company will provide Employee with the payments and benefits required to be paid by the Company pursuant to Section 8 of the Employment Agreement, to be paid as set forth therein.

3. Employee Release of Rights and Agreement Not to Sue . Employee (defined for the purpose of this Paragraph 3 as Employee and Employee's agents, representatives, attorneys, assigns, heirs, executors, and administrators) fully and unconditionally releases the Released Parties (defined as the Company Group (as defined in the Employment Agreement and any of its or their past or present employees, agents, insurers, attorneys, administrators, officials, directors, shareholders, divisions, parents, subsidiaries, predecessors, successors, employee benefit plans, and the sponsors, fiduciaries, or administrators of the Company's employee benefit plans) from, and agrees not to bring any action, proceeding or suit against any of the Released Parties regarding, any and all known or unknown claims, causes of action, liabilities, damages, fees, or remunerations of any sort, arising or that may have arisen out of or in connection with Employee's employment with or termination of employment from the Company at any time from the beginning of the World up to and through the date of execution of this Release, including but not limited to claims for:

This general release includes, without limitation, any and all Claims arising out of or in connection with:

(a) breach of the Employment Agreement or violation of any written or unwritten contract, agreement, policy, benefit plan, retirement or pension plan, option plan, severance plan, or covenant of any kind, or failure to pay wages, bonuses, employee benefits, other compensation, attorneys' fees, damages, or any other remuneration;

(b) your employment, change in employment status, and/or termination of employment with the Company;

(c) any federal, state or local law, constitution or regulation regarding either employment, employment benefits, or employment discrimination and/or retaliation including, without

limitation, the National Labor Relations Act, as amended; Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq.; Sections 1981 through 1988 of Title 42 of the United States Code, as amended; the Employee Retirement Income Security Act of 1974, as amended, 29 U.S.C. 1001 et seq.; the Workers Adjustment and Retraining Notification Act, 29 U.S.C. Section 2101 et seq.; the Immigration Reform and Control Act, as amended; the Americans with Disabilities Act of 1990, as amended; the Fair Labor Standards Act, as amended; the Occupational Safety and Health Act, as amended; the Family and Medical Leave Act of 1993 ("FMLA"), as amended; the Consolidated Omnibus Budget Reconciliation Act, as amended; and laws relating to workers compensation, family and medical leave, retaliation, discrimination on the basis of race, color, religion, creed, sex, sex harassment, sexual orientation, gender identity marital status, pregnancy, national origin, ancestry, handicap, disability, veteran's status, alienage, blindness, present or past history of mental disorders or physical disability, candidacy for or activity in a general assembly or other public office, constitutionally protected acts of speech, whistleblower status, use of tobacco products outside course of employment, membership in any organization engaged in civil defense, veteran's status, any military service, application for military service, or any other federal, state or local civil or human rights law or any other local, state or federal law, regulation or ordinance;

(d) any Massachusetts state or local laws respecting employment, including but not limited to, the Massachusetts Wage Payment Act, M.G.L. c. 149, § 148; the Massachusetts Fair Employment Practices Act, M.G.L. c. 151B, as amended; the Massachusetts Parental Leave Act, M.G.L. c. 149, § 105D; the Massachusetts Small Necessities Leave Act, M.G.L. c. 149, § 52D; the Massachusetts Domestic Violence Leave Act, M.G.L. c. 149, § 59E, the Massachusetts Civil Rights Act, M.G.L. c. 12, § 11H et seq., as amended; the Massachusetts Equal Rights Act, M.G.L. c. 93, § 102 et seq., as amended; the Massachusetts Equal Pay Act, M.G.L. c. 149, § 105A et seq., as amended; the Massachusetts law against sexual harassment, M.G.L. c. 214, § 1C et seq., as amended; and the Massachusetts law against retaliation, M.G.L. c. 19C, § 11. et seq., as amended;

(e) wrongful termination, intentional or negligent infliction of emotional distress, negligent misrepresentation, intentional misrepresentation, fraud, defamation, promissory estoppel, false light invasion of privacy, conspiracy, violation of public policy; and/or

(f) any other tort, statutory or common law cause of action.

Employee further waives any right to recovery in a proceeding instituted on Employee's behalf by a class representative, administrative agency or other entity regarding Employee's employment with, or separation from, Company; *provided, however,* that Employee is not waiving any claim for unemployment compensation. Employee affirms that as of the time Employee signed this Release, no action or proceeding covered by this paragraph was pending against any of the Released Parties. Notwithstanding the foregoing, nothing in this Section shall constitute a release or waiver of any claim by Employee (i) to enforce the terms of this Agreement, or (ii) for indemnification, to the extent permitted by, and subject to the terms and conditions of, the Company's certificate of incorporation, as amended to date, and/or Delaware law.

4. No Disparagement or Encouragement of Claims . Employee agrees not to make any oral or written statement that disparages or places Company or any member of the Company Group (as defined in the Employment Agreement (including any of its past or present officers, employees, products or services) in a false or negative light, or to encourage, support, or assist any person or entity who has filed or may file a lawsuit, charge, claim or complaint against the Released Parties (as defined in

Paragraph 3, above); *provided, however* , that nothing herein shall prevent Employee from responding to a lawful subpoena, reporting to a government agency, or complying with any other legal obligation. If Employee receives any subpoena or becomes subject to any legal obligation that implicates this paragraph, Employee will provide prompt written notice of that fact to the Company and enclose a copy of the subpoena and any other documents describing the legal obligation. The Company agrees that its officers and directors (during the period of their employment with the Company) shall not make any oral or written statement that disparages the Employee or places Employee in a false or negative light; *provided, however,* that nothing herein shall prevent the Company's officers or directors from responding to a lawful subpoena, reporting to a government agency, or complying with any other legal obligation.

5. Return of Company Property . Employee represents and warrants that he has complied with his obligations to return Company Property pursuant to his obligations under the Nondisclosure Agreement.

6. Restrictive Covenants . Employee represents that he has fully complied with his obligations under the Nondisclosure Agreement at all times during his employment, and will continue to do so in accordance with the terms set forth in the Nondisclosure Agreement.

7. Confidentiality of Release . Except as may be specifically required by law, Employee will not in any manner disclose or communicate any part of this Release to any other person except Employee's current spouse (if any), Employee's accountant or financial advisor to the limited extent needed for that person to prepare Employee's tax returns, or Employee's attorney. Before any such authorized disclosure, Employee will inform each such person to whom disclosure is to be made that every term of this Release is confidential and obtain such person's agreement to maintain the confidentiality of the entire Release. Employee affirms that Employee has not done anything before signing this Release that would violate this paragraph. If Employee is specifically required by law to disclose any of the terms of this Release, Employee will provide prompt written notice of that fact to the Company (as provided in Paragraph 4, above) and enclose a copy of the subpoena and any other documents describing the legal obligation.

8. Non-admission/Inadmissibility . This Release does not constitute an admission that the Company took any wrongful, unlawful, or harmful action, and the Company specifically denies any wrongdoing. This Release is offered solely to resolve fully all matters related to Employee's employment with and termination from Company. This Release shall not be used as evidence in any proceeding, except one alleging a breach of this Release or the Employment and Equity Agreements.

9. Severability . The provisions of this Release shall be severable such that the invalidity of any provision shall not affect the validity of other provisions; provided, however, that if a court or other binding authority holds that any release in Paragraph 3 is illegal, void or unenforceable, Employee agrees to promptly execute a release and agreement that is legal and enforceable.

10. Governing Law . This Release shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, without regard to its principles of conflicts of laws. All disputes arising under this Agreement shall be brought and litigated in the federal or state courts serving the Commonwealth of Massachusetts.

11. Entire Agreement . This Release and the Employment and Equity Agreements represent the entire agreement and understanding concerning Employee's separation from the Company. In deciding to sign this Release, Employee has not relied on any express or implied promise, statement, or representation by the Company, whether oral or written, except as set forth herein.

12. Employee's Right to Revoke Release of Age Discrimination Claims. Employee has the right to revoke Employee's release of claims under the Age Discrimination in Employment Act described in Paragraph 3 (the "ADEA Release") for up to seven (7) days after Employee signs this Release. In order to do so, Employee must sign and send a written notice of the decision to revoke the ADEA Release, addressed to the Chief Executive Officer of BeiGene, Ltd., at its then current corporate headquarters, and that written notice must be received by the Company no later than the eighth day after Employee signed this Release. If Employee revokes the ADEA Release, Employee will not be entitled to any of the consideration from Employer described in Paragraph 2 above.

13. Knowing and Voluntary Waiver and Execution. Employee acknowledges that: (i) Employee has carefully read this Release and fully understands its meaning; (ii) Employee has had the opportunity to take up to twenty-one (21) days after receiving this Release to decide whether to sign below, and that if he does not sign and tender this Release by such time, the offer provided herein is automatically revoked; (iii) Employee understands that Employer is herein advising Employee, in writing, to consult with an attorney before signing below; (iv) Employee is signing this Release, knowingly, voluntarily, and without any coercion or duress; and (v) everything Employee is receiving for signing this Release is described in this Release itself, and no other promises or representations have been made to cause Employee to sign it.

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To be valid and binding, this Release must be signed by Employee and submitted to the Company no later than 21 days following the date on which it is received by Employee. If this Release is not received by such time, Employee shall not be eligible for any of the consideration set forth herein.

NAME	[COMPANY NAME]
_____	By: _____
Employee Signature	
_____	Title: _____
Employee Name (print)	
Dated: _____	Dated: _____

百济神州(北京)生物科技有限公司

EMPLOYMENT CONTRACT (FOREIGN EMPLOYEES)

劳动合同(外国籍员工)

This Employment Contract (the "Contract") is between:

本劳动合同("合同")在以下双方之间签订:

Party A: [**BeiGene (Beijing) Co., Ltd**] (the "Company")

甲方: [**百济神州(北京)生物科技有限公司**]("公司")

Legal Representative 法定代表人: [Mr. John V. Oyler]

Registered Address 注册地址: [Changping, Beijing]

Postal Code 邮政编码: [102206]

Party B: [Jason Yang] (the "Employee")

乙方: [杨建新]("员工")

Nationality 国籍: [US]

Passport Number 护照号码: [ ]

Mailing Address 通讯地址: [ ]

Postal Code 邮政编码: [ ]

Contact Phone Number 电话号码: [ ]

Address: Zhong-Guan-Cun Life Science Park, Changping district, Beijing, 102206
Tel: +86 10 8072 6688 ext.8377 Fax: +86 10 8072 7509 www.beigene.com

I. General Provision 总则

1. General Provision 总则

Pursuant to the PRC Labor Law, the PRC Employment Contract Law and other relevant PRC laws and regulations, through mutual consultation and agreement on the basis of legality, fairness, equality, voluntariness, and good faith, the Company and Employee hereby enter into this Contract and abide by the terms hereof.

根据《中华人民共和国劳动法》、《中华人民共和国劳动合同法》和相关法律法规，公司和员工遵循合法、公平、平等自愿、诚实信用的原则，经协商达成一致，签订本合同，共同遵守本合同所列条款。

Appendix One, Confidentiality, Intellectual Property, Non-Solicitation and None-Compete Agreement, and Appendix Two, Job Duties and Recruitment Requirement, are components of this Contract.

附件一，保密、知识产权、禁止招揽和竞业限制协议，以及
附件二：工作职责和录用条件，是本合同的组成部分。

II. Term of the Contract 合同期限

2. Term 合同期限

This Contract is a fixed term employment contract. The term of this Contract is three years, from [**Jul.7, 2014**] to [**Jul.6, 2017**]. Prior to the expiration date of the contract term, the Company will notify the Employee in writing regarding its decision whether or not to extend or renew the contract term. If the Company decides to extend or renew the contract term, the Employee agrees to use his/her best efforts to assist with the completion of relevant extension or renewal procedures before the expiration date of the current contract term.

本合同为固定期限劳动合同，合同期限为三年，自 [ ] 年 [ ] 月 [ ] 日起至 [ ] 年 [ ] 月 [ ] 日止，本合同期满前，公司将书面通知员工是否延长或续订本合同。若公司决定延长或续订本合同的，员工应在合同期限届满之前配合完成相关延长或续订手续。

III. Job Description and Workplace 工作内容和工作地点

3. Job Position, Duties and Workplace 工作内容和工作地点

The Employee shall render services to the Company in the position of [**SVP and Head of Clinical Development**], and the Employee's current workplace is in [**Beijing**] city.

员工的工作岗位为 [ ]，员工的工作地点为 [ ]。

Employee shall perform job duties and responsibilities in accordance with the job duties specified in Appendix Two .

员工应根据附件二的内容履行工作职责。

4. Adjustment of the Position, Duties and Workplace 工作岗位、职责和地点的调整

The Employee agrees that the Company reserves the full discretion to adjust the Employee's position, duties and workplace, according to its business needs and the Employee's work performance. At the Company's sole discretion, the Employee may be dispatched to work at the Company's branch offices.

员工同意公司有权根据经营管理的需要及员工自身的工作表现，依法调整员工的工作岗位、职责及地点。根据公司决定，员工可被外派至公司的分支办事处工作。

5. Standard of Work Performance 工作标准

The Company has a performance evaluation system. The Employee's standard of work performance shall be determined according to this system and the employee's work duties. The Employee shall complete all work assigned by the Company and meet the stipulated working standard.

公司实行绩效考核制度。员工的工作标准按照公司绩效考核制度及其工作职责确定。员工应完成公司指定的工作，达到规定的工作标准。

6. No Conflict of Interests 禁止利益冲突

During the term of this Contract, the Employee shall not take any other paid employment without prior written approval of the Company, and shall not provide any external consulting services to any third party without prior written approval of the Company.

在本合同期限内，未经公司事先书面批准，员工不得受雇于第三方并获得任何形式的报酬，也不得向第三方提供任何咨询服务。

IV. Working Hours, Rest and Vacations 工作时间和休息休假

7. Working Hours 工作时间

Standard working hours system: The Employee generally works no more than 8 hours a day and no more than 40 hours a week. The Employee's office working hours are 9.00 a.m. to 6.00 p.m. (including one hour lunch time) from Monday to Friday. The Employee may be required to work overtime occasionally, depending on the actual conditions.

标准工时工作制:员工每日工作时间不超过八小时,每周工作时间不超过四十小时。员工具体工作时间为周一至周五上午 9:00 至下午 6:00(包括一小时午餐时间)。根据实际情况员工可能被要求加班。

8. Overtime 加班加点

For Employee subject to standard working hours system or cumulative working hours system, they shall get supervisor's prior written approval in order to work overtime. Company will act in accordance with national laws and regulations, workplace regulations, as well as company internal policy to provide alternative time off for accrued overtime, or provide overtime pay to the Employee.

实行标准工时制和综合计算工时制的员工因工作需要需加班加点的,应当事先取得上级的书面批准。公司将根据国家和工作地的规定,及公司规章制度的规定,为员工依法安排同等时间补休,或向其支付加班工资。

9. Vacations 休假

The Employee shall enjoy the Chinese public holidays, paid annual leave, marriage leave, maternity leave, and other leave periods applicable to him/her in accordance with PRC laws. The Employee shall take leave based around the business arrangement of the Company and follow relevant approval procedures for taking any leave so as to ensure that the business of the Company will not be adversely affected due to the absence of the Employee.

员工将依法享受国家法定节假日、法定带薪年休假、婚假、产假及其他适用于其本人的休息休假。员工应根据公司的业务需要、按照相关休假审批程序安排各种休假,以保证公司的业务不会因其休假受到不利影响。

Under the Company's policy, you will be entitled to 12 working days annual leave (statutory paid annual leave included and including 2 fixed annual leave days arranged by the Company). Unused extra company holidays（maximum 5 days）can be carried over to next calendar year before February.

根据公司规定,您将获得每年 12 个工作日的年假(法定带薪年假包括在内,并包括 2 天公司统一固定年假)。未使用的酌情额外年假(不超过 5 天)可结转到下个年度 2 月份前使用。

If under relevant PRC laws and regulations, you are entitled to more than 12 paid annual leave days, you will enjoy those statutory annual leave days and the Company will not provide you with any additional annual leave days.

如果根据中国法律法规,您有权享受超过 12 天的年假,您将享有该等年假,且公司不向您提供任何额外的年假 。

BeiGene
百济神州(北京)生物科技有限公司

V. Remuneration 劳动报酬

10. Salaries 工资

Monthly base salary of the Employee is USD[**20,000**].

员工月工资为税前美元 [ ] 元。

11. Salary Adjustment 工资调整

The Company normally reviews the salaries of employees yearly . Adjustments are made on the basis of individual work performance, the Company's operating conditions, the inflation rate, and market salary survey data provided by authoritative institutions, but this does not imply that salary increases will be rewarded.

公司每年将审核员工的工资水平。根据员工的工作表现、公司的经营状况、通货膨胀率及由权威机构发布的市场薪酬调查数据,公司有权调整员工的工资,但这并不代表公司一定会加薪。

12. Payment of Salaries 工资支付

The Company shall pay the Employee's salary in arrears , which will be paid via bank transfer on the last working day of each month. If the salary payment date falls on a rest day or a public holiday, the salary shall be paid on the working day immediately prior to it. The salary will be pro rated on a daily basis in accordance with the relevant PRC laws and regulation for any periods of less than one full calendar month during the term of this Contract.

公司将于每月最后一个工作日通过银行转账的方式向员工支付当月的工资。如工资支付日是法定休息日或节假日的,则工资应提前在最近的工作日

支付。如员工于本合同履行期间某月实际工作天数少于整个日历月的，工资将依法按比例以日计发。

The Company will deduct the social security and housing fund contributions (if any), and any other payments that the Employee is liable for under applicable law when paying the monthly salary.

公司在向员工支付每月工资时，将自员工工资中扣除社会保险和住房公积金（如有）及任何其他依法应由员工个人自行承担的费用。

The Employee's first and last month's salary shall be paid according to the salary payment regulations of the Company.

员工入职及离职月份的工资，根据公司工资支付制度处理。

13. Bonus 奖金

In addition to the above salary, the Company has the total discretion to decide on the bonus payment (if any) . The employee is eligible for a bonus of up to 20% of the annual base salary. It is completely subject to the Company's discretion to decide the eligibility, amount and payment method of the said discretionary bonus. As a

condition precedent, the Employee shall remain a Company's regular employee (i.e. without receiving termination notice or send resignation notice) on the date of bonus disbursement. To avoid any doubt, the Company has no legal obligation to provide the bonus.

除上述工资外，公司有权自主决定是否给员工发放奖金。奖金最高额为年基本工资的 20% 。该奖金是否支付以及支付方式、支付数额将完全由公司决定。在奖金实际支付当日，员工与公司之间的劳动关系必须存续，且双方均未于该日或之前向对方发出解除或终止劳动关系的通知，否则员工无权获得奖金。但无论如何，向员工发放奖金并非公司的义务。

14. Individual Income Tax 个人所得税

Cash compensation is accounted on a gross basis and is paid in local currency. It is the Employee's obligation to pay individual income tax according to PRC laws. The Company will withhold the income tax from each payment accordingly.

员工工资为扣税前数额，并将以当地通用的货币形式发放。员工有义务根据中国法律缴纳个人所得税。公司将依法从支付给员工的每笔款项中，扣除员工应当缴纳的个人所得税。

15. Salary Information 工资信息

The Employee's salary information is confidential. The Employee shall not discuss with or disclose such information to any third party (including other colleagues of the Company), except to his/her immediate supervisor or head of HR department or CEO. The Employee may seek advice from HRD regarding any questions about his/her remuneration.

员工的工资信息为保密信息，员工不得与任何第三方(包括公司的其他员工)讨论或向其披露该等事项，但与直接上级或人事总监或首席执行官讨论除外。员工如对其劳动报酬有疑问，可以直接向人事总监提出。

VI. Benefits 福利

16. Statutory Social Insurance and Housing Fund 法定社会保险及住房公积金

If required by applicable PRC laws or local regulations, and if as a practical matter it is feasible to do so, the Company will go through relevant procedures and make social insurance and housing fund contributions for the Employee and deduct from the Employee's salary payments his/her share of social insurance and housing fund contributions. If due to the Employee's personal reasons, the Company fails to timely complete or transfer the Employee's social insurance formalities, thereby causing the Company to fail to make its contributions on time and suffer further losses (such as

overdue fine or penalty) in addition to repayment of the contributions, the Company reserves the right to claim compensation from the Employee for the additional losses.

如果相关的中国法律或地方规定有所要求，并且在现实操作中具有可行性，公司将为员工办理有关手续，为员工缴纳社保和住房公积金，并从员工的工资中扣除员工本人应承担的部分。因员工个人原因使公司不能及时为其办理或转移社会保险关系，致使公司未能按时为其缴纳费用，且因此导致公司受到其他损失(如滞纳金、罚款等)的，公司保留向员工追偿损失的权利。

Upon the end or termination of this Contract, the formalities shall be dealt with in accordance with the relevant PRC laws and regulations.

当双方终止或解除本合同后，有关手续按照国家有关规定执行。

VII. Labor Protection and Working Conditions 劳动保护和劳动条件

17. Labor Protection and Working Conditions 劳动保护和劳动条件

The Company shall provide the Employee with appropriate working conditions, facilities/equipment, and labor protection in accordance with PRC laws, as well as the management needs of the Company.

公司将根据中国法律和公司经营管理的需要为员工提供适当的劳动条件、劳动设施 / 设备及劳动防护用品。

VIII. Internal Company Policies 内部规章制度

18. Formulation of the Internal Company Rules and Policies 规章制度的制定

The Company is entitled to periodically formulate or revise its internal company rules and policies. The Company will notify or publicize the Employee any internal rules and policies so formulated or revised.

公司有权根据经营管理需要，定期依照法律法规制定或修订其内部规章制度。公司将制定或修订后的规章制度告知员工或进行公示。

19. Disciplinary Actions towards Violation of Internal Company Rules and Policies 违反规章制度的处分

If the Employee breaches the internal company rules and policies, the Company may take disciplinary actions against him/her up until the termination of this Contract according to provisions of this Contract, relevant internal rules and policies and relevant PRC laws.

员工违反公司规章制度的，公司有权根据本劳动合同、相关内部规章制度及中国法律对其进行纪律处分，直至解除劳动合同。

IX. Confidentiality 保密

20. Confidential Obligation 保密义务

The Employee agrees to execute a confidentiality agreement with the Company. The Employee hereby agrees to abide by the confidentiality obligations, and violation of such obligations will result in disciplinary actions up until the termination of this Contract.

员工同意与公司签订一份保密协议。员工同意遵守保密义务。员工违反保密义务将受到公司的纪律处分，直至解除劳动合同。

X. Amendment, Termination, End, and Renewal of the Contract

合同的变更、解除、终止和续订

21. Amendment of the Contract 合同的变更

Parties shall properly go through amendment procedures and may amend this Contract if (a) the Company unilaterally decides to amend the Contract to the extent permitted by PRC laws and local regulations; or (b) the Company and the Employee reach an agreement through consultation.

各方应适当履行变更程序，若（a）公司在国家及工作地规定允许范围内单方决定变更；或（b）经公司与员工双方协商一致时，本合同可以变更。

22. Termination Based on Mutual Agreement 协商解除

This Contract may be terminated if the Parties mutually agree to the termination. 经双方协商一致，可以解除本合同。

23. Unilateral Termination by the Company With Immediate Effect 公司单方立即解除

The Company may immediately terminate this Contract without making any severance pay to the Employee by giving notice of termination at any time under any of the following circumstances:

员工有下列情形之一的，公司有权随时通知员工解除本合同，而无需支付经济补偿：

（1） where the Company proves that the Employee has failed to meet the recruitment requirements (please refer to Appendix One) during the probation period ;

在试用期间被证明不符合录用条件（见附件一）的；

（2） where the Employee has seriously violated the internal rules and policies of the Company;

严重违反公司规章制度的；

(3) where the Employee has committed a serious dereliction of duty or engaged in corrupt practices, causing substantial damage to the interests of the Company;

严重失职，营私舞弊，对公司利益造成重大损害的；

(4) where the Employee is subject to criminal liabilities or labor education and rehabilitation;

被依法追究刑事责任或劳动教养的；

(5) where the Employee has established an additional employment relationship with another business that materially affects the employee's performance of tasks assigned by the Company, or refuses to rectify the situation after the same is brought to his/her attention by the Company;

员工同时与其他用人单位建立劳动关系，对完成公司的工作任务造成严重影响，或者经公司提出拒不改正的；

(6) where the Employee uses such means as deception, coercion or exploitation of the Company's difficult situation to cause the Company to sign this Contract, or to make an amendment thereto, that is contrary to the Company's true intent; or

员工以欺诈、胁迫的手段或乘人之危，致使公司在违背真实意思的情况下订立或者变更本合同的；或

(7) other circumstance occurs as provided by the PRC laws and regulations.

