Risk Factors Comparison 2024-02-27 to 2023-03-01 Form: 10-K

Legend: New Text ~~Removed Text~~ Unchanged Text Moved Text Section

Data Privacy and Data Protection: Since our subsidiaries located in mainland China operate computer networks as part of their normal operations, we are required to comply with the requirements of mainland China' s cyber security, data protection, privacy, and data transfer laws and regulations. In addition, in the ordinary course of our business, we collect and store personal information, including personal information about our clinical trial subjects, customers, and employees in mainland China. We may need to share such personal information with our subsidiaries, licensors, partners, or contractors located outside of mainland China. Mainland China' s network and data protection regime is evolving, and we continue to face uncertainties as to whether our efforts to comply with these requirements will be sufficient. Although we develop and maintain compliance protocols and controls designed to maintain compliance with these requirements, development, implementation, improvement, and maintenance of these protocols and controls is costly and requires significant effort, resources, and time. In addition, in certain cases, our CROs, licensors, licensees, partners, contractors, and other third parties with which we do business are also required to comply with these laws, and our agreements with them require them to comply with these requirements, but there is a risk that they may not fully comply with them. Foreign Investment: Chinese laws and regulations govern the establishment, operation, and management of corporate entities in mainland China, as well as investment activities by foreign investors in mainland China. To comply with these rules, we must periodically submit certain information regarding our Company and certain investment information to relevant administrative authorities. Competition Laws: Under Chinese laws governing competition, commercial bribery is prohibited and subject to criminal liability. Further, under certain circumstances, a pharmaceutical company' s products may not be purchased by public medical institutions where that pharmaceutical company is involved in a criminal investigation or administrative proceedings related to bribery. These laws also protect " trade secrets, " meaning technical and business information that is unknown to the public that has utility and may create business interests or profits for its legal owners or holders and is maintained as a secret by its legal owners or holders. Unlawfully obtaining or disclosing trade secrets is prohibited. Additionally, a company whose concentration of business violates the anti- monopoly rules in mainland China may be subject to fines of up to 10 % of the last year' s sales revenue, in addition to other remedial measures. Product Liability: In addition to the strict new drug approval process, certain Chinese laws have been promulgated to protect the rights of consumers and to strengthen the control of medical products in mainland China. Under current Chinese law, manufacturers, and vendors of defective products in mainland China may incur civil and liability for loss and injury caused by such products as well as revocation of business licenses.- 17- Tort Law: Under the PRC Civil Code, producers and sellers of defective products are required to take remedial measures such as the issuance of a warning, the recall of products, etc. in a timely manner, and may be held liable under tort law for any failure to do so, or to do so timely. Intellectual Property Rights: Mainland China has comprehensive legislation governing intellectual property rights, including patents, trademarks, copyrights, and domain names. We hold patent rights from third parties for some of our programs as described in the Overview of Significant License and Collaboration Agreements. Under certain of our agreements, we rely on third parties to file and prosecute patent applications, maintain patents, and otherwise protect the licensed intellectual property. Labor Protection: Under applicable rules in mainland China, employers must establish a comprehensive management system to protect the rights of their employees and ensure manufacturing safety, including a system governing occupational health and safety to provide employees with occupational training to prevent occupational injury, and employers are required to truthfully inform prospective employees of the job description, working conditions, location, occupational hazards, and status of safe production as well as remuneration and other conditions. Employers are also required to contribute, on behalf of their employees, to a number of social security funds, including funds for basic pension insurance, unemployment insurance, basic medical insurance, work- related injury insurance, and maternity insurance. Additionally, manufacturers of pharmaceutical products are required to establish production safety and labor protection measures in connection with the operation of their manufacturing equipment and manufacturing process. Regulations Relating to Foreign Exchange: Approval from or registration with appropriate government authorities is required where RMB is to be converted into foreign currency and remitted out of mainland China to pay capital expenses such as repayment of foreign currency- denominated loans. For more information, see Dividends and Other Distributions. Regulations on Securities Offering and Listing Outside of China: Laws in mainland China regulate overseas securities offering and listing activities by domestic companies. These regulations include the requirement to submit filing documents including the offering prospectus to the CSRC. Overseas offering and listing are prohibited under certain circumstances, including where (i) the offering and listing are expressly forbidden by applicable Chinese laws, regulations, and rules; (ii) the intended overseas securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council; or (iii) there are material disputes with regard to the ownership of the equity held by the domestic company' s controlling shareholder or by other shareholders that are controlled by the controlling shareholder and / or actual controller. If domestic companies fail to fulfill the above- mentioned filing procedures or offer and list in an overseas market against the prohibited circumstances, they may be warned and fined up to RMB10 million. The controlling shareholders and actual controllers of such domestic companies that organize or instruct the aforementioned violations may be fined up to RMB10 million and directly liable persons- in- charge and

other directly liable persons may be fined up to RMB5 million. Rules for the Regulations on Supervision and Administration of Medical Devices: Laws and regulations in mainland China govern certain aspects of the production, distribution, and clinical trials of medical devices, including reporting, establishment, and maintenance of quality management and quality control measures covering the distribution process, self- inspection, and ethics review. Other Chinese National- and Provincial- Level Laws and Regulations: We are subject to changing requirements under many other laws and regulations administered by governmental authorities at the national, provincial, and municipal levels, some of which are or may become applicable to our business. For example, regulations control the confidentiality of patients' medical information and the circumstances under which patient medical information may be released for inclusion in our databases or by us to third parties. We are also subject to numerous additional national and provincial laws relating to matters such as safe working conditions, manufacturing practices, environmental protection, and fire hazard control. Anti- Corruption Laws and Regulations: We are subject to anti- corruption laws and rules in China and the United States, including the FCPA. These laws generally prohibit companies and their representatives from making improper payments to government officials for the purpose of obtaining or retaining business or to otherwise obtain favorable treatment or influence a person working in an official capacity. The health care professionals we regularly interact with- 18- may be considered government officials under Chinese anti- corruption laws or the FCPA. In 2023, Chinese authorities increased their anti- corruption enforcement efforts with respect to the health care sector. Our Customers We rely on independent third- party distributors in Greater China to sell our commercialized products, which is consistent with the pharmaceutical industry norm. This allows us to execute marketing strategies that are specifically tailored to each product and the geographic location of the hospitals located within the distribution territories of our customers across mainland China. During 2023 and 2022, our five largest customers accounted for approximately 35. 0 % and 37. 7 % of our total product revenue, respectively. We select distributors based on their business qualifications and distribution capabilities, such as distribution network coverage, quality, number of personnel, cash flow conditions, creditworthiness, logistics, compliance standard, past performance, and capacity for customer management. We offer rebates to our distributors, consistent with pharmaceutical industry practice. We retain no ownership control over the products sold to our distributors, and all significant risks (including inventory risks) and rewards associated with the products are generally transferred to our distributors upon delivery to and acceptance by the distributors. Manufacturing, Suppliers, and Quality Control As discussed below, we manufacture or source from third parties our commercial products, product candidates, and materials. We have our own independent quality control system and devote significant attention to quality control for the designing, manufacturing, and testing of our commercial products and product candidates. Our Manufacturing Facilities We currently manufacture or have rights to manufacture our internally developed products and certain of our licensed commercial products and product candidates under the terms of our licensing agreements, including ZEJULA (other than for commercial use in Hong Kong), NUZYRA, and xanomeline- trospium. We operate two manufacturing facilities in Suzhou, China, which support the commercial and clinical production of certain of our products and product candidates, including ZEJULA. • We have a small molecule facility that manufactures ZEJULA. The oral solids production line is cGMP- compliant and is capable of performing the entire production process, including blending, granulation (i. e., wet granulation process, fluidized bed process, and roller compaction), tableting, coating, and packaging for oral solid drug products. The facility has capacity to produce up to 50 million units per year for oral solid dosage form. We also have an early clinical manufacturing workshop for oral solids with additional capacity to produce approximately 30, 000 units / batch. • We have a large molecule facility for which we have successfully obtained permits and passed inspections to manufacture supplies for certain product candidates. The facility has a biological processing / formulation production line with an annual production capacity of up to 12 to 22 200L or 1000L clinical batches, respectively. The production line consists of a 1000L drug substance production line from Cytiva and a self- clean / autoclave automatic drug product production line from Tofflon Science. Our two manufacturing facilities comply with both the PRC and PIC / S drug manufacturing standards. We procure our manufacturing equipment from leading domestic and international suppliers. We believe our two manufacturing facilities are sufficient to support our commercial and clinical needs and our business growth in the near term.- 19- Contract Manufacturing Organizations We outsource to a limited number of external contract manufacturing organizations (" CMOs ") the production of certain drug substances and products to meet pre- clinical, clinical, and commercial requirements of our products and product candidates. For example, we have obtained the necessary licenses and engaged CMOs to locally manufacture NUZYRA and ZL- 1102 in mainland China. By outsourcing a portion of our manufacturing activities, we can increase our focus on core areas of competence such as product candidate development, commercialization, and research. We have adopted procedures to promote compliance by our CMOs with relevant regulatory requirements and internal guidelines with respect to production qualifications, facilities, and processes. When selecting our CMOs, we consider a number of factors, including their qualifications, relevant expertise, production capacity, geographic proximity, reputation, track record, product quality, reliability, and proposed terms for the production arrangement. Our CMOs provide services to us on a short- term and project- by- project basis. Our agreements with CMOs typically specify requirements, including product quality or service details, technical standards or methods, delivery terms, agreed price and payment, and product inspection and acceptance criteria. Our CMOs procure the necessary raw materials themselves. Suppliers Our suppliers may consist of (i) third- party licensors from which we have licenses for commercial products and product candidates; (ii) suppliers of raw materials in our supply chain; and (iii) CROs to support our clinical trials. • Licensors: We are dependent on some of our third- party partners for the manufacture and supply of certain of our commercial products and product candidates. For example, we source OPTUNE from NovoCure, QINLOCK from Deciphera, VYVGART from argenx, tisotumab

vedotin from Pfizer, adagrasib and repotrectinib from BMS, bemarituzumab from Amgen, and SUL- DUR from Innoviva. • Other Suppliers: We are dependent on third parties for certain raw materials in our supply chain. For example, we obtain raw materials for our clinical trial activities from multiple suppliers who we believe have sufficient capacity to meet our demands. We also believe we would have access to adequate alternative sources for such supplies, if needed. 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. While we experience price fluctuations associated with our raw materials, we have not experienced material disruptions in the supply of our raw materials. We have suppliers in both China and the United States. • CROs: We may depend on certain CROs to support our clinical trials. Quality Control and Assurance We have established a strict quality control system in accordance with NMPA regulations. We monitor our operations in real time throughout the entire production process, from inspection of raw and auxiliary materials to manufacture and delivery of finished products to clinical testing at hospitals. Our quality assurance team is also responsible for our compliance with applicable regulations, standards, and internal policies. Our senior management team is actively involved in setting quality policies and managing the internal and external quality performance of the Company. For information on risks related to our manufacturing and commercialization activities as well as our reliance on third parties, including our third- party partners, CMOs, and suppliers, see Risk Factors. Competition in the biopharmaceutical industry is intense. There are many companies, including biotechnology and pharmaceutical companies, engaged in developing products for the approved indications of our commercial products and the therapeutic areas we are targeting with our research and development activities. Some of our competitors may have substantially greater financial, marketing, research and development, and other resources than we do.- 20- We believe that competition and leadership in the industry is based on managerial and technological excellence and innovation as well as established patent and other proprietary positions through research and development. The achievement of a leadership position also depends largely upon our ability to maximize the approval, acceptance, and use of our product candidates and the availability of adequate financial resources to fund facilities, equipment, personnel, clinical testing, manufacturing, and marketing. Another key aspect of remaining competitive in the industry is recruiting, motivating, and retaining global leaders and top talent to support our research, development, and commercial activities. Competition among approved products may be based, among other things, on patent position, product efficacy, safety, patient convenience, delivery devices, reliability, availability, reimbursement, and price. In addition, early entry of a new pharmaceutical product into the market may have important advantages in gaining product acceptance and market share. Accordingly, the relative speed with which we can develop products, complete the testing and approval process and supply commercial quantities of products can have a significant impact on our competitive position. The introduction of new products or technologies, including the development of new processes or technologies by competitors or new information about existing products or technologies, results in increased competition for, and pricing pressure on, our commercial products. The development of new or improved treatment options or standards of care in our therapeutic areas could reduce or eliminate the use of our products or may limit the utility and application of ongoing clinical trials for our product candidates. We also face increased competitive pressures from the introduction of generic versions, prodrugs and biosimilars of existing products and products approved under abbreviated regulatory pathways. Such products are likely to be sold at substantially lower prices than branded products, which may significantly reduce both the price that we are able to charge for our products and the volume of products we sell. In addition, in some markets, when a generic or biosimilar version of one of our products is commercialized, it may be automatically substituted for our product and significantly reduce our revenues in a short period of time. We believe our long- term competitive position depends upon our success in discovering and developing innovative, cost- effective products that serve unmet medical needs, along with our ability to manufacture products efficiently and to launch and market them effectively in a highly competitive environment. For information on significant risks we face from competition, see Risk Factors. Insurance We maintain insurance policies that are required under Chinese laws and regulations as well as based on our assessment of our operational needs and industry practice. We maintain liability insurance for certain clinical trials, which covers the patient human clinical trial liabilities such as bodily injury, product liability insurance, general insurance policies covering property loss due to accidents or natural disasters, and director and officer (" D & O ") insurance. We do not maintain insurance to cover intellectual property infringement or misappropriation. Human Capital Resources Our employees are integral to our success, and we are committed to building and maintaining a strong and engaged workforce that is focused on delivering on our mission to become a leading global biopharmaceutical company and to positively impact human health in China and beyond. We seek to attract, retain, and motivate our employees through competitive compensation programs, professional development opportunities, and employee engagement. In evaluating our human capital management, we consider various factors, including employee performance, development, and our ability to recruit well qualified employees to support our business and operations. As of January 31, 2024, we had 2, 175 full- time employees, of which 2, 088 were located in Greater China. The number of full- time employees by function as of such date was as follows:- 21- By FunctionNumber ofEmployeesResearch and Development757Commercial1, 178Manufacturing70General and Administrative * 170Total2, 175 * Includes finance, legal, human resources, information technology, and other general and administrative functions. Our management executive team is comprised of our CEO and her direct reports who, collectively, have management responsibility for our business. Our management team places significant focus and attention on matters concerning our human capital assets, with a focus on being an employer of choice as well as on diversity, employee capabilities and growth, and succession planning. The competition for top talent in our industry is intense. To help attract, motivate, and retain well qualified employees, we strive to provide competitive compensation programs and benefits, including cash compensation,

stock- based compensation, and other benefits to support the financial, physical, and emotional health of our employees. For our employees in China, consistent with Chinese regulations, we participate in a housing fund and various employee social security plans that are organized by applicable local municipal and provincial governments, including housing, pension, medical, work- related injury, maternity, and unemployment benefit plans, under which we make contributions at specified percentages of the salaries of our employees. For our U. S.- based employees, in addition to our health and welfare benefits and parental leave, we provide retirement benefits in the form of certain matching contributions to tax- qualified 401 (k) plans. We provide professional development and training opportunities to our employees to help enhance their competencies and capabilities. These opportunities include formal and comprehensive company- level and department- level training for new employees followed by on- the- job training; periodic trainings to promote awareness and compliance with our policies and procedures; and cross- functional trainings to strengthen and reinforce employee collaborations across different functions, groups, and departments that work together to support our day- to- day operations. We have a performance management and talent development process through which managers provide regular feedback and coaching to develop employees. This process also helps the Company identify our pipeline of talent as well as areas in potential need of additional resources or support. We also engage our employees through employee resource groups, such as our women' s leadership community and local diversity, equity, and inclusion committees. We seek to bring together employees with different backgrounds and expertise to support our growth while also creating an inclusive culture. We are proud of the diversity, skills, and achievements that our employees bring to our business from various parts of the world. In addition, we are committed to being an equal opportunity employer, where everyone is treated equally and respected, regardless of their gender, nationality, marital status, age, disability, or religious belief. Our commitment to diversity is reflected in the composition of our workforce. For example, with respect to gender diversity, the majority of our full- time employees are women, and the majority of STEM- related positions are held by women. Our worldwide teams are united by a common mission to improve human health. We strive to maintain a good working relationship with our employees. We are committed to encouraging a culture of open communication where employees can ask questions, raise concerns, and contribute creative solutions. Our management team routinely makes themselves available to all employees, including in regular town hall events that encourage open dialogue. None of our employees are represented by a labor union or covered by a collective bargaining agreement, and we have not experienced any material work stoppages or labor disputes. Further, we have been able to recruit strong employees to support our business and operations.- 22- Risk Management We are committed to acting ethically, which includes identifying and responsibly managing risk. As a result, we have adopted a consolidated risk management methodology and program, which includes a three lines of defense risk management framework to identify, assess, evaluate, and monitor key risks associated with our strategic objectives on an on- going basis, and a risk governance structure that includes oversight by the Board of Directors (the " Board "), the Audit Committee of the Board of Directors (the " Audit Committee "), and management. Management oversight includes a Risk Coordination Council that is comprised of leaders of governance and quality functions along with operational line leaders and serves as a forum to discuss and monitor risks across the organization as well as other regional, divisional, or functional risk management committees or working groups, as deemed appropriate. We conduct an annual enterprise risk assessment to identify our top tier risks and, based on that assessment, will develop an enterprise risk management strategy and plans to manage those risks. Our risk management strategy takes into account various factors including our corporate strategic goals and objectives, our risk tolerance levels and thresholds, and applicable legal and regulatory requirements. We also develop and implement risk strategies for new or evolving risks during the year, as deemed appropriate. Management discusses with the Board of Directors or the Audit Committee the results of its annual enterprise risk assessments as well as its enterprise risk management methodology and guidelines and key risk- related developments. The following provides additional information on our three lines of defense framework: • First Line of Defense: Our business functions are primarily responsible for identifying and evaluating risks in their areas of responsibility and for developing and implementing a risk management program, including appropriate controls and procedures, to monitor, manage, and communicate to management key information with respect to these risks. Such risk management program should be consistent with our corporate business objectives and should adhere to risk policies, controls, and guidelines established by management and the Board of Directors or Audit Committee, including risk tolerance levels. Our business functions are also responsible for monitoring ongoing risks in their areas and communicating to management, as appropriate. • Second Line of Defense: Our Legal and Ethics and Compliance functions oversee implementation of our enterprise risk management program and monitoring of business activities aligned with the risk outcomes identified during the annual risk assessment process. For example, our Chief Legal Officer, supported by our Chief Compliance Officer, is responsible for: developing and updating our enterprise risk management program and targets; reviewing and approving management or mitigation plans for major risk management issues; overseeing implementation of risk management measures; providing guidance and support on our risk management approach to the relevant departments in the Company; and reporting to management, the Board of Directors, and the Audit Committee, as deemed appropriate. • Third Line of Defense: Our Internal Audit function is responsible for evaluating the design, adequacy, operational effectiveness, and efficiency of our enterprise risk management program, including our risk governance structure, processes for enterprise risk identification and management, and risk control processes. The following provides additional information on certain components of our risk governance structure: • Risk Coordination Council: The Risk Coordination Council, which is co- chaired by the Chief Compliance Officer and another rotating member and is comprised of governance function leaders as well as business operations leaders, provides a forum to discuss and identify, monitor, and manage risks across the organization. Potential risks identified through this forum are escalated

and managed both at the functional line level and through the Chief Compliance Officer directly to executive leadership and / or the Audit Committee, as deemed appropriate. • Audit Committee: The Audit Committee is responsible for assisting the Board of Directors in its oversight of the Company' s risk management and internal controls; the integrity of our financial statements; compliance with- 23- applicable legal and regulatory requirements; the qualifications, independence, and performance of our auditors; and our internal audit and compliance functions. • Board of Directors: The Board of Directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies and is responsible for establishing our enterprise risk management and internal control system and reviewing its effectiveness. The Board of Directors performs its oversight role through several different levels of review. For example, management reports to the Board on our business strategies, operations, and corporate functions, and each of the Board' s Committees reports to the Board on the risks within their areas of responsibility. Investment Risk Management To help meet our liquidity needs without significantly increasing our risk, we have an investment policy, which was approved by the Audit Committee and provides guidelines and specific instructions for the investment of our funds. Our investment strategy aims to minimize risks by reasonably and conservatively matching the maturities of the portfolio to anticipated operating cash needs. We make our investment decisions on a case- by- case basis after considering a number of factors, including, but not limited to, our cash flow levels, operational needs, and capital expenditures; the macro- economic environment; general market conditions; and the expected profit or potential loss of the investment. In accordance with our investment policy, we may engage in short-term investments with surplus cash on hand. Our investment portfolio primarily consists of time deposits. We are prohibited from investing in high- risk products, and proposed investments must not interfere with our business operations or capital expenditures. Zai Lab Limited is a holding company, and we may rely on dividends and other distributions on equity paid by our Chinese subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or holders of our ADSs or to service any debt we may incur. If any of our Chinese subsidiaries incur debt on their own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us. To date, there have not been any such dividends or other distributions from our Chinese subsidiaries to our subsidiaries located in or outside of mainland China. In addition, as of the date of this report, none of our subsidiaries have ever issued any dividends or distributions to us or their respective shareholders in or outside of mainland China, and neither Zai Lab Limited nor any of our subsidiaries has ever directly or indirectly paid dividends or made distributions to U. S. investors. Zai Lab (Shanghai) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received $ 466. 5 million in capital contributions via 24 separate contributions from Zai Lab (Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2014 to 2023 to fund its business operations in mainland China. Zai Lab International Trading (Shanghai) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB1. 0 million in capital contributions via contributions from Zai Lab (Shanghai) Co., Ltd., its sole shareholder, in 2019 to fund its business operations in mainland China. Zai Lab (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB166. 5 million in capital contributions via ten separate contributions from Zai Lab (Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2015 to 2019 to fund its business operations in mainland China. Zai Lab Trading (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB1. 0 million in capital contributions via contributions from Zai Lab (Suzhou) Co., Ltd., its sole shareholder, in 2020 to fund its business operations in mainland China. Zai Biopharmaceutical (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received $ 15. 0 million in capital contributions via four separate contributions from Zai Lab (Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2017 to 2018 to fund its business operations in mainland China. In the future, cash proceeds raised from our overseas financing activities may be transferred by us to our Chinese subsidiaries via capital contributions, shareholder loans or intercompany loans. According to the Foreign Investment Law of the People' s Republic of China and its implementing rules, which jointly established the legal framework for the administration of foreign- invested companies, a foreign investor may, in- 24- accordance with other applicable laws, freely transfer into or out of mainland China its contributions, profits, capital earnings, income from asset disposal, intellectual property rights, royalties acquired, compensation, or indemnity legally obtained, and income from liquidation, made or derived within the territory of mainland China in RMB or any foreign currency, and any entity or individual shall not illegally restrict such transfer in terms of the currency, amount, and frequency. According to the Company Law of the People' s Republic of China and other Chinese laws and regulations, our Chinese subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with Chinese accounting standards and regulations. In addition, each of our Chinese subsidiaries is required to set aside at least 10 % of its accumulated after- tax profits, if any, each year to fund a certain statutory reserve fund until the aggregate amount of such fund reaches 50 % of its registered capital. Where the statutory reserve fund is insufficient to cover any loss the Chinese subsidiary incurred in the previous financial year, its current financial year' s accumulated after- tax profits shall first be used to cover the loss before any statutory reserve fund is drawn therefrom. Such statutory reserve funds and the accumulated after- tax profits that are used for covering the loss cannot be distributed to us as dividends. At their discretion, our Chinese subsidiaries may allocate a portion of their after- tax profits based on Chinese accounting standards to a discretionary reserve fund. Renminbi, or RMB, is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our Chinese subsidiaries to use their potential future RMB revenues to pay dividends to us. The Chinese government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China. Shortages in availability of foreign currency may then restrict the ability of our Chinese subsidiaries to

remit sufficient foreign currency to our offshore entities for those offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign- currency- denominated obligations. RMB is currently convertible under the " current account, " which includes dividends and trade- and service- related foreign exchange transactions, but not under the " capital account, " which includes foreign direct investment and foreign debt (which may be denominated in foreign currency or RMB), including loans we may secure for our Chinese subsidiaries. Currently, our Chinese subsidiaries may purchase foreign currency for settlement of current account transactions, including payment of dividends to us, without the approval of the State Administration of Foreign Exchange of China (" SAFE ") by complying with certain procedural requirements. However, the relevant Chinese governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. The Chinese government may continue to strengthen its capital controls, and additional restrictions and substantial vetting processes may be instituted by SAFE for cross- border transactions falling under both the current account and the capital account. Any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of mainland China or pay dividends in foreign currencies to holders of our securities. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant Chinese governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries. See Risk Factors for a detailed discussion of the Chinese legal restrictions on the payment of dividends, our ability to transfer cash within the Company, and the potential for holders of our securities to be subject to Chinese taxes on dividends paid by us in the event we are deemed a Chinese resident enterprise for Chinese tax purposes. Available Information We file reports and other information with the Securities and Exchange Commission (" SEC ") and The Stock Exchange of Hong Kong Limited (" Hong Kong Stock Exchange "). We make available on our website our annual reports on Form 10- K (and previously on Form 20- F), our quarterly reports on Form 10- Q, and our current reports on Form 8- K (and previously on Form 6- K), and all other SEC reports and amendments to those reports. Additionally, we make available on our website our securities filings with the Hong Kong Stock Exchange. We make this information available on our website free of charge as soon as reasonably practicable after we electronically file the information with, or furnish it to, the SEC and the Hong Kong Stock Exchange, as applicable. We use our website as a means of disclosing material non- public information – including information on our products; business activities and partnerships; research; Trust for Life strategy, commitments, and reports; and other events and developments – and for complying with our disclosure obligations under Regulation FD. Our website address is- 25- www. zailaboratory. com. We do not incorporate the information on or accessible through our website into this report, and you should not consider any information on, or that can be accessed through, our website as part of this report. Item 1A. Risk Factors The following section includes the most significant factors that we believe may adversely affect our business and operations. You should carefully consider these risks and other information contained in this ~~Annual Report~~ **report** ~~on Form 10- K~~ and our other filings with the SEC before deciding to invest in our **securities** ~~ADSs or ordinary shares~~ . The risks **and uncertainties** described below are not the only ones we face. ~~For example, additional~~ **Additional** risks and uncertainties not presently known to us or that we currently believe to be immaterial could also adversely affect our business and operations. Summary This summary provides an overview of material risks that could affect our business, financial condition, results of operations, cash flows, and prospects, which should be read in conjunction with the more detailed discussion of risks that follows this summary. • **Changes in relations between the United States and China, as well as relations between China and other countries, may adversely impact our business, our operating results, our ability to raise capital on favorable terms or at all, and the market price of our securities; • We are subject to extensive laws, rules, and regulations. Compliance with these laws, including China' s Counter- Espionage Law, Data Security Law, Cyber Security Law, Cybersecurity Review Measures, Personal Information Protection Law, Regulation on the Administration of Human Genetic Resources, Biosecurity Law, Security Assessment Measures, and any other future laws and regulations or amendments to such laws and regulations may entail significant expenses and could materially affect our business. Our failure to comply with such laws and regulations, as a result of** ~~Uncertainties~~ **uncertainties** in the Chinese legal system **with respect to recent anti- corruption enforcement efforts or otherwise, could lead to government enforcement actions and significant penalties against us, which** could materially and **adversely impact our operating results; • We could be adversely affected by risks of doing business globally. For example, business disruptions or other adverse effects caused by economic, political, and social conditions, including market conditions, changing legal and regulatory requirements and government policies, political instability, trade policies and sanctions, public health crises, international war or conflict, natural disasters, extreme weather events, and other geopolitical events or significant disruptions could adversely affect our business, liquidity, and access to capital; • We have incurred significant losses since our inception and anticipate that we will continue to incur losses for at least the next year. If we are unable to generate sufficient revenue from our approved commercial products, on the anticipated timeline or at all, at a level that more than offsets our expenses, we will be unable to achieve or maintain profitability; • We rely on our licensors, CMOs, and other third parties for the commercial and clinical supply of our products and product candidates. Failure of our third parties to supply us with a sufficient quantity of products, in a timely matter or at all, will** adversely affect us; • ~~Changes~~ **Chinese manufacturing facilities have historically experienced issues operating** in **line** ~~United States and China relations, as well as relations~~ with pre- clinical 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 products or product candidates, ~~on the anticipated timeline or at all,~~ and our business could be substantially harmed;- ~~26~~ **71** - • If we are unable to obtain and maintain patent protection for our products and product candidates through intellectual property rights,or if the scope of such intellectual property rights obtained is not sufficiently broad,third parties may compete directly

against us;• **If we fail** ~~We may not be able~~ to ~~protect~~ **maintain proper internal financial reporting controls,** our ~~systems and networks,~~ **ability to produce accurate financial statements** or **comply with** other ~~countries~~ **information (including personal information)** , **from cyberattacks** and ~~/ or regulations~~ **other unauthorized access, disclosure, and disruption, which** may **materially and** adversely **affect us** ~~impact our business, our operating results, our ability to raise capital, and the market price of our ordinary shares and / or our ADSs~~ ; • The **pre** ~~Chinese government may intervene in or influence our operations at any time, which could result in a material change in our operations and significantly and adversely impact the value of our ADSs and ordinary shares, including potentially making those ADSs or ordinary shares worthless; • Proceedings brought by the SEC against China~~ - ~~based accounting firms could result in our inability to file future financial statements in compliance with the requirements of the Exchange Act; • Compliance with China' s Data Security Law, Cyber Security Law, Cybersecurity Review Measures, Personal Information Protection Law, the Regulation on the Administration of Human Genetic Resources, the Biosecurity Law, and any other future laws and regulations may entail significant expenses and could materially affect our business. Our failure to comply with such laws and regulations could lead to government enforcement actions and significant penalties against us, which could materially and adversely impact our operating results; • The economic, political, and social conditions in mainland China, as well as governmental policies, could affect the business environment and financial markets in mainland China, our ability to operate our business, our liquidity, and our access to capital;~~ - 70- ~~• If the Chinese government determines that our corporate structure does not comply with Chinese regulations, or if Chinese regulations change or are interpreted differently in the future, the value of our ADSs or ordinary shares may decline in value or become worthless; • The~~ approval of, filing, or other procedures with the CSRC or other Chinese regulatory authorities may be required in connection with issuing securities to foreign investors under Chinese law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures; • We may be exposed to liabilities under the FCPA and Chinese anti- corruption laws, and any determination that we have violated these laws could have a material adverse effect on our business or our reputation; • **Certain of our investments may be subject to CFIUS review, which may delay or block a transaction from closing; •** Restrictions on currency exchange may limit our ability to receive and use financing in foreign currencies; • We may rely on dividends and other distributions on equity paid by our Chinese subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our Chinese subsidiaries to make payments to ~~us~~ **Zai Lab Limited** could have a material and adverse effect on our ability to conduct our business; • Chinese regulations relating to the establishment of offshore special purpose companies by residents in mainland China may subject our China resident beneficial owners or our wholly foreign- owned subsidiaries in mainland China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit these subsidiaries' ability to increase their registered capital or distribute profits to us, or may otherwise adversely affect us; • Chinese regulations establish complex procedures for some acquisitions of mainland China based companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in mainland China; • ~~Chinese manufacturing facilities have historically experienced issues operating in line with established GMPs and international best practices, and passing FDA, NMPA, and EMA inspections, which may result in a longer and costlier current GMP inspection and approval process by the FDA, NMPA, or EMA for our Chinese manufacturing processes and third- party contract manufacturers; •~~ Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations; ~~• It may be difficult for overseas regulators to conduct investigations or collect evidence within mainland China; • If we are classified as a Chinese resident enterprise for Chinese income tax purposes, such classification could result in unfavorable tax consequences to us~~ and ~~our non- Chinese shareholders or ADS holders; • We and our shareholders face uncertainties in mainland China with respect to indirect transfers of equity interests in Chinese resident enterprises; • Any failure to comply with Chinese regulations regarding the registration requirements for our employee equity incentive plans may subject us to fines and other legal or administrative sanctions, which could adversely affect our business, financial condition, and results of operations; • Certain of our investments may be subject to CFIUS review, which may delay or block a transaction from closing; • Changes in United States and international trade policies and relations, particularly with regard to mainland China, may adversely impact our business and operating results;~~ • It may be difficult to enforce against us or our management in mainland China any judgments obtained from foreign courts ~~; • Any inability to renew our~~ - **or** ~~current leases on desirable terms or otherwise locate desirable alternatives~~ for **overseas regulators** ~~our leased properties could materially and adversely affect our business; • We have incurred significant losses since our inception and anticipate that we will continue to incur losses in the future. To date, we have not generated sufficient revenue from product sales to cover corresponding expenses, and we may never achieve or sustain profitability; • We are invested in the commercial success of our approved products, and our ability to generate product revenues in the near future is highly dependent on the commercial success of these products; • We rely on third parties~~ to conduct **investigations** ~~our~~ - **or collect evidence** pre- clinical and clinical trials..... produce accurate financial statements or comply with **within** ~~applicable regulations could be impaired; and • The effects of the COVID- 19 pandemic, including increased infection rates and any government actions and lockdown measures taken in response, particularly in~~ mainland China ~~, could materially and adversely affect us~~ . Risks Related to Doing Business in China ~~The uncertainties~~ **Uncertainties** in the Chinese legal system could materially and adversely affect us. **The** ~~In 1979, the~~ Chinese government **has** ~~began to promulgate~~ **promulgated** a comprehensive system of laws and regulations governing economic matters ~~in general~~ . **Although such** ~~The overall effect of~~ legislation ~~over the past four decades~~ has ~~significantly~~ enhanced ~~the~~ protections afforded to ~~various forms of~~ foreign investments in mainland China ~~. However~~ , mainland China has not developed a fully integrated legal system, and recently enacted laws and regulations may not sufficiently cover all aspects of economic activities in mainland China. In particular, the Chinese legal system is based on written statutes and prior court decisions have limited value as precedents. Since these laws and regulations are relatively new and the Chinese legal system continues to ~~rapidly~~ evolve, the interpretations of many laws, regulations and rules may not be uniform and enforcement of these