法律法规规定的其他情形。

24. Unilateral Termination by the Company With Prior Notice 公司单方提前通知解除

Under any of the following circumstances, the Company may unilaterally terminate this Contract:

员工有以下情形之一的，公司可单方解除本合同：

(1) where the Employee suffers from an illness or a non-work-related injury and is unable to take up the original work or any other work assigned by the Company to him/her upon the conclusion of his/her medical treatment leave; 员工患病或非因工负伤，在规定的医疗期满后，不能从事原工作，也不能从事由公司另行安排的工作的；

(2) where the Employee is unable to competently perform the work responsibilities and remains incompetent after undergoing a training or being assigned to another position;

员工不能胜任工作，经过培训或调整工作岗位，仍不能胜任工作的；

(3) where a material change to the objective circumstances under which this Contract was executed has occurred and rendered this Contract unenforceable, and the Parties have failed to reach an agreement on an amendment to this Contract after consultation; or

合同订立时所依据的客观情况发生重大变化，致使本合同无法履行，经公司与

员工协商，未能就变更本合同内容达成一致的；或

(4) other circumstance occurs as provided by the PRC laws and regulations.

法律法规规定的其它情形。

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However, for termination under any of the above circumstances, the Company will provide thirty (30) days prior written notice or the Employee's last month salary in lieu of notice to the Employee.

但是，公司因上述原因解除本合同的，应当提前三十(30)日书面通知员工或按照员工上一个月的工资标准向员工支付代通知金。

25. Downsizing 经济性裁员

If any of the following circumstances makes it necessary to reduce the workforce by 20 persons or more or by a number of persons that is less than 20 but accounts for 10 percent or more of the total number of the enterprise's employees, the Company may reduce the workforce after it has explained the circumstances to its trade union or to all of its employees 30 days in advance, has considered the opinions of the trade union or the employees and has subsequently reported the workforce reduction plan to the labour administrative authorities:

有下列情形之一，需要裁减人员 20 人以上或者裁减不足 20 人但占公司员工总数 10% 以上的，公司提前 30 日向工会或者全体职工说明情况，听取工会或者职工的意见后，裁减人员方案经向劳动行政部门报告，可以裁减员工：

（1） the Company is restructuring pursuant to the Enterprise Bankruptcy Law;

公司依照企业破产法规定进行重整的；

（2） the Company experiences serious difficulties in production and/or business operations;

公司生产经营发生严重困难的；

（3） the Company switches production, introduces a major technological innovation or revises its business method, and, after amending of employment contracts, still needs to reduce its workforce; or

公司转产、重大技术革新或者经营方式调整，经变更劳动合同后，仍需裁减人员的；或

（4） there are other major changes in the objective economic circumstances relied upon at the time of conclusion of this Contract, rendering it impossible to perform.

其他因劳动合同订立时所依据的客观经济情况发生重大变化，致使劳动合同无法履行的。

26. Restrictions on the Unilateral Termination by the Company 公司单方解除的限制情形

Under any of the following circumstances , the Company may not terminate this Contract pursuant to Article 25:

员工有下列情形之一的，公司不能依据本合同第二十五条解除本合同：

（1） where the Employee is engaged in operations exposing him to occupational disease hazards and has not undergone a pre-departure occupational health check-up, or is suspected of having contracted an occupational disease and is being diagnosed or under medical observation;

从事接触职业病危害作业，未进行离岗前职业健康检查，或者疑似职业病病人在诊断或者医学观察期间的；

（2） where the Employee has been confirmed by a work capability assessment committee to have lost or partially lost the ability to work due to an occupational disease or a work-related injury sustained with the Company; 在公司患职业病或因工负伤，并经劳动能力鉴定委员会的鉴定，确认丧失或者部分丧失劳动能力的；

（3） where the Employee has contracted an illness or sustained a non-work-related injury and the statutory period of medical care has not expired;

患病或非因工负伤，在规定的医疗期内的；

（4） where the Employee is a female employee and is in her pregnancy, confinement, or nursing period;

女职工在孕期、产期、哺乳期的；

（5） where the Employee has been working for the Company continuously for no less than 10 years and is less than 5 years away from his/her statutory retirement age; or

在公司连续工作满十年，且距法定退休年龄不足五年的；或

（6） other circumstances as stipulated by the laws or administrative statutes.

法律、行政法规规定的其他情形。

27. Resignation of the Employee 员工辞职

If the Employee wishes to resign, he/she shall give ninety [90] days prior written notice.

员工辞职应履行提前九十日书面通知的法定义务。

During the period between the submission of the written resignation notice and the termination of this Contract, the Employee shall continue to work as usual and begin to conduct handover matters, unless the Company requests otherwise.

自书面解除通知提交之日起至本合同解除之日止，除非公司另有规定，员工应照常工作，并配合完成交接工作。

28. End of the Contract 合同的终止

This Contract shall be ended if:

有下列情形之一的，本合同终止：

（1） the Contract term expires;

本合同期满的；

（2） the Employee has reached his/her statutory retirement age;

员工达到其法定退休年龄的；

（3） the Employee dies or is declared dead or missing by a People's Court;

员工死亡，或者被人民法院宣告死亡或者宣告失踪的；

（4） the Company is declared bankrupt;

公司被依法宣告破产的;

（5） the Company has its business license revoked, is ordered to close, is closed down, or the Company decides on early dissolution;

公司被吊销营业执照、责令关闭、撤销或者公司决定提前解散的;

（6） the Company decides on early liquidation; or

公司决定提前清算的;或

（7） other circumstance specified by laws or administrative statutes occur.

法律、行政法规规定的其他情形。

29. Handover 工作交接

The Employee shall carry out the following handover procedures upon the termination or ending of this Contract at the request of the Company, or else the Company will be entitled to seek compensation from the Employee for any economic losses:

本合同解除或终止的，员工应按照公司的要求办理下列工作交接手续，否则公司有权要求员工赔偿公司所受到的经济损失：

（1） the Employee shall describe the work content, ongoing work/project development, and customer relationship to the person designated by the Company;

向公司指定的人员陈述工作内容、正在处理工作 / 项目的进展、客户关系;

（2） the Employee shall return to the person designated by the Company all documents, materials, archives, passwords to information systems, keys, entrance certificates, computer software and equipment, credit cards, mobile phones, or any other property that is in the possession, control, or custody of the Employee and belongs to the Company or relates to the business or affairs of the Company;

向公司指定的人员交还文件、资料、档案、信息系统权限、钥匙、出入证、计算机软件及设备、信用卡、移动电话或任何由其持有、控制或保管的公司所有的或与公司业务或事务相关联的财产等;

（3） the Employee shall make all financial settlements with the person appointed by the Company, including but not limited to, repayment of any cash advance, getting outstanding expenses reimbursed, compensating for any economic losses caused by the Employee, or compensating for the liquidated damages the Employee is liable for under a training agreement due to termination; and

与公司指定的人员办理离职结算，包括但不限于向公司清偿借支资金、办理未报销款项的报销、赔偿因员工个人原因给公司造成的经济损失、赔偿因员工离职而根据培训协议应承担的违约金等;及

（4） the Employee shall make a detailed statement in writing, where requested by the Company, about the above handover procedures.

如公司要求，员工应对前述交接工作做出详细的书面材料说明。

30. Transfer of Social Insurance and Archives 社会保险及档案转移

The Company will issue the termination or end certification to the Employee upon the termination or ending of this Contract, and will transfer his/her personnel archives and social insurance records pursuant to the requirements of PRC laws and regulations. The Employee shall actively assist the Company with the foregoing procedures. If the transfer of the personnel archives and social insurance fails due to the Employee's personal reasons, the Employee shall be liable for any relevant consequences and responsibilities.

本合同解除或终止的，公司将为员工开具解除或终止本合同的证明，并按中国法律法规的规定为员工办理人事档案、社会保险关系转移手续。员工应积极配合公司办理前述手续。因员工原因导致未能转移人事档案、社会保险关系的，相关后果及责任由员工自行承担。

XI. Severance Pay and Compensation 经济补偿与赔偿

31. Severance Pay 经济补偿

If the employee is asked to leave and separation occurs not under the Sections (23, 24, 25, 26, 28, 29), severance will be paid according to China labor law.

如公司单方面解除合同（不因 23, 24, 25, 26, 28, 29 所列情形），公司按照国家相关规定向员工支付经济补偿金，并在员工办结工作交接时支付。

32. Compensation Responsibility of the Employee's Breach of this Contract 员工违约的赔偿责任

If the Employee breaches the provisions of this Contract, the rules and policies of the Company, or the PRC laws and regulations and thereby has caused economic losses to the Company, the Employee shall compensate the Company for such losses.

员工违反本合同约定、公司规章制度或国家及工作地规定，对公司造成经济损失的，应依法向公司承担赔偿责任。

XII. Post-Termination Obligations 解除或终止后义务

33. Post-termination Confidentiality Obligations 解除或终止后的保密义务

After the termination or ending of this Contract, the Employee shall still be subject to the confidentiality obligations and obligations related to intellectual property rights.

在本合同解除或终止后，员工仍应遵守保密义务及有关知识产权的义务。

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34. No Solicitation 禁止招揽

After the termination or ending of this Contract, the Employee shall continue to be bound by the non-solicitation obligations set forth in the separate non-solicitation agreement.

在本合同解除或终止后，员工仍应遵守双方另行签订的不招揽协议的约定。

35. No Competition 竞业限制

If parties have signed a separate non-compete agreement, then the Employee shall continue to be bound by the non- compete obligations after the termination or ending of this Contract.

如果双方另行签订竞业限制协议，则在本合同解除或终止后，员工仍应遵守双方另行签订的竞业限制的约定。

XIII. Labor Dispute

36. Labor Dispute Settlement 争议解决

Any disputes between the Company and the Employee arising from this Contract shall be handled in accordance with the following labor dispute handling procedures:

本合同项下产生的员工与公司之间的任何争议，应按如下争议处理程序处理：

The Company and the Employee will try to settle the dispute through friendly consultation. If the parties are unwilling or fail to settle the dispute, either party may apply to the labor dispute conciliation committee for conciliation. Either or both parties may also directly apply to the labor dispute arbitration committee for arbitration.

公司和员工双方将尽力通过友好协商解决争议。若任何一方不愿或未能解决争议的，双方均可向劳动争议调解委员会申请调解。一方或双方也可以直接向劳动争议仲裁委员会申请仲裁。

If either party disagrees with the arbitration ruling and the ruling is not a final ruling under the laws or is revoked according to the laws by a People's Court with competent jurisdiction, the party may file a proceeding in the People's Court with competent jurisdiction within fifteen (15) days of receiving the notice of the arbitration ruling or the court decision revoking the arbitration ruling, as applicable.

若任何一方对仲裁裁决不服且该仲裁裁决非终局裁决或该裁决被有管辖权的人民法院依法撤销的，则可以自收到仲裁裁决书之日起或法院做出撤销决定之日起十五日内，向有管辖权的人民法院提起诉讼。

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IV. Miscellaneous 其他

37. Governing Law 适用法律

The validity, conclusion and performance of this Contract shall be governed by the PRC laws and regulations.

本合同的效力、订立、履行均适用中国相关法律法规的规定。

38. Supplementary Agreement 补充协议

If there is any issue not covered in this Contract, the Parties may agree on and conclude it in supplementary agreements.

本合同的未尽事宜，可由双方协商签订补充协议。

39. Severability 部分条款的效力

If any article of this Contract is regarded as illegal, invalid or unenforceable, the validity, effectiveness, and enforceability of other articles shall not be affected.

本合同任何条款被认定违法、无效或不可执行的，不影响本合同其他条款的合法性、效力和可执行性。

40. Waiver of the Rights 权利的放弃

A delay or failure to exercise a right under this Contract by either Party will not constitute a waiver of that right.

任一方未行使或未能及时行使其在本合同项下的相关权利的，并不表示该一方已经放弃该项权利。

41. Timely Notification of Information Change 信息变更的及时通知

The Employee's address stipulated at the top of this Contract shall be treated as the post address of the Employee.

本合同首部列明的员工住址为员工的通讯地址。

The Employee shall notify the Company in writing within 5 working days of any change to personal information such as his/her ID/passport number, residing address, post address, household registration location, spousal status, or child status. Otherwise, any communication sent to the post address most recently provided to the Company by the Employee shall be deemed properly delivered to the Employee.

员工的个人信息，如身份证 / 护照号码、住址、通讯地址、户籍所在地、婚姻家庭状况等发生变更的，应当在变更之日起五（5）个工作日内书面通知公司。员工未按照本条规定通知公司的，公司按照员工最近一次提供的通讯地址向员工发送各类文件均构成有效送达。

42. Execution of the Contract 合同的签署

This Contract shall take effect when the Employee signs the Contract and the Company places its seal on the Contract.

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本合同经员工签署并加盖公司公盖章后生效。

43. Language of the Contract 合同的语言

This Contract shall be written in both Chinese and English. Both language versions shall be equally authentic. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

本合同以中英文书写，两种文本具有同等效力。如中英文本之间存在差异，应以中文文本为准。

44. Copies 合同的份数

This Contract is executed in two originals and each party will have one original.

本合同一式两份。公司与员工各持一份。

The Employee has read each provision of this Contract, and accepts and agrees to the terms and conditions of employment set out in this Contract (including all Appendixes). The Employee confirms that he/she is not presently a party to any agreements, employment contracts or other arrangements that will restrict his/her ability to fulfill the responsibilities of the job position on behalf of the Company.

员工已阅读本合同，并同意接受本合同的所有条款(包括所有附件)。员工确认，他 / 她未曾签定任何限制其作为本公司员工开展业务活动的任何协议、合同或约定。

Party A Company Chop 公章	Party B Signature 乙方签字
[stamp: BeiGene (Beijing) Co., Ltd.]	/s/ Jason Yang
Date 日期 :	Date 日期 : July 7, 2014

Address: Zhong-Guan-Cun Life Science Park, Changping district, Beijing, 102206
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APPENDIX ONE: 附件一

CONFIDENTIALITY, INTELLECTUAL PROPERTY RIGHT, NON-SOLICITATION & NON-COMPETITION AGREEMENT

保密、知识产权权益、禁止招揽及竞业限制协议

This Confidentiality, Intellectual Property Right, Non-Solicitation & Non-Competition Agreement ("Agreement") is between:

本保密、知识产权权益、禁止招揽及竞业限制协议 (" 协议 ") 在以下双方之间签订:

Party A : [**BeiGene（Beijing）Co., Ltd**] (the "Company")
甲方 : [百济神州(北京)生物科技有限公司] (" 公司 ")

Legal Representative 法定代表人 : [Mr.JOHN V.OYLER]
Registered Address 注册地址 : [Changping, Beijing]
Postal Code 邮政编码 : [102206]

Party B: [**Jason Yang**] (the "Employee")
乙方 : [**杨建新**] (" 员工 ")

Passport No. 护照号码 : [ ]
Mailing Address 通讯地址 : [ ]
Postal Code 邮政编码 : [ ]
Phone Number 电话号码 : [ ]

Given the Employee's position, and in accordance with the PRC Employment Contract Law, the PRC Labor Law and other relevant laws and regulations, the Parties, based on free will, equality and agreement through negotiation, hereby agree as follows:

基于员工的工作性质，根据《中华人民共和国劳动合同法》、《中华人民共和国劳动法》以及其他相关法律法规的规定，双方在自愿、平等、协商一致的基础上订立本协议:

I. Confidentiality 保密

The position of the Employee is [**SVP and Head of Clinical Development**], and such position is of the nature of core business and/or senior management for the Company and has access to large amount of the Company's commercial secrets and confidential information.

员工在公司担任 [ ] 职务，该职位系公司核心业务和 / 或高级管理职位，能够接触到公司大量的商业秘密与保密信息。

The commercial secrets and confidential information of the Company are important intangible property of the Company, the Employee understands and acknowledges that, he/she may access and acquire the Confidential Information (defined below) of the Company while working for the Company.

公司的商业秘密与保密信息是公司的重要无形资产，员工理解并承认，其在公司工作期间可能接触和了解公司的保密信息（见下述定义）。

The Employee understands and acknowledges that it will materially damage the Company's economic interests or hurt the Company in business competition if the Employee directly or indirectly discloses to a third party (especially the present or potential competitor of the Company) any Confidential Information.

员工理解并承认，直接或间接向第三方（特别是公司现有或潜在的竞争对手）披露公司的任何保密信息，将会严重损害公司的经济利益或使公司处于非常不利的竞争地位。

1. Confidential Information 保密信息

Confidential Information refers to all information obtained by the Employee in the course of his/her employment with the Company that belongs or is available to the Company and/or its affiliates except for information generally available to the public. Confidential Information includes any information regarding the business and affairs of the Company or any of its affiliates, including, but is not limited to：

保密信息指员工在公司工作期间得知的公司和 / 或其关联方所拥有或所知悉的所有信息，但公众已普遍知悉的信息除外。该等保密信息包括任何与公司或其关联方的业务或事务有关的信息，包括但不限于：

(1) discoveries, inventions, products, product improvements, processes, methods, techniques, formulas, compositions, compounds, research projects, etc.;

发现、发明、产品、产品改良、工序、方法、技术、配方、组成、复合物、研究项目等；

(2) business strategies and methods, marketing or promotional policies or activities, business development plans, client information, financial information, all forms of research data, personnel data, and management methods;

商业策略和方法、营销或促销的政策或活动、业务拓展计划、客户信息、财务信息、人员信息、各种类别的研究数据和管理方法；

(3) any information that the customers and/or business partners of the Company or any of its affiliates consider confidential and in respect of which the Company or any of its affiliates may be subject to confidentiality or non-disclosure obligations；and

公司或其关联方的客户、商业伙伴认为保密的，并且公司或其关联方对此承担保密或不披露义务的任何信息，以及

(4) all other information of any nature which may be disclosed or made known to the Employee at any time during the course of his/her employment with the Company.

员工在受雇于公司的任何时候被告知或得知的任何其他信息。

For the purpose of this Section, Confidential Information will not be deemed to be generally available to the public only because it is known to a few people to whom it might be of commercial interest or because it is contained in broad or generic disclosures to the public. And, a combination/organization of two or more pieces of Confidential Information shall not be deemed generally available to the public only because the pieces are individually available to the public.

为本条之目的，不能仅因为保密信息已被对其拥有商业利益的少数人知悉，或包含在向公众的一般性披露中，即认定其已为公众普遍知悉。并且，不能仅因为保密信息的各个组成部分已为公众普遍知悉，即认定两个或以上的保密信息的组合已为公众普遍知悉。

2. Confidentiality Obligation 保密义务

The Employee is obligated to safeguard Confidential Information. The Employee undertakes to safeguard Confidential Information and, in particular, undertakes the following:

员工负有严守保密信息的义务。员工承诺其将谨慎尽职地保守保密信息，维护公司的商誉，并履行下列义务：

(1) The Employee shall use Confidential Information only for the purposes of fulfilling his/her work duties assigned by the Company;

仅为完成公司交付工作的目的使用保密信息；

(2) Except for the purpose of fulfilling his/her work duties, the Employee shall not disclose Confidential Information to any third party without prior written consent of the Company, unless it is required by PRC laws and regulations;

非为本职工作目的，未经公司事先书面许可，不得将保密信息披露给任何第三方，除非这是中国法律法规设定的义务；

(3) Except for the purpose of fulfilling his/her work duties, the Employee shall not use or permit any third party to use Confidential Information without prior written consent of the Company;

非为本职工作的目的，未经公司事先书面许可，不得使用或允许任何第三方使用保密信息；

(4) Except for the purpose of fulfilling his/her work duties, the Employee shall not duplicate, remake, copy, or distribute Confidential Information without prior written consent of the Company; and

非为本职工作的目的，未经公司事先书面许可，不得复制、再造、复印、分发保密信息或其载体；及

(5) The Employee shall inform his/her current and subsequent employers of his/her continuous obligations regarding Confidential Information.

将员工根据本协议负有的持续的保密义务告知现雇主和未来的雇主。

3. Protection of Confidential Information 保密信息的保护

Upon the termination or end of his/her employment with the Company, or at any time as requested by the Company, the Employee shall return to the Company or the relevant affiliate and shall not keep in his/her possession, reproduce or deliver to anyone else, any and all computers, discs, CDs, electric storage devices, software, photographic records, video and sound records, documents, papers, books, materials, archives, receipts, vehicles, credit cards, correspondence, manuals, records, and/or other property and documents that belong to the Company or its affiliates, as well as any and all copies thereof which are under his or her possession and/or control. The Employee hereby agrees that if he/she has stored any Confidential Information in his/her own personal property (such as a personal computer, electric storage device, etc.), he/she shall provide the Company with a copy of such Confidential Information and then permanently delete Confidential Information from the Employee's personal property. If the copying or the deletion as discussed in this Section is not feasible for any reason, upon the request of the Company, the Employee will transfer the ownership of such personal property to the Company, and the Company shall compensate the Employee in an amount equal to the actual value of the property. Upon the termination or ending of the Employee's employment with the Company or at any time during such employment as requested by the Company, the Employee shall sign and deliver to the Company a written certification confirming his/her compliance with the obligations under this Section. 员工承诺，在其离职时或在工作中应公司随时要求，员工应立即向公司或相应的关联方归还(并不得继续占有、复制或向他人交付)任何及所有属于公司或关联方的计算机、磁盘、CD、电子存储设备、软件、图片、影像、录音、文件、证件、帐册、资料、档案、收据、车辆、信用卡、信件、手册、记录、其他所有的财产和文件、以及员工占有和/或控制的任何和全部上述物件的复制件。员工同意，如员工在其个人财产(如个人电脑、电子存储设备等)中存有任何保密信息，员工应向公司提供该等保密信息的复制件，并将该等保密信息从员工的个人财产中永久删除。如本款提及的复制或删除因任何原因而无法实现，应公司要求，员工应向公司转移该个人财产

的所有权，公司应向员工支付金额等于该个人财产实际价值的补偿金。在员工离职时或在工作期间内公司随时要求时，员工应签署并交付给公司一份书面证明，证明其已履行本条项下的义务。

4. Continuance of Confidentiality Obligation 保密义务的存续

The Employee acknowledges that his/her confidentiality obligations under Article 1, Article 2 and Article 3 of the Agreement shall apply during the term of the Employment Contract or Internship Contract and shall continue after the Employment Contract or Internship Contract has been terminated/ended (for any reason whatsoever) until such information has become public knowledge. If the Employee breaches his/her confidentiality obligations, he/she shall compensate the Company for the losses the Company suffers from his/her violation. The Employee's confidentiality obligations shall continue to notwithstanding his/her payment of any damages to the Company.