laws, regulations and rules involves uncertainties. These uncertainties may affect our judgment on the relevance of legal requirements and our ability to enforce our contractual rights or ~~tort~~ claims. In addition, the regulatory uncertainties may be exploited through unmerited or frivolous legal actions or threats in attempts to extract payments or benefits from us. Furthermore, the Chinese 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 may have a retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until ~~sometime~~ after ~~the~~ **an alleged** violation **has occurred** . In addition, any administrative **- 27-** and court proceedings in mainland China may be protracted, resulting in substantial costs and diversion of resources and management attention. In ~~July 2021~~ **recent years** , the General Office of the Communist Party of China Central Committee and the General Office of the State Council **have focused on** ~~jointly issued a document to enhance~~ **enhancing** ~~its~~ enforcement against illegal activities in the securities markets and ~~promote~~ **promoting** the ~~high- quality~~ development of capital markets, which, among other things, requires the relevant governmental authorities to strengthen cross- border oversight of law- enforcement and judicial cooperation, to enhance supervision over Chinese companies listed overseas, and to establish and improve the system of extraterritorial application of the Chinese securities laws. **There are** ~~Since this document is relatively new,~~ uncertainties **with respect** ~~exist in relation~~ to how soon legislative or administrative regulation- making bodies will respond and what existing or new laws or regulations or detailed implementations and interpretations will be modified or promulgated, if any, and the potential impact such modified or new laws and regulations will have on companies like us. It is especially difficult for us to accurately predict the potential impact on the Company of new legal requirements in mainland China because the Chinese legal system is a civil law system **and,** ~~based on written statutes. Unlike~~ **unlike** ~~the~~ common law ~~system~~ **systems** , prior court decisions ~~under the civil law system may be cited for reference but~~ have limited precedential value. **Uncertainties with respect to the scope and interpretation of existing laws, rules, and regulations in China, as well as future laws, rules, and regulations or amendments to such laws, rules, and regulations, may adversely affect our business and results of operations.** Changes in **relations between the** United States and China ~~relations~~ , as well as relations ~~with~~ **between China and** other countries, ~~and / or regulations~~ may adversely impact our business, ~~our~~ operating results, ~~our~~ ability to raise capital **,** and the market price of our **securities** ~~ordinary shares and / or our ADSs~~ . The U. S. government, including the SEC, has made statements and taken certain actions that **have impacted** ~~led to changes to United States and international relations~~ , and ~~will~~ **may continue to** impact **,** companies **like us** with **a substantial presence in** ~~connections to the United States or~~ mainland China, including **by** imposing several rounds of tariffs affecting certain products manufactured in mainland China, imposing certain sanctions and restrictions in relation to mainland China **,** and issuing statements indicating enhanced review of companies with significant China- based operations **or the possibility of legislation that restricts or prohibits U. S. investment in certain companies operating in mainland China** . It is unknown whether and to what extent new legislation, executive orders, tariffs, laws **,** or regulations will be adopted, or the effect that any such actions would have on companies with **a** significant **presence in mainland** ~~connections to the United States or to~~ China, our industry **,** or ~~on~~ us. We conduct pre- clinical and clinical activities and have **significant** business operations ~~both~~ in ~~the United States and~~ mainland China. Any unfavorable government policies on cross- border relations and / or international trade, including increased scrutiny on companies with significant China- based operations, capital controls **,** or tariffs, may affect the competitive position of our ~~drug~~ **commercial** products **and product candidates** , the hiring of scientists and other research and development personnel, the demand for ~~our~~ **or** ~~drug~~ **our ability to sell our commercial** products, the import or export of raw materials in relation to ~~- 72-~~ drug development, our ability to raise capital, **and** the market price of our **securities** ~~ordinary shares and / or our ADSs or prevent us from selling our drug products in certain countries~~ . If any new legislation, executive orders, tariffs, laws and / or regulations are implemented, if existing trade agreements are renegotiated, **or** if the U. S. or Chinese government take retaliatory actions due to ~~the~~ recent **or increased** ~~U. S.- China tension~~ **tensions between** ~~or if the Chinese government exerts more oversight and control over securities offering that is conducted in~~ the United States **and mainland China** , such changes could have an adverse effect on our business, financial condition **,** and results of operations, our ability to raise capital **,** and the market price of our **securities** ~~ordinary shares and / or our ADSs~~ . The Chinese government may intervene in or influence our operations at any time, which could result in a material change in our operations and significantly and adversely impact the value of our **securities** ~~ADSs or ordinary shares~~ , including potentially making those **securities** ~~ADSs or ordinary shares~~ worthless. The Chinese government has significant oversight and discretion over the conduct of our business and may intervene or influence our operations as the government deems appropriate to further regulatory, political and societal goals. The Chinese government has ~~recently~~ published ~~new~~ policies that significantly ~~affected~~ -- **affect** certain industries such as the education and internet industries, and ~~we cannot rule out the possibility that~~ it ~~will~~ **may** in the future release regulations or policies regarding the life sciences industry that could require us to seek permission from Chinese authorities to continue to operate our business, which may adversely affect our business, financial condition, and results of operations. Furthermore, recent statements made by the Chinese government have indicated an intent to increase the government' s oversight and control over offerings of companies with significant operations in mainland China that are to be conducted in foreign markets, **including the United States,** as well as foreign investment in China- based issuers like us. Any such action ~~, if taken~~ by the Chinese government ~~,~~ could significantly limit or **- 28-** completely hinder our ability to offer or continue to offer ~~ADSs or~~ **our securities** ~~ordinary shares~~ to our investors and could cause the value of our **securities** ~~ADSs or ordinary shares~~ to significantly decline or become worthless. Because the majority of our operations are in mainland China and our auditor for prior fiscal years was located in mainland China, there have been concerns regarding oversight of ~~the~~ audits of our financial statements filed with the SEC ~~. Further, as a result of the enactment of the HFCAA, as amended, which requires the SEC to prohibit trading on a national securities exchange or over- the- counter market in the United States of securities for a company that has been conclusively identified by the SEC as a Commission- Identified Issuer for two consecutive years, there have been concerns regarding the continued listing of our securities on Nasdaq. Although in May 2022 the Company engaged KPMG, an auditor located in the~~

~~United States and subject to inspection by the PCAOB, as our independent registered public accounting firm and in December 2022 the PCAOB vacated its determination that it was unable to inspect and investigate PCAOB- registered public accounting firms in mainland China, if for any reason we were to fail to meet the audit requirements of the HFCAA for two consecutive years, we may be prohibited from listing our securities on a national securities exchange, including Nasdaq, or on over- the- counter markets in the United States, which could adversely affect the market price of our ordinary shares and / or ADSs and our ability to raise capital~~ . In recent years, the U. S. Congress and regulatory authorities have expressed concerns about challenges in their oversight of financial statement audits of U. S.- listed companies with significant operations in mainland China and with auditors located in mainland China. For example, **inspections by the Public Company Accounting Oversight Board (the "** PCAOB ~~inspections~~ **")** of auditors located in mainland China and Hong Kong have at times identified deficiencies in those auditors' audit procedures and quality control procedures, and limitations on the ability of the PCAOB to inspect or investigate auditors in mainland China or Hong Kong could deprive investors of the benefits of PCAOB inspections, which could adversely affect the ability of companies using such auditors to access U. S. capital markets. As part of the continued focus on access to audit and other information for companies with substantial operations in China, in December 2020, the United States enacted the **Holding Foreign Companies Accountable Act (as amended, the "** HFCAA **")** , which requires the SEC to identify issuers that have filed an annual report with an audit report issued by a registered public accounting firm that is located in a foreign jurisdiction and that the PCAOB has determined it is unable to inspect or investigate completely because of a restriction imposed by a non- U. S. authority in the auditor' s local jurisdiction (a " Commission- Identified Issuer "). Under the HFCAA, ~~as amended in December 2022,~~ if the SEC conclusively identifies an issuer as a Commission- Identified Issuer for two consecutive years, the SEC is required to prohibit the trading of the issuer' s securities on a national securities exchange or through any other method that is within the jurisdiction of the SEC to regulate, including over- the- counter markets in the United States. In ~~2021, the PCAOB issued a Determination Report, which found that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong because of positions taken by Chinese authorities in those jurisdictions, and in~~ March 2022, SEC staff conclusively identified the ~~- 73-~~ Company as a Commission- Identified Issuer because our ~~predecessor~~ **former** auditor, which filed an audit report with our Annual Report on Form 10- K for the fiscal year ended December 31, 2021, was located in mainland China. In May 2022, the Company engaged KPMG **LLP (" KPMG ")** , an auditor located in the United States that is inspected by the PCAOB, as our independent registered public accounting firm for the fiscal year ended December 31, 2022. In addition, in December 2022, the PCAOB vacated its determination that it was unable to inspect and investigate PCAOB- registered public accounting firms in mainland China. As a result, until such time as the PCAOB issues a new determination, the SEC **staff** has ~~determined~~ **stated** that there are no issuers currently at risk of having their securities subject to a trading prohibition under the HFCAA. Although we are not currently at risk of delisting pursuant to the HFCAA, if the PCAOB were to issue a new determination regarding limitations on its ability to inspect or investigate our independent auditor and we were to fail to meet the audit requirements of the HFCAA for two consecutive years, our securities may be prohibited from trading on a national securities exchange or over- the- counter market in the United States, and this could result in our ADSs being delisted from **the** Nasdaq **Global Market (" Nasdaq ")** . Delisting of our ADSs would force holders of our ADSs to sell their ADSs or convert them into our ordinary shares. The foregoing could adversely affect the market price of our **securities** ~~ordinary shares and / or ADSs~~ and our ability to raise capital. The market price of our **securities could** ~~ordinary shares and / or ADSs~~ also ~~could~~ be adversely affected as a result of anticipated negative impacts of such legislative or executive actions upon, as well as negative investor sentiment toward, companies with significant operations in mainland China and Hong Kong that are listed in the United States, regardless of whether such actions are implemented and regardless of our actual operating performance. We may be subject to additional approval, filing, and compliance obligations with Chinese authorities in connection with our engagement of KPMG, a U. S. auditor that is subject to PCAOB inspection. In ~~February~~ **the first quarter of** 2023, the CSRC ~~released~~ **adopted** the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (the " Archives Rules ") ~~, which will become effective on March 31, 2023~~ . According to the Archives Rules, we may be required to complete certain approval, filing, and regulatory procedures if it becomes necessary for us to disclose or provide to KPMG, our U. S. auditor that is subject to inspection by the PCAOB, any documents or materials relevant to KPMG' s audit that are deemed to have a sensitive impact (i. e., be detrimental to national security or the public interest if divulged) or contain state secrets or governmental authority work secrets. Under **- 29-** those circumstances, KPMG would also be required to abide by corresponding approval, filing, and compliance procedures. Due to the lack of further interpretation, we are not certain about the scope of materials that would be deemed to have a sensitive impact or contain state or governmental authority work secrets. **We are subject to extensive data protection, privacy, and information security laws, regulations, and policies in China.** Compliance with **such laws** ~~China' s Data Security Law~~ , **rules** ~~Cyber Security Law~~ , **and** ~~Cybersecurity Review Measures, the PIPL, the Regulation~~ **regulations** ~~on the Administration of Human Genetic Resources, the Biosecurity Law~~ , and any other future laws and regulations **in these areas,** may entail significant expenses and could materially affect our business ~~. Our failure to comply with such laws~~ and ~~regulations could lead to~~ **results of operations, including as a result of** government enforcement actions and significant penalties ~~against us, materially and adversely impacting our operating results~~ . ~~China has implemented~~ **We are subject to** extensive data protection, privacy, and information security **laws,** rules ~~and is considering a number of additional proposals relating to these subject areas. Based on our understanding of these laws~~ , **and** regulations **in China** , **such** ~~and policies — some of which were only recently enacted — and the government regulators' interpretation of those legal requirements~~ as **the** ~~applied to life sciences companies like us, we believe we are compliant with all of our material legal obligations. Nevertheless, we face significant uncertainties and risks which, as explained below, may materially and adversely affect our operations. We maintain personally identifiable information of persons located within mainland China and at times transfer some of this personal information outside of China for legitimate business reasons. We also collect and~~

~~maintain de- identified or anonymized health data~~ **Data** ~~for clinical trials in compliance with local regulations, and we transfer outside of mainland China de- identified or anonymized health data for clinical trials. This data could be deemed by government regulators to be " personal information " or " important data. " With mainland China' s growing emphasis on its sovereignty over personal information of persons within mainland China and data derived from mainland China, the outbound transmission of personal information or de- identified or anonymized health data for clinical trials may be subject to the new national security~~ **Security Law** ~~legal regime~~ , ~~including the~~ Cyber Security Law, ~~the Data Security~~ **Cybersecurity Review Measures, Personal Information Protection** Law, ~~the PIPL, the~~ Regulation on the Administration of Human Genetic ~~Resource~~ **Resources** , **Biosecurity Law,** and ~~various implementing~~ **Security Assessment Measures. These laws, rules, and** regulations ~~and standards. The Cyber Security Law, which became effective in 2017, requires~~ - **require** ~~companies~~ **us** to take certain ~~organizational, technical, and administrative~~ measures ~~and other necessary measures~~ to ~~ensure~~ **promote** the security of ~~their~~ **our** networks and data stored on ~~their~~ **our** networks ~~. Specifically, the Cyber Security Law provides that companies adopt a multi- level protection scheme~~ (~~" MLPS "~~ **including with respect to collection, storage, processing, and transfer**), ~~under which network operators are required~~ to **monitor** ~~perform obligations of security protection to ensure that- 74- their networks are free from interference, disruption, or unauthorized access,~~ and **manage related** ~~prevent network data on their networks from being disclosed, stolen, or tampered. Under the MLPS, entities' operating information systems must have a thorough assessment of the~~ risks ~~and the conditions of their information and network systems to determine the level to which their information and network systems belong — from the lowest Level 1 to the highest Level 5 pursuant to a series of national standards on the grading and implementation of the classified protection of cyber security. The grading result will determine the set of security protection obligations that entities must comply with. Entities classified as Level 2 or above should report the grade to the relevant government authority for examination and approval. Under the Cyber Security Law and Data Security Law~~ , ~~we are required to establish~~ and ~~maintain a comprehensive data and network security management system that will enable us~~ to **disclose certain incidents** ~~monitor and respond appropriately~~ to ~~data security~~ **affected parties** and ~~network security risks. We will need to classify and take~~ appropriate ~~measures to address risks created by our data processing activities and use of networks. We are obligated to notify affected individuals and appropriate Chinese~~ regulators ~~of, and respond to, any data security and network security incidents. Furthermore, under the Cyber Security Law and Data Security Law, data categorized as " core data " and " important data, " the latter of which will be determined by governmental authorities in the form of catalogs which have not yet been published, is to be processed and handled with a higher level of protection, but what data constitutes core data or important data is currently not clearly defined except for certain industry sections. Therefore, to comply with the statutory requirements, we will need to determine whether we possess core data or important data, monitor the important data catalogs that are expected to be published by local governments and departments, perform risk assessments, and comply with reporting obligations to applicable regulators. We may also be required to disclose to regulators business- sensitive or network security- sensitive details regarding our processing of core data or important data~~ . Establishing and maintaining such systems and complying with such requirements takes substantial time, effort, and cost **. These laws** , **rules,** and ~~we may not be able to establish~~ **regulations also impose certain requirements on,** and ~~maintain~~ **may limit our ability to, transfer certain data,** such ~~systems or comply with such requirements~~ as ~~fully as needed for compliance~~ **personally identifiable information of persons located** ~~with~~ **within** ~~our legal obligations. Despite our investment, such systems and compliance efforts may not adequately protect us or enable us to appropriately respond to or mitigate all data compliance risks or data security and network security risks or incidents we face. The Data Security Law and the PIPL prohibit entities in~~ mainland China ~~from transferring~~ **and de- identified or anonymized health** data ~~(~~ **for clinical trials, outside of China,** including ~~personal information) stored in mainland China~~ to **our third- party partners and** foreign law enforcement agencies or judicial authorities without prior approval by the Chinese government. ~~We may need~~ **Certain violations of these laws, rules, and regulations could lead** to ~~pass a government security review~~ **enforcement actions, significant fines, and /** or ~~obtain government approval in order to~~ **criminal, civil, or administrative penalties. If we** ~~share~~ -- **are not able to transfer** data **outside of** ~~(including personal information) stored in~~ mainland China **to comply** with **our contractual requirements or requirements of** judicial ~~and~~ **or** law enforcement authorities outside of mainland China ~~. Therefore~~ , **as a result of our requirements in** ~~if judicial and law enforcement authorities outside mainland~~ China ~~require us to provide data stored in mainland China~~ , **it could materially** and **adversely affect our business and operating results. Although we believe** we are **compliant with** ~~not able to pass any required government security review or~~ **our material** ~~obtain any required government approval to do so, we may not be able to meet the foreign authorities' requirements. The potential conflicts in~~ legal obligations ~~could have adverse impacts on our operations~~ in ~~and outside of mainland China. Recently, the~~ **these** ~~CAC has taken action against several Chinese internet companies listed on U. S. securities exchanges for alleged national security risks and improper collection and use of the personal information of Chinese data subjects. According to the official announcement, the action was initiated based on the National Security Law, the Cyber Security Law, and the Cybersecurity Review Measures, which are~~ **areas** ~~aimed at " preventing national data security risks~~ , ~~maintaining national security and safeguarding public interests. " Pursuant to the current Cybersecurity Review Measures, which came into effect on February 15, 2022, critical information infrastructure operators procuring network products and services and online platform operators carrying out data processing activities, which affect or may affect national security, are required to conduct a cybersecurity review pursuant to the provisions therein. In addition, online platform operators possessing personal information of more than one million users seeking to be listed on foreign stock markets must apply for a cybersecurity review. The Draft Management Regulations, which was published by the CAC in November 2021, proposed that data processors — defined as individuals and organizations who determine the data processing activities in terms of the purpose and methods at their discretion — are subject to cybersecurity review if either they -~~ **the** ~~process personal information of more than one million individuals and aim to list on foreign stock markets, or their data processing activities influence or may influence national security. The Draft Management Regulations also propose requiring data processors seeking to list on foreign stock~~

markets to annually assess their data security themselves or through data security service organizations and submit the assessment reports to relevant competent authorities. As the Draft Management Regulations was released only for public comment, the final version and the effective date thereof may be subject to change with substantial uncertainty.- 75- We have not received any notice from any Chinese regulatory authority identifying us as a " critical information infrastructure operator " or " online platform operator " or requiring us to go through cybersecurity review procedures by the CAC pursuant to the Cybersecurity Review Measures. Based on our understanding of the Cybersecurity Review Measures, and the Draft Management Regulations if enacted as currently proposed, we do not expect ourselves to become subject to cybersecurity review by the CAC for issuing securities to foreign investors because: (i) the clinical and preclinical data we handle in our business operations, either by its nature or in scale, do not normally trigger significant concerns over mainland China' s national security; and (ii) we have not processed, and do not anticipate to process in the foreseeable future, personal information of more than one million users or individuals. However, there remains uncertainty as to how the Cybersecurity Review Measures, and the Draft Management Regulations if enacted as currently proposed, will be interpreted or implemented and whether Chinese regulatory authorities may adopt new laws, regulations, rules, or detailed implementation and interpretation in relation , **application** or in addition , to the Cybersecurity Review Measures and the proposed Draft Management Regulations. While we intend to closely monitor the evolving laws and regulations in this area and take all reasonable measures to mitigate compliance risks, we cannot guarantee that our business and operations will not be adversely affected by the potential impact of the Cybersecurity Review Measures, the Draft Management Regulations if enacted, or other laws and regulations related to privacy, data protection, and information security. It is also unclear at the present time how widespread the cybersecurity review requirement and the enforcement action will be and what effect they will have on the life sciences sector generally and the Company in particular. Mainland China' s regulators may impose penalties for non- compliance ranging from fines to suspension of operations, and this could lead to us delisting from the U. S. stock market. Currently, we have not been involved in any investigations on cybersecurity review initiated by the CAC or related governmental regulatory authorities, and we have not received any inquiry, notice, warning, or sanction in such respect. China continues to strengthen its regulation of cross- border transfers out of mainland China of data, including important data and personal information. The Cyber Security Law, which has been in effect since June 2017, requires " critical information infrastructure operators " to store within mainland China important data collected and generated during their operations in mainland China and to undergo a security assessment prior to transferring any such important data outside of mainland China. The Data Security Law reiterated this requirement when it went into effect in September 2021, and additionally provided that the requirements for cross- border transfers out of mainland China of important data by other data processors are to be formulated by various Chinese cyberspace regulators. In August 2021, the SCNPC passed the PIPL, which became effective in November 2021. The PIPL provides a comprehensive set of data privacy and protection requirements that apply to the processing of personal information and expands data protection compliance obligations to cover the processing of personal information of persons by organizations and individuals in mainland China, and the processing of personal information of persons in mainland China outside of mainland China if such processing is for purposes of providing products and services to, or analyzing and evaluating the behavior of, persons in mainland China. The PIPL requires all personal information processors that need to transfer out of mainland China personal information to either: (i) pass a security assessment organized by Chinese cyberspace regulators, (ii) undergo certification by specialized certification agencies in accordance with relevant regulations, (iii) conclude a standard contract designated by China cyberspace regulators with the overseas recipient of the personal information, or (iv) satisfy other conditions contemplated by laws, administrative regulations, or Chinese cybersecurity regulators. The PIPL also provides that critical information infrastructure operators and personal information processors who process personal information meeting a volume threshold to be set by Chinese cyberspace regulators are also required to store in mainland China personal information generated or collected in mainland China, and to pass a security assessment administered by Chinese cyberspace regulators for any export of such personal information. Lastly, the PIPL provides for significant fines for serious violations of up to RMB 50 million or 5 % of annual revenues from the prior year and violators may also be ordered to suspend any related activity by competent authorities. To implement the security assessment mechanisms for cross- border transfers out of China of data under the Cyber Security Law, the Data Security Law, and the PIPL, the CAC promulgated the Security Assessment Measures, which took effect on September 1, 2022, and published the Security Assessment Guide on August 31, 2022. Under the Security Assessment Measures, a mandatory security assessment is required for data transfers out of mainland China under any of the following circumstances: (i) transfer of important data by data processors; (ii) transfer of personal information by critical information infrastructure operators and data processors that process personal information of more than one million individuals; (iii) transfer of personal information by data processors that have transferred either personal information of over 100, 000 individuals or sensitive personal information of over 10, 000 individuals abroad since January 1 of the preceding year; and (iv) other situations as determined by the CAC. We understand that the Security Assessment Measures- 76- cover (1) overseas transmission and storage by data processors of data generated during PRC domestic operations, and (2) access to or use of the data collected and generated by data processors and stored in the PRC by overseas institutions, organizations, or individuals. The Security Assessment Measures have retroactive effect for relevant cross- border data transfers out of mainland China conducted prior to September 1, 2022, and data processors have until February 28, 2023, to undergo mandatory security assessment for such prior relevant cross- border data transfers. We continue to assess our obligations under these laws **, rules,** and **regulations may evolve over time** are working with the CAC to ensure our - **or change. Our** compliance with respect to **such existing laws, rules, and regulations, or** any **future** mandatory security assessments. To implement the standard contract mechanism for cross- border transfers out of China of personal information under the PIPL, on February 22, 2023, the CAC published the Measures for the Standard Contract for Outbound Cross- Border Transfer of Personal Information, along with the final version of the PRC Standard Contract, which will be effective on June 1, 2023. Going forward, personal information processors may conclude a PRC Standard Contract with overseas recipients of

personal information to comply with PIPL requirements for cross- border transfers out of mainland China of personal information that do not need to undergo a security assessment. To implement the personal information protection certification mechanism for cross- border transfers out of China of personal information under the PIPL, on November 4, 2022, the CAC and SAMR jointly issued the Notification on the Implementation of Personal Information Protection Certification. In parallel, on December 16, 2022, the National Information Security Standardization Technical Committee released - **related** an updated version of the Certification Specification which provides the general principles and detailed requirements for personal information processors engaging in the cross- border transfer out of mainland China of personal information to meet in order to obtain a personal information protection certification from qualified certification institutions for cross- border transfers out of China of personal information governed by the PIPL. However, the list of qualified certification institutions has not been released to date. In addition, certain industry- specific laws and regulations affect the collection and transfer of personal data in mainland China. For example , **could** the HGR Regulation prohibits both onshore and offshore entities established or actually controlled by foreign entities and individuals from collecting or biobanking any China- Sourced HGR in China, as well as providing such China- Sourced HGR outside of China. Chinese parties are required to seek an advance approval for the collection and biobanking of all China- Sourced HGR. Approval for any export or cross- border transfer of China- Sourced HGR in the form of biospecimens is required, and transfer of derived data by Chinese parties to foreign parties or entities established or actually controlled by them also requires the Chinese parties to file, before the transfer, a copy of the data with the HGRAC for record purposes and to obtain a notification filing number in order to transfer the data. The HGR Regulation also requires that foreign parties or entities established or actually controlled by them ensure the full participation of Chinese parties in international collaborations and share all records and data with the Chinese parties. To further tighten the control of China- Sourced HGR, the SCNPC issued the Eleventh Amendment to the Criminal Law of the People' s Republic of China in December 2020, which became effective in March 2021, criminalizing the illegal collection of China- Sourced HGR and the illegal transfer of China- sourced biospecimens outside of mainland China. An individual who is convicted of any of these violations may be subject to public surveillance, criminal detention, a fixed- term imprisonment of up to seven years, and / or a criminal fine. In October 2020, the SCNPC adopted the Biosecurity Law, which became effective in April 2021. The Biosecurity Law established an integrated system to regulate biosecurity- related activities in mainland China, including, among others, the security regulation of HGR and biological resources. The Biosecurity Law for the first time expressly declared that mainland China has sovereignty over its HGR, and further endorsed the HGR Regulation by recognizing the fundamental regulatory principles and systems established by it over the utilization of China- Sourced HGR by foreign parties or entities established or actually controlled by them in mainland China. Though the Biosecurity Law does not provide any specific new regulatory requirements on HGR, as it is a law adopted by mainland China' s highest legislative authority, it gives mainland China' s primary regulator of HGR, the MOST, significantly **increase our compliance costs** more power and discretion to regulate HGR , **require significant changes** and it is expected that the overall regulatory landscape for China- Sourced HGR will evolve and become even more rigorous and sophisticated. In addition, the interpretation and application of data protection laws in mainland China and elsewhere are often uncertain and in flux. So far, the HGRAC has disclosed a number of HGR violation cases. In one case, the sanctioned party was the Chinese subsidiary of a multinational pharmaceutical company that was found to **our operations** have illegally transferred certain biospecimens to CROs for conducting certain unapproved research. In addition to a written warning and confiscation of relevant human genetic materials , the Chinese subsidiary of the multinational pharmaceutical company was requested by the HGRAC to take rectification measures and was also banned by the HGRAC from submitting any CTAs until the HGRAC was satisfied with the rectification results - **result** , which rendered it unable **in suspensions or delays of our clinical trials or impair or ability** to initiate new clinical trials in mainland China until the ban was lifted. In another case, the CRO engaged by the Chinese subsidiary of a multinational pharmaceutical company was found to have forged an ethics committee approval in order to accelerate the HGRAC- 77- approval. Both the Chinese subsidiary of the multi- national pharmaceutical company and the CRO were debarred from initiating new applications for a period of 6 to 12 months, respectively. Interpretation, application, and enforcement of these laws, rules, and regulations evolve from time to time and their scope may continually change, through new legislation, amendments to existing legislation, or changes in enforcement. Compliance with the Cyber Security Law, the Data Security Law, the PIPL, and other related laws and regulations could significantly increase the cost to us of providing our products, require significant changes to our operations , or even prevent us from providing certain products in jurisdictions in which we currently operate or in which we may **in the future wish to** operate in the future. Despite our efforts to comply with applicable laws, regulations, and other obligations relating to privacy, data protection, and information security, it is possible that our practices, products, or platform could fail to meet all of the requirements imposed on us by the Cyber Security Law, the Data Security Law, the PIPL, and / or related laws and regulations . Any **actual or perceived** failure on our part to comply with such laws **or ,** regulations **,** or any other obligations relating to privacy, data protection, or information security, or **national** any compromise of security that results in **China** unauthorized access, use, or release of personally identifiable information or other data, or the perception or allegation that any of the foregoing types of failure or compromise has occurred, could damage our reputation, discourage new and existing counterparties from contracting with us, or result in investigations, fines, suspension, or other penalties by Chinese government authorities and private claims or litigation, any of which could materially adversely affect our business, financial condition, **and** results of operations . If the Chinese parties fail to comply with data privacy and cybersecurity laws , regulations, and practice standards, and our research data is obtained by unauthorized persons, used or disclosed inappropriately, or destroyed, we may lose our confidential information and be subject to litigation and government enforcement actions. It is possible that these laws and regulations may be interpreted and applied in a manner that is inconsistent with our or our collaborators' practices, potentially resulting in suspension of relevant ongoing clinical trials or delays in the initiation of new trials, delays in sharing or an **and** inability to share or receive clinical trial data with or from our collaborators, confiscation of China- Sourced HGR,