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员工承诺，其在本协议第 1 条、第 2 条和第 3 条下的保密义务在劳动合同 / 实习合同内均将存续，并在劳动合同 / 实习合同解除 / 终止(无论因何种原因而解除 / 终止)后仍将持续，直至此等信息不再是保密信息(但因员工的违约行为而导致该等信息成为公众所能普遍获取的信息除外)。员工违反其保密义务的，应当向公司赔偿公司因此受到的损失。员工根据本条规定赔偿公司损失的，仍应承担前述保密义务。

5. Liabilities for Breach of Confidentiality Obligation 违反保密义务的责任

If the Employee breaches any confidentiality obligation, the Employee shall be liable as what follows:

员工如违反本协议中任何保密义务，应当承担如下违约责任：

(1) Pay the Company the liquidated damages in the amount equal to six months' salaries (including any bonus) prior to the breach of the Agreement or ending/termination of the employment, whichever is early. Where the Employee has worked for the Company for less than 6 months, it shall be calculated as six times of the monthly average salary actually obtained by the Employee. If the losses, as a result of violating any provision of this Agreement by the Employee, are more than the liquidated damages, the Employee shall pay the difference between the actual losses and the liquidated damages (including but not limited to, for the purpose of performing this clause, the reasonable fees paid by the Company, such as judicial authentication fees and attorney fees). Where the Employee has paid the liquidated damages in accordance with this clause or has compensated the Company for the losses, the Employee shall continue to undertake the confidentiality obligations under this Agreement.

一次性向公司支付相当于员工违约前或离职前(以二者中较早者为准)六个月实际所得工资(包括各项奖金)的违约金。如果员工在公司实际工作时间不足六个月，则按其在职期间实际获得之月平均工资的六倍计算。员工的违约行为给公司造成之损失超过此额度的，公司有权要求员工加付此额度与公司实际损失之间的差额，公司的实际损失包括但不限于公司为执行本条款所承担的各项合理费用，如诉讼费、律师费等。员工根据本条规定向公司支付违约金或赔偿公司损失后，仍应继续承担本协议项下的保密义务；

(2) Where the Company's Confidential Information is publicized due to the Employee's breaches of the Agreement, the Employee shall compensate the Company the total value of such Confidential Information. The total value of such Confidential Information shall be appraised by an intangible property appraisal authority certified by the State. 因员工的违约行为造成公司的保密信息公开的，员工应当向公司赔偿该保密信息的全部价值。保密信息的全部价值，由国家认可的无形资产评估机构评定。

II. Intellectual Property Rights 知识产权权益

6. Assignment of Inventions 发明权的归属

The Employee shall promptly and fully disclose to the Company and acknowledge that all right, title, and interest in and to any and all inventions, discoveries, designs, developments, improvements, copyrightable material, trade secrets, and related Intellectual Property Rights (collectively herein referred to as "Inventions") that the Employee may solely or jointly conceive, develop, author, reduce to practice or otherwise produce during the term of this Agreement or the Employee's employment with the Company, shall be owned by the Company and are hereby assigned exclusively to the Company.

在本协议期限或员工受雇于公司的期间内，关于员工可能独自或与他人联合构想、开发、制作、促成实施或以其它方式产生的所有发明、发现、设计、开发、改进、可获版权的资料、商业秘密和有关的知识产权(在此统称"发明")，员工应立即并充分向公司披露，并确认该等发明及其所有权利、权属和利益为公司所有。员工在此将该等权利让渡与公司独有。

The Employee waives and quitclaims to the Company any and all claims of any nature whatsoever that the Employee now or hereafter may have for infringement of any patent application, patent, or other intellectual property right relating to any Inventions so assigned to the Company.

员工放弃目前或将来可能与在此让渡于公司的发明有关的、任何专利申请、专利权或其他知识产权的侵权而产生的、任何性质的、对公司的权利请求。

The Employee owns any Inventions about which the Employee can prove all of the following:

若员工能证明以下所有各项，则员工应拥有该等发明：

(1) It was developed entirely on the Employee's own time;

其完全是在员工自己的时间内开发的；

(2) None of the Company's equipment, supplies, facilities, services, or trade secret information were used in its development;

其是员工未利用公司的设备、供应、设施、服务或商业秘密信息而开发的；

(3) It does not relate (1) directly to the Company's business or (2) to the actual or demonstrably anticipated business, research or development of the Company; and 其(1)与公司业务无直接联系，或(2)与公司实际或可表明其进行的业务、研究或开发无关；以及

(4) It does not result from any work performed by the Employee for the Company.

其非由员工为公司履行其工作职责所致。

7. Excluded and L icensed I nventions 被排除和被许可的发明

T he Employee has attached a list (Appendix One) describing all Inventions belonging to the Employee or made by the Employee prior to the commencement of the Employee's employment with the Company, which the Employee wishes to have excluded from this Agreement. If no such list is attached to the Agreement, the Employee is deemed to represent that there are no such excluded Inventions.

员工附一份清单(附件 1.1)列明所有属于员工的，或由员工在其与公司的劳动关系开始之前做出的，员工希望排除在本协议之外的发明。如无该等清单附于本协议后，则视为员工表示无该等被排除的发明。

As to any Inventions in which the Employee has interests at any time prior to or during the term of this Agreement or the employment with the Company, if the Employee uses or incorporates such an Invention in any released or unreleased product, service, program, process, machine, development or work in progress of the Company, or if the Employee permits the Company or any related entity to use or incorporate such an Invention, the Company is hereby granted and shall have an exclusive royalty-free, irrevocable, world-wide license to exercise any and all rights with respect to such Invention, including the right to protect, make, have made, use, and sell that Invention without restriction as to the extent of the Employee's ownership or interest. 在本协议期限或员工受雇于公司的期间或之前的任何时间，对于员工拥有权益的发明，如果员工在公司发行的或未发行的任何产品、服务、程序、工艺、机器、开发或工作过程中使用或采纳了该等发明，或如员工允许公司或其关联企业使用或采纳该等发明，则公司在此被授予并拥有独家的、免许可费的、不可撤销的、世界范围内的运用该等发明的所有权利，包括不受员工所有权或权益限制的，保护、制作、使得以制作和销售该发明的权利。

8. Applications for C opyrights & P atents 版权和专利权申请

At any time during the term of this Agreement or the employment with the Company and thereafter, the Employee shall execute any proper oath or verify any proper document in connection with carrying out the terms of this Agreement.

在本协议期限或员工受雇于公司的期间或之后的任何时间，员工将就本协议的履行签署任何适当的誓约或验证任何适当文件。

If because of the Employee's incapacity , or for any other reason, the Company is unable to secure the Employee's signature to apply for or pursue any application for or registration of any PRC, U.S., or foreign patent or copyright covering Inventions owned by the Company as stated above, the Employee hereby irrevocably appoints the Company and its duly authorized officers and agents as the Employee's agent and attorney in fact, to act in the Employee's stead to execute and file any such applications and to do all other lawful acts to further the prosecution, issuance, maintenance or enforcement of PRC, U.S. and foreign patent applications, patents and copyrights thereon with the same legal force and effect as if executed by the Employee.

如果因为员工的无能力或任何其他原因，公司无法获得员工的签字从而不能申请、或寻求任何涵盖上述公司拥有发明的，中国、美国或其他外国的专利或版权的申请或登记，员工在此不可撤销地委任公司和公司合法授权的人员和代理人作为员工事实上的代理人和受托人，代表员工签署和提交该等申请，以及采取所有其他合法行为进行中国、美

国和其他外国专利申请、专利权和版权的发起、维持或实施，其法律效力有如由员工亲自进行。

In furtherance of this Agreement, the Employee shall testify at the Company's request and expense in any legal proceeding arising during or after the term of this Agreement. 为达到本协议的目的，在本协议期限内或之后产生的任何法律程序中，员工将应公司的要求进行作证，并由公司承担费用。

III. No n -Solicitation 禁止招揽

9. Non-solicitation Obligation 禁止招揽义务

During the employment relationship between the Company and the Employee and within [**12**] months following the termination or ending of the employment relationship, the Employee shall not:

在双方的劳动关系存续期间以及劳动关系解除后的 [**12**] 个月内，员工不得：

(1) Directly or indirectly, induce or try to induce any other employee of the Company to terminate or end his/her employment with the Company, or directly or indirectly recruit or hire any other employee of the Company, or encourage or participate in such recruitment or hiring. "Any other employee of the Company" referred to in this provision includes any person who has established employment with the Company, or a third party which has established a service relationship with the Company or is negotiating with the Company with respect to the establishment of a service relationship; or

直接或间接地劝诱或试图劝诱公司的其他员工解除或终止与公司的劳动关系，或直接或间接地招募或雇用，或鼓励或参与招募或雇用公司的任何其他员工。"公司的任何其他员工"在本条中指任何已经与公司建立劳动关系，或已经或正在与公司就建立服务关系进行协商的个人；或

(2) Solicit any client of the Company for business not to be conducted with the Company. "Any client of the Company" referred to in this provision includes any third party that has established cooperation with the Company or is negotiating with the Company with respect to the establishment of cooperation.

引诱公司的任何客户从事与公司无关的业务。"公司的任何客户"在本条中包括任何已经与公司建立合作关系的，或者正在与公司就建立合作关系进行协商的任何第三方。

10. Liabilities for Breach of Non-Solicitation Obligation 违反禁止招揽义务的责任

In the event that the Employee breaches his/her Non-Solicitation Obligation, the Company

如果员工违反禁止招揽义务，则公司

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(1) may terminate the Employee's employment relationship with the Company for the reason that the Employee has committed gross misconduct and the Company shall not be held liable to the Employee for the termination; and

可以以严重违纪为由解除与员工的劳动关系并不因此向员工承担任何责任；并且

(2) has the right to require the Employee to immediately stop violating his/her Non-Solicitation Obligation and reserves the right to seek further compensation for the losses caused by such breach.

有权要求员工立即停止违反禁止招揽义务的行为，并对由员工行为造成的损失保留进一步寻求补偿的权利。

In addition, if the Employee violates the Non-Solicitation Obligation, the Employee shall provide a compensation to the Company, which includes: (1) all monetary benefits the Employee receives as a result of the breach; (2) losses caused to the Company's operation and business; (3) the Company's reasonable expenses in investigating the Employee's breach, including, but not limited to, travel and transportation expenses, translation fees, attorneys fees, notarization fees, judicial certification fees, and expenses for retaining third parties to conduct relevant investigations, etc.; and (4) damages to the Company's intangible properties such as business reputation.

另外，若员工违反禁止招揽义务，则应向公司赔偿的金额包括：（1）员工因违约行为所获得的全部收益；（2）给公司经营和业务造成的损失；（3）公司因调查其违约行为而支出的合理费用，包括但不限于差旅费、交通费、翻译费、律师费、公证费、司法鉴定费、委托第三方进行调查的费用等；和（4）给公司商誉等无形财产造成的损失。

The rights and remedies of the Company pursuant to this clause are cumulative, in addition to, and shall not be deemed to exclude, any other right or remedy which the Company may have pursuant to this Agreement or the fullest extent of PRC law.

本条款下的公司的权利和救济是可以累加的。上述权利和救济并不排除公司基于本协议或在中国法律最大许可范围内的其他权利和救济。

IV. Non-Competition 竞业限制

11. Non-Competition Obligation 竞业限制义务

During the Employee's employment with the Company and within [**24**] months after the termination or ending (for whatever reasons) of his/her employment with the Company, in China or any country or place where the Company carries on business, the Employee shall not, directly or indirectly, establish, carry on, participate in, work for, provide support for, or advise, any entities or individuals that directly or indirectly compete with the Company or its affiliates, whether as a shareholder, director, executive, partner, agent, employee or otherwise, or carry on any activity in compete with the business carried on by the Company or its affiliates ("Non-Competition Obligation"). The employee acknowledges that he/she will not work on any targets,

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proprietary methods/techniques, research projects he/she has worked on during the stay at BeiGene for 24 months after departure

在受雇于公司期间以及用工关系解除或终止(无论何种解除或终止事由)的[24]个月内，在中国境内或任何公司开展业务的国家或地区，员工不得直接地或间接地设立、经营、参与任何与公司及其关联公司有直接或间接竞争关系的的组织，不得直接地或间接地为该等组织服务、提供支持或提供任何建议，担任该等组织的股东、董事、执行官、合伙人、代理人、雇员或任何其他职位，亦不得直接地或间接地从事任何与公司或其任何关联公司业务相竞争的业务(“竞业限制义务”)。员工同意在离职后的 24 个月之内不从事任何在公司期间参与过的与靶标、受保护的研究方法与技术以及研究项目相关的工作与研究。

12. Non-Competition Compensation 竞业限制补偿金

During the said post-termination non-competition period, the Company agrees to provide to the Employee non-competition compensation to be deposited into the Employee's salary account. The compensation will be made in equal monthly installment, equivalent to [60] % of the Employee's monthly salary at the end of his/her employment relationship with the Company (subject to applicable PRC Individual Income Tax deduction).

公司同意，在用工关系结束后的竞业限制期限内，向员工提供竞业限制补偿金，存入员工的工资账户。补偿金将按月支付，每月金额等同于员工离职前月工资的[60]%(公司将代扣代缴中国个人所得税)。

13. Waiver of Non-competition Obligation 竞业限制义务的免除

Within the period of the Employee's employment with the Company, the Company may exempt the Employee from the non-competition obligation at any time by giving a written notification to the Employee; after the Employee leaves the Company, the Company may exempt the Employee from the non-competition obligation by giving a 30-day prior written notification to the Employee. After the Company exempts the Employee from the non-competition obligation, the Company shall accordingly be exempted from the obligation to pay to the Employee any compensation for non-competition obligation.

员工在公司任职期间，公司可以随时书面通知员工免除其竞业限制义务;员工离职以后，公司可以提前三十日书面通知员工免除其竞业限制义务。在公司免除员工的竞业限制义务后，公司相应地无需再向员工支付任何竞业限制义务补偿。

14. Notification to Third Party 向第三方告知

After the Employee leaves the Company, the Employee shall, upon the Company's request, notify the Company of the name and address of his/her new employer with whom he/she has an employment contract or service relationship. If the Company deems it necessary, the Company may notify the Employee's new employer of all the obligations under this Agreement binding the Employee.

在员工离职之后，员工应当按照公司的要求，向公司告知与其建立劳动 / 聘用 / 劳务关系的用人单位的名称和地址。在公司认为必要的情况下，公司有权向该等用人单位告知员工在本协议下所承担的义务。

15. Liabilities for Breach of Non-Competition Obligation 违反竞业限制义务的责任

For avoidance of any doubt, breach includes, but is not limited to, working for any competing organization, doing business (directly or indirectly) in competing business, failure to report to the Company the Employee's post-termination employment status, etc.

为避免歧义，违约行为包括但不限于：为任何竞争组织工作、直接或间接从事经营竞争业务、未按要求向公司报告离职后工作状况等。

In the event that the Employee breaches his/her Non-Competition Obligation, he/she shall pay the Company liquidated damages in the amount of 200% of the non-compete compensation the Employee has received from the Company. In addition, the Company has the right to require the Employee to immediately stop violating his/her Non-Competition Obligation and reserves the right to seek further compensation for the losses caused by such breach.

如果员工违反竞业限制义务规定的，应当向公司支付其已收到的竞业限制补偿金贰倍的金额。另外，公司有权要求员工立即停止违反竞业限制义务的行为，并对由员工行为造成的损失保留进一步寻求补偿的权利。

In addition, if the Employee violates the Non-Competition Obligation, the Employee shall provide a compensation to the Company, which includes: (1) all monetary benefits the Employee receives as a result of the breach; (2) losses caused to the Company's operation and business; (3) the Company's reasonable expenses in investigating the Employee's breach, including, but not limited to, travel and transportation expenses, translation fees, attorneys fees, notarization fees, judicial certification fees, and expenses for retaining third parties to conduct relevant investigations, etc.; and (4) damages to the Company's intangible properties such as business reputation.

另外，若员工违反竞业限制义务，则应向公司赔偿的金额包括：（1）员工因违约行为所获得的全部收益；（2）给公司经营和业务造成的损失；（3）公司因调查其违约行为而支出的合理费用，包括但不限于差旅费、交通费、翻译费、律师费、公证费、司法鉴定费、委托第三方进行调查的费用等；和（4）给公司商誉等无形财产造成的损失。

The rights and remedies of the Company pursuant to this clause are cumulative, in addition to, and shall not be deemed to exclude, any other right or remedy which the Company may have pursuant to this Agreement or the fullest extent of PRC law.

本条款下的公司的权利和救济是可以累加的。上述权利和救济并不排除公司基于本协议或在中国法律最大许可范围内的其他权利和救济。

16. Release of Non-Competition Obligation in Certain Circumstances 竞业限制义务的免除和存续情形

The Parties agree that if the Company does not provide compensation as stipulated under this Agreement within three consecutive months after the termination or ending of the employment relationship, the Employee can be automatically released from his/her Non-Competition Obligation.

双方同意，如果公司在员工离职后的连续三个月内不支付本协议中规定的竞业限制补偿金，员工可以自动不承担竞业限制义务。

However, if the Employee could have received the non-competition compensation provided by the Company but for the Employee's own intentional or unintentional action or inaction, the Company is deemed to have fulfilled its obligation under the Non-Competition clauses of this Agreement and the Employee's Non-Competition Obligation is not waived.

但是，如果是因员工自身的，有意或无意的作为或不作为，导致其没有收到公司提供的竞业限制补偿金，则认为公司已履行了其在本协议竞业限制条款下的义务，而员工的竞业限制义务并未被免除。

V. Miscellaneous 其他

17. Governing Law 管辖法律

The Parties agree that this Agreement shall be governed by the PRC laws and regulations. For any disputes arising out this Agreement, such disputes shall be resolved under the PRC laws and regulations.

双方同意，本协议适用中国法律法规的规定。有关本协议的任何争议应适用中国法律法规解决。

18. Remedies 法律救济

If a Party to this Agreement breaches this Agreement, or fails to perform the obligations under this Agreement, to the extent permitted by PRC Laws， the other Party that abides by the Agreement has the right to enforce performance of this Agreement and to seek any other proper remedies (including monetary compensation, if applicable). 若一方违反本协议，或未能履行其在本协议项下的任何义务，在中国法律允许的范围内，守约的一方有权请求强制履行、以及寻求其他任何适当的救济(包括金钱赔偿，如适用)。

19. Amendment of the Agreement 本协议的修改

Any amendment to the terms of this Agreement shall be executed in writing by mutual agreement.

对本协议条款的任何修订当以双方书面协议的方式进行。

Address: Zhong-Guan-Cun Life Science Park, Changping district, Beijing, 102206
Tel: +86 10 8072 6688 ext.8377 Fax: +86 10 8072 7509 www.beigene.com

20. Supplementary Agreement 补充协议

For any matters not covered by this Agreement, the Parties may agree in writing by supplementary agreements. Supplementary agreements shall be incorporated into this Agreement.

本协议未尽事宜，可由双方书面协商，签订补充协议。补充协议应作为本协议的一部分。

21. Severability 部分条款的效力

If any provisions of this Agreement are regarded as illegal, invalid or unenforceable, the validity, effectiveness and enforceability of the remainder of this Agreement shall not be affected.

本协议任何条款被认定为违法、无效或不可执行的，不影响本协议其他部分的合法性、效力和可执行性。

22. Notice 通知

All notices and correspondence under this Agreement shall be in writing.

本协议项下的所有通知及相关通信往来应以书面形式进行。

The Employee confirms that the Employee's mailing address listed at the beginning of the Agreement is current. If the Employee's mailing address changes, the Employee shall, within five days, notify the Company in writing. If the Employee, in violation of this provision, fails to provide updated mailing address to the Company, the Company's mail delivery and correspondence to the Employee's most recently updated mailing address in the Company's record shall be deemed valid and effective.

员工确认，本协议首部列明的员工通信住址现在有效。该住址如有变更，员工应当在变更之日起五（5）个工作日内书面通知公司。员工未按照本条规定通知公司的，公司按照员工最近一次提供的通讯地址向员工发送各类文件均构成有效送达。

The Employee's notice or mail to the Company under this Agreement shall be delivered to the Company's Human Resource department or other addresses designated by the Company in writing.

员工基于本协议给公司的通知或信件应发送到公司的人力资源部门或公司书面指定的其他地址。

23. Waiver of the Rights 权利的放弃

A delay or failure to exercise a right under this Agreement by either Party does not constitute a waiver of that right.

任一方未行使或未能及时行使其在本协议项下的相关权利的，并不表示该一方已经放弃该项权利。

24. Execution of the Agreement 协议的签署

This Agreement shall take effect when the Employee signs, and the Company stamps its seal on the Agreement.

本协议经员工签署并加盖公司公盖章后生效。

25. Language of the Agreement 协议的语言

This Agreement is executed in both English and Chinese. In the event of any discrepancy between the English and Chinese versions, the Chinese text shall govern and prevail.

本协议以中英文书写。如中英文本之间存在差异，应以中文文本为准。

26. Copies 协议的份数

This Agreement shall be executed in two counterparts; each Party shall hold one original.

本协议正本一式两份；双方各执一份。

The Company Stamp 公司公章	Employee Signature 员工签字
[stamp: BeiGene (Beijing) Co., Ltd.]	/s/ Jason Yang
Date 日期：	Date 日期： July 7, 2014

Address: Zhong-Guan-Cun Life Science Park, Changping district, Beijing, 102206
Tel: +86 10 8072 6688 ext.8377 Fax: +86 10 8072 7509 www.beigene.com

APPENDIX 1.1

附件 1.1

List of the Employee's Excluded Inventions for the Purpose of Article 7 of this Agreement 本协议第七条中被排除的员工发明

Title/Name 名称 Date 日期 Identifying Number/Description 标识号码 / 描述

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APPENDIX TWO - JOB DUTIES AND RECRUITMENT REQUIREMENT

附件二:工作职责和录用条件

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Exhibit 10.11

EMPLOYMENT CONTRACT (CHINESE EMPLOYEE)

劳动合同（中国籍员工适用）

This Employment Contract (the " Contract ") is between:

本劳动合同 (" 合同 ") 在以下双方之间签订 :

Party A : [**BeiGene Co.,Ltd**] (the " Company ")

甲方 : [**百济神州（北京）生物科技有限公司**] （" 公司 "）

Legal Representative 法定代表人 : [Mr.John V.Oyler]

Registered Address 注册地址 : [ ]

Postal Code 邮政编码 : [ ]

Party B : [Wendy Yan] (the " Employee ")

乙方 : [严小军] （" 员工 "）

Chinese ID Card Number 身份证号 : [ ]

Mailing Address 通讯地址 : [ ]

Postal Code 邮政编码 : [ ]

Contact Phone Number 电话号码 : [ ]

I. General Provision 总则

1. General Provision 总则

Pursuant to the PRC Labor Law, the PRC Employment Contract Law and other relevant PRC laws and regulations, through mutual consultation and agreement on the basis of legality, fairness, equality, voluntariness, and good faith, the Company and Employee hereby enter into this Contract and abide by the terms hereof.

根据《中华人民共和国劳动法》、《中华人民共和国劳动合同法》和相关法律法规，公司和员工遵循合法、公平、平等自愿、诚实信用的原则，经协商达成一致，签订本合同，共同遵守本合同所列条款。

Appendix One, Confidentiality, Intellectual Property, Non-Solicitation and None-Compete Agreement, and Appendix Two, Job Duties and Recruitment Requirement, are components of this Contract.

附件一，保密、知识产权、禁止招揽和竞业限制协议，以及

附件二：工作职责和录用条件，是本合同的组成部分。

II. Term of the Contract 合同期限

2. Term 合同期限

This Contract is a fixed term employment contract. The term of this Contract is three years, from [Aug. 1, 2014] to [Jul.31, 2017]. The probation period shall be [6] months, from [August 1, 2014] to [Jan.31, 2015], and it is included in the term of this Contract. Prior to the expiration date of the contract term, the Company will notify the Employee in writing regarding its decision whether or not to extend or renew the contract term. If the Company decides to extend or renew the contract term, the Employee agrees to use his/her best efforts to assist with the completion of relevant extension or renewal procedures before the expiration date of the current contract term.