~~administrative fines, disgorgement of illegal gains, or temporary or permanent debarment of our or our collaborators' entities and responsible persons from further clinical trials and, consequently, a de- facto ban on the debarred entities from initiating new clinical trials in mainland China. In addition, a data breach affecting personal information, including health information, or a failure to comply with applicable requirements could result in significant management resources, legal and financial exposure, and reputational damage that could potentially have a material adverse effect on our business and results of operations. Even if our practices are not subject to legal challenge, the perception of privacy concerns, whether or not valid, may harm our~~ reputation ~~and brand and adversely affect our business, financial condition, and results of operations~~ . ~~Moreover~~ **Further** , ~~the~~ legal uncertainty created by **such laws** ~~the Data Security Law~~ , **rules** ~~the Cyber Security Law~~ , ~~the Cybersecurity Review Measures,~~ and ~~the~~ **regulations as well as** recent Chinese government actions could ~~materially~~ adversely affect our ability ~~,~~ **to raise capital in the U. S.** on favorable terms ~~, to raise capital in the U. S. market in the future. The national security legal regime imposes stricter data localization requirements on personal information and human health- related data and requires us to undergo cybersecurity or other security review and assessments, obtain government approval or certification, implement technical and organizational measures for~~ **or at all** ~~data privacy and protection, conduct self- assessments, or put in place certain contractual protections before transferring personal information and human health- related data out of mainland China. As a result, personal information, important data, and health and medical data that we or our customers, vendors, clinical trial sites, pharmaceutical partners, and other third parties collect, generate, or process in mainland China may be subject to such data localization requirements and heightened regulatory oversight and controls. We may need to maintain local data centers in mainland China, enter into standard contracts with the overseas recipients of any personal information processed by us, conduct self- assessments, undergo security assessments, or obtain the requisite approvals from the Chinese government for the transmission outside of mainland China of such controlled information and data, which could significantly increase our operating costs or cause delays or disruptions in our business operations in and outside mainland China. We expect that the evolving regulatory interpretation and enforcement of the national security legal regime will lead to increased operational and compliance costs and will require us to continue to monitor and, where necessary, make changes to our operations, policies, and procedures. If our operations, or the operations of our CROs, licensees, or partners, are found to be in violation of these requirements, we may suffer loss of use of data, suffer a delay in obtaining regulatory approval for our products, be unable to transfer data out of mainland China, be unable to comply with our contractual requirements, suffer reputational harm, or be subject to penalties, including administrative, civil, and criminal penalties, damages, fines, and the curtailment or restructuring of our operations. If any of these were to occur, it could materially adversely affect our ability to operate our business and our financial results~~ . The economic, political, and social conditions in mainland China, as well as governmental policies, could affect the business environment and financial markets in mainland China, our ability to operate our business, our liquidity, and our access to capital. ~~– 78 –~~ A substantial portion of our operations ~~(including~~ **, and all of** our commercial operations ~~),~~ **,** are conducted in mainland China. Accordingly, our business, results of operations, financial condition, and prospects may be **significantly** influenced ~~to a significant degree~~ by economic, political, legal, and social conditions in mainland China ~~as well as mainland China' s economic, political, legal, and social conditions in relation to the rest of the world~~ . Mainland China' s economy differs from the **U. S.** ~~economies~~ **economy** ~~of developed countries~~ in many respects, including with respect to the amount of government involvement, level of development, growth rate, control of foreign exchange, and allocation of resources. While mainland China' s economy has experienced significant growth ~~over the past 40 years~~ , **such** growth has been uneven across different regions and ~~among various economic~~ sectors ~~of mainland China~~ . The Chinese government has implemented various measures to encourage economic development ~~, data protection~~ and allocation of resources. Some of these measures may benefit the overall economy in mainland China but may have a negative effect on ~~us~~ **our business** . ~~Our~~ **For example, our** financial condition and results of operations may be adversely affected by government control, perceived government interference, and / or changes in tax, cyber and data security, capital investments, cross- border ~~transaction~~ **transactions** , and other regulations that are currently or may in the future be applicable to us. Recently, Chinese regulators have announced **- 30-** regulatory actions aimed at providing the Chinese government with greater oversight over certain sectors of mainland China' s economy, including the for- profit education ~~sector~~ and technology **sectors** ~~platforms that have a quantitatively significant number of users located in mainland China~~ . Although the biotech industry is already highly regulated in mainland China and ~~while~~ there has been no indication **of** ~~to date that~~ such actions or oversight **in our sector** ~~would apply to companies that are similarly situated as us and that are pursuing similar portfolios of drug products and therapies as us~~ , the Chinese government may in the future take regulatory actions that materially adversely affect **our business, financial results, liquidity, or access to capital or** the business environment and financial markets in mainland China **more broadly** ~~as they relate to us, our ability to operate our business, our liquidity, and our access to capital~~ . If the Chinese government determines that our corporate structure does not comply with Chinese regulations, or if Chinese regulations change or are interpreted differently in the future, the value of our **securities** ~~ADSs or ordinary shares~~ may decline in value or become worthless. In July 2021, the Chinese government provided new guidance on Chinese companies raising capital outside of mainland China, including through arrangements called variable interest entities, or VIEs. Currently, our corporate structure contains no variable interest entities and we are not in an industry that is subject to foreign ownership limitations in mainland China. However, there are uncertainties with respect to the Chinese legal system and there may be changes in laws, regulations and policies, including how those laws, regulations and policies will be interpreted or implemented. If in the future the Chinese government determines that our corporate structure does not comply with Chinese regulations, or if Chinese regulations change or are interpreted differently, the value of our **securities** ~~ADSs or ordinary shares~~ may decline or become worthless. ~~The~~ **We are required to obtain certain** ~~approval~~ **approvals and licenses from** ~~of, filing, or other procedures with the CSRC or other~~ Chinese ~~regulatory~~ authorities ~~may be required in connection with issuing securities~~ to **operate our** ~~foreign investors under~~ Chinese **subsidiaries** ~~law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures~~ .

The Chinese government has exercised, and may continue to exercise, substantial influence or control over virtually every sector of the Chinese economy through regulation and state ownership **. For example, to conduct our business activities in mainland China, each of our Chinese subsidiaries is required to obtain a business license from the local counterpart of the State Administration for Market Regulation, or SAMR** . Our ability to operate in mainland China could be undermined if our Chinese subsidiaries are not able to obtain or maintain ~~approvals to operate in mainland China. The central or local governments could impose new, stricter regulations or interpretations of existing regulations that could require additional expenditures and efforts on our part to ensure our compliance with such regulations or interpretations. We are not currently~~ required ~~to obtain prior approval or prior permission from the CSRC or any other Chinese regulatory authority under the Chinese laws and regulations currently in effect to issue securities to foreign investors. On February 17, 2023, the CSRC promulgated the Trial Measures and five supporting guidelines, which will become effective on March 31, 2023. Pursuant to the Trial Measures, we may be required to submit filings to the CSRC following the submission of future overseas listings and the completion of future offerings of our equity securities to foreign investors. For more details, see " Government Regulation — Other Significant Chinese Regulation Affecting Our Business Activities in China- Regulations on Securities Offering and Listing Outside of China. " As there are uncertainties with respect to the Chinese legal system and changes in laws, regulations, and policies, including how those laws, regulations and policies will be interpreted or implemented, there can be no assurance that we will not be subject to additional requirements, approvals, or permissions in the future. We are required to obtain certain~~ approvals from Chinese authorities ~~in order~~ to operate ~~our Chinese subsidiaries. The Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (the " M & A Rules ") appear to require that offshore special purpose vehicles, controlled by Chinese companies or individuals formed for the purpose of seeking a public listing on an overseas stock exchange through acquisitions of Chinese domestic companies or- 79- assets in exchange for the shares of the offshore special purpose vehicles, obtain CSRC approval prior to publicly listing their securities on an overseas stock exchange. Furthermore, in July 2021, the General Office of the Communist Party of China Central Committee and the General Office of the State Council jointly promulgated the Opinions on Strictly Cracking Down on Illegal Securities Activities in Accordance with the Law, pursuant to which Chinese regulators are required to accelerate rulemaking related to the overseas issuance and listing of securities, and update the existing laws and regulations related to data security, cross- border data flow, and management of confidential information. Numerous regulations, guidelines and other measures have been or are expected to be adopted under the umbrella of or in addition to the Cyber Security Law and Data Security Law. Additionally, the Trial Measures and supporting guidelines will implement a new regulatory framework requiring China- based companies to submit filings to the CSRC following the completion of future issuances of equity securities to foreign investors. The Circular on Administrative Arrangements for Filing of Overseas Issuance and Listing of Domestic Companies released by the CSRC provides that companies already listed on overseas exchanges will be grandfathered, such that prior offerings will not need to be filed with the CSRC. However, we may be required to submit filings to the CSRC in connection with future offerings, including follow- on offerings, secondary offerings, or other shelf offerings, within three working days following the completion of any such offering (s). As there are still uncertainties regarding the interpretation and implementation of such regulatory guidance, we cannot assure investors that we will be able to comply with new regulatory requirements relating to our future overseas capital- raising activities, and we may become subject to more stringent requirements with respect to matters including data privacy and cross- border investigation and enforcement of legal claims. If our Chinese subsidiaries do not receive or maintain approvals or inadvertently conclude that approvals needed for their business are not required or if there are changes in applicable laws (including regulations) or interpretations of laws and our Chinese subsidiaries are required but unable to obtain approvals in the future, then such changes or need for approvals (if not obtained) could adversely affect the operations of our Chinese subsidiaries, including limiting or prohibiting the ability of our Chinese subsidiaries to operate, and the value of our ADSs or ordinary shares could significantly decline or become worthless. To operate our general business activities currently conducted~~ in mainland China ~~, each of our Chinese subsidiaries is required to obtain a business license from the local counterpart of the State Administration for Market Regulation, or SAMR~~ . Each of our Chinese subsidiaries has obtained a valid business license from the local counterpart of the SAMR, and no application for any such license has been denied. ~~We have~~ **The central or local governments could impose new, stricter regulations or interpretations of existing regulations that could require additional expenditures and efforts on our part to comply with such regulations or interpretations. If in the future our Chinese subsidiaries do** not ~~yet received~~ **receive** ~~any inquiry~~ **or maintain required approvals** , ~~notice~~ **such as because we inadvertently conclude that approvals are not required or because of changes in applicable laws and regulations or interpretations of such laws and regulations** , ~~warning,~~ **the operations of** ~~or~~ **our** ~~sanction regarding obtaining~~ **Chinese subsidiaries, and as a result our business, results of operations, financial condition, and prospects, could be adversely affected and the value of our securities could significantly decline or become worthless. The** approval **of** , ~~completing~~ **submission of certain** ~~filing~~ **filings to** , or other procedures **with the CSRC or other Chinese regulatory authorities may be required** in connection with **issuing** ~~our previous issuances of~~ securities to foreign investors **under Chinese law, and, if required, we cannot predict whether we will be able, or how long it will take us, to obtain such approval or complete such filing or other procedures. We are not currently required under Chinese laws and regulations to obtain prior approval or prior permission** from the CSRC or any other Chinese regulatory ~~authorities~~ **authority to issue securities to foreign investors** ~~that have jurisdiction over our operations. Based on our understanding of the Trial Measures and supporting guidelines~~ , **and we do not believe** we will ~~not~~ be required to submit an application to the CSRC for our previous issuances of securities to foreign investors **. Under recent guidelines** , ~~but~~ **however,** we may be required to submit filings ~~with~~ **to** the CSRC ~~after~~ **following the submission of future overseas listings and** the completion of **future offerings of our equity securities to foreign investors, including for** future securities ~~offering~~ **offerings** in the same overseas markets **as our previous issuances** . There remains uncertainty as to the interpretation and implementation of regulatory requirements related to overseas securities

offerings and other capital markets activities ~~, and we cannot assure you that the relevant Chinese regulatory authorities, including the CSRC, would reach the same conclusion as us~~. If, for any reason, we were to fail to obtain any approvals or to complete any filings or other procedures ~~subsequently~~ required by the CSRC or other Chinese regulatory authorities, future offerings of our equity securities to foreign investors may be delayed or prevented or we may face sanctions, fines, and **/ or** other penalties ~~,~~**;** limitations on our ability to pay dividends outside of mainland China ~~,~~**;** limitations on our operations in mainland China ~~,~~**;** delays or restrictions on the repatriation of the proceeds from our public offerings into mainland China ~~,~~**;** or other actions that could have a material adverse effect on our business, financial condition, results of operations, and prospects ~~,~~ as well as the **value** ~~trading price~~ of ~~our ADSs and ordinary shares. Any uncertainties and / or~~ **our securities** ~~negative publicity regarding the aforementioned approvals, filings, or other procedures or any further laws, regulations, or interpretations that may be released or enacted in the future could have a material adverse effect on the trading price of our ADSs and the ordinary shares, including potentially making those ADSs and ordinary shares worthless~~. **- 31-** We may be exposed to liabilities under **anti- corruption laws in China and the United States, including** the U. S. Foreign Corrupt Practices Act ~~(" FCPA ") and Chinese anti- corruption laws~~, and any determination that we have violated ~~these~~ **such** laws could have a material adverse effect on our business or ~~our~~ reputation. ~~- 80-~~ We are subject to **anti- corruption laws in China and the United States, including** the FCPA **, which** ~~. The FCPA~~ generally ~~prohibits~~ - **prohibit** us from making improper payments to **government** ~~non- U. S.~~ officials for the purpose of obtaining or retaining business. ~~We are also subject~~ **Although we have implemented controls and procedures** to ~~the anti- bribery~~ **promote compliance with such** laws ~~of other jurisdictions~~, **if we** ~~particularly mainland China. As our business continues to expand, the applicability of the FCPA and other anti- bribery laws to our operations will continue to increase. Our procedures and controls to monitor anti- bribery compliance may~~ fail to **comply** ~~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, **sanctions, and / or** other ~~sanctions, and / or~~ significant expenses, which could have a material adverse effect on our business, ~~including our~~ **results of operations,** financial condition, ~~results of operations,~~ cash flows **,** and prospects **. In addition, the scope of the recent anti- corruption enforcement efforts in China have led to increased uncertainty in the healthcare industry, which have impacted and may continue to impact hospital and physician practices. Such uncertainty, and related evaluations and adjustments by hospitals and physicians and other market participants, may adversely affect our business and results of operations**. Restrictions on currency exchange may limit our ability to receive and use financing in foreign currencies effectively. ~~Our~~ **The ability of our** Chinese subsidiaries ~~' ability~~ to ~~obtain foreign~~ exchange **currency** is subject to significant foreign exchange controls and, in the case of transactions under the capital account, requires the approval of and / or registration with Chinese government authorities, including the state administration of foreign exchange, or SAFE. In particular, if we finance our Chinese subsidiaries by means of foreign debt from us or other foreign lenders, the amount is not allowed to, among other things, exceed the statutory limits and such loans must be registered with the local counterpart of the SAFE. If we finance our Chinese subsidiaries by means of additional capital contributions, these capital contributions are subject to registration with SAMR or its local branch, reporting of foreign investment information with the Chinese Ministry of Commerce **,** or registration with other governmental authorities in mainland China. In ~~the~~ light of the various requirements imposed by Chinese regulations on loans to, and direct investment in, China- based entities by offshore holding companies, we **may not** ~~cannot assure you that we will~~ be able to complete the necessary government formalities or obtain the necessary government approvals on timely basis, if at all, with respect to future loans or capital contributions by us to our Chinese subsidiaries. If we fail to complete such registrations or obtain such ~~approval~~ **approvals**, our ability to capitalize or otherwise fund our Chinese operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business. We may rely on dividends and other distributions on equity paid by our Chinese subsidiaries to fund any cash and financing requirements we may have, and any limitation on the ability of our Chinese subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business. Zai Lab Limited is a holding company, and we may rely on dividends and other distributions on equity paid by our Chinese subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or holders of our ADSs or to service any debt we may incur. If any of our Chinese subsidiaries incur debt on their own behalf in the future, the instruments governing such debt may restrict their ability to pay dividends to us. To date, there have not been any such dividends or other distributions from our Chinese subsidiaries to our subsidiaries located in or outside of mainland China. In addition, ~~as of the date of this Annual Report on Form 10- K,~~ none of our subsidiaries have ~~ever~~ issued any dividends or distributions to us or their respective shareholders in or outside of mainland China, and neither we nor any of our subsidiaries have ~~ever~~ directly or indirectly paid dividends or made distributions to U. S. investors. Zai Lab (Shanghai) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received $ ~~416~~ **466**. 5 million in capital contributions via **24** ~~twenty- three~~ separate contributions from Zai Lab (Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2014 to ~~2022~~ **2023**, to fund its business operations in mainland China. Zai Lab International Trading (Shanghai) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB1. 0 million in capital contributions via contributions from Zai Lab (Shanghai) Co., Ltd., its sole shareholder, in 2019 to fund its business operations in mainland China. Zai Lab (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB166. 5 million in capital contributions via ~~ten~~ **10** separate contributions from Zai Lab (Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2015 to 2019 to fund its business operations in mainland China. **- 32-** Zai Lab Trading (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received RMB1. 0 million in capital contributions via contributions from Zai Lab (Suzhou) Co., Ltd., its sole shareholder, in 2020 to fund its business operations in mainland China. Zai Biopharmaceutical (Suzhou) Co., Ltd., an operating subsidiary of ours that is domiciled in mainland China, received $ 15. 0 million in capital contributions via four separate contributions from Zai Lab

(Hong Kong) Limited, its sole shareholder, domiciled outside of mainland China, from 2017 to 2018 to fund its business operations in mainland China. In the future, cash proceeds raised from our overseas financing activities may be transferred by us to our Chinese subsidiaries via capital contributions, shareholder loans or intercompany loans, as the case may be. According to the Foreign Investment Law of the People' s Republic of China and its implementing rules, which jointly established the legal framework for the administration of foreign- invested companies, a foreign investor may, in accordance with other applicable laws, freely transfer into or out of mainland China its contributions, profits, capital ~~- 81 -~~ earnings, income from asset disposal, intellectual property rights, royalties acquired, compensation or indemnity legally obtained, and income from liquidation, made or derived within the territory of mainland China in RMB or any foreign currency, and any entity or individual shall not illegally restrict such transfer in terms of the currency, amount **,** and frequency. According to the Company Law of the People' s Republic of China and other Chinese laws and regulations, our Chinese subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with Chinese accounting standards and regulations. In addition, each of our Chinese subsidiaries is required to set aside at least 10 % of its accumulated after- tax profits, if any, each year to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50 % of its registered capital. Where the statutory reserve fund is insufficient to cover any loss the Chinese subsidiary incurred in the previous financial year, its current financial year' s accumulated after- tax profits shall first be used to cover the loss before any statutory reserve fund is drawn therefrom. Such statutory reserve funds and the accumulated after- tax profits that are used for covering the loss cannot be distributed to us as dividends. At their discretion, our Chinese subsidiaries may allocate a portion of their after- tax profits based on Chinese accounting standards to a discretionary reserve fund. RMB is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our Chinese subsidiaries to use their potential future RMB revenues to pay dividends to us. The Chinese government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of mainland China. Shortages in availability of foreign currency may then restrict the ability of our Chinese subsidiaries to remit sufficient foreign currency to our offshore entities for those offshore entities to pay dividends or make other payments or otherwise to satisfy our foreign- currency- denominated obligations. RMB is currently convertible under the " current account, " which includes dividends, trade **,** and service- related foreign exchange transactions, but not under the " capital account, " which includes foreign direct investment and foreign debt (which may be denominated in foreign currency or RMB), including loans we may secure for our Chinese subsidiaries. Currently, our Chinese subsidiaries may purchase foreign currency for settlement of current account transactions, including payment of dividends to us, without the approval of the SAFE by complying with certain procedural requirements. However, the relevant Chinese governmental authorities may limit or eliminate our ability to purchase foreign currencies in the future for current account transactions. The Chinese government may continue to strengthen its capital controls, and additional restrictions and substantial vetting processes may be instituted by SAFE for cross- border transactions falling under both the current account and the capital account. Any existing and future restrictions on currency exchange may limit our ability to utilize revenue generated in RMB to fund our business activities outside of mainland China or pay dividends in foreign currencies to holders of our securities. Foreign exchange transactions under the capital account remain subject to limitations and require approvals from, or registration with, SAFE and other relevant Chinese governmental authorities. This could affect our ability to obtain foreign currency through debt or equity financing for our subsidiaries. Chinese regulations relating to the establishment of offshore special purpose companies by residents in mainland China may subject our China resident beneficial owners or our wholly foreign- owned subsidiaries in mainland China to liability or penalties, limit our ability to inject capital into these subsidiaries, limit **the ability of** these subsidiaries ~~' ability~~ to increase their registered capital or distribute profits to us, or ~~may~~ otherwise adversely affect us. **Our shareholders that are** ~~SAFE Circular 37, which was promulgated by the SAFE in 2014, requires~~ residents of mainland China **are required** to register with local branches of SAFE or competent banks designated by SAFE in connection with their direct establishment or indirect control of an offshore entity, **- 33-** for the purpose of overseas investment and financing, with such residents' legally owned assets or equity interests in domestic enterprises or offshore assets or interests, **being considered** ~~referred to in SAFE Circular 37 as~~ a " special purpose vehicle. " **If** ~~The term " control " under SAFE Circular 37 is broadly defined as the operation rights, beneficiary rights or decision- making rights acquired by residents of mainland China in the offshore special purpose vehicles or Chinese companies by~~ such ~~means as acquisition, trust, proxy, voting rights, repurchase, convertible bonds or other arrangements. SAFE Circular 37 further requires amendment to the registration in the event of any changes with respect to the basic information of or any significant changes with respect to the special purpose vehicle. If the~~ shareholders ~~of the offshore holding company who are residents of mainland China~~ do not complete their registration with the local SAFE branches **or otherwise fail to comply with SAFE registration requirements** , the Chinese subsidiaries may be prohibited from distributing their profits and proceeds from any reduction in capital, share transfer **,** or liquidation to the offshore company, and the offshore company may be restricted in its ability to contribute additional capital to its Chinese subsidiaries. Moreover, failure to comply with SAFE registration ~~and amendment~~ requirements ~~described above could result in liability under Chinese law for evasion of applicable foreign exchange restrictions. We will request residents of mainland China who we know hold direct or indirect interests in the Company, if any, to make the necessary applications, filings and amendments as required under SAFE Circular 37 and other related rules. However, we may not be informed of the identities of all the residents of mainland China holding direct or indirect interest in the Company, and we cannot provide any assurance that these residents will comply with our request to make or obtain- 82- any applicable registrations or comply with other requirements under SAFE Circular 37 or other related rules. The failure or inability of our China resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross- border investment activities, limit the ability of our wholly foreign- owned subsidiaries in mainland China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into these subsidiaries. Moreover, failure to comply with the various foreign exchange registration~~

~~requirements described above~~ could result in liability under Chinese law for circumventing applicable foreign exchange restrictions. As a result, our business operations and ~~our~~ ability to distribute profits ~~to you~~ could be materially and adversely affected. Chinese regulations establish complex procedures for ~~some~~ **certain** acquisitions of mainland China based companies by foreign investors, which could make it more difficult for us to pursue growth through acquisitions in mainland China. Chinese regulations ~~and rules concerning mergers and acquisitions including the M & A Rules and other regulations and rules with respect to mergers and acquisitions established~~ -- **establish certain** additional procedures and requirements that could make merger and acquisition activities by foreign investors more time consuming and complex. For example, **companies must notify** the **Chinese Ministry of Commerce (** ~~M & A Rules require that~~ the **"** MOFCOM ~~be notified ")~~ in advance of any change- of-control transaction in which a foreign investor takes control of a Chinese domestic enterprise, if (i) any important industry is concerned, (ii) such transaction involves factors that have or may have impact on the national ~~economic~~ security, ~~or~~ (iii) such transaction will lead to a change in control of a domestic enterprise which holds a famous trademark or Chinese time- honored brand ~~. Moreover~~ , ~~according to the Anti- Monopoly Law of China promulgated in August 2007 and amended in June 2022 with effect from August 2022 and the Provisions on Thresholds for~~ - **or (iv) such transaction involves** ~~Reporting of Concentrations of Undertakings issued by the State Council in August 2008 and amended in September 2018,~~ the concentration of business undertakings by way of mergers, acquisitions **,** or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player ~~must also be notified in advance to the anti- monopoly enforcement agency of the State Council when the applicable threshold is crossed and such concentration shall not be implemented without the clearance of prior reporting. In addition, the Regulations on Implementation of Security Review System for the Merger and Acquisition of Domestic Enterprise by Foreign Investors issued by the MOFCOM that became effective in September 2011 specify that mergers and acquisitions by foreign investors that raise " national defense and security " concerns and mergers and acquisitions through which foreign investors may acquire de facto control over domestic enterprises that raise " national security " concerns are subject to strict review by the MOFCOM, and the rules prohibit any activities attempting to bypass a security review by structuring the transaction through, among other things, trusts, entrustment or contractual control arrangements. In addition, Measures for the Securities Review of Foreign Investment, which became effective in January 2021, require acquisitions by foreign investors of Chinese companies engaged in military- related or certain other industries that are crucial to national security be subject to security review before communication on any such acquisitions~~ . In the future, we may grow our business by acquiring complementary businesses. Complying with the **necessary notification and review** requirements ~~of the above- mentioned regulations and other relevant rules~~ to complete such transactions ~~could~~ **may** be time consuming, and **our ability to obtain** any ~~required~~ **necessary** ~~approval~~ **approvals** ~~processes~~ , **such as** ~~including obtaining approval~~ from the MOFCOM or its local counterparts **,** may delay or ~~inhibit~~ **prevent** our ability to complete such transactions. It is unclear whether our business would be deemed to be in an industry that raises ~~" national defense and security " or "~~ national security ~~"~~ concerns. **If** ~~However, the MOFCOM or other government agencies may publish explanations in the future determining that~~ our business is **deemed to be** in an industry subject to ~~the~~ **national** security review, ~~in which case~~ our future acquisitions in mainland China ~~, including those by way of entering into contractual control arrangements with target entities,~~ may be closely scrutinized or prohibited ~~. Our~~ **, and our** ability to expand our business ~~or maintain or expand our market share~~ through future acquisitions would ~~as such~~ be materially and adversely affected. **Completing the necessary inspection and approval processes for our** Chinese manufacturing facilities ~~have historically experienced issues operating in line with established GMPs and international best practices~~ , ~~and passing~~ **such as by the** FDA, NMPA, and EMA ~~inspections~~ , ~~which~~ may **be time consuming** ~~result in a longer~~ and ~~costlier current GMP inspection and~~ **costly. As part of obtaining required regulatory** ~~approval~~ **approvals** ~~process by the FDA, NMPA, or EMA for our Chinese manufacturing processes and third- party contract manufacturers. To obtain FDA, NMPA, and EMA approval~~ for our product candidates **, such as by the NMPA in mainland China, FDA** in the United States, ~~mainland China,~~ and **EMA in the** ~~Europe~~ **European Union (the " EU ")** , we will need to undergo strict pre- approval inspections of our manufacturing facilities ~~, which are located in China,~~ or the manufacturing facilities of our CMOs **, including those** located in mainland China and elsewhere. Historically, some manufacturing facilities in mainland China have had difficulty meeting **required** ~~the FDA' s, NMPA' s or EMA' s~~ standards. When inspecting ~~ours or our contractors'~~ Chinese manufacturing facilities, ~~the FDA, NMPA or~~ **our** ~~EMA~~ **regulator (s)** might cite GMP deficiencies, both minor and significant ~~, which we may not be required to disclose~~ . ~~Remediating~~ **Our efforts to remediate** deficiencies **to the satisfaction of our regulator (s)** can be laborious **, time consuming,** and costly and ~~might consume significant periods of time. Moreover, if the FDA, NMPA or EMA notes deficiencies as a result of its inspection, it will generally reinspect the facility to determine if the deficiency was remediated to its satisfaction. The FDA, NMPA or EMA~~ may **be unsuccessful** ~~note further deficiencies as a result of its re- inspection, either related to the previously identified deficiency or otherwise~~ . If we cannot satisfy **our regulator (s)** ~~the FDA, NMPA, and EMA~~ as to our compliance with GMP ~~in a timely basis~~ , marketing ~~- 83-~~ approval for our product candidates could be ~~seriously~~ **significantly** delayed **or prevented** , which in turn would delay **or prevent** commercialization of our product candidates. Our business benefits from certain financial incentives and discretionary policies granted by local governments. Expiration of, or changes to, these incentives or policies would have an adverse effect on our results of operations. Local governments within mainland China have granted certain financial incentives ~~from time to time~~ to our Chinese subsidiaries as part of their efforts to encourage the development of local businesses. The timing, amount, and criteria of government financial incentives are determined within the sole discretion of the local government authorities and cannot be predicted with certainty **. We** ~~before we actually receive~~ **received** ~~any financial incentive~~ **government grants and subsidies of $ 2. 4 million and $ 11. 5 million in 2023 and 2022, respectively** . Local governments may decide to reduce or eliminate incentives **that we are receiving** at any time. In addition, some ~~of the~~ government financial incentives are granted on a project basis and subject to the satisfaction of certain conditions, including compliance with the applicable financial incentive agreements and completion of the ~~specific~~ **specified** project ~~therein~~ **(s)** . **If** ~~We cannot guarantee that~~ we ~~will~~ **fail to** satisfy ~~all~~

~~relevant~~ **the necessary** conditions, ~~and if we fail to do so~~ we may be deprived of the relevant incentives. ~~We cannot assure you of the continued availability of the government incentives currently enjoyed by us.~~ Any reduction or elimination of **government** incentives would have an adverse effect on our **business and** results of operations. **- 34-** ~~Government grant and subsidies recognized in the income statement in 2022 and 2021 were $ 11. 5 million and $ 4. 1 million, respectively.~~ It may be difficult for ~~overseas~~ **shareholders and** regulators **outside of mainland China** to conduct investigations or collect evidence ~~within~~ **in** mainland China. **It may be difficult for** ~~Shareholder~~ **shareholders to pursue** claims or **for regulators outside of mainland China to conduct** regulatory ~~investigation~~ **investigations** ~~that is common~~ in **mainland China** ~~the United States generally are difficult to pursue~~ as a matter of law or practicality ~~in mainland China~~. For example, in mainland China, there are significant legal and other obstacles to providing information needed for regulatory investigations or litigation initiated outside **of** mainland China. Although ~~the~~ authorities in mainland China may establish a regulatory cooperation mechanism with ~~the securities regulatory~~ authorities of another country or region to implement cross- border supervision and administration, such cooperation with ~~the securities regulatory~~ authorities in the United States may not be efficient in the absence of mutual and practical cooperation mechanisms. Furthermore, **under** ~~according to Article 177 of the~~ Chinese ~~Securities~~ **securities laws** ~~Law (" Article 177 "), which became effective in March 2020~~, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities **in** ~~within the territory of~~ mainland China ~~. While detailed interpretations of or implementation rules under Article 177 have yet to be promulgated~~, **which** ~~the inability for an overseas securities regulator to directly conduct investigation or evidence collection activities within mainland China~~ may further increase difficulties ~~you~~ **shareholders** may face in protecting ~~your~~ **their** interests. If we are classified as a Chinese resident enterprise for Chinese income tax purposes, such classification could result in unfavorable tax consequences to us and our non- Chinese shareholders or ADS holders. ~~The~~ **Under the** Enterprise Income Tax Law of the People' s Republic of China (the " EIT Law ") ~~, which was promulgated in March 2007, became effective in January 2008 and was amended in February 2017 and December 2018, and the Regulation on the Implementation of the EIT Law, effective as of January 1, 2008 and amended in April 2019, define the term " de facto management bodies " as " bodies that substantially carry out comprehensive management and control on the business operation, employees, accounts and assets of enterprises. " Under the EIT Law~~, an enterprise incorporated outside of mainland China whose " de facto management bodies " are located in mainland China is considered a " resident enterprise " and will be subject to a uniform 25 % enterprise income tax, or EIT, rate on its global income. ~~The Notice Regarding the Determination of Chinese- Controlled Offshore- Incorporated Enterprises as Chinese Tax- Resident Enterprises on the Basis of De Facto Management Bodies, or SAT Circular 82, issued by the State Taxation Administration of the People' s Republic of China (the " SAT ") in April 2009, and as amended in November 2013 and December 2017, further specifies certain criteria for the determination of what constitutes " de facto management bodies. " If all of these criteria are met, the relevant foreign enterprise may be regarded to have its " de facto management bodies " located in mainland China and therefore be considered a Chinese resident enterprise. These criteria include: (i) the enterprise' s day- to- day operational management is primarily exercised in mainland China; (ii) decisions relating to the enterprise' s financial and human resource matters are made or subject to approval by organizations or personnel in mainland China; (iii) the enterprise' s primary assets, accounting books and records, company seals, and board and shareholders' meeting minutes are located or maintained in mainland China; and (iv) 50 % or more of voting board members or senior executives of the enterprise habitually reside in mainland China. Although SAT Circular 82 only applies to foreign enterprises that are majority- owned and controlled by Chinese enterprises, not those owned and controlled by foreign enterprises or individuals, the determining criteria set forth in SAT Circular 82 may be adopted by the Chinese tax authorities as the test for determining whether the enterprises are Chinese tax residents, regardless of whether they are majority- owned and controlled by Chinese enterprises. - 84-~~ We believe that neither Zai Lab Limited nor any of our subsidiaries outside of mainland China is a Chinese resident enterprise for Chinese tax purposes. However, the tax resident status of an enterprise is subject to determination by ~~the~~ Chinese tax authorities, and uncertainties remain with respect to the interpretation of the term " de facto management body. " If ~~the~~ Chinese tax authorities determine that Zai Lab Limited or any of our subsidiaries outside of mainland China is a Chinese resident enterprise for EIT purposes that entity would be subject to a 25 % EIT on its global income. If such entity derives income other than dividends from its wholly owned subsidiaries in mainland China, a 25 % EIT on its global income may increase our tax burden ~~. Dividends paid to a Chinese resident enterprise from its wholly owned subsidiaries in mainland China may be regarded as tax- exempt income if such dividends are deemed to be " dividends between qualified Chinese resident enterprises " under the EIT Law and its implementation rules. However, we cannot assure you that such dividends will not be subject to Chinese withholding tax, as the Chinese tax authorities, which enforce the withholding tax, have not yet issued relevant guidance~~. In addition, if Zai Lab Limited is classified as a Chinese resident enterprise for Chinese tax purposes, we may be required to withhold tax at a rate of 10 % from dividends we pay to our shareholders, including the holders of our ADSs that are non- resident enterprises. In addition, non- resident enterprise shareholders (including our ADS holders) may be subject to a 10 % Chinese withholding tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within mainland China. Furthermore, gains derived by our non- Chinese individual shareholders from the sale of our shares and ADSs may be subject to a 20 % Chinese withholding tax. It is unclear whether our non- China- based individual shareholders (including our ADS holders) would be subject to any Chinese tax (including withholding tax) on dividends received by such non- Chinese individual shareholders in the event we are determined to be a Chinese resident enterprise. If any Chinese tax were to apply to such dividends, it would generally apply at a rate of 20 %. Chinese tax liability may vary under applicable tax treaties. However, it is unclear whether our non- ~~China~~ **Chinese** shareholders would be able to claim the benefits of any tax treaties between their country of tax residence and mainland China in the event that Zai Lab Limited is treated as a Chinese resident enterprise. We and our shareholders **may** face ~~uncertainties~~ **tax consequences and other requirements** in mainland China with respect to indirect transfers of equity interests in Chinese resident enterprises. The indirect transfer of equity interests in Chinese resident enterprises by a non- Chinese resident

enterprise, or Indirect Transfer, is potentially subject to income tax in mainland China at a rate of 10 % on the gain if such transfer is considered as not having a commercial purpose and is carried out for tax avoidance. The ~~SAT~~ **Chinese State Administration of Taxation** has issued several rules and notices to tighten ~~the~~ scrutiny over **such** acquisition transactions in recent years ~~. The Announcement of the State Administration of Taxation on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non- Resident Enterprises, or SAT Circular 7, sets out the scope of Indirect Transfers, which includes any changes in the shareholder' s ownership of a foreign enterprise holding Chinese assets directly or indirectly in the course of a group' s overseas restructuring,~~ and ~~the~~ **has provided certain** factors ~~to~~ **and criteria that will be** ~~consider~~ **considered** in determining whether an ~~Indirect~~ **indirect** ~~Transfer~~ **transfer** has ~~a commercial purpose. An Indirect Transfer satisfying all the following criteria will be deemed to lack~~ a bona fide commercial purpose **. Failure** ~~and be taxable under Chinese laws: (i) 75 % or more of the equity value of the intermediary enterprise being transferred is derived directly or indirectly from the Chinese taxable assets; (ii) at any time during the one- year period before the indirect transfer, 90 % or more of the asset value of the intermediary enterprise (excluding cash) is comprised directly or indirectly of investments in mainland China, or 90 % or more of its income is derived directly or indirectly from mainland China; (iii) the functions performed and risks assumed by the intermediary enterprise and any of its subsidiaries that directly or indirectly hold the Chinese taxable assets are limited and are insufficient~~ to **withhold** ~~prove their economic substance;~~ and **remit required taxes may result in** ~~(iv) the non- Chinese~~ tax **liability** ~~payable on the gain derived from the indirect transfer of the Chinese taxable assets is lower than the potential Chinese income tax on the direct transfer of such assets. Nevertheless, a non- resident enterprise' s buying~~ and ~~selling shares or ADSs of the same listed foreign enterprise on the public market will fall under the safe harbor available under SAT Circular 7 and will not be subject to Chinese tax pursuant to SAT Circular 7. Under SAT Circular 7, the entities or individuals obligated to pay the transfer price to the transferor shall be the withholding agent and shall withhold the Chinese tax from the transfer price. If the withholding agent fails to do so, the transferor shall report to and pay the Chinese tax to the Chinese tax authorities. In case neither the withholding agent nor the transferor complies with the obligations under SAT Circular 7, the tax authority may hold the withholding agent liable and impose~~ a penalty of 50 % to 300 % of the unpaid tax ~~on the withholding agent . - 35- It The penalty imposed on the withholding agent may be reduced or waived if the withholding agent has submitted the relevant materials in connection with the indirect transfer to the Chinese tax authorities in accordance with SAT Circular 7. However, there~~ is ~~a lack of clear~~ **unclear how** ~~statutory interpretation, we face uncertainties regarding the~~ **these rules** ~~reporting required for~~ and ~~impact on~~ **regulations affect** future private equity financing transactions, share exchange **,** or other transactions involving the transfer of shares in Zai Lab Limited by investors that are non- Chinese resident enterprises or the sale or purchase of shares in other non- Chinese resident companies or other taxable assets by us. **As a result, we** ~~Zai Lab Limited and other non- resident enterprises in the- 85- Company~~ may be ~~subject~~ **required** to **expend valuable resources** ~~filing obligations or being taxed if Zai Lab Limited and other non- resident enterprises in the Company are transferors in such transactions and may be subject~~ to **determine whether we** ~~withholding obligations if Zai Lab Limited and other non- resident enterprises in the Company are transferees in such transactions. For~~ - **or our** ~~the transfer of shares in Zai Lab Limited by investors that are~~ non- Chinese resident **investors are subject** ~~enterprises, our Chinese subsidiaries may be requested~~ to ~~assist in the~~ filing ~~under the rules and notices. As a result~~ , ~~we may be required~~ **withholding, or tax obligations for certain transactions, such as offshore restructuring transactions or acquisition transactions, and** to **otherwise** ~~expend valuable resources to~~ comply with these rules and **regulations. This** ~~notices or to request the relevant transferors from whom we purchase taxable assets to comply, or to establish that Zai Lab Limited and other non- resident enterprises in the Company should not be taxed under these rules and notices, which~~ may have a material adverse effect on our financial condition ~~and~~ **,** results of operations **,** ~~. There is no assurance that the tax authorities will not apply the rules~~ and ~~notices~~ **ability** to **complete** ~~our offshore restructuring transactions where non- Chinese residents were involved if any of~~ such transactions **with** ~~were determined by the tax authorities to lack reasonable commercial purpose. As a result, we and our~~ non- Chinese resident investors ~~may be at risk of being taxed under these rules and notices and may be required to comply with or to establish that we should not be taxed under such rules and notices, which may have a material adverse effect on our financial condition and results of operations or such non- Chinese resident investors' investments in us. We may conduct acquisition transactions in the future. We cannot assure you that the Chinese tax authorities will not, at their discretion, adjust any capital gains and impose tax return filing obligations on us or require us to provide assistance for the investigation of Chinese tax authorities with respect thereto. Heightened scrutiny over acquisition transactions by the Chinese tax authorities may have a negative impact on potential acquisitions we may pursue in the future. Any failure to comply with Chinese regulations regarding the registration requirements for our employee equity incentive plans may subject us to fines and other legal or administrative sanctions, which could adversely affect our business, financial condition, and results of operations. In February 2012, the SAFE promulgated the Stock Option Rules. In accordance with the Stock Option Rules and other relevant rules and regulations, Chinese citizens or non- Chinese citizens residing in mainland China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be a Chinese subsidiary of such overseas listed company, and complete certain procedures. We and our employees who are Chinese citizens or who reside in mainland China for a continuous period of not less than one year and who participate in our stock incentive plan will be subject to such regulation. We plan to assist our employees to register their share options or shares. However, any failure of our Chinese individual beneficial owners and holders of share options or shares to comply with the SAFE registration requirements may subject them to fines and legal sanctions and may limit the ability of our Chinese subsidiaries to distribute dividends to us. We also face regulatory uncertainties that could restrict our ability to adopt additional incentive plans for our directors and employees under Chinese law~~ . Certain of our investments may be subject to review from the Committee on Foreign Investment in the United States, which may delay or block a transaction from closing. The ~~Committee on Foreign Investment in the United States (" CFIUS ")~~ has jurisdiction over investments in which a foreign person ~~acquirers~~ - **acquires** control over a U. S.

company, as well as certain non- controlling investments in U. S. businesses that deal in critical technology, critical infrastructure, or sensitive personal data. Some transactions involving U. S. businesses that deal in critical technology are subject to a mandatory filing requirement. Accordingly, to the extent the U. S. portion of our business decides to take investments from foreign persons, or we decide to invest in or acquire, in whole or in part, a U. S. business, such investments could be subject to CFIUS' s jurisdiction. To date, none of our investments have been subject to CFIUS review **,** but ~~,~~ depending on the particulars of ongoing or future investments, we may be obligated to secure CFIUS approval before closing, which could delay the time period between signing and closing. If we determine that a CFIUS filing is not mandatory (or otherwise advisable), there is a risk that CFIUS could initiate its own review, if it determines that the transaction is subject to its jurisdiction. If an investment raises significant national security concerns, CFIUS has the authority to impose mitigation conditions or recommend that the President block a transaction. ~~On~~ **In** September ~~15,~~ 2022, President Biden issued an ~~Executive~~ **executive** ~~Order~~ **order** to instruct CFIUS to consider national security factors when evaluating transactions, specifically a deal' s effect on critical U. S. supply chains, U. S. technological leadership in biotechnology and biomanufacturing, cybersecurity risks, or risks to U. S. persons' sensitive data. As a result, companies with significant operations in China will likely face heightened regulatory scrutiny from CFIUS in conducting acquisition of U. S, biotech companies. Changes in United States and international trade policies and relations, particularly with regard to mainland China, may adversely impact our business and operating results. ~~- 86 -~~ The U. S. government has recently made statements and taken certain actions that led to changes to United States and international trade policies and relations, including imposing several rounds of tariffs affecting certain products manufactured in mainland China **and** ~~, as well as~~ imposing certain sanctions and restrictions in relation to mainland China. It is unknown whether and to what extent new tariffs or other new executive orders, laws **,** or regulations will be adopted, or the effect that any such actions would have on us or our industry. We conduct pre- clinical and clinical activities and have business operations both in the United States and mainland China, **and** any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our ~~drug~~ products, the competitive position of our ~~drug~~ products, the hiring of scientists and other research and development personnel **,** and import or export of raw materials in relation to drug development ~~,~~ or **may** prevent us from selling our ~~drug~~ products in certain countries. If any new tariffs, legislation, executive orders **,** and / or regulations are implemented, or if existing trade agreements are renegotiated or, in particular, if the U. S. or Chinese governments takes retaliatory actions due to the recent U. S.- China tension, such changes could have an adverse effect on our business, financial condition, and results of operations. It may be difficult to enforce against us or our management in mainland China any judgments obtained from foreign courts. ~~In July 2006,~~ **Although there are some protections with respect to enforcement in mainland China of judgments rendered by** Hong Kong ~~and mainland China entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts~~ **courts as** ~~of the Mainland and of the Hong Kong Special Administrative Region Pursuant to Choice of Court Agreements Between Parties Concerned (the " Arrangement "), pursuant to which~~ a ~~party with a final court~~ **result of reciprocal recognition and enforcement of** judgment ~~rendered by a Hong Kong court requiring payment of money in a civil and commercial case according to a choice of court agreement in writing may apply for recognition and enforcement of the judgment in mainland China. Similarly, a party with a final judgment rendered by a Chinese court requiring payment of money in a civil and commercial case pursuant to a choice of court agreement in writing may apply for recognition and enforcement of such judgment in Hong Kong. In January 2019, the Supreme People' s Court and the Hong Kong Government signed the Arrangement~~ **arrangements** ~~on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (the " New Arrangement "), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong and mainland China. The New Arrangement discontinued the requirement for a choice of court agreement for bilateral recognition and enforcement. The New Arrangement will only take effect after the promulgation of a judicial interpretation by the Supreme People' s Court, completion of the relevant legislative procedures in the Hong Kong and announcement by both sides of a date on which the New Arrangement shall commence. The New Arrangement will, upon its effectiveness, supersede the Arrangement. Therefore, before the New Arrangement becomes effective it may be difficult or impossible to enforce a judgment rendered by a Hong Kong court in mainland China if the parties in the dispute do not agree to enter into a choice of court agreement in writing. Additionally, there are uncertainties about the outcomes and effectiveness of enforcement or recognition of judgments under the New Arrangement. Furthermore~~ , mainland China does not have treaties or agreements providing for the reciprocal recognition and enforcement of judgments awarded by courts of the United States, the United Kingdom, most other western countries, or Japan. Hence, the recognition and enforcement in **- 36 -** mainland China of judgments of a court in any of these jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or even impossible. Failure to renew our current leases or locate desirable alternatives for our leased properties could materially and adversely affect our business. We lease properties for our offices and manufacturing facilities. We may not be able to successfully extend or renew such leases upon expiration of the current term on commercially reasonable terms or at all and may therefore be forced to relocate our affected operations. This could disrupt our operations and result in significant relocation expenses, which could adversely affect our business, financial condition, and results of operations. In addition, we compete with other businesses for premises at certain locations or of desirable sizes. As a result, even though we could extend or renew our leases, rental payments may significantly increase as a result of the high demand for the leased properties. In addition, we may not be able to locate desirable alternative sites for our current leased properties as our business continues to grow and failure in relocating our affected operations could adversely affect our business and operations. ~~- 87 -~~ Risks Related to Our Financial Position ~~and Need for Additional Capital~~ We have incurred significant losses since our inception and anticipate that we will continue to incur losses ~~in~~ **for at least** the ~~future~~ **next year** . **If** ~~To date,~~ we ~~have not~~ **are unable to** ~~generated~~ **generate** sufficient revenue from **our commercial** ~~product~~ **products** ~~sales to cover corresponding~~ **, on the**

anticipated timeline or at all, at a level that more than offsets our expenses, ~~and~~ we ~~may never~~ **will be unable to** achieve or ~~sustain~~ **maintain** profitability. We currently have ~~four~~ **five commercial products that are** approved ~~, commercialized products — ZEJULA, Optune, QINLOCK,~~ and **marketed for certain indications** ~~NUZYRA. Although we have launched ZEJULA~~ in ~~Hong Kong, Macau, and~~ mainland China, ~~Optune in Hong Kong,~~ and **we are pursuing regulatory approval of new products and additional indications for our existing products in coming years in** mainland China ~~, QINLOCK in mainland China, Hong Kong,~~ and ~~Taiwan, and NUZYRA in mainland China, it will take some time to attain profitability, and we may never do so. We have also obtained the~~ **other** ~~rights to commercialize many clinical- stage~~ **licensed territories and worldwide for our internally developed** product candidates. Investment in biopharmaceutical product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or become commercially viable. To date, we have financed our activities primarily through ~~private placements,~~ **revenues from the sales of** our **commercial products** ~~initial public offering in September 2017~~ and ~~multiple follow- on~~ offerings on Nasdaq ~~,~~ and ~~our secondary listing and initial public offering on~~ the Hong Kong Stock Exchange ~~in September 2020~~ **as well as private placements** . **Although our annual** ~~For 2022 and 2021, we generated net revenue, mainly from~~ product ~~sales, of $ 215. 0 million~~ **revenues have been increasing for the last few years** and ~~$ 144. 3 million~~ **we continue to focus on efficiency and productivity** , **we** ~~respectively. We~~ continue to incur significant development, commercialization **,** and other expenses related to our ongoing operations. As a result, we ~~are not profitable and~~ have incurred **net** losses ~~in each period~~ since our inception ~~in~~ **, including $ 334. 6 million for** ~~2013~~ **2023** . **If we are unable to generate sufficient revenue from sales of our approved commercial products, on our anticipated timeline** ~~For~~ - **or at all** ~~2022 and 2021~~ , **at** ~~we reported~~ a **level that more than offsets our expenses** ~~net loss of $ 443. 3 million and $ 704. 5 million~~ , ~~respectively. We expect to continue to incur losses in the foreseeable future, and~~ we ~~expect these losses~~ **will be unable** to **achieve or** ~~increase as we: • continue to commercialize, and~~ maintain ~~and expand sales, marketing and commercialization infrastructure for~~ **profitability. There are several factors that could impact** our ~~approved~~ **ability to achieve and maintain profitability, including the success and costs of our commercial** products **; our ability to** ~~and any other products for which we may~~ obtain ~~regulatory approval; • maintain and expand regulatory~~ approvals for ~~our~~ **and commercialize new** products ~~and~~ **or additional indications for existing** ~~product~~ **products** ~~candidates that successfully complete~~ **and costs of our** clinical trials; ~~• continue~~ our **ability to build and strengthen our pipeline through internal discovery and business** development **activities** and ~~commence clinical trials of our product candidates~~ **costs related to such license and collaboration arrangements** ; ~~• acquire~~ **the costs and efficiency of** ~~or~~ **our** ~~in- license~~ **commercial and R & D teams and** other ~~intellectual property, product candidates and technologies; • maintain and expand our manufacturing facilities; • hire additional clinical, operational, financial, quality control and scientific~~ personnel; ~~• seek to identify additional product candidates; • obtain, maintain, expand~~ and ~~protect our intellectual property portfolio; and • enforce and defend intellectual property- related claims. To become and remain profitable, we must continue the commercialization efforts of our approved products and develop and eventually commercialize other product candidates with significant market potential. This will require us to be successful in a range of challenging activities, including manufacturing, marketing, and selling our approved products as well as completing pre- clinical testing and clinical trials of and obtaining marketing approval for our clinical and pre- clinical stage product candidates. We will also need to be successful in satisfying any post- marketing requirements with respect to all of our products. We may not succeed in any or~~ **our ability** ~~all of these activities and, even if we do, we may never generate product revenues that are significant or large enough~~ to **overcome unforeseen challenges or absorb** ~~achieve profitability. 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 and our ability to generate revenue. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods~~ . Our failure to become and remain profitable would decrease the value of the Company **or our securities** and could impair our ability to raise capital, maintain our research and development ~~efforts~~ and commercialization efforts, **or** expand **or maintain** our business ~~, or continue our operations. A decline in the value of the Company also could cause you to lose all or part of your investment~~ . We **may seek** ~~will continue to require substantial~~ additional funding **, such as** for our product development programs and ~~for our~~ commercialization efforts ~~for our approved products and other products for which we may obtain regulatory approval~~ , which may not be available on acceptable terms, or at all. If we are unable to raise capital on acceptable terms when needed, we could incur losses or be forced to delay, reduce **,** or terminate ~~such~~ **certain programs or activities. Since inception, we have incurred significant costs for our commercialization** efforts ~~.~~ **with respect to our approved products, our research and development efforts related to our product candidates and related clinical or pre** - **clinical trials** ~~88- In 2022 and 2021~~ , **our business** ~~we generated net revenue, mainly from product sales, of $ 215. 0 million and $ 144. 3 million, respectively. Our operations have consumed substantial amounts of cash since inception, and we continue to incur significant~~ development **activities and related upfront or milestone fees or royalty payments in our license and collaboration arrangements,** and other **costs** ~~expenses related~~ to **develop the infrastructure and otherwise support** our ~~ongoing~~ operations. To date, we have financed our activities primarily through ~~private placements,~~ **revenues from the sales of** our **commercial products** ~~initial public offering in September 2017~~ and ~~multiple follow- on~~ offerings on Nasdaq ~~,~~ and ~~our secondary listing and initial public offering on~~ the Hong Kong Stock Exchange **as well as** ~~in September 2020. As of February 28, 2023, we have raised approximately $ 164. 6 million in~~ private **placements** ~~equity financing and approximately $ 2, 462~~ . **We may require** ~~7 million in net proceeds after deducting underwriting commissions and the offering expenses in our~~ - **or** ~~initial public offerings and follow~~ **seek to obtain additional funding in** ~~- on offerings. For 2022 and 2021, the net cash used in our operating activities was $ 367~~ - **37-** ~~. 6 million and $ 549. 2 million, respectively. We expect our expenses to increase significantly in~~ connection with our ~~ongoing activities, particularly as we continue to commercialize our approved products, continue our research and development efforts related to our clinical and pre- clinical- stage product candidates, and initiate additional clinical trials of, and seek and / or expand regulatory approval~~

~~for, ZEJULA, Optune, QINLOCK, NUZYRA, and our other products and product candidates. In addition, if we obtain regulatory approval for any additional product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales, and distribution. In particular, if more of our product candidates are approved, additional costs may be substantial as we may have to, among other things, modify or increase the production capacity at our current manufacturing facilities or contract with third- party manufacturers and increase our commercial workforce. We have incurred, and may continue to incur, expenses as we create additional infrastructure to support our operations. Our liquidity and financial condition may be materially and adversely affected by negative net cash flows, and we cannot assure that we will have sufficient cash from other sources to fund our operations. We will likely need to obtain substantial additional funding in connection with our continuing~~ operations through public or private equity offerings, debt financing, collaborations or licensing arrangements, or other sources. If we are unable to raise capital when needed or on acceptable terms, we could incur losses ~~and~~ **or** be forced to delay, reduce, or terminate **certain** ~~our research and development~~ programs or **activities** ~~commercialization efforts~~. Although we believe our cash and cash equivalents and short- term investments as of December 31, ~~2022~~ **2023** will enable us to fund our operating expenses and capital expenditure requirements for at least the next twelve months, we could use our capital resources sooner than we currently expect. Our future capital requirements will depend on many factors, including: • **revenues from our approved commercial products and related product costs; •** the cost and timing of future commercialization activities for **our products** ~~ZEJULA, Optune, QINLOCK, NUZYRA,~~ and any other product candidates for which we receive regulatory approval; • the **cost** ~~pricing of and product revenues received~~, **timing** ~~if any~~, ~~from future commercial sales of our approved products~~ and ~~any other products for which we receive~~ **outcome of seeking, obtaining, and maintaining** regulatory approval **for our products and product candidates** ; • the scope, progress, timing, results, and costs of ~~clinical~~ **researching and** ~~development~~ **developing** ~~of~~ our ~~products~~ **product** ~~in~~ **candidates, including** additional indications **for** ~~, if any; • the scope, progress, timing, results, and costs of researching and developing~~ our **existing commercial** ~~product~~ **products** ~~candidates~~ **,** and conducting pre- clinical and clinical trials; • ~~the cost, timing, and outcome of seeking, obtaining, maintaining, and expanding regulatory approval of our products and product candidates; •~~ our ability to establish and maintain strategic partnerships, including collaboration, licensing, or other arrangements and the economic and other terms, timing, and success of such arrangements **, such as with respect to any upfront fees, development and regulatory milestones that may be payable prior to commercialization or before we have generated any revenue from the related product, and sales- based milestones or royalty payments** ; • the cost, timing, and outcome of preparing, filing, and prosecuting patent applications, maintaining and enforcing our intellectual property rights, and defending any intellectual property related claims; • ~~the extent to which we acquire or in- license other product candidates and technologies and the economic and other terms, timing, and success of such collaboration and licensing arrangements; •~~ cash requirements of any future acquisitions; • ~~the number, characteristics, and development requirements of the product candidates we pursue; •~~ resources **and costs** required to ~~develop and implement policies and processes to~~ promote ~~ongoing~~ compliance with applicable ~~healthcare~~ laws and regulations **by us and our third- party partners** ; ~~- 89 -~~ • costs **of** ~~required to confirm that~~ our **personnel** ~~and our partners' business arrangements with third parties comply with applicable healthcare laws and regulations; • our headcount growth and associated costs~~ ; and • the costs of operating as a public company in both the United States and Hong Kong. ~~Raising~~ **We and our subsidiaries have entered into debt arrangements with certain financial institutions in China, and we may in the future consider** additional **debt arrangements, to fund our business or working** capital **needs. Such debt arrangements may restrict** ~~or~~ **our future operations. We may, from time to time,** ~~entering ---~~ **enter into debt arrangements with certain financial institutions to support our business and working capital needs. As of the date hereof, we have entered** into certain **debt arrangements with Chinese financial institutions that allow certain of our wholly- owned subsidiaries to borrow up to approximately $ 164. 5 million (or RMB1, 171. 7 million) to support our working capital needs in mainland China, and Zai Lab Limited has agreed to guarantee approximately $ 142. 0 million (or RMB1, 011. 7 million) of this debt. Such debt requires us or our subsidiaries to dedicate a portion of our or their cash flow to service interest and principal payments and, if interest rates rise, this amount may increase. As a result, our existing debt may limit our ability to use our cash flow to fund capital expenditures, to engage in transactions, or to meet other capital needs. Additionally, our subsidiaries' debt service obligations may limit their ability to make future distributions to us. Our debt could also limit our flexibility to plan for and react to changes in our business or industry and may increase our vulnerability to general adverse economic and industry conditions, including a downturn in our business or the economy. This debt is denominated in RMB, and some bears interest at variable rates. As a result, increases in market interest rates and changes in foreign exchange rates could require a greater portion of our cash flow to be used to pay interest, which could further hinder our operations. We may also have difficulty refinancing our existing debt or incurring new debt on terms that we would consider commercially reasonable or at all. To the extent that we incur additional indebtedness, the foregoing risks could increase.- 38- We may enter into certain capital raising, business collaboration, or** other arrangements **that** may cause dilution to our shareholders, restrict our operations, or require us to relinquish rights to our technologies or product candidates. ~~Identifying and acquiring rights to develop potential product candidates, conducting pre- clinical testing and clinical trials, and commercializing products for which we receive regulatory approval is a time- consuming, expensive, and uncertain process that may take years to complete. To date, we have generated revenue mainly from the sales of our approved products, after we received respective regulatory approval in the relevant jurisdictions. Our near- term commercial revenue will continue to be derived from sales of our approved products. Additional commercial revenue, if any, will be derived from sales of product candidates that we do not expect to be commercially available until we receive regulatory approval, if at all.~~ We may **seek** ~~never generate the necessary data or results required to obtain regulatory approval and achieve product sales of some of our product candidates, and even if we obtain regulatory approval, our products may not achieve commercial success. Accordingly, we will need to continue to rely on additional financing to achieve our~~ business **opportunities** ~~objectives.~~