本合同为固定期限劳动合同，合同期限为三年，自 [ ] 年 [ ] 月 [ ] 日起至 [ ] 年 [ ] 月 [ ] 日止，其中试用期为 [ ] 月，自 [ ] 年 [ ] 月 [ ] 日起至 [ ] 年 [ ] 月 [ ] 日止。试用期应包括在本合同期限内。本合同期满前，公司将书面通知员工是否延长或续订本合同。若公司决定延长或续订本合同的，员工应在合同期限届满之前配合完成相关延长或续订手续。

III. Job Description and Workplace 工作内容和工作地点

3. Job Position, Duties and Workplace 工作内容和工作地点

The Employee shall render services to the Company in the position of [Head of Regulatory Affairs, VP], and the Employee's current workplace is in [Beijing] city.

员工的工作岗位为 [ ] ，员工的工作地点为 [ ] 。

Employee shall perform job duties and responsibilities in accordance with the job duties specified in Appendix Two . 员工应根据附件二的内容履行工作职责。

4. Adjustment of the Position, Duties and Workplace 工作岗位、职责和地点的调整

The Employee agrees that the Company reserves the full discretion to adjust the Employee's position, duties and workplace, according to its business needs and the Employee's work performance. At the Company's sole discretion, the Employee may be dispatched to work at the Company's branch offices.

员工同意公司有权根据经营管理的需要及员工自身的工作表现，依法调整员工的工作岗位、职责及地点。根据公司决定，员工可被外派至公司的分支办事处工作。

5. Standard of Work Performance 工作标准

The Company has a performance evaluation system. The Employee's standard of work performance shall be determined according to this system and the employee's work duties. The Employee shall complete all work assigned by the Company and meet the stipulated working standard.

公司实行绩效考核制度。员工的工作标准按照公司绩效考核制度及其工作职责确定。员工应完成公司指定的工作，达到规定的工作标准。

6. No Conflict of Interests 禁止利益冲突

During the term of this Contract, the Employee shall not take any other paid employment without prior written approval of the Company, and shall not provide any external consulting services to any third party without prior written approval of the Company.

在本合同期限内，未经公司事先书面批准，员工不得受雇于第三方并获得任何形式的报酬，也不得向第三方提供任何咨询服务。

IV. Working Hours, Rest and Vacations 工作时间和休息休假

7. Working Hours 工作时间

Standard working hours system: The Employee generally works no more than 8 hours a day and no more than 40 hours a week. The Employee's office working hours are 9.00 a.m. to 6.00 p.m.（ including one hour lunch time ）from Monday to Friday. The Employee may be required to work overtime occasionally, depending on the actual conditions.

标准工时工作制：员工每日工作时间不超过八小时，每周工作时间不超过四十小时。员工具体工作时间为周一至周五上午 9:00 至下午 6:00（包括一小时午餐时间）。根据实际情况员工可能被要求加班。

8. Overtime 加班加点

For Employee subject to standard working hours system or cumulative working hours system, they shall get supervisor's prior written approval in order to work overtime. Company will act in accordance with national laws and regulations, workplace regulations, as well as company internal policy to provide alternative time off for accrued overtime, or provide overtime pay to the Employee.

实行标准工时制和综合计算工时制的员工因工作需要需加班加点的，应当事先取得上级的书面批准。公司将根据国家和工作地的规定，及公司规章制度的规定，为员工依法安排同等时间补休，或向其支付加班工资。

9. Vacations 休假

The Employee shall enjoy the Chinese public holidays, paid annual leave, marriage leave, maternity leave, and other leave periods applicable to him/her in accordance with PRC laws. The Employee shall take leave based around the business arrangement of the Company and follow relevant approval procedures for taking any leave so as to ensure that the business of the Company will not be adversely affected due to the absence of the Employee.

员工将依法享受国家法定节假日、法定带薪年休假、婚假、产假及其他适用于其本人的休息休假。员工应根据公司的业务需要、按照相关休假审批程序安排各种休假，以保证公司的业务不会因其休假受到不利影响。

Under the Company's policy, you will be entitled to 12 working days annual leave (statutory paid annual leave included and including 2 fixed annual leave days arranged by the Company). Unused extra company holidays（ maximum 5 days ）can be carried over to next calendar year before February.

根据公司规定，您将获得每年 12 个工作日的年假（法定带薪年假包括在内，并包括 2 天公司统一固定年假）。未使用的酌情额外年假（不超过 5 天）可结转到下个年度 2 月份前使用。

If under relevant PRC laws and regulations, you are entitled to more than 12 paid annual leave days, you will enjoy those statutory annual leave days and the Company will not provide you with any additional annual leave days.

如果根据中国法律法规，您有权享受超过 12 天的年假，您将享有该等年假，且公司不向您提供任何额外的年假 。

V. Remuneration 劳动报酬

10. Salaries 工资

During the probationary period, the monthly gross salary of the Employee is RMB [85,000]. After the probationary period, the monthly gross salary of the Employee is RMB[85,000].

员工在试用期内每月工资为税前人民币 [ ] 元。试用期满后每月工资为税前人民币 [ ] 元。

11. Salary Adjustment 工资调整

The Company normally reviews the salaries of employees yearly . Adjustments are made on the basis of individual work performance, the Company's operating conditions, the inflation rate, and market salary survey data provided by authoritative institutions, but this does not imply that salary increases will be rewarded.

公司每年将审核员工的工资水平。根据员工的工作表现、公司的经营状况、通货膨胀率及由权威机构发布的市场薪酬调查数据，公司有权调整员工的工资，但这并不代表公司一定会加薪。

12. Payment of Salaries 工资支付

The Company shall pay the Employee's salary in arrears , which will be paid via bank transfer on the 30th day of each month. If the salary payment date falls on a rest day or a public holiday, the salary shall be paid on the working day immediately prior to it. The salary will be pro rated on a daily basis in accordance with the relevant PRC laws and regulation for any periods of less than one full calendar month during the term of this Contract.

公司将于每月 30 日通过银行转账的方式向员工支付当月的工资。如工资支付日是法定休息日或节假日的，则工资应提前在最近的工作日支付。如员工于本合同履行期间某月实际工作天数少于整个日历月的，工资将依法按比例以日计发。

The Company will deduct the social security and housing fund contributions, and any other payments that the Employee is liable for under applicable law when paying the monthly salary.

公司在向员工支付每月工资时，将自员工工资中扣除社会保险、住房公积金及任何其他依法应由员工个人自行承担的费用。

The Employee's first and last month's salary shall be paid according to the salary payment regulations of the Company.

员工入职及离职月份的工资，根据公司工资支付制度处理。

13. Bonus 奖金

In addition to the above salary, the Company has the total discretion to decide on the bonus payment (if any) . It is completely subject to the Company's discretion to decide

the eligibility, amount and payment method of the said discretionary bonus. As a condition precedent, the Employee shall remain a Company's regular employee (i.e. without receiving termination notice or send resignation notice) on the date of bonus disbursement. To avoid any doubt, the Company has no legal obligation to provide the bonus.

除上述工资外，公司有权自主决定是否给员工发放奖金。该奖金是否支付以及支付方式、支付数额将完全由公司决定。在奖金实际支付当日，员工与公司之间的劳动关系必须存续，且双方均未于该日或之前向对方发出解除或终止劳动关系的通知，否则员工无权获得奖金。但无论如何，向员工发放奖金并非公司的义务。

14. Individual Income Tax 个人所得税

Cash compensation is accounted on a gross basis and is paid in local currency. It is the Employee's obligation to pay individual income tax according to PRC laws. The Company will withhold the income tax from each payment accordingly.

员工工资为扣税前数额，并将以当地通用的货币形式发放。员工有义务根据中国法律缴纳个人所得税。公司将依法从支付给员工的每笔款项中，扣除员工应当缴纳的个人所得税。

15. Salary Information 工资信息

The Employee's salary information is confidential. The Employee shall not discuss with or disclose such information to any third party (including other colleagues of the Company), except to his/her immediate supervisor or head of the human resource department. The Employee may seek advice from the human resources department regarding any questions about his/her remuneration.

员工的工资信息为保密信息，员工不得与任何第三方（包括公司的其他员工）讨论或向其披露该等事项，但与直接上级或人力资源部门主管讨论除外。员工如对其劳动报酬有疑问，可以直接向人力资源部门提出。

VI. Benefits 福利

16. Statutory Social Insurance and Housing Fund 法定社会保险及住房公积金

The social insurance and other statutory benefits of the Employees will be executed in accordance with the national or local laws, regulations and the internal rules and policies of the Company. The Company shall go through relevant procedures and shall withhold and deduct the contributions that the Employee is liable for per the PRC laws. Where the Employee, for personal reasons, fails to transfer his/her social relationship such as social insurance to the Company within the time limit required by the Company, thereby causing the Company to fail to make its contributions on time and suffer further losses (such as overdue fine or penalty) in addition to repayment of

the contributions, the Company reserves the right to claim compensation from the Employee for the additional losses.

社会保险及其他法定福利将按照国家或工作地法律法规及公司规章制度执行。公司为员工办理有关手续，并依法代扣代缴员工依法应自行承担的费用。因员工个人原因未能按照公司要求的时间将社会保险等关系转入公司，致使公司未能按时为其缴纳费用，且因此导致公司受到其他损失（如滞纳金、罚款等）的，公司保留向员工追偿损失的权利。

Upon the end or termination of this Contract, the formalities shall be dealt with in accordance with the relevant PRC laws and regulations.

当双方终止或解除本合同后，有关手续按照国家有关规定执行。

17. Work-related Injury Insurance 工伤保险

The Company provides work-related injury insurance for the Employee. If the Employee suffers from work-related illnesses or injuries, he/she will be entitled to the benefits as stipulated by PRC laws.

公司向员工提供工伤保险。员工患职业病或因工负伤的，其待遇按照国家有关规定执行。

VII. Labor Protection and Working Conditions 劳动保护和劳动条件

18. Labor Protection and Working Conditions 劳动保护和劳动条件

The Company shall provide the Employee with appropriate working conditions, facilities/equipment, and labor protection in accordance with PRC laws, as well as the management needs of the Company.

公司将根据中国法律和公司经营管理的需要为员工提供适当的劳动条件、劳动设施 / 设备及劳动防护用品。

VIII. Internal Company Policies 内部规章制度

19. Formulation of the Internal Company Rules and Policies 规章制度的制定

The Company is entitled to periodically formulate or revise its internal company rules and policies. The Company will notify or publicize the Employee any internal rules and policies so formulated or revised.

公司有权根据经营管理需要，定期依照法律法规制定或修订其内部规章制度。公司将制定或修订后的规章制度告知员工或进行公示。

20. Disciplinary Actions towards Violation of Internal Company Rules and Policies 违反规章制度的处分

If the Employee breaches the internal company rules and policies, the Company may take disciplinary actions against him/her up until the termination of this Contract according to provisions of this Contract, relevant internal rules and policies and relevant PRC laws..

员工违反公司规章制度的，公司有权根据本劳动合同、相关内部规章制度及中国法律对其进行纪律处分，直至解除劳动合同。

IX. Confidentiality 保密

21. Confidential Obligation 保密义务

The Employee agrees to execute a confidentiality agreement with the Company. The Employee hereby agrees to abide by the confidentiality obligations, and violation of such obligations will result in disciplinary actions up until the termination of this Contract.

员工同意与公司签订一份保密协议。员工同意遵守保密义务。员工违反保密义务将受到公司的纪律处分，直至解除劳动合同。

X. Amendment, Termination, End, and Renewal of the Contract

合同的变更、解除、终止和续订

22. Amendment of the Contract 合同的变更

Parties shall properly go through amendment procedures and may amend this Contract if (a) the Company unilaterally decides to amend the Contract to the extent permitted by PRC laws and local regulations; or (b) the Company and the Employee reach an agreement through consultation.

各方应适当履行变更程序，若（a）公司在国家及工作地规定允许范围内单方决定变更；或（b）经公司与员工双方协商一致时，本合同可以变更。

23. Termination Based on Mutual Agreement 协商解除

This Contract may be terminated if the Parties mutually agree to the termination.

经双方协商一致，可以解除本合同。

24. Unilateral Termination by the Company With Immediate Effect 公司单方立即解除

The Company may immediately terminate this Contract without making any severance pay to the Employee by giving notice of termination at any time under any of the following circumstances:

员工有下列情形之一的，公司有权随时通知员工解除本合同，而无需支付经济补偿：

（1） where the Company proves that the Employee has failed to meet the recruitment requirements (please refer to Appendix One) during the

probation period ;

在试用期间被证明不符合录用条件（见附件一）的；

（2） where the Employee has seriously violated the internal rules and policies of the Company;

严重违反公司规章制度的；

（3） where the Employee has committed a serious dereliction of duty or engaged in corrupt practices, causing substantial damage to the interests of the Company;

严重失职，营私舞弊，对公司利益造成重大损害的；

（4） where the Employee is subject to criminal liabilities or labor education and rehabilitation;

被依法追究刑事责任或劳动教养的；

（5） where the Employee has established an additional employment relationship with another business that materially affects the employee's performance of tasks assigned by the Company, or refuses to rectify the situation after the same is brought to his/her attention by the Company;

员工同时与其他用人单位建立劳动关系，对完成公司的工作任务造成严重影响，或者经公司提出拒不改正的；

（6） where the Employee uses such means as deception, coercion or exploitation of the Company's difficult situation to cause the Company to sign this Contract, or to make an amendment thereto, that is contrary to the Company's true intent; or

员工以欺诈、胁迫的手段或乘人之危，致使公司在违背真实意思的情况下订立或者变更本合同的；或

（7） other circumstance occurs as provided by the PRC laws and regulations.

法律法规规定的其他情形。

25. Unilateral Termination by the Company With Prior Notice 公司单方提前通知解除

Under any of the following circumstances, the Company may unilaterally terminate this Contract:

员工有以下情形之一的，公司可单方解除本合同：

（1） where the Employee suffers from an illness or a non-work-related injury and is unable to take up the original work or any other work assigned by the Company to him/her upon the conclusion of his/her medical treatment leave;

员工患病或非因工负伤，在规定的医疗期满后，不能从事原工作，也不能从事由公司另行安排的工作的；

（2） where the Employee is unable to competently perform the work responsibilities and remains incompetent after undergoing a training or being assigned to another position;

员工不能胜任工作，经过培训或调整工作岗位，仍不能胜任工作的；

（3） where a material change to the objective circumstances under which this Contract was executed has occurred and rendered this Contract unenforceable, and the Parties have failed to reach an agreement on an amendment to this Contract after consultation; or

合同订立时所依据的客观情况发生重大变化，致使本合同无法履行，经公司与员工协商，未能就变更本合同内容达成一致的；或

（4） other circumstance occurs as provided by the PRC laws and regulations.

法律法规规定的其它情形。

However, for termination under any of the above circumstances, the Company will provide thirty (30) days prior written notice or the Employee's last month salary in lieu of notice to the Employee.

但是，公司因上述原因解除本合同的，应当提前三十（30）日书面通知员工或按照员工上一个月的工资标准向员工支付代通知金。

26. Downsizing 经济性裁员

If any of the following circumstances makes it necessary to reduce the workforce by 20 persons or more or by a number of persons that is less than 20 but accounts for 10 percent or more of the total number of the enterprise's employees, the Company may reduce the workforce after it has explained the circumstances to its trade union or to all of its employees 30 days in advance, has considered the opinions of the trade union or the employees and has subsequently reported the workforce reduction plan to the labour administrative authorities:

有下列情形之一，需要裁减人员 20 人以上或者裁减不足 20 人但占公司员工总数 10% 以上的，公司提前 30 日向工会或者全体职工说明情况，听取工会或者职工的意见后，裁减人员方案经向劳动行政部门报告，可以裁减员工：

（1） the Company is restructuring pursuant to the Enterprise Bankruptcy Law;

公司依照企业破产法规定进行重整的；

（2） the Company experiences serious difficulties in production and/or business operations;

公司生产经营发生严重困难的；

（3） the Company switches production, introduces a major technological innovation or revises its business method, and, after amending of employment contracts, still needs to reduce its workforce; or

公司转产、重大技术革新或者经营方式调整，经变更劳动合同后，仍需裁减人员的；或

（4） there are other major changes in the objective economic circumstances relied upon at the time of conclusion of this Contract, rendering it impossible to perform.

其他因劳动合同订立时所依据的客观经济情况发生重大变化，致使劳动合同无法履行的。

27. Restrictions on the Unilateral Termination by the Company 公司单方解除的限制情形

Under any of the following circumstances , the Company may not terminate this Contract pursuant to Article 25:

员工有下列情形之一的，公司不能依据本合同第二十五条解除本合同：

（1） where the Employee is engaged in operations exposing him to occupational disease hazards and has not undergone a pre-departure occupational health check-up, or is suspected of having contracted an occupational disease and is being diagnosed or under medical observation;

从事接触职业病危害作业，未进行离岗前职业健康检查，或者疑似职业病病人在诊断或者医学观察期间的；

（2） where the Employee has been confirmed by a work capability assessment committee to have lost or partially lost the ability to work due to an occupational disease or a work-related injury sustained with the Company;

在公司患职业病或因工负伤，并经劳动能力鉴定委员会的鉴定，确认丧失或者部分丧失劳动能力的；

（3） where the Employee has contracted an illness or sustained a non-work-related injury and the statutory period of medical care has not expired;

患病或非因工负伤，在规定的医疗期内的；

（4） where the Employee is a female employee and is in her pregnancy, confinement, or nursing period;

女职工在孕期、产期、哺乳期的；

（5） where the Employee has been working for the Company continuously for no less than 10 years and is less than 5 years away from his/her statutory retirement age; or

在公司连续工作满十年，且距法定退休年龄不足五年的；或

（6） other circumstances as stipulated by the laws or administrative statutes.

法律、行政法规规定的其他情形。

28. Resignation of the Employee 员工辞职

The Employee may unilaterally terminate this Contract by giving three (3) days prior wirtten notice to the Company during the probation period.

员工在试用期内应提前三（3）日通知公司方可单方解除本合同。

After the probation period, if the Employee wishes to resign, he/she shall give thirty (30) days prior written notice.

试用期后，员工辞职应履行提前三十（30）日书面通知的法定义务。

During the period between the submission of the written resignation notice and the termination of this Contract, the Employee shall continue to work as usual and begin to conduct handover matters, unless the Company requests otherwise.

自书面解除通知提交之日起至本合同解除之日止，除非公司另有规定，员工应照常工作，并配合完成交接工作。

29. End of the Contract 合同的终止

This Contract shall be ended if:

有下列情形之一的，本合同终止：

（1） the Contract term expires;

本合同期满的；

（2） the Employee has reached his/her statutory retirement age;

员工达到其法定退休年龄的；

（3） the Employee dies or is declared dead or missing by a People's Court;

员工死亡，或者被人民法院宣告死亡或者宣告失踪的；

（4） the Company is declared bankrupt;

公司被依法宣告破产的；

（5） the Company has its business license revoked, is ordered to close, is closed down, or the Company decides on early dissolution;

公司被吊销营业执照、责令关闭、撤销或者公司决定提前解散的；

（6） the Company decides on early liquidation; or

公司决定提前清算的；或

（7） other circumstance specified by laws or administrative statutes occur.

法律、行政法规规定的其他情形。

30. Handover 工作交接

The Employee shall carry out the following handover procedures upon the termination or ending of this Contract at the request of the Company, or else the Company will be entitled to seek compensation from the Employee for any economic losses:

本合同解除或终止的，员工应按照公司的要求办理下列工作交接手续，否则公司有权要求员工赔偿公司所受到的经济损失：

（1） the Employee shall describe the work content, ongoing work/project development, and customer relationship to the person designated by the Company;

向公司指定的人员陈述工作内容、正在处理工作 / 项目的进展、客户关系；

（2） the Employee shall return to the person designated by the Company all documents, materials, archives, passwords to information systems, keys, entrance certificates, computer software and equipment, credit cards, mobile phones, or any other property that is in the possession, control, or custody of the Employee and belongs to the Company or relates to the business or affairs of the Company;

向公司指定的人员交还文件、资料、档案、信息系统权限、钥匙、出入证、计算机软件及设备、信用卡、移动电话或任何由其持有、控制或保管的公司所有的或与公司业务或事务相关联的财产等；

（3） the Employee shall make all financial settlements with the person appointed by the Company, including but not limited to, repayment of any cash advance, getting outstanding expenses reimbursed, compensating for any economic losses caused by the Employee, or compensating for the liquidated damages the Employee is liable for under a training agreement due to termination; and

与公司指定的人员办理离职结算，包括但不限于向公司清偿借支资金、办理未报销款项的报销、赔偿因员工个人原因给公司造成的经济损失、赔偿因员工离

职而根据培训协议应承担的违约金等；及

（4） the Employee shall make a detailed statement in writing, where requested by the Company, about the above handover procedures.

如公司要求，员工应对前述交接工作做出详细的书面材料说明。

31. Transfer of Social Insurance and Archives 社会保险及档案转移

The Company will issue the termination or end certification to the Employee upon the termination or ending of this Contract, and will transfer his/her personnel archives and social insurance records. The Employee shall actively assist the Company with the foregoing procedures. If the transfer of the personnel archives and social insurance fails due to the Employee's personal reasons, the Employee shall be liable for any relevant consequences and responsibilities.

本合同解除或终止的，公司将为员工开具解除或终止本合同的证明，并为员工办理人事档案、社会保险关系转移手续。员工应积极配合公司办理前述手续。因员工原因导致未能转移人事档案、社会保险关系的，相关后果及责任由员工自行承担。

XI. Severance Pay and Compensation 经济补偿与赔偿

32. Severance Pay 经济补偿

If the Company is required to pay a severance payment to the Employee upon the termination or expiration of this Contract, such payment shall be managed in accordance with the relevant laws and regulations and will be paid upon the completion of the handover procedures.

本合同解除或终止，公司依法需向员工支付经济补偿金的，按照相关法律规定执行，并在员工办结工作交接时支付。

33. Compensation Responsibility of the Employee's Breach of this Contract 员工违约的赔偿责任

If the Employee breaches the provisions of this Contract, the rules and policies of the Company, or the PRC laws and regulations and thereby has caused economic losses to the Company, the Employee shall compensate the Company for such losses.

员工违反本合同约定、公司规章制度或国家及工作地规定，对公司造成经济损失的，应依法向公司承担赔偿责任。

XII. Post-Termination Obligations 解除或终止后义务

34. Post-termination Confidentiality Obligations 解除或终止后的保密义务

After the termination or ending of this Contract, the Employee shall still be subject to the confidentiality obligations and obligations related to intellectual property rights.

在本合同解除或终止后，员工仍应遵守保密义务及有关知识产权的义务。

35. No Solicitation 禁止招揽

After the termination or ending of this Contract, the Employee shall continue to be bound by the non-solicitation obligations set forth in the separate non-solicitation agreement

在本合同解除或终止后，员工仍应遵守 双方另行签订的不招揽协议的约定 。

36. No Competition 竞业限制

If parties has signed a separate non-compete agreement, then the Employee shall continue to be bound by the non- compete obligations after the termination or ending of this Contract.

如果双方另行签订竞业限制协议，则在本合同解除或终止后，员工仍应遵守双方另行签订的竞业限制的约定。

XIII. Labor Dispute

37. Labor Dispute Settlement 争议解决

Any disputes between the Company and the Employee arising from this Contract shall be handled in accordance with the following labor dispute handling procedures:

本合同项下产生的员工与公司之间的任何争议，应按如下争议处理程序处理：

The Company and the Employee will try to settle the dispute through friendly consultation. If the parties are unwilling or fail to settle the dispute, either party may apply to the labor dispute conciliation committee for conciliation. Either or both parties may also directly apply to the labor dispute arbitration committee for arbitration.

公司和员工双方将尽力通过友好协商解决争议。若任何一方不愿或未能解决争议的，双方均可向劳动争议调解委员会申请调解。一方或双方也可以直接向劳动争议仲裁委员会申请仲裁。

If either party disagrees with the arbitration ruling and the ruling is not a final ruling under the laws or is revoked according to the laws by a People's Court with competent jurisdiction, the party may file a proceeding in the People's Court with competent jurisdiction within fifteen (15) days of receiving the notice of the arbitration ruling or the court decision revoking the arbitration ruling, as applicable.