~~Adequate additional financing may not be available to us on acceptable terms,~~ or ~~at all. We may seek~~ additional funding **in the future** through ~~a combination of~~ equity offerings, debt financings, collaborations, licensing arrangements, strategic alliances, and marketing or distribution arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, our shareholders' ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect rights of our security holders. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations and ~~could also result in certain~~ additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license intellectual property rights **,** and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our **securities** ~~ordinary shares and / or ADSs~~ to decline. Additionally, to finance any acquisitions, licensing ~~arrangement~~ **arrangements ,** or strategic ~~alliance~~ **alliances** , we may choose to issue our **securities** ~~ordinary shares~~ as consideration, which could dilute the ownership of our ~~stockholders~~ **shareholders** . In the event that we enter into collaboration or licensing arrangements 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 product 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~~ . We may not be able to access the capital and credit markets on terms that are favorable to us. We may seek access to the capital and credit markets to supplement our existing funds and cash generated from operations for working capital, capital expenditure and debt service requirements **,** and other business initiatives. The capital and credit markets are experiencing, and have in the past experienced, extreme volatility and disruption, which leads to uncertainty and liquidity issues for ~~both~~ borrowers and investors. That volatility and unpredictability in the financial markets ~~is~~ **has** adversely **affected, and may in the future adversely** ~~affecting~~ --- **affect** ~~the~~ **,** access to capital and credit for ~~many~~ life sciences companies, **particularly** ~~but that risk is currently exacerbated~~ for companies like ours with significant operations in China ~~by factors such~~ as **a result of** geopolitical tensions between the United States and China **or otherwise** ~~, the ongoing war between Russia and Ukraine, and the uncertainty about the duration, scope, and effect of the COVID- 19 pandemic, including the restrictions imposed and subsequently removed by the Chinese government in response~~ . In the event **of** ~~that these continued~~ adverse market conditions ~~may affect us~~ , we may be unable to obtain adequate capital or credit market financing, obtain that capital or credit on favorable terms, or access such capital or credit in the market (s) or manner most favorable to the Company. Our results of operations may be adversely **affected by** ~~impacted in the event of a~~ sustained ~~period~~ **periods** of increased inflation. The global economy, including the U. S. economy, has experienced rising inflation in recent **years** ~~quarters. Increased inflation may have an adverse impact on our expenses and, as a result, our results of operations~~ . We source **our products, product candidates, and** key materials from third parties located in the United States, ~~either directly through agreements with~~ **including our licensors, other** suppliers ~~or indirectly through our manufacturers who have agreements with suppliers~~ , **and CROs** ~~as well as through our licensors~~ . For example, we rely on **NovoCure for OPTUNE** ~~BMS (formerly Turning Point) to manufacture and supply repotrectinib (TPX- 0005)~~ , **Deciphera for QINLOCK, and** argenx ~~to manufacture and supply efgartigimod, MacroGenics to manufacture and supply margetuximab and a pre- clinical multi- specific TRIDENT- 90- molecule, Entasis to manufacture and supply SUL- DUR, NovoCure to manufacture and supply Optune, Deciphera to manufacture and supply QINLOCK, Regeneron to manufacture and supply odronextamab, Mirati to manufacture and supply adagrasib, and Blueprint to manufacture and supply BLU- 945. Sustained or for rising~~ **VYVGART. Although we have not been materially affected by** inflation **in the past, sustained or increased inflation** may result in increased ~~cost to us in obtaining supplies of our products and~~ product **costs** ~~candidates,~~ or **other expenses** ~~key materials relating thereto~~ . As a result, our results of operations may be adversely ~~impacted~~ **affected** . Risks Related to Our Business and Industry **Our** ~~We are invested in the commercial success of our four approved products and our~~ ability to generate ~~product~~ revenues ~~in the near future~~ is highly dependent on the **success of our** commercial ~~success of each of those~~ products ~~. A substantial portion of our time, resources~~ and ~~effort are focused on, and~~ our **ability to obtain regulatory approvals for our product candidates. Our** ability to generate product revenues ~~will depend~~ **depends** ~~heavily~~ on the success of ~~the commercialization of our four~~ - **our** ~~approved~~ **commercial** products **, including our five current commercial products as well as new products or additional indications for our current commercial products that we may launch in the future** . Our ability to successfully **generate revenue from our** ~~commercialize~~ --- **commercial** ~~those~~ products will depend on, among other things, our ability to: • maintain ~~commercial~~ **sufficient** manufacturing or supply arrangements with third- party **licensors or** manufacturers ~~for ZEJULA, Optune, QINLOCK, and NUZYRA~~ ; • produce ~~,~~ through a validated process or procure ~~, both~~ internally or from third- party manufacturers sufficient quantities and inventory of ~~each of~~ our ~~approved~~ **commercial** products ~~to meet demand~~ ; • build and maintain **sufficient** internal sales, distribution and marketing capabilities ~~sufficient to generate~~ **;- 39- • increase awareness and education for our** commercial ~~sales of each of our approved~~ products **to promote** ~~; • secure widespread~~ acceptance ~~of ZEJULA, Optune, QINLOCK, and NUZYRA~~ from physicians, healthcare payors, patients, and the medical community; • ~~properly price~~ **improve access to,** and ~~obtain~~ **affordability of, our commercial products, such as through NRDL listings or supplemental insurance** coverage **in the** ~~and adequate reimbursement of each of our approved products by governmental authorities,~~ private ~~health insurers, managed care organizations and other third~~ - ~~party~~ -- **pay** ~~payors~~ **market** ; • maintain compliance with ongoing regulatory labeling, packaging, storage, advertising, promotion, recordkeeping, safety, and other post- market requirements; • manage our growth and spending as costs and expenses increase due to commercialization; and • manage business interruptions resulting from the occurrence of any ~~pandemic, epidemic, including from the outbreak of COVID- 19, or any other~~ public health ~~crises~~ **crisis , international war or conflict** , natural ~~catastrophe~~ **disaster, extreme weather event** , or other **significant** ~~disasters. There are no guarantees that we will be successful in completing these tasks. In addition, we have invested, and will continue to invest, substantial financial and management resources to build out our~~ - **or** ~~commercial infrastructure and to recruit and train sufficient additional qualified~~

~~marketing, sales, and other personnel in support of our sales of each of our approved products. Sales of our commercial products may be slow or limited for a variety of reasons including competing therapies or safety issues. If any of our four approved products is not successful in gaining broad commercial acceptance, our business would be harmed. Sales of each of our four approved products will be dependent on several factors, including our and our partners' ability to educate and increase physician awareness of the benefits, safety and cost- effectiveness of such products relative to competing therapies. The degree of market acceptance of ZEJULA, Optune, QINLOCK, and NUZYRA among physicians, patients, healthcare payors, and the medical community will depend on a number of factors, including: • acceptable evidence of safety and efficacy; • relative convenience and ease of administration; • prevalence and severity of any adverse side effects; • availability of alternative treatments; - 91 - • pricing, cost effectiveness and value propositions; • effectiveness of our sales and marketing capabilities and strategies; • ability to obtain sufficient third- party coverage and reimbursement; • the clinical indications for which such product are approved, as well as changes in the standard of care for their targeted indications; • the continuing effectiveness of manufacturing and supply chain; • warnings and limitations contained in the approved labeling for such product; • safety concerns with similar products marketed by others; • the prevalence and severity of any side effects as a result of treatment with such product; • our ability to comply with regulatory post- marketing requirements associated with the approval of such product; • the actual market- size for such product, which may be larger or smaller than expected; • competitor' s entry timing and price; and • our ability to manage complications or barriers that inhibit our commercialization team from reaching the appropriate audience to promote our product (s) because of the outbreak of COVID- 19 or any other public health crises, natural catastrophe~~ **catastrophic event** ~~or other disasters. We may never obtain approval of our commercialized products for other indications~~ outside of ~~the regulatory approvals we have already obtained, which would limit our ability to realize their full market potential. In order to market products in any given jurisdiction, we must comply with numerous and varying regulatory requirements of such jurisdiction regarding safety, efficacy and quality. The approval of our four -~~ **our control** ~~commercial products, ZEJULA, Optune, QINLOCK, and NUZYRA for certain indications in certain jurisdictions does not mean that the regulatory authorities will approve those products for other indications. Approval procedures vary among jurisdictions and clinical trials conducted in one jurisdiction may not be accepted by regulatory authorities in other jurisdictions, and regulatory approval in one country does not mean that regulatory approval will be obtained in any other jurisdiction~~ . We have **several** ~~limited experience in commercializing our products. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our products, we may not be able to generate substantial product sales revenue. We continue to build our salesforce in China to commercialize our approved products, and any additional products or~~ product candidates ~~that we may develop or~~ in - license, which will require significant..... the success of our business to date **late** ~~and to assess our future viability. We are a commercial~~ - stage ~~biopharmaceutical company. Our operations to date have been limited to organizing and staffing the Company, identifying potential partnerships and product candidates, acquiring product and technology rights, conducting research and development activities for our product candidates and, more recently, commercializing products for which we have obtained regulatory approval. We have not yet demonstrated the ability to successfully complete large- scale, pivotal clinical trials. Additionally, we have limited experience in the sale, marketing, or distribution of pharmaceutical and medical device products. Consequently, any predictions about our future success, performance or viability may not be as accurate as they could be if we had a longer operating history. If we are unable to further develop marketing and sales capabilities or enter into agreements with third parties to market and sell our commercialized products, we may not be able to generate substantial product sales revenue. Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate, may make it difficult to evaluate our current business and prospects for future performance. Our short history makes any assessment of our future performance or viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by companies in rapidly evolving fields as we continue to expand our commercial activities. In addition, as a recently commercial- stage business, we may be more likely to encounter unforeseen expenses, difficulties, complications and delays due to limited experience. If we do not address these risks and difficulties successfully, our business will suffer. If we are unable to obtain regulatory approval for and ultimately commercialize our many product candidates or experience significant delays in doing so, our business, financial condition, results of operations, and prospects may be materially adversely affected. Many of our product candidates are in~~ clinical development and various others ~~are~~ in **earlier stage clinical and** pre- clinical development. Our ability to generate revenue from our product candidates is dependent on the results of clinical and pre- clinical development, our receipt of regulatory approval **,** and successful commercialization of such products, which may ~~never~~ **not** occur ~~. Each of~~ **on the anticipated timeline** ~~our -~~ **or at all** ~~product candidates will require additional pre- clinical and / or clinical development, regulatory approval in multiple jurisdictions, development of manufacturing supply and capacity, substantial investment and significant marketing efforts before we generate any revenue from product sales~~ . The success of our product candidates will depend on several factors, including the following: • successful enrollment of patients in, and completion of, clinical trials **and** ~~as well as completion of~~ pre- clinical studies ~~, which may be adversely impacted by the effects of the COVID- 19 pandemic~~ ; • receipt of regulatory approvals from applicable regulatory authorities for planned clinical trials, future clinical trials or drug registrations, manufacturing **,** and commercialization; • successful completion of all safety and efficacy studies required to obtain regulatory approval in Greater China, the United States, and other jurisdictions for our product candidates; ~~- 94 -~~ • adapting our commercial manufacturing capabilities to the specifications for our product candidates for clinical supply and commercial manufacturing ~~;~~ • **and / or** making and maintaining **necessary** arrangements with third- party manufacturers **or suppliers** ; • obtaining ~~and~~ **,** maintaining **, and successfully enforcing or defending** patent, trade secret **,** and other intellectual property protection and / or regulatory exclusivity for our product candidates; • launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others; • **the success of our marketing efforts and market** acceptance of the product candidates ~~, if and when approved,~~ by patients, the medical community **,** and third- party payors; • effectively

competing with ~~other~~ **any competing products or** therapies ~~and alternative drugs~~; • obtaining and maintaining healthcare coverage and adequate reimbursement; • successfully enforcing and defending intellectual property rights and claims; and • maintaining a continued acceptable safety, tolerability **,** and efficacy profile of the product candidates following regulatory approval. ~~The success of our business is substantially dependent on our ability to complete the development of our product candidates and to maintain, expand or obtain regulatory approval for, and successfully commercialize our products and, if approved, product candidates in a timely manner.~~ We are not permitted to market any of our products or product candidates in ~~Greater~~ **mainland** China, the United States, ~~and~~ **the EU, or any** other jurisdictions ~~unless and~~ until we **have** ~~receive~~ **received required** regulatory ~~approval~~ **approvals** ~~from the NMPA, FDA, and EMA, and other comparable authorities, respectively~~. The process to develop, obtain regulatory approval ~~for~~ **,** and commercialize product candidates is long, complex **,** and costly ~~both inside~~ and **varies among countries** ~~outside of mainland China and approval may not be granted~~. ~~Securing~~ **The successful completion of clinical trials or** regulatory approval ~~requires the submission of extensive pre-~~ **in one country does not mean that** clinical **trials will be successful in,** ~~and clinical data and supporting information to the various regulatory authorities for~~ **or** ~~each therapeutic indication to establish the product's or product candidate's safety and efficacy. Securing~~ regulatory approval ~~may also require~~ **will be obtained, in any** ~~the~~ **other country** ~~submission of information about the product or drug manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority~~. Our ~~products and product candidates may not be effective, may be only moderately effective or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude our obtaining of the regulatory approval or prevent or limit commercial use. The NMPA, FDA, and EMA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional pre- clinical, clinical or other studies. Our products and~~ product candidates could be delayed in receiving, or fail to receive, regulatory approval for many reasons, including the following: • disagreement ~~with the NMPA, FDA, and EMA or comparable regulatory authorities~~ regarding the number, design, size, conduct **,** or implementation of our clinical trials; **- 40-** • failure to demonstrate to the satisfaction of the ~~NMPA, FDA, and EMA or comparable regulatory~~ **regulator** ~~authorities~~ **(s)** that a product candidate is safe and effective for its proposed indication **, including as a result of safety issues, product recalls, or other incidents related to products approved and marketed in other jurisdictions** ; • failure of CROs, clinical study sites **,** or investigators to comply with the ICH- good clinical practice, or GCP, requirements imposed by the ~~NMPA, FDA, and EMA or comparable regulatory~~ **regulator** ~~authorities~~ **(s)** ; • failure of the clinical trial results to meet the **required** level of statistical significance ~~required by the NMPA, FDA, and EMA or comparable regulatory authorities for approval~~ ; • failure to demonstrate that ~~a product's or product candidate's~~ clinical and other benefits outweigh ~~its~~ safety risks; • ~~the NMPA, FDA, and EMA or comparable regulatory authorities disagreeing~~ **disagreement** ~~with our~~ **regarding the** interpretation of data from pre- clinical studies or clinical trials; • insufficient data collected from clinical trials to support the submission of an NDA **, PMA,** or other submission ~~or~~ **required** to obtain regulatory approval in Greater China, the United States, **the EU,** or elsewhere; ~~- 95-~~ • **failure to obtain approval of** ~~the NMPA, FDA, and EMA or comparable regulatory authorities not approving~~ the manufacturing processes for our clinical and commercial supplies; • changes in the approval policies or regulations **; and • actions by** ~~of the NMPA, FDA, or~~ **our CROs** ~~comparable regulatory authorities rendering our~~ **or licensors that materially and adversely affect the** clinical ~~data insufficient for approval~~ **trials. If we are not successful in gaining broad acceptance of our commercial products, our business would be harmed. Sales of our commercial products will depend on our ability to educate and increase physician awareness of the benefits, safety, and cost- effectiveness of such products, in general and relative to any competing therapies. The degree of market acceptance of our commercial products among physicians, patients, healthcare payors, and the medical community may depend on a number of factors, including: • acceptable evidence of safety and efficacy** ; • ~~the NMPA~~ **relative convenience and ease of administration; • prevalence and severity of any adverse side effects; • availability of alternative treatments; • pricing** , ~~FDA~~ **cost effectiveness** , **and value propositions; • effectiveness of** ~~or~~ **our** ~~comparable~~ **sales and marketing capabilities and strategies; • ability to obtain sufficient insurance coverage and reimbursement; • the clinical indications for which such product are approved, as well as changes in the standard of care for their targeted indications; • the effectiveness of manufacturing and supply chain; • warnings and limitations contained in the approved labeling; • safety concerns with respect to similar or competing products marketed by others; • our ability to comply with** regulatory ~~authorities restricting~~ **post- marketing requirements;** • the ~~use of~~ **market size for such product, which may be larger** ~~our~~ **or smaller than expected; • entry timing and price for any competing** products ~~to a narrow population~~ ; and **- 41-** • our ~~CROs~~ **ability to manage complications or barriers that inhibit** ~~or~~ **our** ~~licensors taking~~ **commercial team from reaching the appropriate audience to promote our product (s), such as because of government** actions ~~that materially~~ **or business disruptions caused by public health crises, natural disasters, extreme weather events,** and ~~adversely impact the~~ **other** ~~clinical trials~~ **significant or catastrophic events** . **We** ~~Clinical trials conducted in one country~~ may not ~~be accepted by regulatory authorities in other countries and obtaining~~ **obtain** regulatory approval ~~in~~ **of our product candidates,** ~~one~~ **on** ~~country does not mean that~~ **the anticipated timeline or at all, which could delay or limit our ability to realize the full potential of our product pipeline. In order to market products in any given jurisdiction, we must obtain** regulatory approval ~~will be~~ **and comply with numerous and varying regulatory requirements regarding safety, efficacy, and quality. We have** obtained ~~in any other country. Approval processes vary among countries and can involve additional product testing and validation and additional administrative review periods. For example, even if a product is approved by the FDA or comparable foreign regulatory authorities, we would still need to seek~~ approval **for our five** ~~from the NMPA to commercialize~~ **commercial** ~~the product~~ **products for certain indications** in ~~mainland~~ **certain jurisdictions in Greater** China ~~and we may need to conduct clinical trials of each of our product candidates in patients in mainland China prior to seeking regulatory approval from the NMPA~~. **We may** ~~Even if our product candidates have successfully completed clinical trials outside of mainland China, there is no~~ **not** ~~assurance that clinical trials conducted with~~

~~patients in mainland China will be successful. Any safety issues, product recalls or other incidents related to products approved and marketed in other jurisdictions may impact approval of those products by the NMPA. If we are unable to~~ obtain regulatory approval for our product candidates ~~in one~~ **, including new products or additional indications** ~~or~~ **for** ~~more jurisdictions, or~~ **our current commercial products** ~~any approval contains significant limitations~~ , ~~or are imposed~~ on ~~certain~~ **the anticipated timeline or at all, which could delay or limit our ability to realize the full potential of our pipeline. We have limited experience manufacturing our products and** product candidates **on a large clinical or commercial scale. We rely on third parties for our supply chain** , **and if** we ~~supply chain,and if we~~ experience problems with any of these third parties,the manufacture of our products or product candidates could be delayed,which could harm our **business and** results of operations **.We currently manufacture,or have rights to manufacture,our internally developed products and certain of our licensed commercial products and product candidates under the terms of our licensing arrangements.We rely on our two manufacturing facilities in Suzhou to support the clinical development and commercial production of such products and product candidates,including ZEJULA** .If our two manufacturing facilities are unable to meet our intended production capacity in a timely fashion,we may have to engage a CMO **(s)** for the production of clinical supplies of our products or product candidates. ~~Additionally,in order to successfully commercialize our products and product candidates,we will need to identify qualified CMOs for the scaled production of a commercial supply of certain of our products and product candidates.The CMOs should be drug manufacturers holding manufacturing permits with a scope that can cover our drug registration candidates.~~ We ~~have~~ may not be able to ~~obtain~~ **identify qualified CMOs or alternative suppliers that are able to meet our product production needs on commercially reasonable terms, in a timely manner, or at all. If we are not able to maintain** sufficient ~~funding~~ **quantity of** ~~or~~ **our manufactured** ~~generate sufficient revenue to continue the commercialization of our~~ products and ~~the development of our~~ product candidates **,** ~~or~~ **our business and results of operations could be adversely affected. If our manufacturing facilities are damaged or destroyed, or production at such facilities is otherwise interrupted, or if** any **new manufacturing facilities are not approved by regulators, our business and prospects would be negatively affected. We have two manufacturing facilities in Suzhou that have received required approvals from our regulators and, accordingly, we intend to rely on these facilities for** ~~other~~ -- **the manufacture of clinical and commercial supply for certain of our products and** product ~~candidate~~ **candidates . If either facility were damaged or destroyed, or otherwise subject to disruption, it would require substantial lead- time to replace our manufacturing capabilities. In such event, we would be forced to identify and rely partially or entirely on third- party CMOs for an indefinite period. Any new facility needed to replace an existing production facility would need to comply with necessary regulatory requirements and be tailored to our production requirements and processes. We also would need regulatory approvals before using any products or drugs manufactured at a new facility in clinical trials or selling any products or drugs** that ~~we~~ **have been approved. Any disruptions or delays at our facilities or their failure to comply with regulatory requirements would impair our ability to develop and commercialize certain of our products or product candidates, which** may ~~in~~ **adversely affect our business and results of operations. We have a limited operating history, which may make it difficult for you to evaluate the success of our business and to assess our future prospects. We are a commercial** - ~~license~~ **stage biopharmaceutical company with a relatively limited operating history. Consequently** , ~~acquire~~ **any predictions about** ~~or~~ **our** ~~develop in the~~ future **success, performance, or prospects are subject to significant uncertainty, particularly in light of the dynamic and evolving industry in which we operate** . We ~~may allocate~~ **will encounter risks and difficulties frequently experienced by companies in our industry as we continue to expand** ~~our~~ - **or** ~~limited resources~~ **enhance our commercial activities. In addition, as a commercial- stage business, we may be more likely to encounter unforeseen expenses, difficulties, complications, and delays. If we do not address these risks and difficulties successfully, our business will suffer.- 42- We may decide** to pursue a particular product, product candidate **,** or indication and fail to ~~capitalize on~~ **pursue other** products, product candidates **,** or indications that may later prove to be more profitable or for which there is a greater likelihood of success. **We may decide to focus** ~~Because we have limited financial and managerial resources, we must limit~~ our licensing, research, development, and commercialization programs to specific products and product candidates ~~that we identify for~~ - **or to** specific indications **for those products and product candidates based on our expectations with respect to the potential benefits of the therapies, patient needs and the potential markets, synergies with our existing business, the competitive landscape, or otherwise. We may incorrectly assess the benefits, costs, and risks for any potential product or product candidate** . As a result, we may forego or delay pursuit of opportunities ~~with~~ **for** other products or product candidates or for other indications that later prove to have greater commercial potential ~~. Our~~ **, and our** resource allocation decisions may cause us to fail to capitalize on ~~viable~~ **promising** commercial drugs or profitable market opportunities. **If** ~~In addition, if~~ we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may **also** relinquish valuable rights to that product candidate through collaboration, licensing, or other royalty arrangements when it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. **Such** ~~Our products and product candidates are subject to extensive regulation, and we cannot give any assurance that any of our products or product candidates will receive any additional regulatory approval or be successfully commercialized. Our products and product candidates and the activities associated with their development~~ **developments would have** ~~and commercialization, including their design, testing, manufacture, safety, efficacy, quality control, recordkeeping, labeling, packaging, storage, approval, advertising, promotion, sale, distribution, import, and export are subject to comprehensive regulation by the NMPA, FDA, and EMA, and other regulatory agencies in Greater China, the United States, and the EU, and by comparable authorities in other countries. The process of obtaining regulatory approvals in Greater China, the United States, and other countries is expensive, may take many years of additional clinical trials and can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product or product candidates involved. Changes in regulatory approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for~~

~~each submitted New Drug Application, or NDA, pre- market approval or equivalent application type, may cause delays in the approval or rejection of~~ an **adverse effect** ~~application. In addition, even if we were to obtain approval, regulatory authorities may revoke approval, may approve any of our products or product candidates for fewer or more limited indications than we request, may monitor the price we intend to charge for our products or drugs, may grant approval contingent~~ on ~~the performance of costly post- marketing clinical trials or~~ **our business, results** ~~may approve a product or product candidate with a label that does not include the labeling claims necessary or desirable- 96- for the successful commercialization~~ of **operations, financial conditions, and** ~~that product or product candidate. Any of the foregoing scenarios could materially harm the commercial~~ prospects ~~for our products or product candidates~~. The market opportunities for **certain of** our products and product candidates may be **small, such as when those opportunities are** limited to ~~those~~ patients who are ineligible for **other treatment options** or **who** have ~~failed~~ **not responded to** prior treatments **,** and **our estimations with respect to these populations may be inaccurate. The potential markets for certain indications of our commercial products and product candidates** may be small ~~. In markets with approved therapies~~ , **such as when** we **are seeking** ~~have and expect to initially seek~~ approval of our product candidates as a later stage therapy for patients who **are ineligible for other treatment options or who** have ~~failed~~ **not responded to prior treatments or** other approved treatments. ~~Subsequently,~~ **We may consider such indications or market indications as an initial entry point** for **certain of** ~~those products 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 ~~product and~~ product candidates **or as an additional indication** ~~, even if approved, would be approved~~ for ~~second- line or~~ **our current commercial** ~~first- line therapy. Our projections of both the number of people who have the indications we are targeting, as well as the subset of people with those indications who may be in a position to receive later stage therapy and who have the potential to benefit from treatment with our~~ products ~~, are based on our beliefs and estimates and may prove to be inaccurate or based on imprecise data~~ . **We** ~~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 products and product candidates may be limited or~~ may not be ~~amenable~~ **able** to ~~treatment with our products and product candidates. Even if we obtain significant market share for our products, because the potential target populations are small, we may never~~ achieve ~~profitability~~ **such regulatory approval or to generate sufficient revenue from such opportunities to recover related costs,** without obtaining regulatory approval for additional indications **. In addition** , ~~including use~~ as **part of** ~~a first- or~~ **our evaluation of the commercial prospects** ~~second- line therapy. The incidence and prevalence~~ for ~~target patient populations of, and our sales and revenue forecasts for,~~ our products and product candidates **, we periodically make estimates regarding the incidence and prevalence of our target populations, including with respect to the number of people who have the indications we are targeting, as well as the subset of people with those indications who may be in a position to receive our therapies and who have the potential to benefit from treatment with our products. We also make projections regarding sales, revenues, costs, and reimbursement for our products and product candidates. We may also use such estimates in making decisions regarding our product development strategy, including business development opportunities as well as our research and development activities and the focus of pre- clinical and clinical trials. These estimates and projections** are based on ~~estimates~~ **our beliefs, internally generated analyses,** and third-party sources, and they may prove to be ~~wrong. If the market opportunities for our products and product candidates are smaller than we estimate or if any approval that we obtain is based on a narrower definition of the patient population, our revenue and ability to achieve profitability might be materially and adversely affected. Periodically, we make estimates regarding the incidence and prevalence of target patient populations for particular diseases and regarding sales and revenue forecasts for our products and product candidates based on various third- party sources and internally generated analysis, and they may prove to be wrong. We may also use such estimates in making decisions regarding our product development strategy, including acquiring or in- licensing products or product candidates and determining indications on which to focus in pre- clinical or clinical trials. These estimates may be~~ inaccurate or based on imprecise data. For example, the ~~total addressable~~ **actual size of the potential** market opportunity **and patient population for a product or product candidate** will depend on **a variety of factors** , **including** ~~among other things, their~~ acceptance by the medical community ~~and~~ **,** patient access, product pricing ~~and~~ **,** reimbursement **, and availability of other treatment options. Further, new studies or market data may change the estimated incidence or prevalence of these indications** . The number of patients ~~in the addressable markets~~ may turn out to be lower than expected, **such as because** patients may not be ~~otherwise~~ amenable to treatment with our products ~~,~~ **and product candidates** or new patients may become increasingly difficult to identify or **reach. All** ~~gain access to, all~~ of ~~which may~~ **this could** significantly harm our business, financial condition, results of operations, and prospects. The pharmaceutical industry ~~in Greater China and other jurisdictions~~ is highly regulated **,** and such regulations are subject to change, which may affect the approval and commercialization of our ~~drugs~~ **products** and product candidates, and any failure to comply with such regulations could have adverse legal and financial impact. ~~In~~ **The pharmaceutical industry in** Greater China, the United States, the EU, and some other jurisdictions **is** ~~, manufacturing, sales, promotion, and other activities related to drug candidates and approved drug therapies are~~ subject to extensive **and comprehensive** regulation **and oversight** by numerous regulatory authorities **, including with respect to approval, manufacturing, distribution, marketing, and other activities related to new drug candidates and certain other therapies and treatments** . **- 43- In recent years** ~~As discussed under Part I — Item 1. Business — Government Regulation~~ , there have been a number of legislative and regulatory changes **in our industry** ~~and proposed changes regarding healthcare~~ that could prevent or delay regulatory approval of our products and product candidates, restrict or regulate post- approval activities **,** and affect **the commercial prospects of** ~~our ability to profitably sell~~ our products and ~~any~~ product candidates **, including in our primary market of mainland China. We expect the evolution in the Chinese healthcare industry to continue. Any changes** ~~for~~ **or amendments,or proposed further changes or amendments,with respect to applicable laws,rules,and regulation and supervision** of the **pharmaceutical industry** ~~legally imported drugs~~

~~from hospitals~~ in **mainland China,including recent anti- corruption enforcement efforts,may result in uncertainties with respect to** the **interpretation and implementation of** ~~BMTPZ.This program is also known as~~ the **relevant laws** ~~special Named Patient Program (" NPP ").However,as NPP is newly adopted~~ and ~~evolving,any change in future policies~~ **regulations and may adversely affect the development** or ~~implementing measures,which we may not be able to predict or control,could create uncertainties affecting our development and~~ commercialization of our drugs **and product** candidates **in mainland China** .Efforts to comply with these extensive regulatory requirements may involve substantial costs.If our operations were found to be in violation of applicable regulatory requirements,we could be subject to significant civil,criminal,and administrative penalties,including,without limitation,damages,fines,imprisonment,and exclusion from participation in government healthcare programs or contracting with government authorities and the curtailment or restructuring of our operations, ~~which could~~ which ~~we obtain regulatory approval~~ **could significantly harm our business** . ~~The~~ **In addition, the** commercial success of our approved products depends **,** in part **,** on **adequate insurance** coverage and ~~adequate~~ reimbursement by third party payors, including government health benefit programs and authorities. We expect that healthcare reform measures may result in more rigorous coverage criteria and in additional downward pressure on the reimbursement available for any approved ~~drug~~ **product** which could adversely affect pricing for such **product** ~~a drug~~ . Any reduction in reimbursement from 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 ~~,~~ **or** attain profitability ~~, or~~ **for our products or to successfully** commercialize our products and product candidates . Various- 97- laws that....., which could significantly harm our business . If safety, efficacy, manufacturing, or supply issues arise with any ~~therapeutic~~ **therapy or treatment** that we use in combination with our products and product candidates **, such as chemotherapy drugs** , we may be unable to market such products or product candidate or may experience significant regulatory delays or supply shortages, and our business could be materially harmed. **Certain of our products are** ~~In May 2020, Optune was~~ approved ~~by~~ **for treatment, and certain of our product candidates are being evaluated as a potential treatment, in combination with** ~~the~~ **other** ~~NMPA~~ **products, such as chemotherapy drugs. For example, we have commercially launched OPTUNE or TTFields** in combination with TMZ for the treatment of patients with newly diagnosed GBM **,** ~~. We may also develop certain other products~~ and ~~product candidates for use~~ **we are evaluating TTFields** as a combination therapy ~~,~~ in **gastric cancer, adagrasib as a combination therapy** ~~which case we would seek to develop and obtain regulatory approval~~ for ~~,~~ **colorectal cancer** and **NSCLC** , ~~if approved, manufacture~~ and **bemarituzumab as a** ~~sell, such product in~~ combination ~~with other therapeutics~~ **therapy for gastric and GEJ cancers** . If the NMPA, FDA, or another regulatory agency **were to** ~~revokes~~ **revoke** its approval of any therapeutic we use in combination with our products and product candidates, we ~~will~~ **would** not be able to market our products and product candidates in combination with such revoked therapeutics. If safety or efficacy issues arise with the therapeutics that we seek to combine with our products and product candidates in the future, we may experience significant regulatory delays **,** and we may be required to redesign or terminate the ~~applicable~~ **related** clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any combination therapeutic, we may not be able to successfully commercialize our products or product candidates on our ~~current~~ **anticipated** timeline or at all ~~. Even after obtaining regulatory approval for use in combination with any therapeutic, we continue to be subject to the risk that the NMPA, FDA, or another regulatory agency could revoke its approval of the combination therapeutic, or that safety, efficacy, manufacturing, or supply issues could arise with any of our combination therapeutics. This could result in our products being removed from the market or being less successful commercially~~ . We face substantial competition, which may result in our competitors discovering, developing, or commercializing drugs before or more successfully than we do, or developing products or therapies that are more advanced or effective than ours, which may adversely affect our financial condition and our ability to successfully market or commercialize our products and product candidates. ~~- 98-~~ The development and commercialization of new **drug products or** medical ~~device~~ **devices** ~~products and drugs~~ is highly competitive. We face competition with respect to our current products and product candidates and will face competition with respect to any product candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies, biotechnology companies **,** and medical device companies ~~worldwide. For example, there are a number of large pharmaceutical and biotechnology companies that currently market drugs or are pursuing the development of therapies in the field of poly ADP ribose polymerase, or PARP, inhibition to treat cancer~~ . Some of these competitive drugs and therapies are based on scientific approaches that are ~~the same as or~~ similar to that of our products and product candidates. Potential competitors also include academic institutions, government agencies **,** and other public and private research **- 44-** 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 oncology, autoimmune disorders, infectious diseases, and neuroscience, including many major pharmaceutical and biotechnology companies.~~ Many of the companies against which we are competing or ~~against which we~~ may **in the future** compete ~~in the future~~ have significantly greater financial resources and ~~expertise in~~ **may have additional resources or capabilities with respect to** research and development, manufacturing, pre- clinical testing, conducting clinical trials, obtaining regulatory approvals, and marketing approved drugs than we do. **Additionally, some of our competitors may successfully adopt or use emerging technologies, including artificial intelligence, to enhance their clinical or business operations before we are able to do so, which could leave us at a competitive disadvantage or with higher costs relative to our peers.** Mergers and acquisitions in the pharmaceutical, biotechnology **,** and diagnostic industries may result in ~~even more~~ resources being **further** concentrated among a smaller number of our competitors. Smaller or early- stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining **global leaders and** qualified scientific and management personnel ~~and~~ **;** establishing clinical trial sites and patient registration for clinical trials **; and** ~~, as well as in~~ acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunities could be reduced or eliminated if our

competitors develop and commercialize products ~~or drugs~~ that are safer, more effective, have fewer or less severe side effects, are more convenient, or are less expensive than **our** products or ~~drugs that we~~ **if they are more successful in their marketing and distribution efforts. Our commercial opportunities also** may ~~develop~~ **be adversely affected if the availability of competitor products limits or reduces the price we are able to charge for our products** . Our competitors also may obtain ~~NMPA, FDA, or other~~ regulatory ~~approval~~ **approvals in** ~~for their products or drugs more rapidly than we may obtain approval for ours~~ **our target markets before we do** , which could **allow them to** ~~result in our competitors establishing~~ **establish** a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render our products or ~~potential~~ product candidates uneconomical or obsolete **. We** ~~, and we~~ may ~~not~~ **also** be **adversely affected** ~~successful in marketing our products or product candidates against competitors. In addition,~~ as a result of the expiration or successful challenge of our patent rights ~~, we could face more litigation~~ with respect to the validity and / or scope of patents relating to our competitors' products ~~. The availability of our competitors' products could limit the demand, and the price we are able to charge, for any products that we may develop and commercialize~~ . Clinical development involves a lengthy and expensive process with an uncertain outcome. There is a risk of failure for each of our product candidates. It is difficult to predict when or if any of our product candidates will prove effective and safe in humans or will receive regulatory approval. Before obtaining regulatory approval ~~from regulatory authorities for the sale of any product candidate~~ , our product candidates must complete pre- clinical studies and ~~then conduct~~ extensive clinical trials to demonstrate ~~the~~ **their** safety and efficacy ~~of our product candidates in humans~~ . Clinical testing is expensive, difficult to design and implement **,** and can take many years to complete ~~, especially in light of the COVID- 19 pandemic~~ . The outcomes of pre- clinical ~~development~~ testing and early clinical trials may not be predictive of the success of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Moreover, pre- clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in pre- clinical studies and clinical trials have nonetheless failed to obtain regulatory approval of their product candidates. Future clinical trials of our product candidates may not be successful. ~~Commencement of~~ **Before commencing** clinical trials ~~is subject to~~ **, we must** ~~finalizing~~ **finalize** the trial design based on ongoing discussions with the NMPA **for trials in mainland China** , **the** FDA ~~and / or~~ **for trials in the United States, and any** other **applicable** regulatory authorities ~~, as applicable~~ . The ~~NMPA, FDA, and other~~ regulatory authorities ~~could~~ **may subsequently** change their position on the acceptability of trial designs or clinical endpoints, which could require us to complete additional clinical trials or impose **unexpected additional** approval conditions ~~that we do not currently expect~~ . Successful completion of our clinical trials is a prerequisite to submitting an NDA (or equivalent filing) to the NMPA, FDA, ~~and /~~ or other **applicable** regulatory authorities ~~for each product or product candidate~~ and **to** ~~, consequently,~~ the ultimate approval and commercial ~~marketing~~ **launch** of our products or product candidates. 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 ~~- 99-~~ promising results in earlier trials. There are inherent uncertainties associated with the development of our products and product candidates. We do not know whether the clinical trials for our product candidates will begin or be completed on schedule **or** ~~, if~~ at all ~~. Our future~~ **or whether the** clinical trial results **will** ~~may not~~ be favorable. **- 45-** We may incur additional costs or experience delays in completing pre- clinical or clinical trials ~~,~~ or ultimately be unable to complete the development and commercialization of our ~~products and product candidates. You may lose all or part of your investment if we are unable to successfully complete clinical development, obtain regulatory approval and successfully commercialize our products and~~ product candidates. We may experience delays in completing our pre- clinical or clinical trials, and numerous unforeseen events could arise during, or as a result of, ~~future~~ **such** clinical trials, which could delay or prevent us from receiving regulatory approval, including: • regulators or institutional review boards, or IRBs, or ethics committees may not authorize us or our investigators to commence or conduct a clinical trial at a prospective trial site; • we may experience delays in reaching, or may fail to reach, agreement on acceptable terms with prospective trial sites and prospective CROs who conduct clinical trials on our behalf, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites; • clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us ~~or them~~ , to conduct additional clinical trials or we may decide to abandon product development programs; • the number of patients required for clinical trials of our products and product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate **,** or participants may drop out of these clinical trials or fail to return for post- treatment follow- up at a higher rate than we anticipate; • third- party contractors used in our clinical trials may fail to comply with regulatory requirements or meet their contractual obligations in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators; • ~~the ability~~ **we may not be able** to conduct a companion diagnostic test to identify patients who are likely to benefit from our products and product candidates **in a timely manner or at all** ; • we may elect to, or regulators, IRBs or ethics committees may require that we or our investigators, suspend or terminate clinical research for various reasons, including non- compliance with regulatory requirements or a finding that participants are being exposed to unacceptable health risks; • the cost of clinical trials ~~of our products and product candidates~~ may be greater than we anticipate; • the supply or quality of our ~~products and~~ product candidates or other materials necessary to conduct clinical trials ~~of our product candidates~~ may be insufficient or inadequate; and • our products and product candidates may have undesirable side effects or unexpected characteristics, causing us or our investigators, regulators, IRBs, or ethics committees to suspend or terminate the trials, or reports may arise from pre- clinical or clinical testing of other ~~cancer~~ therapies that raise safety or efficacy concerns about our products and product candidates. We could encounter regulatory delays if a clinical trial is suspended or terminated by us or, as applicable, the IRBs or the ethics committee of the institutions in which such trials are being conducted, by the data safety monitoring board, which is an independent group of experts that is formed to monitor clinical trials while ongoing, or by the NMPA, FDA, or other **applicable** regulatory authorities. Such authorities may impose a suspension or termination due to a number of factors, including: a failure

to conduct the clinical trial in accordance with regulatory requirements or the applicable clinical protocols ~~,~~ **;** a failure to obtain the regulatory approval and / or complete record filings with respect to the collection, preservation, use **,** and export of mainland China' s human genetic resources ~~,~~ **;** inspection of the clinical trial operations or trial site by the NMPA, FDA, or other regulatory authorities that results in the imposition of a clinical hold, unforeseen safety issues **,** or adverse side effects ~~,~~ **;** failure to demonstrate a benefit from using a product candidate ~~,~~ **;** changes in ~~governmental~~ -- **government** regulations or administrative actions **;** or lack of adequate funding to continue the clinical trial. Many of the factors that **could** cause a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates. Further, the NMPA, FDA, or other **applicable** regulatory authorities may disagree with our ~~- 100 -~~ clinical trial design or our interpretation of data from clinical trials or may change the requirements for **- 46 -** approval even after it has reviewed and commented on the design for our clinical trials. **Our business will be adversely affected** ~~You may lose all or part of your investment~~ if we are unable to successfully complete clinical development, obtain regulatory approval **,** and successfully commercialize our products and product candidates. If we are required to conduct additional clinical trials or other testing of our products or product candidates beyond those that are currently contemplated, or if we are unable to successfully complete clinical trials of our products or product candidates or other testing, or if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may: • be delayed in obtaining regulatory approval for our products and product candidates; • not obtain regulatory approval at all; • obtain approval for indications or patient populations that are not as broad as intended or desired; • be subject to post- marketing testing requirements; • encounter difficulties obtaining or be unable to obtain reimbursement for use of our products and product candidates; • be subject to restrictions on the distribution and / or commercialization of our products and product candidates; or • have our products and product candidates removed from the market after obtaining regulatory approval. Our product development costs will also increase if we experience delays in testing or regulatory approvals. We do not know whether any of our clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Significant pre- clinical study or clinical trial delays also could allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our products and product candidates and may harm our business and results of operations. Any delays in our clinical development programs may harm our business, financial condition, and prospects significantly. If we experience delays or difficulties in the enrollment of patients in clinical trials, ~~including in light of the COVID- 19 pandemic,~~ the progress of such clinical trials and our receipt of necessary regulatory approvals could be delayed or prevented. We may not be able to initiate or continue clinical trials for our products and product candidates if we are unable to locate and enroll a sufficient number of eligible patients to participate in these trials as required by the NMPA, FDA, or ~~similar~~ **applicable** regulatory authorities. In particular, we have designed many of our clinical trials, and expect to design future **clinical** trials, to include some patients with the applicable genomic mutation with a view to assessing possible early evidence of potential therapeutic effect. Genomically defined diseases, however, may have relatively low prevalence, and it may be difficult to identify patients with the applicable genomic mutation. The inability to enroll a sufficient number of patients with the applicable genomic alteration or that meet other applicable criteria for our clinical trials would result in significant delays and could require us to abandon one or more clinical trials ~~altogether~~ . In addition, some of our competitors have ongoing clinical trials for products or product candidates that treat the same indications as our products or product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in clinical trials of our competitors' products or product candidates. Patient enrollment may be affected by other factors including: • the severity of the disease under investigation; • the total size and nature of the relevant patient population; • the design and eligibility criteria for the clinical trial ~~in question~~ ; • the availability of an appropriate genomic screening test; **- 47 -** • the perceived risks and benefits of the product or product candidate under study; • the efforts to facilitate timely enrollment in clinical trials; ~~- 101 -~~ • the patient referral practices of physicians; • the availability of competing therapies also undergoing clinical trials; • the ability to monitor patients adequately during and after treatment; • the proximity and availability of clinical trial sites for prospective patients; and • the occurrence of any ~~pandemic, epidemic, including from the outbreak of COVID- 19, or any other~~ public health ~~crises~~ **crisis , international war or conflict** , natural ~~catastrophe~~ **disaster, extreme weather event,** or other ~~disasters~~ **significant or catastrophic event** may cause a delay in enrollment of patients in clinical trials. Our products and product candidates may cause undesirable side effects that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval, if any. Undesirable side effects, including adverse safety events, caused by our products or product candidates could have a negative impact on our business. Discovery of safety issues with our products could create issues ~~of~~ **with respect to** product liability **,** ~~and create issues of~~ additional regulatory scrutiny and requirements for additional labeling or safety monitoring, withdrawal of products from the market, and the imposition of fines or criminal penalties. Adverse safety events may also damage physician, patient **,** and / or investor confidence in our products and our reputation. Any of these events could result in liability, loss of revenues, material write- offs of inventory, material impairments of intangible assets, goodwill and fixed assets, material restructuring charges **,** or other adverse impacts on our results of operations. Furthermore, undesirable side effects could cause us to interrupt, delay **,** or halt clinical trials or could cause regulatory authorities to interrupt, delay **,** or halt our clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the NMPA, FDA **,** or other **applicable** regulatory authorities. ~~In particular~~ **For example** , ~~as is the case with all oncology products, it is likely that there may be~~ side effects, such as fatigue, nausea **,** and low blood cell levels, ~~associated with~~ **are common in** the ~~use~~ **case** of ~~certain of our~~ oncology products or product candidates. **If trial results** ~~For example, the common side effects~~ for ~~ZEJULA include thrombocytopenia, anemia, and neutropenia, and for Optune, the most common side effects when used together with TMZ were low blood platelet count, nausea, constipation, vomiting, tiredness, scalp irritation from the device, headache, seizure, and depression. The common side effects for QINLOCK include tiredness, muscle ache / pain, constipation or diarrhea, itchy / dry skin, headache, loss of appetite, stomach / abdominal pain, nausea, and vomiting. For NUZYRA, the most common side effects include nausea, vomiting, and~~

~~infusion site reaction. The results of~~ our products ~~'~~ or product candidates ~~' trials could~~ reveal a high and unacceptable severity and prevalence of these or other side effects ~~. In such an event~~ , trials of our products or product candidates could be suspended or terminated and the NMPA, FDA **,** or ~~comparable~~ **other applicable** regulatory authorities could order us to cease further development ~~of~~ or deny approval of our products or product candidates for any or all targeted indications. The product- related side effects could affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition, and prospects significantly. Additionally, our products and product candidates could cause undesirable side effects related to off- target toxicity. For example, many of the currently approved PARP inhibitors have been associated with off- target toxicities. Many compounds that initially showed promise in early- stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound. Clinical trials assess a sample of the potential patient population. With a limited number of patients and duration of exposure, rare and severe side effects of our products or product candidates may only be uncovered with a significantly larger number of patients exposed to the product candidate. Even after a product or product candidate receives regulatory approval, if we, our partners **,** or others identify undesirable side effects caused by such product candidates (or any other similar product candidates) after such approval, a number of ~~potentially~~ significant negative consequences could result, including: • our revenue may be negatively impacted; • ~~the NMPA, FDA or~~ **our** ~~other comparable~~ regulatory authorities may withdraw or limit their approval of such products or product candidates; • ~~the NMPA, FDA or~~ **our** ~~other comparable~~ regulatory authorities may require the addition of labeling statements, such as a " boxed " warning or a contraindication;- ~~102~~ **48** - • we may be required to create a medication guide outlining the risks of such side effects for distribution to patients; • we may be required to change the way such products or product candidates are distributed or administered, conduct additional clinical trials or change the labeling of our products or product candidates; • ~~the NMPA, FDA or~~ **our** ~~other comparable~~ regulatory authorities may require a Risk Evaluation and Mitigation Strategy, or REMS (or analogous requirement), 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; • we may be subject to regulatory investigations and government enforcement actions; • we may decide to remove such products or product candidates from the marketplace; • we could be sued and held liable for injury caused to individuals exposed to or taking our products or product candidates; and • our reputation may suffer. Any of these events could prevent us from achieving or maintaining market acceptance of the affected products or product candidates ~~and~~ **,** could substantially increase the costs of commercializing our products and product candidates, if approved, and **could otherwise** significantly impact our ability to successfully commercialize our products and product candidates and generate revenue. If we are unable to obtain NMPA approval for our products and product candidates to be eligible for an expedited registration pathway, the time and cost we incur to obtain regulatory approvals may increase. Even if we receive Category 1 drug designation, it may not lead to a faster development, review, or approval process. The NMPA designates innovative drug as Category 1 drugs. To qualify for a Category 1 designation, a drug needs to have a new and clearly defined structure, pharmacological property **,** and apparent clinical value and has not been marketed anywhere in the world. Our CTAs for ZEJULA and NUZYRA were approved as Category 1 drugs by the NMPA. A Category 1 designation by the NMPA may not be granted for any of our other product candidates that will not be first approved in mainland China or, if granted, such designation may not lead to faster development or regulatory review or approval process. Moreover, a Category 1 designation does not increase the likelihood that our product or product candidates will receive regulatory approval. Furthermore, despite positive regulatory changes ~~introduced since 2015~~ **in mainland China** which **have** significantly accelerated time to market for innovative drugs, the regulatory process ~~in mainland China~~ is still relatively ambiguous and unpredictable. The NMPA might require us to change our planned clinical study design or otherwise spend additional resources and effort to obtain approval of our product candidates. In addition, policy changes may contain significant limitations related to use restrictions for certain age groups, warnings, precautions, or contraindications, or **we** may be subject to burdensome post- approval study or risk management requirements. If we are unable to obtain regulatory approval for our product candidates in ~~one or~~ **our** ~~more jurisdictions~~ **target markets** , or any approval contains significant limitations, we may not be able to obtain sufficient funding or generate sufficient revenue to continue the development of our **other** product candidates or **to** ~~any other product candidate that we may~~ in- license, acquire, or develop **additional product candidates** in the future. We continue to be subject to ongoing obligations and continued regulatory review with respect to our **commercial** products ~~and any product candidates for which we receive regulatory approval~~ , which may result in significant additional expense, and if we fail to comply with ongoing regulatory requirements or experience any unanticipated problems with any of our **commercial** products ~~or product candidates~~ , we may be subject to penalties. ~~Even after~~ **After** obtaining regulatory approval, our **commercial** products ~~and product candidates~~ will be subject to, among other things, ongoing regulatory requirements governing the labeling, packaging, promotion, recordkeeping, data management **,** and submission of safety, efficacy, and other post- market information. These requirements include submissions of safety and other post- marketing information and reports, registration, and continued compliance with cGMPs and GCPs. **Such** ~~For example, ZEJULA, Optune, QINLOCK, and NUZYRA will continue to be subject to~~ post- approval **- 49-** development and regulatory requirements ~~, which~~ may limit how ~~they~~ **our commercial products** are manufactured and marketed, and could materially impair our ability to generate revenue. As such, we and our partners and any of our and their respective contract manufacturers will be subject to ongoing review and periodic inspections to assess compliance with applicable post- approval regulations. **To** ~~Additionally, to~~ the extent we want to make ~~certain~~ changes to the approved products, product labeling **,** or manufacturing processes, we will ~~- 103 -~~ need to submit new applications or supplements to the **applicable regulatory authority** ~~Hong Kong Department of Health and the NMPA~~ and obtain ~~the~~ **their** ~~agencies'~~ approval. Additionally, any ~~additional~~ regulatory approvals that we receive for our products or product candidates may ~~also~~ be subject to limitations on the approved indications for which the products may be marketed or to the conditions of approval, or contain requirements for potentially costly post- marketing studies, including Phase IV studies for the surveillance

and monitoring the safety and efficacy of the products. For example, we are ~~required to collect~~ **collecting** additional safety and efficacy data for post- market safety and efficacy analysis for ~~Optune~~ **OPTUNE** and ~~monitor~~ **monitoring** adverse effects related to skin irritation **, and we continue to collect safety events for all approved products** . In addition, once a product is approved by the **applicable** ~~NMPA, FDA, or a comparable~~ regulatory authority for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the product, including problems with third- party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our products, it may result in, among other things: • restrictions on the marketing or manufacturing of the product, withdrawal of the product or drug from the market, or voluntary or mandatory product recalls; • fines, warning letters or holds on clinical trials; • refusal by the **applicable** ~~NMPA, FDA or comparable~~ regulatory authority to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of product license approvals; • drug seizure, detention, or refusal to permit the import or export of the product; and • injunctions or the imposition of civil, administrative, or criminal penalties. Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. Moreover, regulatory policies may change, or additional government regulations may be enacted **,** that could prevent, limit, or delay regulatory approval of our products or product candidates. If we are not able to maintain regulatory compliance, regulatory approval that has been obtained may be lost **,** and we may not achieve or sustain profitability, which may harm our business, financial condition, and prospects significantly. Our future success depends on our ability to retain key executives and to attract, retain, and motivate qualified personnel. We are highly dependent on the expertise of ~~the members of~~ our **global leaders** ~~research and development team, as well as the other principal members of our management~~ , including Samantha (Ying) Du, our founder, Chief Executive Officer, and Chairperson of the Board of Directors **, and on members of our research and development and commercial teams** . Although we have entered into employment ~~letter~~ agreements with our executive officers, ~~each of them~~ **they** may terminate their employment with us at any time **following a reasonable** ~~with one months' prior written~~ notice **of not less than thirty days** . We do not maintain " key person " insurance for any of our executives or ~~other~~ employees. Recruiting and retaining qualified management, scientific, clinical, manufacturing, and sales and marketing personnel **is** ~~will also be~~ critical to our success. The loss of the services of certain of our executive officers or other key employees could impede the achievement of our research, development **,** and commercialization objectives and seriously harm our ability to successfully implement our business strategy. Furthermore, replacing certain of our executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of, and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain, or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and **- 50-** biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, our management will be required to devote significant time to ~~new~~ compliance initiatives from our **dual primary listing on Nasdaq** ~~status as both a U. S. public company~~ and ~~a~~ **the** Hong Kong **Stock Exchange** ~~public company, which may require us to recruit more management personnel~~ . Failure to succeed in clinical trials may make it more challenging to recruit and retain qualified scientific personnel. We **may further** ~~will need to~~ increase the size and capabilities of our organization, and we may experience difficulties in managing ~~our~~ **such** growth. We **may** ~~expect to~~ experience ~~significant~~ **further** growth in the number of our employees and consultants and the scope of our operations, particularly in the areas of product development, product commercialization, regulatory affairs **,** and business ~~- 104-~~ development. To manage ~~our anticipated~~ future growth, we ~~must~~ **may** continue to implement and improve our managerial, operational and financial systems, expand our facilities **,** and continue to recruit and train additional qualified personnel. **We** ~~Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we~~ may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert the attention of our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations and could have a materially adverse effect on our business. We may explore ~~the~~ **additional regional or global** licensing ~~of~~ **or collaboration arrangements for the** development and / or commercialization ~~rights of~~ **product candidates, which may expose us to significant additional costs, such as upfront fees, milestone payments, royalty payments, and the costs of related clinical or pre- clinical trials, may divert management attention or resources away from** ~~or~~ **our** other ~~forms of collaboration worldwide~~ **products and product candidates** , ~~which will~~ **and may** expose us to additional risks of conducting business in additional international markets. ~~We~~ **The majority of our products and product candidates** are **in** ~~currently focused on developing and commercializing products that target serious, life- threatening medical conditions affecting patients~~ **licensed for development and commercialization** in Greater China. We have and may in the future explore **additional global or regional** licensing or ~~development and / or commercialization rights or other forms of~~ collaboration **agreements, including** in territories outside of Greater China **. Efforts to enter into license or collaboration with third parties may divert our management' s attention away from other corporate strategic goals or objectives, business operations, or potential acquisition or development opportunities for additional product candidates. Further, these arrangements involve significant costs, including upfront fees; development, regulatory,** and **sales- based milestones; and certain royalties at tiered percentage rates based on annual net sales. Such milestone payments are contingent on product performance, and upfront fees, certain development and regulatory milestones, and costs of clinical or pre- clinical trials may occur before we have commercialized or received** any **revenue from** ~~such licensing, development, commercialization, or collaboration may subject us to additional risks that may adversely affect our ability to attain or sustain profitable operations or our other~~ -- **the** business plans **related product candidate** . Moreover, international business relationships subject us to additional risks that may materially adversely affect our **business** ~~ability to attain or sustain~~

~~our operating goals~~ , including: • ~~efforts to enter into collaboration or licensing arrangements with third parties may increase our expenses or divert our management' s attention from the acquisition or development of product candidates; •~~ difficulty of effective enforcement of contractual provisions in ~~local~~ **other** jurisdictions; • potential third- party patent rights or potentially reduced protection for intellectual property rights; • unexpected changes in tariffs, trade barriers and regulatory requirements, including the loss of normal trade status between mainland China and the United States; • economic weakness, including inflation; • compliance with tax, employment, immigration **,** and labor laws for employees traveling abroad; • the effects of applicable foreign tax structures and potentially adverse tax consequences; • currency fluctuations, which could result in increased operating expenses and reduced revenue; • workforce uncertainty and labor unrest; **- 51-** • failure of our employees and contracted third parties to comply with ~~the~~ anti- bribery laws in mainland China, Office of Foreign Asset Control rules and regulations and the Foreign Corrupt Practices Act and other anti- bribery and corruption laws; and • business interruptions resulting from ~~geo- political~~ **geopolitical** actions, including trade disputes, ~~war and terrorism, disease or~~ public health ~~epidemics~~ **crises** , **international war** ~~such as the coronavirus impacting mainland China and elsewhere,~~ or **conflict,** natural disasters, ~~including earthquakes~~ **extreme weather events** , ~~volcanoes, typhoons, floods, hurricanes~~ and ~~fires~~ **other significant or catastrophic events outside of our control** . These and other risks may materially adversely affect our ~~ability to attain or sustain revenue from international markets~~ **business, results of operations, and financial condition** . We may engage in future ~~partnership~~ **partnerships** , in- licensing **arrangements** , joint ventures, or **other types of** future business acquisitions that could disrupt our business, cause dilution to holders of our **securities,** ~~ordinary shares and / or ADSs~~ and harm our financial condition and operating results. We have **engaged** , ~~from time to time~~ **and may again in the future engage** , ~~evaluated~~ **in** partnership or strategic collaboration opportunities or investments ~~and may~~ , ~~in~~ **including** ~~the~~ **those that require** ~~future, make~~ acquisitions of, or investments in, companies that we believe have products or capabilities that are a strategic or commercial fit with our current ~~product candidates and~~ business **and corporate strategic goals** ~~or otherwise offer opportunities for the Company~~ . In connection with ~~these~~ **such** partnership or collaboration opportunities, acquisitions, or investments, we may: • issue ordinary shares that would dilute the percentage of ownership of the holders of our **securities** ~~ordinary shares and / or ADSs~~ ; ~~- 105-~~ • incur debt and assume liabilities; and • incur amortization expenses related to intangible assets or incur large and immediate write- offs. For example, in January 2021, we entered into a strategic collaboration with argenx BV pursuant to which we obtained an exclusive license for the development and commercialization of efgartigimod in Greater China in exchange for a combination of cash and ordinary shares. 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 research, development **,** and commercialization efforts with respect to our products and product candidates and any future products and product 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. Additionally, establishment of a joint venture involves significant risks and uncertainties, including (i) our ability to cooperate with our strategic partner, (ii) our strategic partner having economic, business, or legal interests or goals that are inconsistent with ours, and (iii) the potential that our strategic partner may be unable to meet its economic or other obligations, which may require us to fulfill those obligations alone. We may be unable to find suitable acquisition candidates **,** and we may not be able to complete partnership or strategic collaboration opportunities or investments on favorable terms, if at all. If we do enter into partnerships or strategic collaborations or make other investments, **such arrangements may not** ~~we cannot assure you that it will~~ ultimately strengthen our competitive position or **may** ~~that it will not~~ be viewed negatively by customers, financial markets, or investors. Further, future partnerships, strategic collaborations **,** or other investments could also pose numerous additional risks to our operations, including: • problems integrating the purchased business, products, personnel, or technologies; • increases to our expenses; • ~~the~~ failure to have discovered undisclosed liabilities of the acquired asset or company; • diversion of management' s attention from their day- to- day responsibilities; • harm to our operating results or financial condition; • entrance into markets in which we have limited or no prior experience; and **- 52-** • potential loss of key employees, particularly those of the acquired entity. We may not be able to realize the benefit of current or future collaborations, strategic partnerships **,** or the license of our third- party products and product candidates if we are unable to successfully integrate such products with our existing operations and company culture, which could delay our timelines or otherwise adversely affect our business. ~~We also cannot be certain that, following~~ **Following** a strategic transaction or license, we ~~will~~ **may not be able to** achieve ~~the~~ **sufficient** revenue or ~~specific~~ net income ~~that~~ **to** ~~justifies~~ **justify** such transaction. 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 products and product candidates or bring them to market and generate product sales revenue, which would harm our business prospects, financial condition, and results of operations. We may need to significantly reduce our prices for our approved products or our other product candidates and devices for which we may receive regulatory approval in mainland China and face uncertainty of reimbursement, which could diminish our sales or **adversely** affect our profitability. The regulations that govern pricing and reimbursement for pharmaceutical drugs and devices vary widely from country to country. In mainland China, the ~~newly created~~ National Healthcare Security Administration (" NHSA ") **is** ~~, an agency~~ responsible for administering mainland China' s social security system, **including** ~~organized a~~ price ~~negotiation~~ **negotiations** with drug companies **seeking to** ~~for 119 new drugs that had not been included~~ - **include their products** in the NRDL **. Such price** ~~at the time of the negotiation~~ **negotiations have** ~~in November 2019, which~~ resulted in ~~an~~ average price ~~reduction~~ **reductions** ~~by over~~ **ranging from around 50 % to** 60 % **over** ~~for 70 of~~ the **past few years** ~~119 drugs that passed the negotiation~~ . **The** ~~In December 2020, 119 drugs were added to the 2020 NRDL, and the average price reduction was about 50. 64 %. In December 2021, 74 drugs were added to the 2021 NRDL, and the average price reduction was about 61. 71 %. In January 2023, 111 drugs~~

were- 106- added to the 2022 NRDL, and the average price reduction of the 108 drugs participating in price negotiations is 60. 1 %. NHSA, together with other government authorities, review the inclusion or removal of drugs from the NRDL, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs. These determinations are made based on a number of factors, including price and efficacy. We **In connection with obtaining NRDL listing for ZEJULA, QINLOCK, NUZYRA, and VYVGART for certain indications, we** lowered the selling price of **each product** ZEJULA due to its inclusion in **the preparation. Although** NRDL in December 2021 **listing may increase patient access to,** and **demand** December 2020 for certain therapies , and we **our commercial products, the** lowered -- **lower** the selling price of QINLOCK **reimbursement rate could negatively affect our revenues or product margins** and NUZYRA in June 2022 in preparation **may not be sufficient to cover our costs, including licensing fees and research, development, manufacturing, marketing, and distribution expenses. We may also continue to experience additional pricing pressure** for their **our products,** inclusion - **including as** in the NRDL in January 2023. As a result , **of** the **centralized tender process or otherwise, which may further adversely affect our revenues or results of operations. Prior to any** potential **NRDL listing,** revenue **revenues** from the **for our commercial products will depend on** sales **that are** of these products could be negatively affected. We may also be invited to attend the price negotiation with NHSA upon receiving regulatory approval in mainland China, but we will likely need to significantly reduce our prices and to negotiate with each of the provincial healthcare security administrations on reimbursement ratios. If we were to successfully launch commercial sales of our oncology- based product and product candidates, our revenue from such sales is largely expected to be self- paid by patients , which may make our - **or otherwise covered by insurance in** product candidates and devices less desirable. On the other -- **the private- pay market. Higher patient prices** hand, if the NHSA or any of its local counterparts includes our - **or lower patient access** drugs and devices in the NRDL, which may **reduce** increase the demand for our product candidates and devices , if and when approved, our potential revenue from the sales of **,** our product candidates and devices may still decrease as a result of lower prices. Eligibility for reimbursement in mainland China does not imply that any drug will be paid for in all cases or **our commercial** at a rate that covers our costs, including licensing fees, research, development, manufacture, sale, and distribution. Moreover, the centralized tender process can create pricing pressure among substitute products or products that are perceived to be substitute products, and we cannot assure you that our drug price will not be adversely affected . Companies in mainland China that manufacture or sell drugs and medical devices are required to comply with extensive regulations and hold a number of permits and licenses to carry on their business. Our ability to obtain and maintain these regulatory approvals is uncertain, and future government regulation may place additional burdens on our efforts to commercialize our product candidates. The life sciences industry in mainland China is subject to extensive government regulation and supervision . The regulatory framework addresses all aspects of operating in the pharmaceutical industry, including approval, registration, production, distribution, packaging, labeling, storage and shipment, advertising, licensing and certification requirements and procedures, periodic renewal and re- evaluation processes, registration of new products and environmental protection. Violation of applicable laws and regulations may materially and adversely affect our business . In order to manufacture and distribute drug and medical device products in mainland China, we are required to: • obtain a manufacturing permit for each production facility from the NMPA and its relevant branches for the manufacture of drug and device products domestically; • obtain a marketing authorization, which includes an approval number, from the NMPA for each drug or device for sale in mainland China; • obtain a Pharmaceutical Distribution Permit from the provincial medical products administration if we were to sell drugs manufactured by third parties; and **- 53-** • renew the Pharmaceutical Manufacturing Permits, the Pharmaceutical Distribution Permits **,** and marketing authorizations every five years, among other requirements. If we are unable to obtain or renew such permits or any other permits or licenses required for our operations, we will not be able to engage in the commercialization, manufacture **,** and distribution of our products and product candidates and our business may be adversely affected. The regulatory framework governing the pharmaceutical industry in mainland China is subject to change and amendment from time to time. Any such change or amendment could materially and adversely impact our business, financial condition and prospects. The Chinese government has introduced various reforms to the Chinese healthcare system in recent years and may continue to do so, with an overall objective to expand basic medical insurance coverage and improve the quality and reliability of healthcare services without incurring significant fiscal burden. The implementing measures to be issued may not be sufficiently effective to achieve the stated goals, and as a result, we may not be able to benefit from such reform to the level we expect, if at all. Moreover, the reform could give rise to regulatory developments, such as more burdensome administrative procedures, which may have an adverse effect on our business and prospects. - 107- For further information regarding government regulation in mainland China and other jurisdictions, see " Regulation — Government Regulation of Pharmaceutical Product Development and Approval, " " Regulation — Coverage and Reimbursement " and " Regulation — Other Healthcare Laws. " If we breach **fail to maintain** our license **licenses** or other intellectual property- related agreements for our products or product candidates or **if we** otherwise experience disruptions to our business relationships with our licensors and collaboration partners , we could lose the ability to continue the development and commercialization of our products and product candidates. Our business relies, in large part, on our ability to develop and commercialize products and product candidates from third parties as described above in **accordance with our** the Overview of Our Licensing and Strategic Collaboration Agreements. If we have not obtained a license to all intellectual property rights that are relevant to our products and product candidates and that are owned or controlled by our licensors and collaboration partners or owned or controlled by affiliates of such licensors and collaboration partners, we may need to obtain additional licenses to such intellectual property rights which may not be available on an exclusive basis, on commercially reasonable terms or at all. In addition, if our licensors and collaboration partners breach such agreements , we may not be able to enforce such agreements against our licensors' parent entity or affiliates. Under each of our license and intellectual property- related agreements, in exchange for licensing or sublicensing us the right to develop and commercialize the applicable product candidates, our licensors will be eligible to receive from us milestone payments, tiered royalties from