若任何一方对仲裁裁决不服且该仲裁裁决非终局裁决或该裁决被有管辖权的人民法院依法撤销的，则可以自收到仲裁裁决书之日起或法院做出撤销决定之日起十五日内，向有管辖权的人民法院提起诉讼。

IV. Miscellaneous 其他

38. Governing Law 适用法律

The validity, conclusion and performance of this Contract shall be governed by the PRC laws and regulations.

本合同的效力、订立、履行均适用中国相关法律法规的规定。

39. Supplementary Agreement 补充协议

If there is any issue not covered in this Contract, the Parties may agree on and conclude it in supplementary agreements.

本合同的未尽事宜，可由双方协商签订补充协议。

40. Severability 部分条款的效力

If any article of this Contract is regarded as illegal, invalid or unenforceable, the validity, effectiveness, and enforceability of other articles shall not be affected.

本合同任何条款被认定违法、无效或不可执行的，不影响本合同其他条款的合法性、效力和可执行性。

41. Waiver of the Rights 权利的放弃

A delay or failure to exercise a right under this Contract by either Party will not constitute a waiver of that right.

任一方未行使或未能及时行使其在本合同项下的相关权利的，并不表示该一方已经放弃该项权利。

42. Timely Notification of Information Change 信息变更的及时通知

The Employee's address stipulated at the top of this Contract shall be treated as the post address of the Employee.

本合同首部列明的员工住址为员工的通讯地址。

The Employee shall notify the Company in writing within 5 working days of any change to personal information such as his/her ID/passport number, residing address, post address, household registration location, spousal status, or child status. Otherwise, any communication sent to the post address most recently provided to the Company by the Employee shall be deemed properly delivered to the Employee.

员工的个人信息，如身份证 / 护照号码、住址、通讯地址、户籍所在地、婚姻家庭状况等发生变更的，应当在变更之日起五（5）个工作日内书面通知公司。员工未按照本条

规定通知公司的，公司按照员工最近一次提供的通讯地址向员工发送各类文件均构成有效送达。

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43. Execution of the Contract 合同的签署

This Contract shall take effect when the Employee signs the Contract and the Company places its seal on the Contract.

本合同经员工签署并加盖公司公盖章后生效。

44. Language of the Contract 合同的语言

This Contract shall be written in both Chinese and English. Both language versions shall be equally authentic. In the event of any inconsistency between the two versions, the Chinese version shall prevail.

本合同以中英文书写，两种文本具有同等效力。如中英文本之间存在差异，应以中文文本为准。

45. Copies 合同的份数

This Contract is executed in two originals and each party will have one original.

本合同一式两份。公司与员工各持一份。

The Employee has read each provision of this Contract, and accepts and agrees to the terms and conditions of employment set out in this Contract (including all Appendixes). The Employee confirms that he/she is not presently a party to any agreements, employment contracts or other arrangements that will restrict his/her ability to fulfill the responsibilities of the job position on behalf of the Company.

员工已阅读本合同，并同意接受本合同的所有条款（包括所有附件）。员工确认，他 / 她未曾签定任何限制其作为本公司员工开展业务活动的任何协议、合同或约定。

Party A Company Chop 公章	Party B Signature 乙方签字
[stamp: BeiGene (Beijing) Co., Ltd.]	/s/ Yan Xiaojun
Date 日期 :	Date 日期 : 2014-07-01

APPENDIX ONE: 附件一

CONFIDENTIALITY, INTELLECTUAL PROPERTY RIGHT, NON-SOLICITATION & NON-COMPETITION AGREEMENT

保密、知识产权权益、禁止招揽及竞业限制协议

This Confidentiality, Intellectual Property Right, Non-Solicitation & Non-Competition Agreement ("Agreement") is between:

本保密、知识产权权益、禁止招揽及竞业限制协议 (" 协议 ") 在以下双方之间签订 :

Party A : [**BeiGene（Beijing）Co.,Ltd**] (the "Company")
甲方 : [百济神州（北京）生物科技有限公司] （" 公司 "）

Legal Representative 法定代表人 : [Mr.JOHN V.OYLER]
Registered Address 注册地址 : [Changping, Beijing]
Postal Code 邮政编码 : [102206]

Party B: [Wendy Yan] (the "Employee")
乙方 : [严小军] （" 员工 "）

Passport No. 护照号码 : [ ]
Mailing Address 通讯地址 : [ ]
Postal Code 邮政编码 : [ ]
Phone Number 电话号码 : [ ]

Given the Employee's position, and in accordance with the PRC Employment Contract Law, the PRC Labor Law and other relevant laws and regulations, the Parties, based on free will, equality and agreement through negotiation, hereby agree as follows:

基于员工的工作性质，根据《中华人民共和国劳动合同法》、《中华人民共和国劳动法》以及其他相关法律法规的规定，双方在自愿、平等、协商一致的基础上订立本协议 :

I. Confidentiality 保密

The position of the Employee is [Head of Regulatory Affairs, VP], and such position is of the nature of core business and/or senior management for the Company and has access to large amount of the Company's commercial secrets and confidential information.

员工在公司担任 [ ] 职务，该职位系公司核心业务和 / 或高级管理职位，能够接触到公司大量的商业秘密与保密信息。

The commercial secrets and confidential information of the Company are important intangible property of the Company, the Employee understands and acknowledges that, he/she may

access and acquire the Confidential Information (defined below) of the Company while working for the Company.

公司的商业秘密与保密信息是公司的重要无形资产，员工理解并承认，其在公司工作期间可能接触和了解公司的保密信息（见下述定义）。

The Employee understands and acknowledges that it will materially damage the Company's economic interests or hurt the Company in business competition if the Employee directly or indirectly discloses to a third party (especially the present or potential competitor of the Company) any Confidential Information.

员工理解并承认，直接或间接向第三方（特别是公司现有或潜在的竞争对手）披露公司的任何保密信息，将会严重损害公司的经济利益或使公司处于非常不利的竞争地位。

1. Confidential Information 保密信息

Confidential Information refers to all information obtained by the Employee in the course of his/her employment with the Company that belongs or is available to the Company and/or its affiliates except for information generally available to the public. Confidential Information includes any information regarding the business and affairs of the Company or any of its affiliates, including, but is not limited to：

保密信息指员工在公司工作期间得知的公司和 / 或其关联方所拥有或所知悉的所有信息，但公众已普遍知悉的信息除外。该等保密信息包括任何与公司或其关联方的业务或事务有关的信息，包括但不限于：

(1) discoveries, inventions, products, product improvements, processes, methods, techniques, formulas, compositions, compounds, research projects, etc.;

发现、发明、产品、产品改良、工序、方法、技术、配方、组成、复合物、研究项目等；

(2) business strategies and methods, marketing or promotional policies or activities, business development plans, client information, financial information, all forms of research data, personnel data, and management methods;

商业策略和方法、营销或促销的政策或活动、业务拓展计划、客户信息、财务信息、人员信息、各种类别的研究数据和管理方法；

(3) any information that the customers and/or business partners of the Company or any of its affiliates consider confidential and in respect of which the Company or any of its affiliates may be subject to confidentiality or non-disclosure obligations；and

公司或其关联方的客户、商业伙伴认为保密的，并且公司或其关联方对此承担保密或不披露义务的任何信息，以及

(4) all other information of any nature which may be disclosed or made known to the Employee at any time during the course of his/her employment with the Company.

员工在受雇于公司的任何时候被告知或得知的任何其他信息。

For the purpose of this Section, Confidential Information will not be deemed to be generally available to the public only because it is known to a few people to whom it might be of commercial interest or because it is contained in broad or generic disclosures to the public. And, a combination/organization of two or more pieces of Confidential Information shall not be deemed generally available to the public only because the pieces are individually available to the public.

为本条之目的，不能仅因为保密信息已被对其拥有商业利益的少数人知悉，或包含在向公众的一般性披露中，即认定其已为公众普遍知悉。并且，不能仅因为保密信息的各个组成部分已为公众普遍知悉，即认定两个或以上的保密信息的组合已为公众普遍知悉。

2. Confidentiality Obligation 保密义务

The Employee is obligated to safeguard Confidential Information. The Employee undertakes to safeguard Confidential Information and, in particular, undertakes the following:

员工负有严守保密信息的义务。员工承诺其将谨慎尽职地保守保密信息，维护公司的商誉，并履行下列义务：

(1) The Employee shall use Confidential Information only for the purposes of fulfilling his/her work duties assigned by the Company;

仅为完成公司交付工作的目的使用保密信息；

(2) Except for the purpose of fulfilling his/her work duties, the Employee shall not disclose Confidential Information to any third party without prior written consent of the Company, unless it is required by PRC laws and regulations;

非为本职工作目的，未经公司事先书面许可，不得将保密信息披露给任何第三方，除非这是中国法律法规设定的义务；

(3) Except for the purpose of fulfilling his/her work duties, the Employee shall not use or permit any third party to use Confidential Information without prior written consent of the Company;

非为本职工作的目的，未经公司事先书面许可，不得使用或允许任何第三方使用保密信息；

(4) Except for the purpose of fulfilling his/her work duties, the Employee shall not duplicate, remake, copy, or distribute Confidential Information without prior written consent of the Company; and

非为本职工作的目的，未经公司事先书面许可，不得复制、再造、复印、分发保密信息或其载体；及

(5) The Employee shall inform his/her current and subsequent employers of his/her continuous obligations regarding Confidential Information.

将员工根据本协议负有的持续的保密义务告知现雇主和未来的雇主。

3. Protection of Confidential Information 保密信息的保护

Upon the termination or end of his/her employment with the Company, or at any time as requested by the Company, the Employee shall return to the Company or the relevant affiliate and shall not keep in his/her possession, reproduce or deliver to anyone else, any and all computers, discs, CDs, electric storage devices, software, photographic records, video and sound records, documents, papers, books, materials, archives, receipts, vehicles, credit cards, correspondence, manuals, records, and/or other property and documents that belong to the Company or its affiliates, as well as any and all copies thereof which are under his or her possession and/or control. The Employee hereby agrees that if he/she has stored any Confidential Information in his/her own personal property (such as a personal computer, electric storage device, etc.), he/she shall provide the Company with a copy of such Confidential Information and then permanently delete Confidential Information from the Employee's personal property. If the copying or the deletion as discussed in this Section is not feasible for any reason, upon the request of the Company, the Employee will transfer the ownership of such personal property to the Company, and the Company shall compensate the Employee in an amount equal to the actual value of the property. Upon the termination or ending of the Employee's employment with the Company or at any time during such employment as requested by the Company, the Employee shall sign and deliver to the Company a written certification confirming his/her compliance with the obligations under this Section.

员工承诺，在其离职时或在工作中应公司随时要求，员工应立即向公司或相应的关联方归还（并不得继续占有、复制或向他人交付）任何及所有属于公司或关联方的计算机、磁盘、CD 、电子存储设备、软件、图片、影像、录音、文件、证件、帐册、资料、档案、收据、车辆、信用卡、信件、手册、记录、其他所有的财产和文件、以及员工占有和 / 或控制的任何和全部上述物件的复制件。员工同意，如员工在其个人财产（如个人电脑、电子存储设备等）中存有任何保密信息，员工应向公司提供该等保密信息的复制件，并将该等保密信息从员工的个人财产中永久删除。如本款提及的复制或删除因任何原因而无法实现，应公司要求，员工应向公司转移该个人财产的所有权，公司应向员工支付金额等于该个人财产实际价值的补偿金。在员工离职时或在工作期间内公司随时要求时，员工应签署并交付给公司一份书面证明，证明其已履行本条项下的义务。

4. Continuance of Confidentiality Obligation 保密义务的存续

The Employee acknowledges that his/her confidentiality obligations under Article 1, Article 2 and Article 3 of the Agreement shall apply during the term of the Employment Contract or Internship Contract and shall continue after the Employment Contract or Internship Contract has been terminated/ended (for any reason whatsoever) until such information has become public knowledge. If the Employee breaches his/her confidentiality obligations, he/she shall compensate the Company for the losses the Company suffers from his/her violation. The Employee's confidentiality obligations shall continue to notwithstanding his/her payment of any damages to the Company.

员工承诺，其在本协议第 1 条、第 2 条和第 3 条下的保密义务在劳动合同 / 实习合同内均将存续，并在劳动合同 / 实习合同解除 / 终止（无论因何种原因而解除 / 终止）后仍将持续，直至此等信息不再是保密信息（但因员工的违约行为而导致该等信息成为公众所能普遍获取的信息除外）。员工违反其保密义务的，应当向公司赔偿公司因此受到的损失。员工根据本条规定赔偿公司损失的，仍应承担前述保密义务。

5. Liabilities for Breach of Confidentiality Obligation 违反保密义务的责任

If the Employee breaches any confidentiality obligation, the Employee shall be liable as what follows:

员工如违反本协议中任何保密义务，应当承担如下违约责任：

(1) Pay the Company the liquidated damages in the amount equal to six months' salaries (including any bonus) prior to the breach of the Agreement or ending/termination of the employment, whichever is early. Where the Employee has worked for the Company for less than 6 months, it shall be calculated as six times of the monthly average salary actually obtained by the Employee. If the losses, as a result of violating any provision of this Agreement by the Employee, are more than the liquidated damages, the Employee shall pay the difference between the actual losses and the liquidated damages (including but not limited to, for the purpose of performing this clause, the reasonable fees paid by the Company, such as judicial authentication fees and attorney fees). Where the Employee has paid the liquidated damages in accordance with this clause or has compensated the Company for the losses, the Employee shall continue to undertake the confidentiality obligations under this Agreement.

一次性向公司支付相当于员工违约前或离职前（以二者中较早者为准）六个月实际所得工资（包括各项奖金）的违约金。如果员工在公司实际工作时间不足六个月，则按其在职期间实际获得之月平均工资的六倍计算。员工的违约行为给公司造成之损失超过此额度的，公司有权要求员工加付此额度与公司实际损失之间的差额，公司的实际损失包括但不限于公司为执行本条款所承担的各项合理费用，如诉讼费、律师费等。员工根据本条规定向公司支付违约金或赔偿公司损失后，仍应继续承担本协议项下的保密义务；

(2) Where the Company's Confidential Information is publicized due to the Employee's breaches of the Agreement, the Employee shall compensate the Company the total value of such Confidential Information. The total value of such Confidential Information shall be appraised by an intangible property appraisal authority certified by the State.

因员工的违约行为造成公司的保密信息公开的，员工应当向公司赔偿该保密信息的全部价值。保密信息的全部价值，由国家认可的无形资产评估机构评定。

II. Intellectual Property Rights 知识产权权益

6 . Assignment of I nventions 发明权的归属

The Employee shall promptly and fully disclose to the Company and acknowledge that all right, title, and interest in and to any and all inventions, discoveries, designs, developments, improvements, copyrightable material, trade secrets, and related Intellectual Property Rights (collectively herein referred to as "Inventions") that the Employee may solely or jointly conceive, develop, author, reduce to practice or otherwise produce during the term of this Agreement or the Employee's employment

with the Company, shall be owned by the Company and are hereby assigned exclusively to the Company.

在本协议期限或员工受雇于公司的期间内，关于员工可能独自或与他人联合构想、开发、制作、促成实施或以其它方式产生的所有发明、发现、设计、开发、改进、可获版权的资料、商业秘密和有关的知识产权（在此统称"发明"），员工应立即并充分向公司披露，并确认该等发明及其所有权利、权属和利益为公司所有。员工在此将该等权利让渡与公司独有。

The Employee waives and quitclaims to the Company any and all claims of any nature whatsoever that the Employee now or hereafter may have for infringement of any patent application, patent, or other intellectual property right relating to any Inventions so assigned to the Company.

员工放弃目前或将来可能与在此让渡于公司的发明有关的、任何专利申请、专利权或其他知识产权的侵权而产生的、任何性质的、对公司的权利请求。

The Employee owns any Inventions about which the Employee can prove all of the following:

若员工能证明以下所有各项，则员工应拥有该等发明：

(1) It was developed entirely on the Employee's own time;

其完全是在员工自己的时间内开发的；

(2) None of the Company's equipment, supplies, facilities, services, or trade secret information were used in its development;

其是员工未利用公司的设备、供应、设施、服务或商业秘密信息而开发的；

(3) It does not relate (1) directly to the Company's business or (2) to the actual or demonstrably anticipated business, research or development of the Company; and

其（1）与公司业务无直接联系，或（2）与公司实际或可表明其进行的业务、研究或开发无关；以及

(4) It does not result from any work performed by the Employee for the Company.

其非由员工为公司履行其工作职责所致。

7. Excluded and L icensed I nventions 被排除和被许可的发明

T he Employee has attached a list (Appendix One) describing all Inventions belonging to the Employee or made by the Employee prior to the commencement of the Employee's employment with the Company, which the Employee wishes to have excluded from this Agreement. If no such list is attached to the Agreement, the Employee is deemed to represent that there are no such excluded Inventions.

员工附一份清单（附件 1.1）列明所有属于员工的，或由员工在其与公司的劳动关系开始之前做出的，员工希望排除在本协议之外的发明。如无该等清单附于本协议后，则视为员工表示无该等被排除的发明。

As to any Inventions in which the Employee has interests at any time prior to or during the term of this Agreement or the employment with the Company, if the Employee uses or incorporates such an Invention in any released or unreleased product, service, program, process, machine, development or work in progress of the Company, or if the Employee permits the Company or any related entity to use or incorporate such an Invention, the Company is hereby granted and shall have an exclusive royalty-free, irrevocable, world-wide license to exercise any and all rights with respect to such Invention, including the right to protect, make, have made, use, and sell that Invention without restriction as to the extent of the Employee's ownership or interest.

在本协议期限或员工受雇于公司的期间或之前的任何时间，对于员工拥有权益的发明，如果员工在公司发行的或未发行的任何产品、服务、程序、工艺、机器、开发或工作过程中使用或采纳了该等发明，或如员工允许公司或其关联企业使用或采纳该等发明，则公司在此被授予并拥有独家的、免许可费的、不可撤销的、世界范围内的运用该等发明的所有权利，包括不受员工所有权或权益限制的，保护、制作、使得以制作和销售该发明的权利。

8. Applications for C opyrights & P atents 版权和专利权申请

At any time during the term of this Agreement or the employment with the Company and thereafter, the Employee shall execute any proper oath or verify any proper document in connection with carrying out the terms of this Agreement.

在本协议期限或员工受雇于公司的期间或之后的任何时间，员工将就本协议的履行签署任何适当的誓约或验证任何适当文件。

If because of the Employee's incapacity , or for any other reason, the Company is unable to secure the Employee's signature to apply for or pursue any application for or registration of any PRC, U.S., or foreign patent or copyright covering Inventions owned by the Company as stated above, the Employee hereby irrevocably appoints the Company and its duly authorized officers and agents as the Employee's agent and attorney in fact, to act in the Employee's stead to execute and file any such applications and to do all other lawful acts to further the prosecution, issuance, maintenance or enforcement of PRC, U.S. and foreign patent applications, patents and copyrights thereon with the same legal force and effect as if executed by the Employee.

如果因为员工的无能力或任何其他原因，公司无法获得员工的签字从而不能申请、或寻求任何涵盖上述公司拥有发明的，中国、美国或其他外国的专利或版权的申请或登记，员工在此不可撤销地委任公司和公司合法授权的人员和代理人作为员工事实上的代理人和受托人，代表员工签署和提交该等申请，以及采取所有其他合法行为进行中国、美国和其他外国专利申请、专利权和版权的发起、维持或实施，其法律效力有如由员工亲自进行。

In furtherance of this Agreement, the Employee shall testify at the Company's request and expense in any legal proceeding arising during or after the term of this Agreement.

为达到本协议的目的，在本协议期限内或之后产生的任何法律程序中，员工将应公司的要求进行作证，并由公司承担费用。

III. No n -Solicitation 禁止招揽

9. Non-solicitation Obligation 禁止招揽义务

During the employment relationship between the Company and the Employee and within [**12**] months following the termination or ending of the employment relationship, the Employee shall not:

在双方的劳动关系存续期间以及劳动关系解除后的 [**12**] 个月内，员工不得：

(1) Directly or indirectly, induce or try to induce any other employee of the Company to terminate or end his/her employment with the Company, or directly or indirectly recruit or hire any other employee of the Company, or encourage or participate in such recruitment or hiring. "Any other employee of the Company" referred to in this provision includes any person who has established employment with the Company, or a third party which has established a service relationship with the Company or is negotiating with the Company with respect to the establishment of a service relationship; or

直接或间接地劝诱或试图劝诱公司的其他员工解除或终止与公司的劳动关系，或直接或间接地招募或雇用，或鼓励或参与招募或雇用公司的任何其他员工。"公司的任何其他员工"在本条中指任何已经与公司建立劳动关系，或已经或正在与公司就建立服务关系进行协商的个人；或

(2) Solicit any client of the Company for business not to be conducted with the Company. "Any client of the Company" referred to in this provision includes any third party that has established cooperation with the Company or is negotiating with the Company with respect to the establishment of cooperation.

引诱公司的任何客户从事与公司无关的业务。"公司的任何客户"在本条中包括任何已经与公司建立合作关系的，或者正在与公司就建立合作关系进行协商的任何第三方。

10. Liabilities for Breach of Non-Solicitation Obligation 违反禁止招揽义务的责任

In the event that the Employee breaches his/her Non-Solicitation Obligation, the Company

如果员工违反禁止招揽义务，则公司

(1) may terminate the Employee's employment relationship with the Company for the reason that the Employee has committed gross misconduct and the Company shall not be held liable to the Employee for the termination; and

可以以严重违纪为由解除与员工的劳动关系并不因此向员工承担任何责任；并且

(2) has the right to require the Employee to immediately stop violating his/her Non-Solicitation Obligation and reserves the right to seek further compensation for the losses caused by such breach.

有权要求员工立即停止违反禁止招揽义务的行为，并对由员工行为造成的损失保留进一步寻求补偿的权利。

In addition, if the Employee violates the Non-Solicitation Obligation, the Employee shall provide a compensation to the Company, which includes: (1) all monetary benefits the

Employee receives as a result of the breach; (2) losses caused to the Company's operation and business; (3) the Company's reasonable expenses in investigating the Employee's breach, including, but not limited to, travel and transportation expenses, translation fees, attorneys fees, notarization fees, judicial certification fees, and expenses for retaining third parties to conduct relevant investigations, etc.; and (4) damages to the Company's intangible properties such as business reputation.

另外，若员工违反禁止招揽义务，则应向公司赔偿的金额包括：（1）员工因违约行为所获得的全部收益；（2）给公司经营和业务造成的损失；（3）公司因调查其违约行为而支出的合理费用，包括但不限于差旅费、交通费、翻译费、律师费、公证费、司法鉴定费、委托第三方进行调查的费用等；和（4）给公司商誉等无形财产造成的损失。

The rights and remedies of the Company pursuant to this clause are cumulative, in addition to, and shall not be deemed to exclude, any other right or remedy which the Company may have pursuant to this Agreement or the fullest extent of PRC law.

本条款下的公司的权利和救济是可以累加的。上述权利和救济并不排除公司基于本协议或在中国法律最大许可范围内的其他权利和救济。

IV. Non-Competition 竞业限制

11. Non-Competition Obligation 竞业限制义务

During the Employee's employment with the Company and within [**24**] months after the termination or ending (for whatever reasons) of his/her employment with the Company, in China or any country or place where the Company carries on business, the Employee shall not, directly or indirectly, establish, carry on, participate in, work for, provide support for, or advise, any entities or individuals that directly or indirectly compete with the Company or its affiliates, whether as a shareholder, director, executive, partner, agent, employee or otherwise, or carry on any activity in compete with the business carried on by the Company or its affiliates ("Non-Competition Obligation"). The employee acknowledges that he/she will not work on any targets, proprietary methods/techniques, research projects he/she has worked on during the stay at BeiGene for 24 months after departure

在受雇于公司期间以及用工关系解除或终止（无论何种解除或终止事由）的 [**24**] 个月内，在中国境内或任何公司开展业务的国家或地区，员工不得直接地或间接地设立、经营、参与任何与公司及其关联公司有直接或间接竞争关系的的组织，不得直接地或间接地为该等组织服务、提供支持或提供任何建议，担任该等组织的股东、董事、执行官、合伙人、代理人、雇员或任何其他职位，亦不得直接地或间接地从事任何与公司或其任何关联公司业务相竞争的业务（"竞业限制义务"）。员工同意在离职后的 24 个月之内不从事任何在公司期间参与过的与靶标、受保护的研究方法与技术以及研究项目相关的工作与研究。

12. Non-Competition Compensation 竞业限制补偿金

During the said post-termination non-competition period, the Company agrees to provide to the Employee non-competition compensation to be deposited into the

Employee's salary account. The compensation will be made in equal monthly installment, equivalent to [60] % of the Employee's monthly salary at the end of his/her employment relationship with the Company (subject to applicable PRC Individual Income Tax deduction).

公司同意，在用工关系结束后的竞业限制期限内，向员工提供竞业限制补偿金，存入员工的工资账户。补偿金将按月支付，每月金额等同于员工离职前月工资的 [60]%（公司将代扣代缴中国个人所得税）。

13. Waiver of Non-competition Obligation 竞业限制义务的免除

Within the period of the Employee's employment with the Company, the Company may exempt the Employee from the non-competition obligation at any time by giving a written notification to the Employee; after the Employee leaves the Company, the Company may exempt the Employee from the non-competition obligation by giving a 30-day prior written notification to the Employee. After the Company exempts the Employee from the non-competition obligation, the Company shall accordingly be exempted from the obligation to pay to the Employee any compensation for non-competition obligation.

员工在公司任职期间，公司可以随时书面通知员工免除其竞业限制义务；员工离职以后，公司可以提前三十日书面通知员工免除其竞业限制义务。在公司免除员工的竞业限制义务后，公司相应地无需再向员工支付任何竞业限制义务补偿。

14. Notification to Third Party 向第三方告知

After the Employee leaves the Company, the Employee shall, upon the Company's request, notify the Company of the name and address of his/her new employer with whom he/she has an employment contract or service relationship. If the Company deems it necessary, the Company may notify the Employee's new employer of all the obligations under this Agreement binding the Employee.

在员工离职之后，员工应当按照公司的要求，向公司告知与其建立劳动 / 聘用 / 劳务关系的用人单位的名称和地址。在公司认为必要的情况下，公司有权向该等用人单位告知员工在本协议下所承担的义务。

15. Liabilities for Breach of Non-Competition Obligation 违反竞业限制义务的责任

For avoidance of any doubt, breach includes, but is not limited to, working for any competing organization, doing business (directly or indirectly) in competing business, failure to report to the Company the Employee's post-termination employment status, etc.

为避免歧义，违约行为包括但不限于：为任何竞争组织工作、直接或间接从事经营竞争业务、未按要求向公司报告离职后工作状况等。

In the event that the Employee breaches his/her Non-Competition Obligation, he/she shall pay the Company liquidated damages in the amount of 200% of the non-compete compensation the Employee has received from the Company. In addition, the Company has the right to require the Employee to immediately stop violating

his/her

Non-Competition Obligation and reserves the right to seek further compensation for the losses caused by such breach.

如果员工违反竞业限制义务规定的，应当向公司支付其已收到的竞业限制补偿金贰倍的金额。另外，公司有权要求员工立即停止违反竞业限制义务的行为，并对由员工行为造成的损失保留进一步寻求补偿的权利。

In addition, if the Employee violates the Non-Competition Obligation, the Employee shall provide a compensation to the Company, which includes: (1) all monetary benefits the Employee receives as a result of the breach; (2) losses caused to the Company's operation and business; (3) the Company's reasonable expenses in investigating the Employee's breach, including, but not limited to, travel and transportation expenses, translation fees, attorneys fees, notarization fees, judicial certification fees, and expenses for retaining third parties to conduct relevant investigations, etc.; and (4) damages to the Company's intangible properties such as business reputation.

另外，若员工违反竞业限制义务，则应向公司赔偿的金额包括：（1）员工因违约行为所获得的全部收益；（2）给公司经营和业务造成的损失；（3）公司因调查其违约行为而支出的合理费用，包括但不限于差旅费、交通费、翻译费、律师费、公证费、司法鉴定费、委托第三方进行调查的费用等；和（4）给公司商誉等无形财产造成的损失。

The rights and remedies of the Company pursuant to this clause are cumulative, in addition to, and shall not be deemed to exclude, any other right or remedy which the Company may have pursuant to this Agreement or the fullest extent of PRC law.

本条款下的公司的权利和救济是可以累加的。上述权利和救济并不排除公司基于本协议或在中国法律最大许可范围内的其他权利和救济。

16. Release of Non-Competition Obligation in Certain Circumstances 竞业限制义务的免除和存续情形

The Parties agree that if the Company does not provide compensation as stipulated under this Agreement within three consecutive months after the termination or ending of the employment relationship, the Employee can be automatically released from his/her Non-Competition Obligation.

双方同意，如果公司在员工离职后的连续三个月内不支付本协议中规定的竞业限制补偿金，员工可以自动不承担竞业限制义务。

However, if the Employee could have received the non-competition compensation provided by the Company but for the Employee's own intentional or unintentional action or inaction, the Company is deemed to have fulfilled its obligation under the Non-Competition clauses of this Agreement and the Employee's Non-Competition Obligation is not waived.

但是，如果是因员工自身的，有意或无意的作为或不作为，导致其没有收到公司提供的竞业限制补偿金，则认为公司已履行了其在本协议竞业限制条款下的义务，而员工的竞业限制义务并未被免除。

V. Miscellaneous 其他

17. Governing Law 管辖法律

The Parties agree that this Agreement shall be governed by the PRC laws and regulations. For any disputes arising out this Agreement, such disputes shall be resolved under the PRC laws and regulations.

双方同意，本协议适用中国法律法规的规定。有关本协议的任何争议应适用中国法律法规解决。

18. Remedies 法律救济

If a Party to this Agreement breaches this Agreement, or fails to perform the obligations under this Agreement, to the extent permitted by PRC Laws， the other Party that abides by the Agreement has the right to enforce performance of this Agreement and to seek any other proper remedies (including monetary compensation, if applicable).

若一方违反本协议，或未能履行其在本协议项下的任何义务，在中国法律允许的范围内，守约的一方有权请求强制履行、以及寻求其他任何适当的救济（包括金钱赔偿，如适用）。

19. Amendment of the Agreement 本协议的修改

Any amendment to the terms of this Agreement shall be executed in writing by mutual agreement.

对本协议条款的任何修订当以双方书面协议的方式进行。

20. Supplementary Agreement 补充协议

For any matters not covered by this Agreement, the Parties may agree in writing by supplementary agreements. Supplementary agreements shall be incorporated into this Agreement.

本协议未尽事宜，可由双方书面协商，签订补充协议。补充协议应作为本协议的一部分。

21. Severability 部分条款的效力

If any provisions of this Agreement are regarded as illegal, invalid or unenforceable, the validity, effectiveness and enforceability of the remainder of this Agreement shall not be affected.

本协议任何条款被认定为违法、无效或不可执行的，不影响本协议其他部分的合法性、效力和可执行性。

22. Notice 通知

All notices and correspondence under this Agreement shall be in writing.

本协议项下的所有通知及相关通信往来应以书面形式进行。

The Employee confirms that the Employee's mailing address listed at the beginning of the Agreement is current. If the Employee's mailing address changes, the Employee shall, within five days, notify the Company in writing. If the Employee, in violation of this provision, fails to provide updated mailing address to the Company, the Company's

mail delivery and correspondence to the Employee's most recently updated mailing address in the Company's record shall be deemed valid and effective.

员工确认，本协议首部列明的员工通信住址现在有效。该住址如有变更，员工应当在变更之日起五（5）个工作日内书面通知公司。员工未按照本条规定通知公司的，公司按照员工最近一次提供的通讯地址向员工发送各类文件均构成有效送达。

The Employee's notice or mail to the Company under this Agreement shall be delivered to the Company's Human Resource department or other addresses designated by the Company in writing.

员工基于本协议给公司的通知或信件应发送到公司的人力资源部门或公司书面指定的其他地址。

23. Waiver of the Rights 权利的放弃

A delay or failure to exercise a right under this Agreement by either Party does not constitute a waiver of that right.

任一方未行使或未能及时行使其在本协议项下的相关权利的，并不表示该一方已经放弃该项权利。

24. Execution of the Agreement 协议的签署

This Agreement shall take effect when the Employee signs, and the Company stamps its seal on the Agreement.

本协议经员工签署并加盖公司公盖章后生效。

25. Language of the Agreement 协议的语言

This Agreement is executed in both English and Chinese. In the event of any discrepancy between the English and Chinese versions, the Chinese text shall govern and prevail.

本协议以中英文书写。如中英文本之间存在差异，应以中文文本为准。

26. Copies 协议的份数

This Agreement shall be executed in two counterparts; each Party shall hold one original.

本协议正本一式两份；双方各执一份。

The Company Stamp 公司公章	Employee Signature 员工签字
[stamp: BeiGene (Beijing) Co., Ltd.]	/s/ Yan Xiaojun
Date 日期：	Date 日期：

APPENDIX 1.1

附件 1.1

List of the Employee's Excluded Inventions for the Purpose of Article 7 of this Agreement
本协议第七条中被排除的员工发明

Title/Name 名称	Date 日期	Identifying Number/Description 标识号码 / 描述

APPENDIX TWO - JOB DUTIES AND RECRUITMENT REQUIREMENT

附件二:工作职责和录用条件

Exhibit 10.12

SENIOR PROMISSORY NOTE

US$ 10,000,000 **February 2, 2011**

Subject to the terms and conditions of this senior promissory note (this ***"Senior Note"***), for value received, BeiGene, Ltd., a Cayman Islands exempted company (the " ***Borrower*** "), hereby promises to pay to the order of Essex Chemie AG, an affiliate of Merck Sharp & Dohme Corp. (" ***Merck*** ") or its Permitted Transferee (each of them, the " ***Lender*** "), the principal sum of US$10,000,000 (ten million dollars US) (the *" **Principal Amount** "*), together with interest thereon accruing from the date hereof until the entire Balance is paid, at an annual rate of eight percent (8%). Interest shall be calculated based on a 365-day year, compounded annually, but in no event shall the rate of interest exceed the maximum rate, if any, allowable under applicable law. " ***Balance*** " means, at the applicable time, the sum of the then outstanding principal amount of this Senior Note, and the then accrued and unpaid interest.

This Senior Note is issued by the Borrower pursuant to the Note Purchase Agreement dated as of January 14, 2011 (the *" **Purchase Agreement** "*), entered into by and among the Borrower, the Lender and the Founder, and is subject to, and the Borrower and the Lender shall be bound by, all the terms, conditions and provisions of the Purchase Agreement. In the event that the Borrower proposes to incur any senior indebtedness to a Commercial Lender (as defined below) (the *" **Senior Lender** "*) in an amount in excess of the then outstanding principal amount of this Senior Note, the Lender hereby agrees to do any and all reasonable acts and things to effectuate the subordination of this Senior Note to the prior payment in full of such senior indebtedness, including, without limitation, executing and delivering any reasonable form of subordination agreement or other documents requested by the Senior Lender. Unless earlier repaid pursuant to the terms hereof, this Senior Note shall become due and payable on the fifth (5 th) anniversary of the Initial Closing Date (the " ***Maturity Date*** "). Capitalized terms used but not defined herein shall be defined as defined in the Purchase Agreement. As used in this Senior Note, " ***Commercial Lender*** *"* means a commercial bank, savings and loan association, credit union, stock savings bank, trust company or mutual savings bank or other institution which lends money to individuals or businesses in the ordinary course of business, but does not mean an investment bank, venture capital fund or private equity fund.

The following is a statement of the rights of the Lender and the terms and conditions to which this Senior Note is subject and to which the Lender, by acceptance of this Senior Note, agrees:

1. Stamp Duties . The Borrower shall pay all duties or stamp duties (if any) payable on the issuance of this Senior Note.

2. Payment . If this Senior Note has not been previously repaid, then the Balance under this Senior Note shall, on the Maturity Date, be payable in full in cash. No interest shall be payable in cash before the Maturity Date. All payments on account of principal and interest shall be made in lawful money of the United States of America at the principal office of the Lender or such other place as the holder hereof may from time to time designate in writing to the Borrower.

3. Prepayment. The Borrower may, at its election at any time prior to the Maturity Date, prepay the Balance then outstanding, in whole or in part (the "***Prepaid Sum***"), under this Senior Note. The Prepaid Sum will not accrue interest after the date of the prepayment of the Prepaid Sum.

4. Transfer and Exchange. The holder of this Senior Note may surrender it at the principal office of the Borrower for transfer or exchange to a Permitted Transferee (as defined below). Within a reasonable time after written notice to the Borrower from such holder of its intention to make such exchange and without expense to a Permitted Transferee, except for any transfer or similar tax which may be imposed on the transfer or exchange, the Borrower shall issue in exchange another note for the same aggregate principal amount as the unpaid principal amount of the Senior Note so surrendered, having the same maturity and rate of interest, containing the same provisions and subject to the same terms and conditions as the Senior Note so surrendered. Each new Senior Note shall be made payable to the Permitted Transferee. For purposes of this Senior Note, "***Permitted Transferee***" shall mean with respect to Merck any organization or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by or is under common control with Merck. For purposes hereof, the terms "control", "controlled by", and "under common control with" with respect to Merck mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of Merck (whether through the ownership of voting securities, by contract, or otherwise); provided, that in each event in which any organization or entity owns directly or indirectly more than fifty percent (50%) of the securities having ordinary voting power for the election of directors or other governing body of Merck if Merck is a corporation or more than fifty percent (50%) of the ownership interest of Merck if Merck is any other form of organization or entity, such organization or entity shall be deemed to control Merck.

5. Events of Default. Notwithstanding any provision of this Senior Note to the contrary, the outstanding principal and accrued interest under this Senior Note shall become due and payable in full in cash without notice or demand, upon the happening of any one of the following specified events:

(a) voluntary dissolution or windup of a Group Company (as defined below);

(b) any material representation or warranty made by the Company and the Founder in the Purchase Agreement or the Securityholders' Agreement was untrue or inaccurate in any material respect when made;

(c) the material breach or violation of any other covenant, agreement or condition under the Transaction Documents (as may be amended from time to time) by a Group Company, which breach or violation is not cured within ten (10) Business Days after written notice of such default from the Lender;

(d) any indebtedness for borrowed money of a Group Company (other than the Notes) is accelerated as a result of a default or breach of or under any agreement or instrument evidencing or relating to such borrowed money;

(e) a Group Company admits in writing its inability to pay its debts as they become due, or makes a general assignment for the benefit of creditors;

(f) a Group Company commences any case or other proceeding seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its corporate structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or any part of its property, or shall take any action to authorize any of the foregoing; or

(g) any case or proceeding is commenced against a Group Company to have an order for relief entered against it as debtor or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of its structure or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors, or seeking other similar official relief for it or any part of its property, and such case or proceeding (x) results in the entry of an order for relief against it which is not fully stayed within five (5) Business Days after the entry thereof or (y) is not dismissed within forty-five (45) Business Days of commencement.

For purposes of this Senior Note, " ***Group Companies*** " means the Company, the HK Co. and the China Co. " ***Group Company*** " means any of the Group Companies.

6. New Note . Upon receipt of evidence reasonably satisfactory to the Borrower of the loss, theft, destruction or mutilation of this Senior Note, the Borrower will issue a new promissory note, of like tenor and amount and dated the original date of this Senior Note, in lieu of such lost, stolen, destroyed or mutilated Senior Note, and in such event the Lender agrees to indemnify and hold harmless the Borrower in respect of any such lost, stolen, destroyed or mutilated Senior Note.

7. Delays or Omissions . It is agreed that no delay or omission to exercise any right, power or remedy accruing to the Lender upon any breach or default of the Borrower under this Senior Note shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such breach or default, or any acquiescence therein, or of or in any similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring.

8. Governing Law . This Senior Note shall be governed by and construed in accordance with the law of the State of New York.

9. Collection Expenses . The Borrower further agrees, subject only to any limitation imposed by applicable law, to pay all expenses, including reasonable attorneys' fees, incurred by the Lender in endeavoring to collect any amounts payable hereunder which are not paid when due.

10. Amendment . Any provision of this Senior Note may be amended or waived with the written consent of the Borrower and the Lender. Originals or true and correct copies of any amendment, waiver or consent effected pursuant to Sections 10 and Section 11 herein shall be delivered by the Borrower to the Lender promptly (but in any event not later than five (5)

Business Days) following the effective date thereof.

11. Waiver. Borrower hereby waives presentment, protest, demand for payment, notice of dishonor, and any and all other notices or demands in connection with the delivery, acceptance, performance, default, or enforcement of this Senior Note.

12. Severability. In the event any one or more of the provisions of this Senior Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Senior Note operate or would prospectively operate to invalidate this Senior Note, then and in any such event, such provision(s) only shall be deemed null and void and shall not affect any other provision of this Senior Note and the remaining provisions of this Senior Note shall remain operative and in full force and effect and in no way shall be affected, prejudiced, or disturbed thereby.

13. Addresses for Notices, etc. Any notice required or permitted hereunder shall be given in writing and shall be conclusively deemed effectively given upon personal delivery or delivery by courier requiring signature upon delivery addressed (i) if to the Borrower, as set forth below the Borrower's name on the signature page of this Senior Note, and (ii) if to the Lender, at the Lender's address as set forth below the Lender's name on the signature page of this Senior Note, or at such other address as the Borrower or Lender may designate by advance written notice to the other parties hereto.

14. Headings; Interpretation. In this Senior Note, (i) the meaning of defined terms shall be equally applicable to both the singular and plural forms of the terms defined; (ii) the captions and headings are used only for convenience and are not to be considered in construing or interpreting the terms of this Senior Note and (iii) the words "including," "includes" and "include" shall be deemed to be followed by the words "without limitation".

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed by its duly authorized officers as of the date first above written.

BEIGENE, LTD.

By: /s/ John V. Oyler
Name: John V. Oyler
Title: Chairman
Address:
Telephone:
Email:

Acknowledged and agreed by the Lender:

ESSEX CHEMIE AG

By: /s/ Emmanuel Charron
Name: Emmanuel Charron
Title: Director
Address:
Telephone:
Email:

Exhibit 10.13

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

Entrusted Loan Contract

Contract No.

Type of loan:

Borrower (Party A): BeiGene (Suzhou) Co., Ltd.
Telephone:
Domicile: E105, 2F, A1 North, 218 Xinghu Rd. Fax:
Legal representative (responsible person): John Victor Oyler Post code: 215123

Entrusted Lender (Party B): Suzhou Industrial Park Biotech Development Co., Ltd.
Telephone:
Domicile: 5F, A1 North, 218 Xinghu Rd. Fax:
Legal representative (responsible person): Pang Junyong Post code: 215123

Agency (Party C): China Construction Bank Suzhou Industrial Park Branch
Telephone:
Domicile: 8F, CSSD Building, No158 Wangdun Road Fax:
Responsible person: Wu Nandai Post code: 215028

Whereas Party B commissions Party C to grant entrusted loan to Party A in accordance with the application of Party A, this Contract is concluded by Party A, Party B and Party C through consultations and binding upon the Parties hereunder.

Clause I Amount of Loan

Party B commissions Party C to grant a loan to Party A in the amount of (currency) RMB (in words) One Hundred and Twenty Million Yuan Only.

Clause II Purpose of Loan

Party A shall use the loan for the purpose of procurement, installation and debugging of equipment as well as the renovation of plant (including design and construction). Party A guarantees that such purpose will comply with relevant laws, statutes, regulations and policies of China. Without consent from Party B and written notification to Party C, Party A shall not change the purpose of the loan.

Clause III Term of Loan

The term of loan agreed in the Contract is months, i.e. from September 10, 2015 to September 30, 2019.

In case the starting date of the term of loan under the Contract disagrees with the Loan Transfer Voucher (receipt of the loan, the same hereinafter), the actual payment date stated on the Loan Transfer Voucher issued at the first time of payment shall prevail, and the due date of the loan agreed in Item I of this Clause shall be adjusted according. As integral part of the Contract, the Loan Transfer Voucher has the same legal force as the Contract.

Clause IV Loan interest rate, Default Interest Rate, Interest Accrual and Settlement

I. Loan interest rate

The loan interest rate under the Contract is annual interest rate, which is (I) below:

(I) Fixed interest rate, i.e. 7%, which will remain unchanged during the period of the loan.

(II) Floating interest rate, i.e. on the value date, the benchmark interest rate will ("increase" or "decrease") by %. From the value date to the date when the total principal and interest under the Contract is repaid, the interest rate will be adjusted once every month according to the benchmark interest rate on the date of adjustment as aforesaid increasing/decreasing percentage. If the adjustment date of interest rate is the corresponding date of the interest rate in the adjustment month, there is no corresponding date to the value date, the last day of the month will be the adjustment date of interest rate.

The benchmark interest rate refers to the loan interest rate of same level for the same period released and implemented by the People's Bank of China since the value date. After

that, if the loan interest rate is adjusted as agreed, the benchmark interest rate refers to the loan interest rate of same level for the same period released and implemented by the People's Bank of China on the date of adjustment. If the People's Bank of China does not release the loan interest rate of same level for the same period, the benchmark interest rate refers to the well recognized by the general loan interest rate of same level for the same period by the banks on the date of adjustment, unless otherwise specified.

II. Default Interest Rate

(I) Should Party A fail to use the loan according to the purpose set out in the Contract, the default interest rate will increase by 200% of the loan interest rate. If the loan interest rate is adjusted according to Item (II), Article (I) of this Clause, the default interest rate will be modified according to the adjusted loan interest rate and the aforesaid range of upward fluctuation.

Should Party A fail to use the loan for the purpose set out in the Contract, as for the portion misappropriated by Party A, interest and compound interest will be charged according to the default interest rate and the settlement method agreed in the Contract from the date when the loan is not used as set out in the Contract to the date when the total principal and interest is repaid.

(II) The default interest rate for the overdue loan repayment under the Contract will increase by 150% of loan interest rate. If the loan interest rate is adjusted according to Item (II), Article (I) of this Clause, the default interest rate will be modified according to the adjusted loan interest rate as well as the foregoing range of upward fluctuation.

If the loan repayment is overdue, in respect of the principal and the interest of the loan not repaid on time by Party A (including principal and interest of loan which Party B announces matured entirely or partially), interest and compound interest will be charged from the overdue date to the date when all principal and interest is repaid according to the default interest rate and the method of interest settlement agreed in the Contract. Overdue loan repayment refers to Party A's failure in repaying on time or Party A's failure in making repayment in installments according to the schedule as agreed in the Contract. Before the loan is matured, compound interest will be charged on the interest not repaid on time by Party A as well as the loan interest rate and the method of settlement agreed in the Contract.

(III) In the event that overdue loan repayment and misappropriation occur simultaneously, default interest and compound interest will be charged at such rate as applied to overdue loan repayment or misappropriation, whichever is higher.

III. Settlement of Interest

(I) With regard to the loan applicable to fixed interest rate, interest will be charged according to the rate agreed at the time of settlement. As for the loan applicable to floating interest rate, interest will be charged according to the rate determined in the floating period. In case interest rate fluctuates several times during one interest settlement period, the interests of all fluctuating period shall be calculated first, and then interest of such settlement period will be charged by adding the interests of all floating periods on the date of settlement.

(II) The interest of the loan under the Contract will be settled via the 2 nd method below:

1. Interest shall be settled monthly, and the date of settlement is fixed on the 20 th day of every month.

2. Interest shall be settled quarterly, and the date of settlement is fixed on the 20 th day of the last month of every quarter.

3. Interest shall be settled yearly, and the date of settlement is fixed on December 20 every year.

Clause V Delivery of Entrusted Capital and Granting of Loan

I. Party B shall deliver the entrusted fund in full amount to Party C before the lending date specified in the *Notice for Granting Entrusted Loan* .