~~commercial sales of such product candidates, assuming relevant approvals from government authorities are obtained, or other payments. Our license~~ and other intellectual property- related agreements ~~also require us~~ **. If we fail** to **maintain** ~~comply with other obligations including development and diligence obligations, providing certain information regarding our activities with respect to~~ such ~~product candidates and / or maintaining the confidentiality of information we receive from our licensors. We are also obligated to use commercially reasonable efforts to develop and commercialize our in- licensed assets in certain of their respective territories under their respective agreements. If we fail to meet any of our obligations under our license~~ **licenses** ~~and~~ **or** other intellectual ~~-~~ property- related agreements **that** ~~, our licensors have the right to terminate our licenses and sublicenses and, upon the effective date of such termination, have the right to re~~ **are relevant to** ~~- obtain the licensed and sub- licensed technology and intellectual property. If any of our licensors terminate any of our licenses or~~ **our** ~~sublicenses, we will lose the right to develop and commercialize our applicable~~ products and product candidates **, we** ~~and other third parties~~ may be ~~able~~ **unable** to ~~market~~ **develop and commercialize the affected** products or product candidates **, and** ~~similar or identical to ours~~ **our business, results of operations, financial condition, and prospects could be materially harmed** . ~~In~~ **If we fail to comply with our obligations under** such ~~case~~ **agreements or if our licensors or collaboration partners fail to comply with obligations under such agreements or other agreements from which our rights are based** , we may be ~~required~~ **unable** to **successfully develop** ~~provide a grant back license or expand an~~ **and commercialize** ~~existing license to~~ the ~~licensors~~ **affected products or product candidates, and our business, results of operations, financial condition, and prospects could be materially harmed. Failure to meet obligations** under ~~our own intellectual property with respect to the terminated products. For example, if our agreement with GSK for ZEJULA terminates for~~ any ~~reason, we are required to grant GSK an exclusive license to certain~~ of ~~our intellectual property rights that relate to ZEJULA to develop, manufacture, and commercialize ZEJULA outside of~~ the **aforementioned** ~~licensed territory. Furthermore, if our agreement~~ **agreements may result in** ~~with MacroGenics for margetuximab and a pre- clinical multi- specific TRIDENT molecule is terminated~~ **termination of same** by **the** ~~MacroGenics or by us for certain reasons, we are required to grant MacroGenics an option to convert the~~ **other contracting party** ~~non- exclusive license granted to MacroGenics to use certain of our intellectual property rights that relate to margetuximab and a pre- clinical multi- specific TRIDENT molecule in Greater China to an exclusive license~~ . **Even** ~~Similarly, if our agreement with Entasis for durlobactam is terminated, we are required to grant Entasis an exclusive, fully paid, royalty- free, perpetual, irrevocable and sublicensable (through~~ - **though** ~~multiple tiers) license under certain of our intellectual property rights to make (or have made), use, import, offer for sale and sell durlobactam in the licensed territory. If our agreement with Deciphera for ripretinib is terminated,~~ we **may** ~~are required to grant Deciphera a worldwide, perpetual and irrevocable license under certain of our intellectual property rights, if any, that relate to QINLOCK to develop, manufacture, and commercialize ripretinib. Likewise, if our agreements with BMS (formerly Turning Point) for Repotrectinib or with Taiho (formerly Cullinan Pearl) for Zipalertinib (formerly CLN- 081) are terminated for certain reasons, we are required to extend the scope of their respective licenses under certain intellectual property of our own to include Greater China. If our agreement with argenx is terminated, we are required to grant argenx and its affiliates an exclusive, worldwide license under certain intellectual property of our own to exploit the licensed products in Greater China. While we would expect to~~ exercise all rights and remedies available to us ~~, including seeking to cure any breach by us,~~ and otherwise seek to preserve our rights ~~under the intellectual property rights licensed and sublicensed to us~~ , we may not be able to do so in a timely manner, at an acceptable cost **,** or at all ~~. Furthermore, some of the milestone payments under our licensing agreements are payable upon our product candidates reaching development milestones before we have commercialized or received any revenue from the sales of such product candidates. We cannot guarantee, therefore, that we will have sufficient resources to make such milestone payments~~ . Any uncured, material breach under **such** ~~our licensing~~ agreements could result in ~~our~~ loss of ~~exclusive~~ **our** rights and may lead to a complete termination of our rights to the applicable **products or** product ~~candidate~~ **candidates** . Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations, and prospects. ~~- 108 -~~ In addition, disputes may ~~further~~ arise regarding **our rights under license, collaboration, or other** intellectual ~~-~~ property **related** ~~subject to a license and / or collaboration~~ agreement, including but not limited to: • the scope of rights granted under **such** ~~the license agreement and other interpretation- related issues; • the extent to which our technology and processes infringe, misappropriate or otherwise violate on intellectual property of the licensor that is not subject to the licensing~~ agreement; • the ~~sublicensing~~ **use** of **intellectual property** ~~patent and other rights~~ - **right** under **such agreement** ~~our collaborative development relationships~~ ; • ~~our~~ **the satisfaction of** diligence obligations under **such** ~~the license~~ agreement ~~and what activities satisfy those diligence obligations~~ ; • the ~~inventorship and~~ ownership of inventions ~~and~~ **or** know- how resulting from **such agreement** ~~the joint creation or use of intellectual property by our licensors and us and our partners~~ ; and • the **payments due under** ~~priority of invention of patented technology. Moreover, certain of our licensors do not own some or all of the intellectual property included in the license, but instead have licensed~~ such ~~intellectual property from a third party and have granted us a sub- license. As a result, the actions of our licensors or of the ultimate owners of the intellectual property may affect our rights to use our sublicensed intellectual property, even if we are in compliance with all of the obligations under our license agreements~~ - **agreement** . **Such dispute may disrupt** ~~For example, our licenses from GSK, Paratek, and argenx comprise sublicenses to us of certain intellectual property rights owned by third parties that are not our direct licensors. If our licensors were to fail to comply with their obligations under the agreements pursuant to which they obtain the rights that are sublicensed to us, or~~ **our business relationships** ~~should such agreements be terminated or amended, our~~ - **or otherwise hinder** ~~rights to the applicable licensed intellectual property may be terminated or narrowed, our exclusive licenses may be converted to non- exclusive licenses and~~ our ability to ~~produce~~ **successfully develop** and ~~sell our~~ **commercialize the affected** products ~~and~~ **or** product candidates **, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects. In addition, the resolution of any disputed contractual interpretation of any of the foregoing agreements could result in a narrower interpretation of the scope of our rights or increase our financial or other obligations and thereby may prevent or impair**

our ability to maintain our current agreement on commercially acceptable terms. Accordingly, we may be ~~materially harmed~~ **unable to successfully develop and commercialize the affected products or product candidates** . Any of the foregoing could have a material adverse effect on our business, financial ~~conditions, results of operations, and prospects. In addition, the agreements under which we currently license or have rights to use intellectual property or technology from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial~~ condition ~~, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed, sublicensed or obtained rights to use prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected products or product candidates, which could have a material adverse effect on our business, financial conditions~~ , results of operations, and prospects. Reputational harm to our products, including product liability claims or lawsuits against us or any of our licensors, could cause us to incur substantial liabilities or loss of revenue or **harm our** reputation. We face an inherent risk related to the use of our products and product candidates anywhere in the world. If we or our licensors cannot successfully defend the reputation of our licensed products, including against product liability or other claims, then we may incur substantial liability, loss of revenue **,** or loss of reputation. Regardless of merit or eventual **- 54-** outcome, the consequences to us from those claims (whether resulting from our sales in our licensed territories, or those of our licensors' sales elsewhere in the world) may result in: • significant negative media attention and reputational damage; • withdrawal of clinical trial subjects and inability to continue clinical trials; • significant costs to defend ~~the~~ related litigation; • substantial monetary awards to trial subjects or patients; • the inability to commercialize any products or product candidates that we may develop; • initiation of investigations by regulators; ~~- 109 -~~ • a diversion of management' s time and our resources; and • a decline in the market price of our **securities** ~~ordinary shares and / or our ADSs~~ . Any litigation or investigation might result in substantial costs and diversion of resources. While we maintain liability insurance for certain clinical trials (which covers the patient human clinical trial liabilities including, among others, bodily injury), product liability insurance to cover our product liability claims and general liability and D & O insurance to cover other commercial liability claims, these ~~insurances~~ **insurance policies** may not fully cover our potential liabilities. Additionally, inability to obtain sufficient insurance coverage at an acceptable cost could prevent or inhibit the successful commercialization of products or drugs we develop, alone or with our collaborators. Any negative reputational harm to our licensors' products anywhere in the world may have an adverse impact on our ability to sell those same products in our licensed territories. If our licensors incur such harm or liability, it may also cause damage to our revenues and reputation which may not be covered by insurance. The research and development projects under our internal discovery programs are at an early- stage of development. As a result, we are unable to predict if or when we will successfully develop or commercialize any product candidates under such programs. Our internal discovery programs are at an early- stage of development and will require significant investment **of time and resources** and regulatory approvals prior to commercialization. Each of our product candidates will require additional clinical and pre- clinical development ~~,~~ **;** management of clinical, pre- clinical **,** and manufacturing activities ~~,~~ **;** obtaining regulatory approval, obtaining **sufficient** manufacturing supply ~~, building~~ **; development** of a **commercialization strategy;** ~~commercial organization, substantial investment~~ and significant marketing efforts before ~~they~~ **such products will** generate any revenue ~~from product sales~~ . We are not permitted to market or promote any of our product candidates before we receive regulatory approval from the NMPA, the FDA, or ~~comparable~~ **applicable** regulatory authorities, and we may never receive such regulatory approval ~~for any such product candidates~~ . ~~We cannot be certain that clinical~~ **Clinical** development of any product candidates from our internal discovery programs ~~will~~ **may not** be successful ~~or that we will~~ **. We may not be able to** obtain regulatory ~~approval~~ **approvals** or ~~be able~~ to successfully commercialize **or generate revenue from** any of our product candidates ~~and generate revenue~~ . **Even if we have** ~~Success~~ **success** in pre- clinical testing **, our** ~~does not ensure that~~ clinical trials ~~will~~ **may not** be successful, and the clinical trial process may fail to demonstrate that our product candidates are safe and effective for their proposed uses. Any such failure could cause us to **delay or** abandon further development of any ~~one of or our more of our product candidates and may delay development of other~~ product candidates. Any delay in, or termination of, our clinical trials will delay and possibly preclude the filing of any NDAs **or other similar applications** with the NMPA **for approvals in mainland China** , the FDA ~~or~~ **for** ~~comparable~~ **approvals in the United States, or other applicable** regulatory authorities ~~and~~ **for approval in other target markets** , ~~ultimately,~~ **which will adversely affect** our ability to commercialize ~~our~~ **or generate revenue from the related** product candidates ~~and generate product revenue~~ . ~~If our manufacturing facilities~~ **- 55- Potential cybersecurity threats** are ~~damaged~~ **changing rapidly and advancing in sophistication. We may not be able to protect** ~~or~~ **our** ~~destroyed~~ **systems and networks, or the confidentiality of** ~~or our production at such facilities is otherwise interrupted~~ **confidential or other information (including personal information)** , **from cyberattacks and other unauthorized access, disclosure, and disruption. Cybersecurity risks** ~~or~~ **for companies like ours have significantly increased in recent years, in part because of the proliferation of new technologies, the use of the internet and certain technologies to conduct business, and the increased sophistication and activities of organized crime, hackers, terrorists, and other external parties, including foreign state- sponsored actors. Like many companies, from time to time we have been, and expect to continue to be, the target of attempted cyberattacks and other cybersecurity incidents. Such incidents may include malware, ransomware, denial- of- service attacks, social engineering, unauthorized access, human error, theft or misconduct, fraud, and phishing, as part of an effort to disrupt operations, potentially test cybersecurity capabilities, or obtain confidential, proprietary, or other information (including personal information). Our cybersecurity risk and exposure depend on various factors, including the evolving nature and increasing frequency, levels of persistence, sophistication, and intensity of these threats, the outsourcing of some of our business operations, and the current global economic and**

political environment. The increase in remote work environments also may increase our cybersecurity risk if our employees, vendors, service providers, and other third parties with which we interact are working remotely on less secure systems and environments. Because we are dependent on third parties for certain elements of our business and operations, we could also be adversely affected if any ~~new facilities~~ **of them** are ~~not approved~~ **subject to a successful cyberattack or other cybersecurity incident. Third parties with which we do business may also be sources of cybersecurity or other technology risks. We routinely transmit and receive confidential, proprietary, and other information (including personal information)** by **electronic means. This information** ~~regulators, our business and prospects would~~ **could** be **subject to interception** ~~negatively affected. In 2017~~ , ~~we built~~ **misuse, or mishandling. Our exposure to these risks could increase as** a **result** ~~small molecule facility capable~~ of ~~supporting clinical~~ **our migration of core systems** and **applications to** ~~commercial production, and in 2018, we built~~ a ~~large molecule facility in Suzhou, China using Cytiva FlexFactory platform technology capable of supporting clinical production of our product candidates. These facilities were approved for clinical and commercial production of our product candidates and, accordingly, we intend to rely on these facilities for the manufacture of clinical and commercial supply of some of our products or product candidates. If either facility were damaged or destroyed, or otherwise subject to disruption, for example due to the COVID- 19 pandemic, it would require substantial lead- time to replace our manufacturing capabilities. In such event, we would be forced to identify and rely partially or entirely on~~ third- party **cloud environment** ~~contract manufacturers for an indefinite period~~ . ~~Any new facility needed to replace an existing production facility would need to comply~~ **While we generally perform cybersecurity diligence on our key vendors, because we do not control third parties** with ~~the necessary regulatory requirements~~ **whom we do business** and ~~be tailored to our production requirements and processes. We also would need regulatory approvals before using any products or drugs manufactured at a new facility in clinical trials or selling any products or drugs that are ultimately approved. Any disruptions or delays at our facility or its failure to meet regulatory compliance would impair~~ our ability to **monitor their cybersecurity posture is limited** ~~develop and commercialize our products or product candidates~~ , **the cybersecurity measures they take** ~~which would adversely affect our business and results of operations. We may become involved in lawsuits to protect or enforce our intellectual property. Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. If we are unable to protect our intellectual property, our competitors could use our intellectual property to market offerings similar to ours and we~~ may not be **sufficient** ~~able to compete effectively. Moreover, others may independently develop technologies that are competitive to ours or infringe on our intellectual property. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights,~~ to protect **any information we share with** ~~our trade secrets or to- 110- determine the~~ **them . Although we devote significant resources to protect** ~~validity and scope of our own intellectual property rights or~~ **our systems, network,** ~~the proprietary rights of others. This can be expensive~~ and **information,** ~~time- consuming. Any claims that we assert against perceived infringers could also provoke these~~ -- **the security measures** ~~parties to assert counterclaims against us alleging that~~ we **have implemented** ~~infringe their intellectual property rights. We~~ may not **provide** ~~be able to prevent third parties from infringing upon or misappropriating our intellectual property, particularly in countries where the laws may not protect intellectual property rights as fully as in the United States. 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. 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. Furthermore, some of our intellectual property rights are licensed from our partners who may have the first right and / or who we may need to cooperate with to assert claims of infringement against third parties or defend against claims or counterclaims brought by third parties against us alleging that we infringe their intellectual property rights, and our partners may be unwilling to assert or allow us to assert such intellectual property rights against perceived infringers or in defense of such claims or counter claims to avoid provoking these third parties to assert invalidity claims or other challenges to the validity or enforceability of such intellectual property rights. This may limit our ability to effectively~~ -- **effective security** ~~prevent third parties from infringing upon or misappropriating such intellectual property rights or adequately defend against claims or counterclaims that we infringe their intellectual property rights~~ . Our internal computer systems, ~~or~~ **software, devices, and networks – and** those **of our CROs, CMOs, and other third- party providers – may be vulnerable to cyberattacks and other cybersecurity incidents, business or supply chain disruptions, or other attempts to harm our business or reputation or misuse or steal information (including personal information). We routinely identify cybersecurity threats as well as vulnerabilities in our system and work to address them, but these efforts may be insufficient. Outside parties may attempt to induce employees, third- party partners, vendors, service providers, or other users of our systems or networks to disclose confidential, proprietary, or other information (including personal information) in order to gain access to our systems and networks and the information they contain. Unauthorized access or disclosure, or breaches of our security, also may result from human error. We may not be able to anticipate, prevent, detect, recognize, or react to threats to our systems, networks, and assets, or implement effective preventative measures against cyberattacks or other security incidents, especially because the techniques** used ~~by~~ **change frequently** ~~our~~ -- **or** ~~CROs, CMOs,~~ **are not recognized until launched. A cyberattack** or other ~~contractors or consultants, may fail or suffer~~ cybersecurity **incident could** ~~breaches. Despite the implementation of security measures, our~~ **occur** ~~internal computer systems~~ **and persist for** ~~and~~ - **an** ~~those~~ **extended period** of **time without detection. We expect** ~~our CROs, CMOs, and other contractors and consultants are vulnerable to cyberattacks, malware, and other system failures~~ that **any investigation of such** ~~may result in unauthorized access, damage, and~~ - **an incident would take time, during which we would not necessarily know** ~~other~~ -- **the extent of the** ~~harms~~ - **harm** ~~to our~~ - **or** ~~business or reputation~~ **how best to remediate it** . Although ~~to our knowledge~~ we have not experienced any **such incident resulting in a** material **impact to the company** ~~system failure or security breach~~ to date, ~~if~~ **our cybersecurity risk management program may not**

prevent such an **incident from having** ~~event were to occur and cause interruptions in our operations, it could result in~~ a material **impact** ~~disruption of our development programs and our business operations. The data privacy regimes~~ in ~~mainland China and in the United States are evolving and there~~ -- **the future** ~~may be more stringent compliance requirements for the collection, processing, use, and transfer of personal information and important data. In the ordinary course of our business, we collect and store sensitive data, including, among other things, legally protected patient health information, personally identifiable information about our employees, intellectual property, and proprietary business information~~ . We **have obtained insurance coverage relating** ~~manage and maintain our applications and data utilizing on- site systems and outsourced vendors. These applications and data encompass a wide variety of business- critical information including research and development information, commercial information and business and financial information. Because information systems, networks and other technologies are critical~~ to **cybersecurity** ~~many of our operating activities, shutdowns or service disruptions at the Company or vendors that provide information systems, networks or other services to us pose increasing~~ risks ~~. Such disruptions may be caused by events such as computer hacking~~ , **but this insurance** ~~phishing attacks, ransomware, dissemination of computer viruses, worms and other destructive or disruptive software, denial of service attacks and other malicious activity, as well as power outages, natural disasters (including extreme weather), terrorist attacks or other similar events. Such events could have an adverse impact on us and our business, including loss of data and damage to equipment and data. In addition, system redundancy may be ineffective or inadequate, and our disaster recovery planning~~ may not be sufficient to **provide adequate loss** ~~cover~~ **coverage (including if the insurer denies future claims) and may not continue to be available to us on economically reasonable terms, or at** all ~~eventualities~~ . ~~Significant events~~ **Further, any limitations of liability provisions in our agreements with vendors, customers, and other third parties with which we do business may not be enforceable or adequate or otherwise protect us from any liabilities or damages with respect to any particular claim in connection with a cyberattack or other security incident of a third party on which we rely.- 56- The occurrence of one or more cyberattacks or other cybersecurity incidents** could result in ~~a disruption of~~ **the unauthorized disclosure, misuse,** ~~our~~ - **or corruption** ~~operations, cause damage to our reputation or a loss~~ of **confidential** ~~revenues and invite regulator' s scrutiny~~ , **proprietary,** ~~or otherwise subject us to liability under laws~~ and ~~regulations that protect the~~ **other** ~~privacy and security of personal~~ information **(** ~~. In addition, we may not have adequate insurance coverage to compensate for any losses associated with such events. We could be subject to risks caused by misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in the information systems and networks of the Company and our vendors,~~ including personal **and other** information ~~of~~ **about** our employees and patients ~~,~~ and company and vendor confidential data ~~.~~ **) or could otherwise** ~~Because~~ -- **cause interruptions** ~~we have outsourced elements of our~~ - **or** ~~information technology infrastructure to malfunctions in our operations or the operations of our partners, customers,~~ vendors, ~~such~~ **and other third parties with which we do business. This could result in significant losses or reputational damage, adversely affect our relationships with our partners, customers,** vendors ~~may or could have access to our confidential information. In addition~~ , ~~outside~~ **and other third** parties **, negatively affect** ~~may attempt to penetrate our systems or~~ **our** ~~those of~~ **competitive position,** ~~our~~ - **or otherwise** ~~vendors or fraudulently induce our personnel or the personnel of our vendors to disclose sensitive information in order to gain access to our data and / or systems. Like other companies, we may experience threats to our data and systems, including malicious codes and viruses, phishing and other cyber- attacks. The number and complexity of these threats continue to increase over time. If a material breach of our information technology systems or those of our vendors occurs, the market perception of the effectiveness of our security measures could be harmed~~ -- **harm** ~~and~~ our **business** ~~reputation and credibility could be damaged~~ . We could **also face regulatory and other legal action, including for any failure to provide timely disclosure concerning, or appropriately to limit trading in our securities following, an incident. We may** be required to expend significant **additional** ~~amounts of money and other~~ resources to repair or replace information systems or networks **, modify our internal** ~~. Although we develop and maintain systems and~~ controls ~~designed to prevent these events from occurring~~ , and **implement or enhance** ~~we have a process to identify and mitigate threats, the~~ **other protective measures or to investigate or remediate vulnerabilities or** ~~development and maintenance of these systems, controls and processes, including the~~ **other** ~~recruitment~~ **exposures. We also may be subject to litigation** and **financial losses that** ~~retention of experienced information technology professionals, who~~ are **not fully insured** ~~in high- 111- demand, is costly and requires ongoing monitoring and updating as technologies change and efforts to overcome security measures become increasingly sophisticated. Moreover, despite our efforts, the possibility of these events occurring cannot be eliminated entirely. As we outsource more of our information systems to vendors, engage in more electronic transactions with payors and patients, and rely more on cloud-based information systems, the related security risks will increase, and we will need to expend additional resources to protect our technology and information systems~~ . We are subject to laws and government regulations relating to privacy and data protection that have required us to modify certain of our policies and procedures with respect to the collection and processing of personal data, and future laws and regulations may cause us to incur additional expenses or otherwise limit our ability to collect and process personal data. We are subject to data privacy and security laws in the various jurisdictions in which we operate, obtain or store personally identifiable information **, including in mainland China, the United States, and the EU** . The legislative and regulatory landscape for privacy and data protection continues to evolve, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. ~~Within the United States, there are numerous federal and state laws and regulations related to the privacy and security of personal information. For example, at the federal level, our operations may be affected by the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act and its implementing regulations (collectively, " HIPAA "), which impose obligations on certain " covered entities " and their " business associates " contractors with respect to the privacy, security, and transmission of certain individually identifiable health information. Although we believe that we are not currently directly subject to HIPAA, HIPAA affects the ability of healthcare providers and other entities with which we may interact to~~

~~disclose patient health information to us. As another example, at the state level, we are subject to the California Consumer Privacy Act, as amended by the California Privacy Rights Act (together, the " CCPA "), which gives California consumers (defined to include all California residents) certain rights, including the right to ask companies to disclose details about the personal information they collect, as well as other rights such as the right to ask companies to delete a consumer' s personal information and opt out of the sale of personal information. Colorado, Connecticut, Utah, and Virginia have also passed comprehensive privacy laws that may impact our operations, and there are similar legislative proposals being advanced in other U. S. states, as well as in Congress. Numerous other jurisdictions regulate the privacy and security of personally identifiable data. For example, the General Data Protection Regulation (" GDPR ") imposes obligations on companies that operate in our industry with respect to the processing of personal data collected in relation to an establishment located in the European Economic Area (" EEA ") or in connection with the offering of goods and services to, monitoring the behavior of, individuals located in the EEA. The GDPR also forms part of the law of England and Wales, Scotland, and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as amended by the Data Protection, Privacy, and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (SI 2019 / 419), known as " UK GDPR. " The GDPR and UK GDPR impose onerous accountability obligations requiring data controllers and processors to maintain a record of their data processing and policies. If we or our service providers fail to comply with any applicable GDPR or UK GDPR requirements, we may be subject to litigation, regulatory investigations, enforcement notices requiring us to change the way we use personal data and / or fines of up to € 20 million / GBP 17. 5 million or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, as well as compensation claims by affected individuals, negative publicity, reputational harm and a potential loss of business and goodwill. The GDPR and UK GDPR additionally place restrictions on the cross- border transfer of personal data from the EEA to countries that have not been found by the European Commission to offer adequate data protection legislation, such as the People' s Republic of China and the United States. In July 2020, the Court of Justice of the European Union (" CJEU ") invalidated the EU- U. S. Privacy Shield framework, one of the mechanisms used to legitimize the transfer of personal data from the EEA to the United States. The CJEU decision also drew into question the long- term viability of an alternative means of data transfer, the standard contractual clauses, for transfers of personal data from the EEA or UK to the United States. This CJEU decision may lead to increased scrutiny on data transfers from the EEA to the United States generally and increase our costs of compliance with data privacy legislation.~~ We could be subject to regulatory actions and / or claims made by individuals and groups in private litigation involving privacy issues related to data collection and use practices and other data privacy laws and regulations, including claims under the laws described, as well as for alleged unfair or deceptive practices. If our operations are found to be in violation of any of the privacy laws, rules **,** or regulations that apply to us, we could be subject to penalties, including civil penalties, damages, injunctive relief, and other penalties, which could adversely affect our ability to operate our business and our financial results. We will continue to review these and all future privacy and other laws and regulations to assess ~~- 112 -~~ whether additional procedural safeguards are warranted, which may cause us to incur additional expenses or otherwise limit our ability to collect and process personal data. We may face further restrictions (or even prohibitions) on our ability to transfer our scientific data abroad if Chinese regulators impose new restrictions (or change their interpretation of existing restrictions) on life sciences companies like us and the scientific data we obtain, generate, and maintain. The ~~General Office of the State Council passed the~~ Scientific Data Administrative Measures ~~in March 2018, which~~ **promulgated by the General Office of the State Council** provides a regulatory framework for the collection, submission, retention, exploitation, confidentiality, and security of scientific data. Scientific data is defined as data generated from basic research, applied research, experiments **,** and developments in the fields of natural sciences, engineering, and technology. It also includes the original and derived data by means of surveillance, monitoring, field studies, examination **,** and testing that are used in scientific research activities. All scientific data generated by research entities, including research institutions, higher education institutions **,** and enterprises that is created or managed with government funds, or funded by any source that concerns state secrets, national security, or social and public interests, must be submitted to data centers designated by the Chinese government for consolidation. Disclosure of scientific data will be subject to regulatory scrutiny. The definition of scientific data is ~~quite~~ broad, ~~but~~ **and** the Chinese government has not issued further guidance to clarify if clinical study data would fall within ~~the~~ **this** definition ~~of scientific data~~. To our understanding, the Chinese government has not required life sciences companies to upload clinical study data to any government- designated data center or prevented the cross- border transmission and sharing of clinical study data. None of our clinical study or other scientific data has been created or managed with government funds ~~,~~ or funded by any source that concerns state secrets, national security, or social and public interests. To date, we have received ~~all~~ requisite permissions to transfer clinical study data abroad. We are closely monitoring legal and regulatory developments in this area to see how scientific data is interpreted, and we may be required to comply **- 57-** with additional regulatory requirements for sharing clinical study or other scientific data with our licensors or foreign regulatory authorities, although the scope of such requirements, if any, is currently unknown. Risks Related to Our Dependence on Third Parties **We rely on third parties,including our licensors,CMOs,and other suppliers,to support the commercial and clinical supply of our products and product candidates.Failure of such third parties to supply us with a sufficient quantity of products,in a timely matter or at all,may adversely affect our business** .We rely on third- party manufacturers to manufacture ~~at least~~ some of our products and product candidates.For example, **with respect to our commercial products,** we rely on **NovoCure for OPTUNE or TTFields** ~~BMS (formerly Turning Point) to manufacture and supply repotrectinib (TPX- 0005)~~ , **Deciphera for QINLOCK,and** argenx **for VYVGART.We also rely on** ~~to manufacture and supply efgartigimod,MacroGenics to manufacture and supply margetuximab and a pre- clinical multi- specific TRIDENT molecule,Entasis to manufacture and supply SUL- DUR,NovoCure to manufacture and supply Optune,Deciphera to manufacture and supply QINLOCK,Regeneron to manufacture and supply odronextamab,Mirati to manufacture and supply adagrasib,Blueprint to manufacture and supply BLU- 945,and~~ CMOs ~~to manufacture~~ **for the local production in mainland**