The entrusted loan account under the Contract is not the saving's account of Party B with Party C. The balance in the account is not the balance of savings of Party B with Party C, and no interest will be accrued on the balance of the account.

II. Preconditions for Granting Entrusted Loan:

(I) Party C has received the entrusted fund which is not seized, frozen or forfeited by any competent authority.

(II) The source of the entrusted fund delivered by Party B is legal and in

compliance.

(III) Party C has received the *Notice for Granting Entrusted Loan* from Party B.

(IV) In case the loan granted under the Contract is in foreign currency, Party A has opened special account for saving foreign exchange.

(V) Neither Party A nor Party B has breached any provisions of the Contract.

(VI) Other conditions:

Party A guarantees that after the granting of the loan, it will pledge the assets which are formed after procurement, installation and debugging of equipment and renovation of plant (including design and construction) together with the patents of candidate medicines (including but not limited to the [...***...] patent setting pledge procedure guaranteed by BeiGene (Beijing) Co. Ltd.) as the security for the loan, and it will complete registrations in relation to such mortgage and pledge.

III. In case the amount of entrusted fund actually delivered by Party B is less than the amount of entrusted loan to be granted, Party C will be entitled to refuse to grant.

IV. The entrusted loan shall be granted according to the schedule agreed in Item (II) below:

(I) To be granted according to the following schedule:

RMB	on	; RMB	on	;
RMB	on	; RMB	on	;
RMB	on	; RMB	on	;
RMB	on	; RMB	on	;

(II) To be subject to the *Notice for Granting Entrusted Loan* provided by the Principal.

°

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V. In case Party C fails to grant the loan as set out in the Contract due to any reason of Party B, Party B shall independently bear the liabilities for Party A, while Party C will not bear any liability.

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Clause VI Guarantee on the Loan

I. The way of guarantee to be adopted for the entrusted loan under the Contract will be the type (II) below:

(I) Party B will sign the Guarantee Contract by its own.

(II) Party B commissions Party C to sign the Guarantee Contract in the name of the latter.

II. In case Party B commissions Party C to sign the Guarantee Contract in the name of the latter, Party C shall cooperate with Party B and agree to accept the commission subject to legal provisions.

III. Even if the Guarantee Contract is concluded in the name of Party C and even if the guarantee registration takes Party C as the oblige of guarantee, Party C will only act as the agency, with security interests and relevant liabilities and risks to be borne by Party B.

IV. In case the registration of the guarantee is required, Party B shall proceed by itself. Party C may proceed with the same on behalf of Party B if Party C agrees.

V. Party B will be responsible for supervising the guarantor and the collateral, unless Party B and Party C have reached written agreement otherwise.

VI. In case Party B loses the security interests and suffers losses due to Party C's fault, Party C shall compensate for the direct losses incurred by Party B given the severity of such fault. However, Party C's liability for compensation shall not overrun the value which is bound to be realized if the security interests are not lost.

Clause VII Repayment

I. Principles of Repayment

Unless Party A and Party B reach a written agreement otherwise and notify Party C in writing, the repayment of Party A under the Contract shall be made according to the principle of "interest first and principal later, interest cleared along with principal".

II. Interest Payment

Party A shall pay the interest due to Party B through Party C on the date of settlement. The first interest payment date is the first interest settlement date after the granting of the loan. When the last loan is repaid, interest shall be settled with the principal.

III. Repayment of Principal

Party A shall repay the loan principal according to the following schedule:

RMB 60,000,000	on September 30 2018	; RMB 60,000,000	on September 30 2019;	
RMB	on	; RMB	on	;
RMB	on	; RMB	on	;
RMB	on	; RMB	on	;

In case aforesaid principal repayment plan is adjusted, Party A and Party B shall reach another written agreement otherwise and inform Party C in writing.

IV. Means of Repayment

Party A shall prepare full amount for repaying the loan of the current term in the account opened with Party C on the repayment date agreed in the Contract and before the date of payment of interest and transfer to repay the loan (Party C will also be entitled to charge from the account for repaying the loan), or transfer money from other accounts for repaying the loan.

V. Repayment in Advance

Subject to the consent of Party A and Party B and written notice to Party C, Party A may repay the loan principal and interest partially or wholly in advance.

In case Party A repays the principal in advance, interest shall be calculated according to the actual period of using the loan and the loan interest rate agreed in the Contract.

In case Party A repays the loan in installments, with regard to the partial advance repayment of the loan principal, repayment shall be made as per the schedule in reverse order. After the advance repayment is made, the outstanding loan shall nevertheless be

applicable to the loan interest rate agreed in the Contract.

For the loan repaid in advance, Party C will not return the commission charge on the entrusted loan already collected.

VI. Remittance of Repayment

(I) All repayment from Party A shall be returned to Party B through Party C instead of directly to Party B. After receiving the repayment from Party A, Party C shall inform Party B in time.

In case Party B receives repayment directly from Party A, Party B shall inform Party C immediately, and Party B shall send the above sum of repayment to Party C for posting according to normal procedure of repayment.

(II) Party B shall pay the taxes by itself in case statutory taxes like business tax are required to pay due to its act regarding the entrusted loan, while Party C is not liable to withhold and pay the taxes on behalf of Party B. In case Party C is unable to proceed with its accountings correctly in time or Party C suffers losses due to any act of Party A or Party B, Party A and Party B shall assume joint and several liabilities.

VII. Principle of Repayment of Several Matured Loans Co-exist

If among matured loans, there are entrusted loan entrusted by Party B to Party C for issuing to Party A, and the self-loan granted by Party C to Party A, Party A has not expressly indicated which loan is to be repaid with the money, the entrusted self-loan shall be repaid in priority. Party C will also be entitled to charge the money from the account opened by Party A with Party C for repaying its self- loan in priority.

Where several entrusted loans which Party B commissions Party C to grant to Party A are due simultaneously, and Party A has not expressly indicated the purpose for which the loan is repaid, Party B will decide the priority of repayment.

Clause VIII Commission Charges and Other Costs

I. Party C will be entitled to charge the cost at the rate of 0.1 ‰ of the loan amount (referred to as "commission charges" hereinafter).

II. Party B shall pay the commission charges for the entrusted loan to Party C in full amount on time as set out in this Clause, no matter whether Party A has repaid the principal and interest of the loan on time or defaulted. In case the borrowing relationship between Party A and Party B or the entrustment relationship between Party B and Party C becomes ineffective, the commission charges already charged by Party C will not be returned. Party B will still bear the payment obligation for other commission charges payable that are due.

III. Specific Standards of Commission Charges and Time and Method of Payment:

IV. In case Party B fails to pay the commission charges as agreed, for each day overdue, Party C will be entitled to charge a penalty at the rate of 0.5‰ of the overdue commission charges, and may charge aforesaid commission charges and penalty from the principal and interest of the entrusted loan collected or any account in any currency opened by Party B with Party C.

V. Bearing of Expenses:

(I) Expenses incurred by any party breaching any stipulation set out in the Contract (including but not limited to the actually occurred litigation cost, arbitration cost, assets preservation cost, travelling cost, execution cost, appraisal cost, auction cost, notarization cost, delivery cost, announcement cost and lawyers' fee, etc.) shall be undertaken by such party.

(II) For other expenses, the three parties have agreed as follows:

Other expenses involved in the entrusted loan, including but not limited to appraisal cost, lawyers' fee and registration fee, will all be borne by Party A. Party B will not undertake any cost except the commission charges mentioned in Item I of the Clause.

Clause IX Rights and Obligations of Party A

I. Rights of Party A

(I) Party A will be entitled to request Party B informing Party C to grant the entrusted loan as set out in the Contract.

(II) Party A will be entitled to use the loan according to the purpose agreed in the Contract.

(III) Under the condition of complying with Party B's stipulations, Party A will be entitled to request Party B for extending the loan. Upon consent from Party B and Party C, the three parties may sign an extension agreement.

(IV) Party A will be entitled to request Party B and Party C to keep confidential on relevant information provided by it, unless otherwise specified by laws, statutes, regulations or the Contract.

(V) Party A will be entitled to refuse the demand for bribes from Party B, Party C and their staff, and will be entitled to report to relevant department about aforesaid behaviors or any behavior of Party B and Party C breaching relevant laws and statutes of the state.

II. Obligations of Party A

(I) Party A shall use the loan according to the purpose agreed in the Contract instead of embezzling or misappropriating it, and shall actively cooperate with Party B in inspection and supervision of the purpose of the loan under the Contract, provide financial and accounting information as well as relevant files and information related with production and operation as requested by Party B, and guarantee authenticity, completeness and effectiveness of the files and the information provided.

(II) Under any of the following circumstances, Party A shall inform Party B in writing immediately:

1. Party A encounters contracting, trust (takeover), leasing, shareholding reform, investment, joint operation, merging, consolidating, acquisition, restructure, splitting, joint venture, application for stop for rectification, application for dissolution, being revoked, (being) applied bankruptcy, change of controlling shareholders/actual controllers or transfer

of major assets, discontinuation of production, shutdown, being imposed of a substantive fine by authority with competent jurisdiction, being cancelled in registration, revoked business license, involving in significant legal disputes, or production and operation encounter serious difficulty, or financial situation is worsening, or the legal representative or main responsible person cannot perform the duties as usual.

2. Party A encounters alteration on industrial and commercial registration items, including name, legal representative (responsible person), domicile, operation scope, registered capital or articles of association of the company (enterprise).

(III) Party A shall provide operation summary of itself and its parent company (or related enterprise) to Party B according to the request of the latter every quarter.

(IV) Party A shall submit the files including contracts and invoices corresponding to the payment of every loan to the contact person of Party C one workday before the payment.

(V) Other obligations agreed in the Contract.

Clause X Rights and Obligations of Party B

I. As the Lender under the Contract, Party B will enjoy all rights and interests as a lender, and bear all obligations, liabilities and risks to be undertaken by the lender.

II. Party B shall carry out independent auditing on feasibility, legality and compliance of the loan project, the credit status, the repayment ability and the performance ability of Party A and/or the Guarantor, make independent judgment, and bear independently the risk that the loan cannot be recovered fully on time.

III. After the entrusted loan is granted, Party B shall keep continuous supervision on Party A's using the loan, focus on Party A's operation, financial status and repayment ability, and adopt measures in time when Party A encounters any situation that might affect the realization of Party B's creditor's rights. Party C shall assist Party B with adopting relevant measures.

IV. No matter if Party A has repaid principal and interest of the loan, or has breached the Contract or breached laws, or if the lending relationship is effective, Party B's obligation to Party C under the Contract will not be affected.

V. Party B will be entitled to check and supervise the purpose of Party A's loan, request Party A providing financial and accounting files as well as information about production and operation status, and keep confidential aforesaid information, unless otherwise requested by laws, statutes, regulations or competent organization.

VI. After the entrusted loan is matured, Party B shall collect in time, and file litigation against Party A or the Guarantor, apply for execution, declare bankrupted creditor's rights and adopt other remedial measures allowed by law. Party B shall not request Party C bearing any liability with the excuse that Party B has the obligation to assist with the recovery of the loan.

VII. The instruction issued by Party B to Party C shall be timely, clear, complete, complies with laws and the stipulations set out in the Contract, otherwise Party C will be entitled to refuse to execute, all consequences caused will be undertaken by Party B. For any act performed by Party C according to the instruction given by Party B, the latter shall bear all legal consequences.

VIII. Party B should not request Party C to issue deposit certificate in any form for the entrusted capital. Even if Party C has issued such, Party B should not transfer, pledge or make any other disposal on it, and shall return the foregoing deposit certificate to Party C before the latter issues the entrusted loan to Party A, and shall not request Party C paying or bearing any legal liability based on the deposit certificate.

IX. Other rights and obligations of Party B agreed in the Contract.

Clause XI Rights and Obligations of Party C

I. Party C shall help Party B supervise if Party A has used the loan according to the purpose agreed in the Contract and has returned principal and interest on time.

Party C's assistance with supervision refers to:

(I) Party C shall provide the bank statements of months of the saving's account opened by Party A with Party C since each loan is granted to such account under the Contract to Party B.

(II) Party C shall carry out special account supervision on the payment of every amount of loan under the Contract according to the purpose of loan agreed by Party A and

Party B. Party C shall complete the review on the payment files provided by Party A before payment, and check its basic information for conformity. In case Party Chas any doubt on the usage of the loan, it shall inform both Party A and Party B by email or in writing. Party A and Party B shall negotiate and provide a feedback by email or in written form, and Party C will carry out subsequent business conduction according to the contents of feedback. In case Party C finds that the amount or object of payment disagrees with that in the payment files, it will return the files to Party A and stop proceeding with relevant payment operation.

II. Party C is entitled to report Party A's information related to the entrusted loan as well as such information about deposit, loan and settlement of Party A with Party C to Party B.

III. In case Party A encounters such situations as being cancelled business registration, business license, death, missing or loss of civil conduct, Party C will be entitled to cancel the entrusted agency relationship with Party B, and issue a *Notice for Termination of Entrusted Agency Relationship* . Such relationship between Party B and Party C as well as all obligations of Party C under the Contract will be terminated on the date stated in the Notice.

IV. Party C will not bear liabilities for any dispute or illegal or non-compliant behaviors between Party B and Party A.

V. In case Party A fails to return the entrusted loan fully on time, while Party C makes compensation to Party B based on court judgment or arbitration award, rights of Party B to Party A and the Guarantor will all be transferred to Party C. Party A will not raise any objection on the transfer of aforesaid rights, and guarantees to perform obligations and responsibilities to Party C immediately after receiving the written notice from the latter.

VI. Party C shall help Party B with recovering the entrusted loan according to the following stipulations:

(I) Before the maturity of the principal of the entrusted loan (including the maturity of principal to be repaid in installments, same below)

Party C shall make interest accrual and settlement for the entrusted loan as set out in the Contract. After Party A's repayment every term, Party C shall complete relevant financial treatment and report to Party B about amount repaid by Party A, date, and principal and interest of loan not repaid. After receiving aforesaid financial information report, Party B shall check in time, and shall raise doubt or dissent if any to Party C in

written form within 5 workdays after receiving the report. In case losses are caused to Party A or Party B because of Party B's failure in raising the objection as agreed, Party C will not bear any liability. In case Party A fails to pay the interest of the entrusted loan on the interest settlement date, Party C shall inform Party B in writing.

(II) After the maturity of the principal of the entrusted loan

1. After the maturity of the principal of the entrusted loan, In case Party A has repaid fully on time, Party C shall enter the item into the account according to normal repayment procedure and inform party B in time. In case Party A fails to repay fully on time, Party C shall inform Party B about the overdue in writing, and collect the loan from Party A within 1 month. Party C only needs adopt written form to issue the collection notice according to name, domicile or telephone (fax) number of the recipient provided by Party A or Party B, and thus Party B's obligation for assisting with the collection of the overdue entrusted loan is performed. In case Party C adopts other approaches for collection, as long as there is evidence, it will be regarded as Party C's fulfillment of the obligation to assist with the collection.

2. Should Party A fail to repay fully on time upon the maturity of the entrusted loan principal, Party B shall sign an *Agreement on Management of Overdue Entrusted Loan* with Party C otherwise In case Party B wishes to entrust Party C to proceed with the collection of the entrusted loan. In case both parties fail to sign the *Agreement on Management of Overdue Entrusted Loan* within 1 month after the total loan principal matures, all obligations of Party C under the Contract will be terminated automatically, and Party C will be entitled to settle the account related to the entrusted loan under the Contract.

(III) In case the lending relationship between Party A and Party B is invalidated or revoked, the entrustment relationship between Party B and Party C is invalidated or revoked, in case that Party C has delivered the entrusted loan to Party A, Party C shall help Party B with taking back the entrusted loan. The assistance methods shall include but not limited to adopting written form to collect and informing Party B about the information about Party A's savings, loans and settlement with Party C.

(IV) Party C's obligation for helping Party B collect the entrusted loan is only restricted to the stipulations in this Clause.

VII. Party C is not obliged to participate in litigation, arbitration and insolvency procedures related to the entrusted loan and its guarantees, or dispose the debt assets for Party B.

Clause XII Liabilities for Breach of Contract

I. Situations of Party A's Breach of Contract and Liabilities for Breach

(I) Situations of Party A's Breach of Contract:

1. Breach of any stipulation set out in the Contract;

2. Any situation under which Party B considers might affect the realization of the creditor's rights.

(II) Party A's liabilities for breach

In case of any aforesaid breach, Party B may adopt one or several remedial measures below:

1. To request Party A to correct the breaching behavior within certain period, during which if Party A fails to make any correction, Party B may cancel the loan relationship between Party B and Party A;

2. To inform Party C to suspend the loan yet to grant;

3. To charge default interest (if any) as set out in the Contract;

4. To announce principal and interest of loan under the Contract entirely matured and request Party A to discharge immediately;

5. Other remedial measures allowed by law.

II. Party B's Breach of Contract and Liabilities

(I) Party B's Breach of Contract:

1. Fails to deliver the entrusted loan to Party C in full amount in time; or fails to grant the entrusted loan as set out in the Contract due to other reasons of Party B;

2. The source of the entrusted loan is illegal or not in compliance with any regulation, or any statement and guarantee made by Party B under the Contract is unreal, incorrect or incomplete.

3. Party B fails to pay the commissions charges for the entrusted loan in full amount and on time to Party C as set out in the Contract.

4. Party B has breached any other stipulation set out in the Contract.

(II) Party B's liabilities:

1. Concerning Party B's breaching behavior, Party A will be entitled to request Party B correcting within restricted period of time, compensating for losses and/or adopting other remedial measures.

2. Party C will be entitled to adopt one or several remedial measures below:

(1) To request Party B correcting its breaching behavior within restricted period of time;

(2) To refuse proceeding with the entrusted loan operation for Party B;

(3) To directly charge the commission charges due by Party B;

(4) To request Party B to compensate for losses;

(5) To cancel the entrustment relationship between Party B and Party C;

(6) Other remedial measures allowed by law.

III. Situations of Party C's Breach of Contract and Liabilities for Breach

(I) After Party B gives the entrusted loan fund to Party C as set out in the Contract, if Party C delays granting the loan to Party A without any proper reason, Party B will be entitled to request Party C to grant the same immediately.

(II) If Party C fails to perform the obligation to assist with the collection of the loan as set out in the Contract, which causes Party B not able to recover principal and interest of the loan on time, meanwhile Party B has no error, Party C shall bear relevant liabilities for the direct loss incurred by Party B based on the severity of the error.

(III) If Party C grants loan to Party A without authorization from Party B, the losses caused to Party B will be undertaken by Party C.

XIII Statement and Guarantee

I. Party A's Statement and Guarantee

(I) Party A has read all articles of the Contract, mastered and fully understood the definitions of all the articles and the corresponding legal consequences.

(II) The obligations under the Contract that Party A signs and fulfills shall comply with laws, administrative regulations, rules, Article of Association or regulations of internal documents, and obtain approval from internal organizations with authority and/or national competent authorities.

(III) The usage of the entrusted loan under the Contract is legal and of compliance. For the purpose of the project to be approved, the project has obtained approval from competent authorities.

II. Party B's Statement and Guarantee

(I) Party B has the qualification to entrust others to grant the entrusted loan.

(II) Source of the entrusted loan fund is legal, which is not credit fund or public money deposited under individual's name or capital for issuing entrusted loans prohibited by laws or regulations.

(III) Party B has the legal right to handle the entrusted capital, and has obtained approval from competent authorities.

(IV) Entrusted loan handling shall not violate or evade national laws, regulations, or administrative supervisory measures, nor damage legal interests of the country, collection or any third parties.

(V) In the entrusted loan service, Party C acts only as the agent of Party B. Party C will not undertake any loan risk, Party C will promise not to recover the loan capital and interest in full amount, or Party C will not provide guarantee in any form for the entrusted loan. In case any staff member of Party C promises to recover the loan capital and interest in any place which is executed with Party B, or in case any staff member of Party C provides any guarantee documents for the entrusted loan, these are not the true meaning of Party C, which has no binding force to Party C.

XIIII Miscellaneous

I. Transfer and Collection of Payables

For all payables of Party A or Party B to Party C under the Contract, Party C will be entitled to transfer and collect payables in RMB or other relevant currency from the account opened in China Construction Bank, without notice in advance. In case foreign exchange settlement and sales or foreign exchange trading formalities are required to carry out, Party A or Party B is obliged to provide assistance for Party C, and undertake the exchange rate risks.

II. Use of Party A's Information

Party A agrees that Party C can query, print, and save Party A's credit status information through the financial credit information fundamental database and other legal credit institutions. The obtained information can be used to audit the application of entrusted loan, supervise the purpose of the entrusted loan, and assist in recovering the loan. The information also can be used in businesses of China Construction Bank within legal business scope, as well as other usages regulated by laws. Party A also agrees that Party C provide Party A's information (including credit status and adverse information) to the financial credit information fundamental database and other legal credit institutions, or disclose Party A's information to other third parties according to the business requirements.

III. Effectiveness of Evidence Recorded by Party C

Unless there are true and definite reverse evidences, Party C's internal accounting records about the principal, interest, expenses and repayment record of the entrusted loan, notes and vouchers generated during the period of Party A's withdrawal, repayment, and interest payment, which are made or kept solely by Party C, as well as Party C's records and vouchers for recalling the loan, all constitute the evidences which can effectively certify the contractual relationship between Party B and Party A, and the condition where Party C fulfills the obligation. Party A and Party B agree not to propose any objection.

IV. Transfer and Inheritance of the Contract

1. In case Party A intends to transfer the rights and obligations under the Contract, Party A shall obtain the approval in written form from Party B and Party C.

2. In case Party B intends to transfer the rights and obligations under the Contract, Party B shall obtain the approval in written form from Party C.

3. In case Party C intends to transfer the rights and obligations under the Contract, Party C shall obtain the approval in written form from Party B. However, because merger and separation occur in China Construction Bank, subsidiary companies are established, as well as organizations or business functions are adjusted, when Party A and Party B are informed of the above adjustment via correspondence or media announcement, Party C may transfer the rights and obligations under the Contract to a third party or the third party may inherit the rights and obligations, but the condition is that the third party shall obtain the legal qualification of operating the business of entrusted loan.

V. Consequences of Voidance or Rescission of the Contract

In case the entrusting relationship and/or loan relationship under the Contract is

regarded as invalid or is cancelled, all parties shall handle the matter as follows:

1. The entrusting relationship between Party B and Party C is valid, but the loan relationship between Party A and Party B is regarded as invalid or is cancelled. In this case, Party C will not undertake any legal responsibilities. In addition:

(1) In case Party C does not deliver the entrusted capital to Party A, Party C shall return the entrusted capital to Party B without paying interest.

(2) In case Party C has delivered the entrusted capital to Party A, Party B shall directly require Party A to return the entrusted capital, and Party C shall assist Party B in recalling the entrusted capital. The assistance ways include but are not limited to urge the repayment in written form, inform Party B of Party A's information about the deposit, loan, settlement in Party C. For the losses that Party B undertakes, Party C will not undertake responsibilities.

(3) In case this causes losses to a third party, Party A and Party B undertake legal responsibilities respectively according to their faults. Party C will not undertake responsibilities

2. In case the entrusting relationship under the Contract is regarded as invalid or is cancelled, but the loan relationship is valid, all parties shall handle the matter as follows:

(1) In case Party C does not deliver the entrusted capital to Party A, Party C shall return the entrusted capital to Party B without paying interest.

(2) In case Party C has delivered the entrusted capital to Party A, Party A and Party B shall negotiate with each other to handle the entrusted capital by laws, and Party C will not undertake responsibilities.

3. In case the entrusting relationship under the Contract is invalid or cancelled, and the loan relationship is invalid or cancelled, all parties shall handle the matter as follows:

(1) In case Party C does not deliver the entrusted capital to Party A, Party C shall return the entrusted capital to Party B without paying interest.

(2) In case Party C has delivered the entrusted capital to Party A, Party B shall directly require Party A to return the entrusted capital, and Party C shall assist Party B in recalling the entrusted capital. The assistance ways include but are not limited to urge the

repayment in written form, inform Party B of Party A's information about the deposit, loan, settlement in Party C. For the losses that Party B undertakes, Party C will not undertake responsibilities.

(3) In case this causes losses to a third party, Party A and Party B undertake legal responsibilities respectively according to their faults. Party C will not undertake responsibilities.

VI. Party B shall carry out supervision and inspection on Party A and obtain information about Party A through other channels, and Party C shall actively assist. Party C shall report the information about Party A it knows to Party B in time. However, Party C will not be responsible for timeliness, authenticity, completeness, accuracy and effectiveness of the information.

VII. If Party B waives the creditor's rights on the entrusted loan under the Contract with consensus of Party A and Party B, the two parties shall issue official letter as well as company resolution documents with legal effectiveness (Resolution of the Board of Shareholders and Resolution of the Board of Directors, etc.) to Party C, and Party C's obligations under the Contract will be eliminated. However, responsibilities and obligations of Party A and Party B for the payment of expenses already incurred under the Contract will not be affected.

VIII. If the correspondence address or other contact method of any party in the Contract changes, the other parties shall be informed immediately. Losses caused by failure of notification will be undertaken by the party that makes the change.

IX. Rights enjoyed by Party C as set out in laws or the Contract shall not be interpreted as its obligations. If Party C fails to exercise immediately or waives to exercise, Party A or Party B shall not request Party C bearing any legal liability based on such reason.

X. Documents and vouchers including Notice of Granting of the Entrusted Loan and Letter of Confirmation related to the entrusted loan under the Contract are all effective comprising part of the Contract.

XI. The Contract is in sextuplicate.

XII. Miscellaneous

(I) The capital from the entrusted loan shall only be used for procurement, installation and debugging of equipment and renovation of plant (including design and construction). If Party A changes the purpose of the capital, Party B will be entitled to request Party A to repay the loan received in advance, and Party A shall bear relevant liabilities for the breach of Contract.

(II) Party A confirms: the completion of the pledge registration procedure for [...***...] patent guaranteed by BeiGene (Beijing) Co., Ltd. will not be later than June 30, 2016, otherwise Party B will be entitled to terminate the Contract and request Party A repaying in advance. Party A shall complete the subsequent fundraising by itself and mortgage the fixed assets purchased by the fund raised by itself to Party B.

(III) The mortgage registration procedure for the equipment purchased by Party A after acquiring the first batch of loan (RMB60,000,000) guaranteed should be completed no later than June 30, 2016, otherwise Party B will be entitled to terminate the Contract and request Party A repaying in advance. Party A shall complete the subsequent fundraising by itself and mortgage the fixed assets purchased by the fund raised by itself to Party B.

(IV) The equipment purchased by Party A with the rest RMB60,000,000 shall also be mortgaged to Party B. Party A shall conduct the mortgage registration procedure within 2 months after obtaining the ownership of the equipment. If Party A fails to actively assist with Party B in handling the mortgage registration procedure, Party B will be entitled to terminate the Contract and request Party A repaying in advance.

XIII. Dispute Resolution

Dispute arising from the performance of the Agreement may be solved through negotiation. If negotiation fails, it can be settled by the (I) method below:

(I) To file a petition to the People's Court at the domicile of Party C;

(II) To submit to Arbitration Committee (the place of arbitration is) for arbitration according to arbitration rules of the Commission then effective at the time of application. The arbitral award is final and binding on both parties.

During the period of litigation or arbitration, the clauses uninvolved in dispute of the Contract shall still be performed.

XIV. Effectiveness of Contract

The Contract will enter into force when signed by the legal representatives (responsible persons) or authorized agents of Party A, Party B and Party C and affixed with the official seals of the parties hereunder (in case Party A and Party B are natural persons, signatures only are required).

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Party A (official seal):

Legal representative (responsible person) or authorized agent (signature):

[stamp: BeiGene (Suzhou) Co., Ltd.] /s/ John V. Oyler

Date: 2015/7/20

Party B (official seal):

Legal representative (responsible person) or authorized agent (signature): [stamp]

[signature]

Date: 2015/7/20

Party C (official seal):

Responsible person or authorized agent (signature): [stamp] [signature]

Date: 2015/9/2

Exhibit 10.14

EXECUTION COPY

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

PURCHASE OF RIGHTS AGREEMENT

This Purchase of Rights Agreement (this " **Agreement** "), effective as of October 1, 2015 (the " **Effective Date** "), is by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited, 94 Solaris Avenue, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands GB (" **BeiGene** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Merck** "). BeiGene and Merck may be referred to herein as a " **Party** " or collectively as the " **Parties."**

WHEREAS, the Parties are parties to the License Agreement, with an Effective Date of October 25, 2013 pertaining to the " **Merck Territory** ", as defined below (the " **Ex-PRC Agreement** ") and the License Agreement, with an Effective Date of October 25, 2013 pertaining to the " **BeiGene Territory** ", as defined below (the " **PRC Agreement** ");

WHEREAS, the Parties intend the PRC Agreement to continue in effect, as modified by this Agreement; and

WHEREAS, the Parties wish to provide for the purchase by BeiGene of all of Merck's rights under the Ex-PRC Agreement as set forth herein and provide for the survival of certain provisions of the Ex-PRC Agreement as needed to effect the continuation of the PRC Agreement;

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

1. Definitions . The following terms shall have the following meanings:

1.1. **"Merck Territory"** means all the countries of the world, except the PRC Territory.

1.2. **"BeiGene Territory** " means The People's Republic of China, excluding Hong Kong, Macau and Taiwan.

1.3. Capitalized terms used in herein but not defined shall have the meanings set forth in the PRC Agreement, or, if not defined in the PRC Agreement, as defined in the Ex-PRC Agreement.

2. Purchase of Rights under the Ex-PRC Agreement.

2.1. Merck hereby sells and transfers all of its rights under the Ex-PRC Agreement to BeiGene, and agrees that Merck shall have no further rights and obligations under the Ex-PRC Agreement. The Ex-PRC Agreement is hereby terminated, except as set forth below.

3. The PRC Agreement.

3.1. The PRC Agreement shall continue in full force and effect, except as set forth below.

4. Payments.

4.1. Within […***…] from the Effective Date in consideration of the termination of the Ex-PRC Agreement, BeiGene shall pay Merck a one-time payment net of any deductions and taxes on the payment (e.g. withholding tax, sales tax, vat or similar transactional taxes) of Ten Million US dollars (US$ 10,000,000). The Ex-PRC Agreement shall terminate upon payment of the aforementioned amount.

4.2. No other or further payments shall be due from BeiGene to Merck with regard to the transfer of Ex-PRC rights to BeiGene under this Agreement.

5. Survival of Certain Provisions of the Ex-PRC Agreement.

5.1. All provisions of the Ex-PRC Agreement that are required in the event Merck exercises its rights under Section 2.3 or 2.4 of the PRC Agreement shall survive, solely for purposes of effecting the results of such exercise. In addition, only the following provisions of the Ex-PRC Agreement shall survive the termination of the Ex-PRC Agreement: Articles 1 (Definitions), 8 (Confidentiality) (other than Section 8.4 (Publications) and Section 8.5 (Press Releases and Disclosure), and with respect to the remaining sections only for the time period set forth in Section 8.1), 12 (Dispute Resolution), and 13 (Miscellaneous)(other than 13.2 (Assignment) and 13.4 (Change of Control)); and Sections 2.3(b) (No Other Rights); 10.4 (No Consequential Damages), and, without regard to the basis of termination, Section 11.5(b)(ii).

6. Amendment of Certain Provisions of the PRC Agreement.

The following provisions of the PRC Agreement are amended as set forth below:

6.1. Sections 2.1(a) and 2.1(b) are amended by replacing the words "and the Other License Agreement" with the words "and the surviving provisions of the Other License Agreement."

6.2. Section 2.4, as previously amended, is amended by replacing the words "12-5 Status" with the words "12-5 Status or 13-5 Status."

6.3. Section 3.5 is amended by (i) deleting the payment specified for the first milestone set forth therein […***…], and (ii) reducing the payments specified for the other milestones set forth therein by […***…].

6.4. Section 7.3(c) is deleted.

6.5. Section 9.9 is amended by replacing the words "and the Other License Agreement" with the words "and the surviving provisions of the Other License Agreement."

7. Option Agreement for Combination Clinical Trials. On the same day as of the Effective Date of this Agreement, the Parties shall enter into an option agreement (the "Option Agreement") that provides Merck with the option to ask for Combination Clinical Trials (as defined in the Option Agreement).

8. Press Release. The Parties agree that there will be no press release covering the execution of this Agreement and the Option Agreement.

9. Miscellaneous . This Agreement supersedes all proposals, negotiations, conversations and/or discussions between or among parties relating to the subject matter of this Agreement. No waiver, modification or amendment of any provision of this Agreement shall be valid or effective unless made in

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

a writing referencing this Agreement and signed by a duly authorized officer of each Party. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this Agreement. The captions to this Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Agreement. This Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England. Any notice, request, approval or consent required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service providing evidence of delivery to the Party to which it is directed at its address or facsimile number shown in Section 9.12 of the PRC Agreement or such other address or facsimile number as such Party shall have last given by notice to the other Party. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Effective Date.

BeiGene, LTD

By: /s/ John V. Oyler

Name: John V. Oyler

Title: Chief Executive Officer

Merck KGaA

By: /s/ Birgit Reitmaier

Name: Birgit Reitmaier

Title: Head of Technologies and Biomarkers, Global Business Development & Alliance Management

By: /s/ Jens Eckhardt

Name: Jens Eckhardt

Title: Regional General Counsel

Exhibit 10.15

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

OPTION AGREEMENT

This Option Agreement (this " **Option Agreement** "), effective as of October 1, 2015 (the " **Effective Date** "), is by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited, 94 Solaris Avenue, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands GB (" **BeiGene** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Merck** "). BeiGene and Merck may be referred to herein as a " **Party** " or collectively as the " **Parties."** The parties hereby agree as follows:

WHEREAS, the Parties are parties to the License Agreement, with an Effective Date of October 25, 2013 pertaining to the " **Merck Territory** ", as defined below (the " **Ex-PRC Agreement** ");

WHEREAS, BeiGene has purchased all of the rights of Merck under the Ex- PRC Agreement and the Ex-PRC Agreement has terminated except as set forth in the Purchase of Rights Agreement between the Parties of even date herewith; and

WHEREAS, the Parties wish to provide for combination clinical trials of BeiGene PARP Inhibitors and Merck Proprietary Products on the terms set forth herein;

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

1. Definitions . The following terms shall have the following meanings:

1.1. **"BeiGene PARP Inhibitor"** means "Collaboration Compound" or another "Product" that is a "PARP Inhibitor" (each as defined in the Ex-PRC Agreement) owned or Controlled by BeiGene.

1.2. " **Combination Clinical Trials** " means clinical trials of a BeiGene PARP Inhibitor and a Merck Proprietary Product

1.3. " **Major Country** " means each of (i) the United States, (ii) any two (2) of the United Kingdom, Germany, France, Italy, Spain and (iii) Japan.

1.4. " **Merck Proprietary Product** " means a current or future product owned or Controlled by Merck.

1.5. **"Merck Territory"** means all the countries of the world, except the PRC Territory.

1.6. Capitalized terms used herein but not defined shall have the meanings set forth in the Ex-PRC Agreement.

2. Future Agreements between the Parties . At any time during the period from the Effective Date until the first Regulatory Approval received for the Commercialization of a BeiGene PARP Inhibitor (the

"Option Period") in a Major Country, Merck may give written notice to BeiGene that Merck proposes to conduct a Combination Clinical Trial, which notice shall specify the Merck Proprietary Product to be included in such Combination Clinical Trial. For clarity, during the Option Period, Merck may give multiple option notices relating to different Merck Proprietary Products as well as different BeiGene PARP Inhibitors. At BeiGene's request, Merck shall furnish BeiGene such information as BeiGene shall request regarding such Merck Proprietary Compound and the proposed Combination Clinical Trial. Within […***…] of the BeiGene's receipt of such written notice, the Parties agree to enter into the following agreements, each of which shall contain the provisions described below, shall provide for survival in the case of a Change of Control of BeiGene, shall contain other provisions customary to agreements of that type, and shall be negotiated in good faith by the Parties.

2.1. A Clinical Trial Supply Agreement under which BeiGene shall supply BeiGene PARP Inhibitors for use in the proposed Combination Clinical Trial (including any control arm in such Combination Clinical Trial) at the […***…] thereof during the period from the date of such agreement until the first Regulatory Approval received for the Commercialization of a BeiGene PARP Inhibitor in a Major Country. The Clinical Trial Supply Agreement will provide that if BeiGene outsources the manufacturing of the BeiGene PARP Inhibitors, BeiGene will notify Merck of the identity of the manufacturer and the pricing, and Merck will have the right to contact alternative manufacturers having the necessary capability and regulatory approvals for manufacture of BeiGene PARP Inhibitors and seek quotations for pricing of the manufacture of the BeiGene PARP Inhibitors. If Merck obtains a bona fide quotation from such a manufacturer with pricing lower than the pricing provided by BeiGene by […***…], then BeiGene will supply the BeiGene PARP Inhibitors at the price in such quotation.

2.2. A Clinical Trial Agreement under which the Parties shall collaborate on the design of such Combination Clinical Trial (provided that Merck shall have final decision authority), Merck shall receive a non-exclusive fully paid up license to use BeiGene PARP Inhibitors in such Combination Clinical Trial and the Parties (i) shall jointly own all data generated in all Phase I Clinical Trials that are included in such Combination Clinical Trial but shall not be allowed to use the data for publication or IP filing without the prior written consent of the other Party, (ii) shall each have access to all data generated in such Combination Clinical Trial, and (iii) shall, at the request of either Party following the last treatment of the last subject in the last Phase I Clinical Trial that is included in such Combination Clinical Trial (or earlier, upon mutual agreement of the Parties) negotiate in good faith provisions regarding publication and intellectual property rights to all data generated in Phase II Clinical Trials and Phase III Clinical Trials included in such Combination Clinical Trial.

2.3. A Safety Data Exchange Agreement.

2.4. A Quality Assurance Agreement with respect to such Combination Clinical Trial meeting the standards of Good Clinical Practices.

2.5. A Quality Assurance Agreement with respect to the Clinical Supply Agreement meeting the standards of Good Manufacturing Practices.

3. Miscellaneous . This Option Agreement supersedes all proposals, negotiations, conversations and/or discussions between or among parties relating to the subject matter of this Option Agreement. No waiver, modification or amendment of any provision of this Option Agreement shall be valid or effective unless made in a writing referencing this Option Agreement and signed by a duly authorized officer of each Party. Each Party agrees to execute, acknowledge and deliver such further instruments and to do all such other acts as may be necessary or appropriate in order to carry out the purposes and intent of this

*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Option Agreement. The captions to this Option Agreement are for convenience only, and are to be of no force or effect in construing or interpreting any of the provisions of this Option Agreement. This Option Agreement shall be governed by and interpreted in accordance with the laws of England and Wales, excluding application of any conflict of laws principles that would require application of the Law of a jurisdiction outside of England and Wales, and will be subject to the exclusive jurisdiction of the courts of competent jurisdiction located in London, England. Any notice, request, approval or consent required or permitted to be given under this Option Agreement shall be in writing and shall be deemed to have been sufficiently given if delivered in person, transmitted by facsimile (receipt verified) or by express courier service providing evidence of delivery to the Party to which it is directed at its address or facsimile number shown in Section 9.12 of the PRC Agreement or such other address or facsimile number as such Party shall have last given by notice to the other Party. This Option Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

IN WITNESS WHEREOF, the Parties have caused this Option Agreement to be executed by their duly authorized representatives as of the Effective Date.

BeiGene, LTD

By: /s/ John V. Oyler

Name: John V. Oyler

Title: Chief Executive Officer

Merck KGaA

By: /s/ Birgit Reitmaier

Name: Birgit Reitmaier

Title: Head of Technologies and Biomarkers, Global Business Development & Alliance Management

By: /s/ Jens Eckhardt

Name: Jens Eckhardt

Title: Regional General Counsel

Exhibit 10.16

EXECUTION VERSION

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[...*...]." A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.**

AMENDMENT AGREEMENT

This Amendment Agreement (this " **Amendment** "), effective as of October 1, 2015 (the " **Effective Date** "), is by and between BeiGene, LTD, a corporation organized under the laws of the Cayman Islands having an address of c/o Mourant Ozannes Corporate Services, (Cayman) Limited, 94 Solaris Avenue, PO Box 1348, Grand Cayman KY1-1108, Cayman Islands GB (" **BeiGene** "), and Merck KGaA, a corporation with general partners organized under German law having a place of business at Frankfurter Strasse 250, 64293 Darmstadt, Germany (" **Merck** "). BeiGene and Merck may be referred to herein as a " **Party** " or collectively as the " **Parties."**

WHEREAS, the Parties are parties to the Amended and Restated License Agreement, with an Effective Date of December 10, 2013 pertaining to the " **Merck Territory** ", as defined below (the " **Ex-PRC Agreement** "); and

WHEREAS, the Parties wish to amend the Ex-PRC Agreement as set forth herein;

NOW, THEREFORE , in consideration of the various promises and undertakings set forth herein, the Parties agree as follows:

1. **Definitions** . The following terms shall have the following meanings:

1.1. **"Merck Territory"** means all the countries of the world, except the PRC Territory.

1.2. **"PRC Territory** " means The People's Republic of China, excluding Hong Kong, Macau and Taiwan.

1.3. Capitalized terms used in herein but not defined shall have the meanings set forth in the Ex-PRC Agreement.

2. **Amendment of Certain Provisions of the Ex-PRC Agreement.**

The following provisions of the Ex-PRC Agreement are amended as set forth below:

2.1. Exhibit I attached hereto listing all current Ex-PRC Phase I Expansion Cohort Clinical Trials, divided into the following two categories: "Designated Ex-PRC Phase I Expansion Cohort Clinical Trials" and "Other Ex-PRC Phase I Expansion Cohort Clinical Trials, " is hereby added to the Ex-PRC Agreement.

2.2. Clause (ii) of Section 1.59 is deleted and replaced by the following provision:

(ii) if Licensor conducts any Ex-PRC Phase I Expansion Cohort Clinical Trial, sixty (60) days after Licensor delivers to Company the last of the final reports of the results of (a) any Designated Ex-PRC Phase I Expansion Cohort Clinical Trial conducted by Licensor, (b) the PRC Phase I Expansion Cohort Clinical Trial, and (c) the PRC Phase I Dose Escalation Clinical Trial.

2.3. Section 4.1(b) is deleted and replaced by the following provision:

Company Option to Continue or Terminate the Agreement . On or before the Option Date, Company shall notify Licensor in writing of the Company's intent to either continue or terminate the Agreement. If the Option Date is as defined under subsection (i) of Section 1.59 and Company notifies Licensor in writing of its intent to continue the Agreement, the Agreement shall continue on the terms and conditions set forth herein. If the Option Date is as defined under subsection (ii) of Section 1.59 and Company notifies Licensor in writing of its intent to continue the Agreement, Company shall pay Licensor an amount (the "Continuation Fee") equal to (A) […***…] of Licensor's fully burdened costs of conducting any Ex-PRC Phase I Expansion Cohort Clinical Trials incurred prior to October 1, 2015, plus (B) […***…] of Licensor's fully burdened costs of conducting any Designated Ex-PRC Phase I Expansion Cohort Clinical Trials incurred between October 1, 2015 and the Continuation Date (defined below), plus (C) […***…]of Licensor's fully burdened costs of conducting any Ex-PRC Phase I Expansion Cohort Clinical Trials other than Designated Ex-PRC Phase I Expansion Cohort Clinical Trials incurred between October 1, 2015 and the Continuation Date, and upon such payment the Agreement shall continue on the terms and conditions set forth herein; provided, that the Continuation Fee shall not exceed […***…] unless Licensor has filed an IND with the FDA for the Product in such Ex-PRC Phase I Expansion Cohort Clinical Trials, in which event the Continuation Fee shall not exceed […***…]. The date of Licensor's receipt of written notice from Company of its intent to continue the Agreement shall be referred to as the " **Continuation Date** ." In the event that Company does not notify Licensor in writing on or before the Option Date of its intent to continue the Agreement, the Agreement shall terminate and Section 11.5(b) shall apply.

2.4. Section 4.1(c), set forth below, is added to the Ex-PRC Agreement:

4.1(c) Conduct of Designated Ex-PRC Phase I Expansion Cohort Clinical Trials. Licensor will use Commercially Reasonable Efforts to conduct the Designated Ex-PRC Phase I Expansion Cohort Clinical Trials. For clarity, and notwithstanding Section 4.1(a), Licensor has no obligation to conduct any Other Ex-PRC Phase I Expansion Cohort Clinical Trial and may terminate any Other Ex-PRC Phase I Expansion Cohort Clinical Trial in Licensor's sole discretion. If Licensor conducts any additional Ex-PRC Phase I Expansion Cohort Clinical Trial, it shall be an Other Ex-PRC Phase I Expansion Cohort Clinical Trial unless agreed in writing by the Parties.

2.5. Clinical Trial Protocols. Attached hereto as Exhibit II is the current protocol for the Ex-PRC Phase I Expansion Cohort Clinical Trials.

3. **Miscellaneous** . This Amendment supersedes all proposals, negotiations, conversations and/or discussions between or among parties relating to the subject matter of this Amendment. This Amendment shall be integrated in and form part of the Ex-PRC Agreement effective as of the Amendment Effective Date. Except for the foregoing modifications, the Ex-PRC Agreement is hereby ratified and confirmed in accordance with its original terms. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement.

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

IN WITNESS WHEREOF, the Parties have caused this Amendment to be executed by their duly authorized representatives as of the Effective Date.

BeiGene, LTD

By: /s/ John V. Oyler

Name: John V. Oyler

Title: Chief Executive Officer

Merck KGaA

By: /s/ Birgit Reitmaier

Name: Birgit Reitmaier

Title: Head of Technologies and Biomarkers, Global Business Development & Alliance Management

By: /s/ Jens Eckhardt

Name: Jens Eckhardt

Title: Regional General Counsel

EXHIBIT I

BGB-283 Phase 1b Expansion Cohorts

[…***…]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

EXHIBIT I I

Latest Approved Clinical Trial Protocol

[…***… (142 pages omitted)]

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*Confidential Information, indicated by [...***...], has been omitted from this filing and filed separately with the Securities and Exchange Commission.

Exhibit 21.1

Subsidiaries

Name of Subsidiary	Jurisdiction of Incorporation or Organization
BeiGene AUS PTY LTD.	Australia
BeiGene (Hong Kong) Co., Limited	Hong Kong
BeiGene USA, Inc.	United States
BeiGene 101	Cayman Islands
BeiGene (Suzhou) Co., Limited	People’s Republic of China
BeiGene (Beijing) Co., Limited	People’s Republic of China
BeiGene (Shanghai) Co., Limited	People’s Republic of China

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption "Experts" and to the use of our report dated August 28, 2015, in the Registration Statement (Form S-1) and related Prospectus of BeiGene, Ltd. dated October 16, 2015.

/s/ Ernst & Young Hua Ming LLP
Beijing, People's Republic of China
October 13, 2015

QuickLinks

Exhibit 23.1

Exhibit 99.2

Consent of Director Nominee

Pursuant to Rule 438 promulgated under the Securities Act of 1933, as amended, in connection with the Registration Statement on Form S-1 (the "Registration Statement") of BeiGene, Ltd. (the "Company"), the undersigned hereby consents to being named and described as a person who will become a director of the Company in the Registration Statement and any amendment or supplement to any prospectus included in such Registration Statement, and any amendment to such Registration Statement, and to the filing or attachment of this consent with such Registration Statement and any amendment or supplement thereto.

/s/ Xiaodong Wang
Name: Xiaodong Wang

Date: October 13, 2015