China of certain drug substances and ~~supply~~ **products,including** NUZYRA ~~and ZL- 1102 -~~.Such reliance on third- party manufacturers entails risks to which we would not be subject to if we manufactured product candidates or products ourselves,including reliance on the third party for regulatory compliance and quality assurance,the possibility of breach of the manufacturing or supply agreement by the third party because of factors beyond our control (including a failure to synthesize and manufacture our ~~product~~ **products** ~~candidates~~ or ~~any products~~ - **product candidates** ~~we may eventually commercialize~~ in accordance with our specifications) **,** and the possibility of termination or nonrenewal of the agreement by the third party,based on its own business priorities,at a time that is costly or damaging to us.In addition,the NMPA and other regulatory authorities require that our product candidates and any products that we may eventually commercialize be manufactured according to cGMP standards.Any failure by our third- party manufacturers to comply with cGMP standards or failure to scale up manufacturing processes,including any failure to deliver sufficient quantities of product candidates in a timely manner,could lead to a delay in,or failure to obtain,regulatory approval of ~~any of~~ our product candidates.In addition,such failure could be the basis for the NMPA to issue a warning or untitled letter,withdraw approvals for product candidates previously granted to us,or take other regulatory or legal action,including recall or seizure,total or partial suspension of production,suspension of ongoing clinical trials,refusal to approve pending applications or supplemental applications,detention or product,refusal to permit the import or export of products,injunction or imposing civil and criminal penalties.Any significant disruption in our supplier relationships could harm our business.We currently source key materials from third parties,either directly through agreements with suppliers or indirectly through our manufacturers who have agreements with suppliers,as well as through our licensors.Any significant disruption in our potential supplier relationships,whether due to price ~~hikes~~ **increases** ,manufacturing **,** or supply **-** related issues,could harm our business.We anticipate ~~- 93 -~~ that,in the near term, ~~all~~ **our** key materials will be sourced through third parties.There are a small number of suppliers for certain capital equipment and key materials that are used to manufacture some of our ~~drugs~~ **products and product candidates** .Such suppliers may not sell these key materials to us or our manufacturers at the times we need them or on commercially reasonable terms.We currently do not have any agreements for the commercial production of these key materials.Any significant delay in the supply of a product or product candidate or its key materials ~~for an ongoing clinical study~~ could considerably delay completion of our clinical studies,product or drug testing **,** and potential regulatory approval of our products or product candidates.If we or our manufacturers are unable to purchase ~~these~~ key materials after regulatory approval has been obtained ~~for our product candidates~~ ,the commercialization ~~of our products~~ or the commercial launch of our product candidates could be delayed or there could be a shortage in supply,which would impair our ability to generate revenues from the sale of **such** ~~our products and product~~ **products** ~~candidates~~ .Furthermore,because of the complex nature of our compounds,we or our manufacturers may not be able to manufacture our compounds at a cost ~~or~~ **,** in quantities **,** or in a timely manner necessary to make **our products** commercially successful ~~products and drugs~~ .In addition,as our **product** ~~drug development~~ pipeline **develops** ~~increases and matures~~ ,we ~~will~~ **may** have a greater need for clinical study and commercial manufacturing capacity **or third- party supply of our products and product candidates** .We ~~have limited experience manufacturing pharmaceutical products~~ **may not be able to increase** ~~or~~ **our** ~~drugs on a commercial~~ scale ~~and some~~ of **production** ~~our -~~ **or** ~~current suppliers will~~ **supply on commercially reasonable terms,in a timely manner,or at all.- 58-** We rely on third parties to conduct our pre- clinical 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 products or product candidates and our business could be substantially harmed. ~~We~~ **Our internal capacity to perform pre-clinical and clinical trials is limited. As a result, we** have relied upon and plan to continue to rely upon third- party CROs to monitor and manage data for some of our ongoing pre- clinical and clinical programs. We rely on these **third** parties for execution of our pre- clinical and clinical trials, and **we** 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~~ **protocols** and legal, regulatory **,** and scientific standards, and our reliance on the CROs does not relieve us of our regulatory responsibilities. We also rely on third parties to assist in conducting our pre- clinical studies in accordance with Good Laboratory Practices (“ GLP ”), and the Regulations for the Administration of Affairs Concerning Experimental Animals. We and our CROs are required to comply with Good Clinical Practice and relevant guidelines enforced by the NMPA, and ~~comparable foreign~~ **other applicable** regulatory authorities for all of our products or product candidates in clinical development. Regulatory authorities enforce these GCP requirements through periodic inspections of trial sponsors, investigators **,** and trial sites. If we or any of our CROs fail to comply with applicable GCP requirements, the clinical data generated in our clinical trials may be deemed unreliable **,** and the NMPA ~~or comparable foreign~~ **and other applicable** regulatory authorities may require us to perform additional clinical trials before approving our marketing applications ~~. We cannot assure that upon inspection by a given regulatory authority, such regulatory authority will determine that any of our clinical trials comply with GCP requirements~~ . In addition, our clinical trials must be conducted with products or drugs produced under cGMP requirements. Failure to comply with these regulations may require us to repeat pre- clinical and clinical trials, which would delay the regulatory approval process. Our CROs 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 on- going clinical, nonclinical, and pre- clinical programs. **Our CROs may not perform contracted services to our standards, may not produce results in a timely manner, or may fail to perform at all.** If **our** CROs do not successfully carry out their contractual duties or obligations or meet expected deadlines or if the quality or accuracy of the clinical data they obtain is compromised due to their failure to adhere to our clinical protocols, regulatory requirements **,** or for other reasons, our clinical trials may be extended, delayed **,** or terminated and we may not be able to obtain regulatory approval for or successfully commercialize our products or product candidates. As a result, our results of operations, and the commercial prospects for our products and product candidates would be harmed, our costs could increase **,** and our ability to generate revenues could be delayed or compromised ~~. - 113- Because we rely on third parties, our internal capacity to perform these functions is limited. Outsourcing these functions involves risk that third parties may not perform to our standards,~~

~~may not produce results in a timely manner or may fail to perform at all. In addition, the use of third- party service providers requires us to disclose our proprietary information to these parties, which could increase the risk that this information will be misappropriated. We currently have a small number of employees, which limits the internal resources we have available to identify and monitor our third- party providers. To the extent we are unable to identify and successfully manage the performance of third- party service providers in the future, our business may be adversely affected. Though we carefully manage our relationships with our CROs, there can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse impact on our business, financial condition and prospects~~. If we lose our relationships with CROs, our product or drug development efforts could be delayed. We rely on third- party vendors ~~and~~ **, including** CROs **,** for some of our pre- clinical studies and clinical trials related to our product or drug development efforts. Switching or adding additional CROs involves additional cost and requires management time and focus. 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~~ **they** can ~~be~~ reasonably ~~demonstrated~~ **demonstrate** 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** ~~Identifying, qualifying, and managing performance~~ of **our relationships with our** third- party ~~service providers can~~ **CROs are terminated, we may not** be ~~difficult,~~ **able to enter into arrangements with alternative CROs in a** ~~time~~ **timely manner** ~~consuming~~, ~~and cause delays in~~ **on commercially reasonable terms,** ~~our~~ **or** ~~development programs~~ **at all**. In addition, there is a natural transition period when a new CRO commences work and the new CRO may not provide the same type or level of services as the original provider. ~~If any of~~ **Any such developments could cause** our **drug development efforts to** ~~relationships with our third- party CROs are terminated, we may not~~ be **delayed, which could adversely affect** ~~able to enter into arrangements with alternative CROs or~~ **our business** ~~to do so on commercially reasonable terms,~~ and **operations** ~~we may not be able to meet our desired clinical development timelines~~. We depend on **other** ~~our licensors or patent owners of our in- licensed patent rights to prosecute and maintain patents and patent applications that are material to our business. Any failure by our licensors or such patent owners to effectively protect these patent rights could adversely impact our business and operations. We have licensed and sublicensed patent rights from third~~ parties ~~for some of our development programs as described above in the Overview of Significant License and Strategic Collaboration Agreements. As a licensee and sublicensee of third parties, we rely on these third parties~~ to **manage** ~~file and prosecute patent applications and maintain patents and otherwise protect the licensed intellectual property under~~ certain ~~of our license agreements. In addition, we have not had and do not have primary control over these activities for certain of our patents or patent applications and other~~ intellectual property rights that ~~we jointly~~ **are material to our business. Any failure to effectively protect these rights could adversely affect our business and operations. We depend** ~~own~~ **on** ~~with~~ **other parties to manage** certain of our ~~licensors and sub- licensors. We cannot be certain that the patents and patent applications for our products and product candidates have been or will be prepared, filed, prosecuted, or maintained by such third parties in compliance with applicable laws and regulations, in a manner consistent with the best interests of our business, or in a manner that will result in valid and enforceable patents or other~~ intellectual property rights that ~~cover~~ **are material to** our **business. In accordance with certain of our agreements, we rely on other parties to manage responsibility for protection of certain intellectual property rights that we hold rights to for our products and** product candidates. If ~~our licensors or~~ such ~~third~~ parties fail to ~~prepare, prosecute~~ **procure** ~~,~~ or maintain **intellectual property** ~~such patent applications and patents, or lose~~ rights ~~to those patent applications or patents~~, the rights we **hold** ~~have licensed~~ may be reduced or eliminated, **which could materially harm our business, financial conditions, results of operations,** and **prospects.- 59- Pursuant to the terms of certain of our agreements, we may rely on others to procure, maintain, enforce,** ~~our~~ **or defend certain patent** ~~right~~ **rights we hold** ~~to develop and commercialize any of our product candidates~~ that are ~~subject~~ **material to our business. Additionally, even if we are contractually permitted to pursue the enforcement or defense** of ~~such licensed~~ **a patent we hold** rights ~~could be adversely affected. Pursuant~~ to **under an** ~~the terms of the license agreements~~ **agreement** ~~with some of our licensors~~, ~~the licensors may have the right to control prosecution, maintenance or enforcement of our licensed patents or defense of any claims asserting the invalidity or unenforceability of these patents. Even if~~ we ~~are permitted to pursue the enforcement or defense of our licensed and sub- licensed patents, we will~~ require the cooperation of ~~our licensors and~~ any applicable patent owners **to enforce such patent,** and such cooperation may not be provided to us. **Furthermore, even if we are able to participate in any** ~~We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of~~ such ~~patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these~~ legal actions, an adverse outcome could **materially** harm ~~our business because it might prevent us from continuing to license intellectual property that we may need to operate our business. If we lose any of our licensed intellectual property, our right to develop and commercialize any of our product candidates that are subject of such licensed rights could be adversely affected. By way of illustration, under our agreements with BMS (formerly Turning Point) for repotrectinib, Taiho (formerly Cullinan Pearl) for Zipalertinib (formerly CLN- 081), NovoCure for TTFields, argenx for Efgartigimod, Karuna for KarXT, and Blueprint for BLU- 945, each of our licensors has the first right to prosecute and maintain the respective licensed patents and joint patents in Greater China. With respect to the patent portfolio for ZEJULA, which we sub- license from GSK, we have the first right to enforce such patent portfolio within mainland China, Hong Kong, and Macau. However, GSK maintains the right to enforce such patent portfolio in all other territories or, if we fail to bring an action within 90 days, within Greater China. In the case where GSK controls such enforcement actions, although GSK has the obligation to consult with us on such actions within Greater China, rights granted by GSK under ZEJULA to another- 114- licensee, such as Janssen Biotech, Inc. to whom GSK has granted an exclusive right to develop ZEJULA for the treatment of prostate cancer, could potentially influence GSK's interests in the exercise of its prosecution, maintenance and enforcement rights in a manner that may favor the interests of such other licensee as compared with us, which could have a material adverse effect on~~ our business, financial conditions, results of operations, and prospects ~~. We have relied on a limited number of~~

~~customers for a substantial portion of our revenue. A substantial amount of our revenue is derived from sales to a limited number of customers, which are distributors as consistent with industry norm. Because of this concentration among a small number of customers, if an event were to adversely affect one of these customers, it would have a material impact on our business. For 2022 and 2021, the aggregate amount of product revenue generated from our five largest customers accounted for approximately 37. 7 % and 39. 9 % of our product revenue, respectively. Product revenue generated from our largest customer for the same periods accounted for approximately 22. 4 % and 21. 5 % of our product revenue, respectively. While we are continuing to expand our customer base for our four approved products in mainland China, we may continue to rely on such major customers in ramping up the sales of our commercialized products. There is no assurance that our five largest customers will continue to purchase from us at the current levels or at all in the future. If any of our five largest customers significantly reduces its purchase volume or ceases to purchase from us, and we are not able to identify new customers in a timely manner, our business, financial condition and results of operation may be materially and adversely affected. In addition, there is no assurance that our major customers will not negotiate for more favorable terms for them in the future. Under such circumstances, we may have to agree to less favorable terms in order to maintain the ongoing cooperative relationships with our major customers. If we are unable to reduce our production costs accordingly, our profitability, results of operations, and financial conditions may be materially and adversely affected. Therefore, any risks which could have a negative impact on our major customers could in turn have a negative impact on our business. If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected~~ . We rely on third- party distributors to ~~distribute~~ **sell** our ~~commercialized~~ ---- **commercial** products **, and a limited number of customers have generated a substantial portion of our revenue. If we fail to maintain an effective distribution channel for our products, our business and sales of the relevant products could be adversely affected** . We ~~also expect to~~ rely on third- party distributors to ~~distribute~~ **sell** our ~~other~~ **commercial** products ~~and internally discovered products~~ , **which is consistent with** ~~if approved. Our ability to maintain and grow our business will depend on our ability to maintain an effective distribution channel that ensures~~ the ~~timely delivery of our products to the relevant markets where we generate~~ **general** ~~market demand through~~ **practices of the pharmaceutical industry. A substantial amount of** our **revenue is derived from** sales ~~and marketing activities. However~~ **to a limited number of customers** , ~~we~~ **which are distributors. For 2023 and 2022, our five largest customers accounted for approximately 35. 0 % and 37. 7 % of our product revenue, respectively. Product revenue generated from our largest customer for the same periods accounted for approximately 19. 9 % and 22. 4 % of our product revenue, respectively. We** have relatively limited control over our distributors, ~~who~~ **and they** may fail to distribute our products in ~~the~~ **a timely** manner **or in the manner** we contemplate. **Further** ~~If price controls or other factors substantially reduce the margins our distributors can obtain through the resale of our products to hospitals~~ , ~~medical institutions, and sub- distributors, they may terminate their relationship with us. While~~ **while** we believe alternative distributors are readily available, ~~there~~ **if any of our major customers significantly reduces** ~~is~~ **its purchase volume or ceases to purchase from us, and we are not able to identify new customers in** a ~~risk that~~ **timely manner** , ~~if the distribution of~~ our ~~products is interrupted, our sales volumes and~~ business ~~prospects could~~ **, financial condition, and results of operation may** be **materially and adversely affected. In addition, our major customers may seek to negotiate more favorable terms for them in the future. Under such circumstances, we may have to agree to less favorable terms in order to maintain the ongoing cooperative relationships with our major customers. If we are unable to reduce our production costs accordingly, our profitability, results of operations, and financial condition may be materially and** adversely affected. The illegal distribution and sale by third parties of counterfeit versions of our products or stolen products could have a negative impact on our reputation and business. Third parties might illegally distribute and sell counterfeit or unfit versions of our products, which do not meet our or our collaborators' rigorous manufacturing and testing standards. A patient who receives a counterfeit or unfit product may be at risk for a number of dangerous health consequences. Our reputation and business could suffer harm as a result of counterfeit or unfit products sold under our or our collaborators' brand name (s). In addition, thefts of inventory at warehouses, plants **,** or while in- transit, which are not properly stored and which are sold through unauthorized channels, could adversely impact patient safety, our reputation, and our business. Our business, ~~profitability~~ **results of operations,** and ~~liquidity~~ **financial condition** may be adversely affected by deterioration in the credit quality of, or defaults by, our distributors and customers, and an impairment in the carrying value of our short- term investments could negatively affect our consolidated results of operations. We are exposed to the risk that our distributors and customers may default on their obligations to us as a result of bankruptcy, lack of liquidity, operational failure **,** or other reasons. As ~~we continue to expand~~ our business **evolves** , the amount and duration of our credit exposure **may** ~~will be expected to~~ increase ~~over the next few years~~ , as will the breadth of the entities to which we have credit exposure. Although we regularly review our credit exposure to specific distributors and customers that we believe may present credit concerns, default risks may arise from events or circumstances that are difficult to detect or foresee. **The** ~~- 115- Also, the~~ carrying amounts of cash and cash equivalents, restricted cash, and short- term investments represent the maximum amount of loss due to credit risk. As of December 31, **2023 and** 2022 ~~and 2021~~ , we had cash and cash equivalents of $ **790. 2 million and $** 1, 008. 5 million ~~and $ 964. 1 million~~ , restricted cash of $ ~~0~~ **1** . ~~8~~ **1** million and $ 0. 8 million, and short- term investments of **$ 16. 3 million and** nil ~~million and $ 445. 0 million~~ , respectively, most of which are deposited in financial institutions outside of mainland China. Although our cash and cash equivalents in mainland China, Hong Kong, Australia, and the United States are deposited with various major reputable financial institutions, deposits placed with these financial institutions are not protected by statutory or commercial insurance. In the event of bankruptcy of one of these financial institutions, we may be unlikely to claim our **- 60-** deposits back in full. As of December 31, **2023 and** 2022 ~~and 2021~~ , our short- term investments consisted of time deposits with original maturities between three months and one year. Although we believe that U. S. Treasury securities are of high credit quality, concerns about, or a default by, one or more institutions in the market could lead to significant liquidity problems, losses, or defaults by other institutions, which in turn could adversely affect us. Risks Related to Intellectual Property If we are

unable to obtain and maintain ~~patent~~ protection for our products and product candidates through intellectual property rights, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties may compete directly against us. Our success depends, in part, on our ability to protect our products ~~and~~ **,** product candidates **, and technologies** from competition by obtaining, maintaining, and enforcing our intellectual property rights ~~, including patent rights~~. We seek to protect ~~the~~ **our** products and product candidates ~~and~~ **as well as** ~~technology~~ **technologies** that we consider commercially important ~~by filing Chinese and international~~ **through intellectual property rights, such as** ~~patent~~ **patents and** ~~applications, relying on~~ trade secrets ~~or pharmaceutical regulatory protection or employing a combination of these methods. We also seek to protect our proprietary position by in- licensing intellectual property relating to our technology and product candidates~~. We do not own or **hold an** ~~exclusively~~ -- **exclusive** license **to** ~~any issued patents~~ - **patent** ~~with respect~~ **rights in all of the territories in which we plan** to **commercialize** certain of our products and product candidates ~~in all territories in which we plan to commercialize our products and product candidates~~. **Further** ~~For example~~ , we ~~do not own or exclusively license any issued patents covering ZEJULA in Macau. We do not own or exclusively license any issued patents covering margetuximab and a pre- clinical multi-specific TRIDENT molecule in Macau, but we do exclusively license issued patents or pending patent applications in mainland China, Hong Kong or Taiwan covering them. We do not own or exclusively license any issued patents or pending patent applications covering Tumor Treating Fields in Macau or Taiwan, but we do exclusively license issued patents and pending patent applications covering Tumor Treating Fields in mainland China and Hong Kong. We in- license one issued patent in Taiwan, two pending patent applications in mainland China, one pending patent application in each of Taiwan and Hong Kong, which are all related to retifanlimab (INCMGA0012 (PD- 1)). We in- license two issued patents in each of mainland China, Hong Kong, and Taiwan relating to durlobactam, but we do not own or exclusively license any issued patents or pending application in Macau. We~~ cannot predict whether ~~such~~ patent applications **that we hold rights to** or any of our other owned or in- licensed pending patent applications will result in the issuance of ~~any~~ patents that effectively protect our products ~~and~~ **,** product candidates **, and technologies. It is also possible that we do not identify and / or secure patent rights to certain patentable aspects of our products, product candidates, or technologies**. If we **do not secure** ~~or our licensors are unable to obtain or maintain~~ patent ~~protection~~ **rights** with respect to our products ~~or~~ **,** product candidates **,** and ~~technology~~ **technologies** ~~we develop~~ , our business, financial condition, results of operations, and prospects could be materially harmed. The patent prosecution process is expensive, time- consuming **,** and complex, and we may not be able to file, prosecute, maintain, ~~enforce or~~ license **, or defend** all necessary or desirable patent ~~applications~~ **rights** at a reasonable cost or in a timely manner **, and patents may be invalidated, in whole or in part, and thereby rendered unenforceable**. In addition, our ~~license~~ **licenses** ~~and intellectual property- related agreements~~ may not provide us with exclusive rights to ~~use our in- licensed intellectual property rights relating to the applicable~~ products and product candidates in all relevant fields of use and in all territories in **a manner** which we may wish to develop or commercialize ~~our technology and~~ products in the future ~~. For example, under our agreements with GSK for ZEJULA, our licenses are limited to mainland China, Hong Kong, and Macau. In the case of our agreements with argenx for efgartigimod, Paratek for omadacycline (ZL- 2401), and Deciphera for QINLOCK, our licenses or, as applicable, our rights are limited to Greater China. Also, in the case of our agreement with Entasis for durlobactam, our license is limited to mainland China, Hong Kong, Macau, Taiwan, Korea, Vietnam, Thailand, Cambodia, Laos, Malaysia, Indonesia, the Philippines, Singapore, Australia, New Zealand, and Japan~~ . As a result, we may not be able to prevent competitors from developing and commercializing competitive products in all such fields and territories. ~~Patents may be invalidated and patent applications relating to bemarituzumab (FPA144), Tumor Treating Fields, margetuximab, durlobactam, a pre- clinical multi-specific TRIDENT molecule or retifanlimab (INCMGA0012 (PD- 1)) as well as Regeneron's patents relating to odronextamab (REGN1979), may not be granted for a number of reasons, including- 116- known or unknown prior art, deficiencies in the patent application or the lack of novelty of the underlying invention or technology. It is also possible that we will fail to identify patentable aspects of our research and development output in time to obtain patent protection. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors and any other third parties, any of these parties may breach such agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases, not at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned or in- licensed patents or pending patent applications or that we or our licensors were the first to file for patent protection of such inventions.~~ Furthermore, ~~mainland China and the United States have adopted the " first- to- file " or the " first- inventor- to file " system under which whoever first files a patent application will be awarded the patent if all other~~ -- **the term** ~~patentability requirements are met. Under the first- to- file or the first- inventor- to file system third parties may be granted a patent relating to a technology, which we invented. In addition, under Chinese Patent Law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in mainland China is required to report to the CNIPA for confidentiality examination. Otherwise, if an application is later filed in mainland China, the patent right will not be granted. Moreover, even if patents do grant from any of the applications, the grant~~ of a patent is ~~not conclusive as to~~ **finite and generally expires 20 years from** its **earliest** ~~scope, validity, or enforceability. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. Even if patent applications we license or own currently or in the future issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. In addition, the patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity,~~

~~enforceability, and commercial value of our patent rights are highly uncertain. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in mainland China, United States, and abroad. We and our licensors and collaboration partners may be subject to a third- party preissuance submission of prior art to the United States Patent and Trademark Office (the " USPTO ") or may become involved in opposition, derivation, revocation, re- examination, post- grant, and inter partes review, or interference proceedings or similar proceedings in foreign jurisdictions challenging our patent rights or the patent rights of others. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our owned or in- licensed patent rights, allow third parties to commercialize our technology, products or product candidates and compete directly with us without payment to us, or result in our inability to manufacture or commercialize products or product candidates without infringing, misappropriating or otherwise violating third- party patent rights. Moreover, we, or one of our licensors or collaboration partners, may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post- grant challenge proceedings, such as oppositions in a foreign patent office, that challenge the priority of our or our licensor' s or collaboration partner' s invention or other features of patentability of our owned or in- licensed patents and patent applications. Such challenges may result in loss of patent rights, loss of exclusivity, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, limit the duration of the patent protection of our technology, or limit the price at which we can sell our products and product candidates. Such proceedings also may result in substantial costs and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Consequently, we do not know whether any of our technology, products or product candidates will be protectable or remain protected by valid and enforceable patents. Our competitors or other third parties may be able to circumvent our owned or in- licensed patents by developing similar or alternative technologies or products in a~~ non- **provisional** ~~infringing manner. Furthermore, the terms of patents are finite. The patents we own or in- license and the patents that may issue from our currently pending owned and in- licensed patent applications generally have a 20- year protection period starting from such patents'~~ filing date **provided that associated fees are timely paid** ~~(or the priority date, if priority is claimed)~~ . Given the amount of time required for the development, testing **,** and regulatory review of products and new product candidates, patents protecting such products and product candidates might expire before or shortly after such products or product candidates are commercialized. ~~While the patent laws in jurisdictions we operate in, including in the United States and mainland China, enable the term of the patent term to be extend to account for the time required for the development, testing and regulatory review of products and new product candidates, we may not be able to successfully obtain any extension of terms of our owned or in- licensed patents, and, in- 117- mainland China, the legal regime for obtaining patent term extensions is being developed and not yet mature.~~ As a result, **the patent rights we hold may be insufficient to protect** our **products and product candidates from competitors' products, including those that are generic. Moreover, in the case of any patent rights that are jointly** owned **by** ~~or in- licensed patents and patent applications may not provide~~ us **and** ~~with sufficient rights to exclude others~~ - **another party** ~~from commercializing products similar or identical to ours. Moreover~~ , **if** ~~some of our patents and patent applications are, and may in the future be, co- owned with third parties. If~~ we are unable to obtain an exclusive license **or otherwise limit the other party' s right** to ~~any~~ **license** such **patent rights to a** third ~~-~~ party **,** ~~co- owners' interest in~~ such ~~patents or~~ patent **rights** ~~applications, such co- owners~~ may be ~~able to license~~ **licensed** ~~their rights~~ to ~~other~~ third parties, including our competitors ~~, and our competitors could market competing products and technology~~ . In addition, we may need the cooperation of any **joint owner of** such ~~co~~ **jointly** - **owned** ~~owners of our patents~~ - **patent** ~~in order~~ to enforce **it** ~~such patents~~ against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects. Our owned or in- licensed patents could be found invalid or unenforceable if challenged in court or before the ~~USPTO~~ **U. S. Patent and Trademark Office** or ~~comparable~~ **other** foreign authority. We or our licensors or collaboration partners may become involved in patent litigation against third parties **, for example,** to enforce ~~owned or~~ **our** ~~in- licensed~~ patent rights, to invalidate patents held by such third parties **,** or to defend against such claims. ~~A court may refuse to stop the other party from using the technology at issue on the grounds that patents owned or in- licensed by us, our licensors or our collaboration partners do not cover the third- party technology in question.~~ Further, ~~such~~ third parties could ~~counterclaim~~ **claim** that we ~~infringe~~ **infringed** , ~~misappropriate~~ **misappropriated** , or otherwise ~~violate~~ **violated** their intellectual property **rights** or that a patent we or our licensors or collaboration partners have asserted against them is invalid or unenforceable. In **- 61-** patent litigation, defendant counterclaims challenging the validity, enforceability or scope of asserted patents are ~~commonplace~~ **common,** and there are numerous grounds upon which a ~~third~~ party can assert invalidity or unenforceability of a patent. In addition **to court proceedings** , ~~third~~ **in certain jurisdictions,** parties may initiate legal proceedings before administrative bodies ~~in the United States or abroad, even outside the context of litigation, against us or our licensors with respect to our owned or in- licensed intellectual property~~ to assert ~~such~~ challenges to ~~such~~ intellectual property rights **, .** ~~Such mechanisms include~~ **including patent rights** ~~re- examination, inter partes review, post- grant review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e. g., opposition proceedings)~~ . Such proceedings could result in revocation, ~~cancelation~~ **cancellation ,** or amendment to **the scope of** our ~~patents~~ - **patent rights** ~~in such a way that they no longer cover~~ and ~~protect~~ **could negatively affect** our **business** ~~products and product candidates~~ . The outcome of any such proceeding is generally unpredictable. **Furthermore** ~~Grounds for a validity challenge could be~~ , ~~among other things, an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, lack of written description or non- enablement. Grounds for an unenforceability assertion could be, among other things, an allegation that someone connected with prosecution of the patent withheld relevant information or made a misleading statement during prosecution. It is possible that prior art of which we and the patent examiner were unaware during prosecution exists, which could render our patents invalid. Moreover, it is also possible that prior art may exist that we are aware of but do not believe is relevant to our current or future patents, but that could~~

~~nevertheless be determined to render our patents invalid. Even~~ **even** if we are successful in defending against such challenges, the cost to us of any patent litigation or similar proceeding could be substantial, and it may consume significant management and other personnel time. We do not maintain insurance to cover intellectual property infringement, misappropriation **,** or violation. An adverse result in any litigation or other intellectual property proceeding could put one or more of our patents at risk of being invalidated, rendered unenforceable **,** or interpreted narrowly. If a defendant were to prevail on a legal assertion of invalidity and / or unenforceability of our patents covering one or more of our products or product candidates, we **may lack sufficient** ~~would lose at least part, and perhaps all, of the~~ patent ~~protection covering~~ **coverage** ~~such~~ **of our** products or product candidates **to prevent** ~~. Competing products or drugs may also be sold in other~~ **others** ~~countries in which our patent coverage might not exist or be as strong. If we lose a foreign patent lawsuit, alleging our infringement of a competitor' s patents, we could be prevented~~ from marketing ~~our~~ **competing** products ~~or drugs in one or more foreign countries~~ . Any of these outcomes ~~would~~ **could** have a ~~materially~~ -- **material** adverse effect on our business, financial condition, results of operations, and prospects. We may not be able to protect our intellectual property ~~in mainland China or other jurisdictions~~ . The ~~validity, enforceability, and scope of~~ **extent to which intellectual property rights provide adequate** protection **as** available under the relevant intellectual property laws **is** ~~in mainland China are~~ uncertain **, particularly in light** ~~and still evolving. Implementation and enforcement~~ of ~~Chinese intellectual property- related laws~~ **possible challenges to any patents in a given jurisdiction. Any such challenge to our patent rights could** have **a material adverse effect** ~~historically been deficient and ineffective. Accordingly, intellectual property and confidentiality legal regimes in mainland China may not afford protection to the same extent as in the United States or other countries. Policing unauthorized use of proprietary technology is difficult and expensive, and we may need to resort to litigation to enforce or defend patents issued to us or our licensors to determine the enforceability, scope, and validity of our proprietary rights or those of others. As noted above, we may need to rely~~ on our ~~licensors to enforce~~ **business, results of operations,** and **prospects** ~~defend our technologies~~ . ~~The~~ **Notably, the** experience and capabilities of Chinese courts in handling intellectual property litigation varies, and outcomes are unpredictable. Further, such litigation may require a significant **financial** expenditure ~~of cash~~ and ~~may~~ **could** divert management' s attention ~~- 118 -~~ from **other aspects of** ~~our operations, which could harm~~ our business ~~, financial condition,~~ and ~~results of~~ operations. An adverse determination in any such litigation could materially impair our intellectual property rights and may harm our business, **financial condition, results of operations,** prospects, and reputation ~~. Filing, prosecuting, maintaining, and defending patents on products and product candidates in all countries throughout the world would be prohibitively expensive, and the laws of foreign countries may not protect our rights to the same extent as the laws of the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States or mainland China or from selling or importing products made using our inventions in and into the United States, mainland China or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own competing products and, further, may export otherwise infringing products to territories where we have patent protection or licenses, but enforcement is not as strong as that in the United States. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing~~ . Many companies have encountered significant problems in protecting and defending intellectual property rights in ~~foreign~~ **certain** jurisdictions, including mainland China. The legal systems ~~of certain countries~~ , particularly **in** certain developing countries, do not favor the enforcement of patents, trade secrets, and other intellectual property protection ~~, particularly those relating to biotechnology products~~ , which could make it difficult for us to **enforce** ~~stop the infringement of our patents or marketing of competing products in violation of~~ our intellectual property and proprietary rights generally. Proceedings to enforce ~~our~~ **such** intellectual property and proprietary rights ~~in foreign jurisdictions~~ could result in substantial costs ~~and~~ **,** divert our efforts and attention from other aspects of our business, ~~could~~ put our patents at risk of being invalidated or interpreted narrowly, ~~could put our patent applications at risk of not issuing,~~ and ~~could~~ provoke third parties to assert ~~claims~~ **counterclaims** 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 and proprietary rights ~~around the world~~ may be inadequate to obtain a significant commercial advantage from the intellectual property that we ~~develop or license~~ **hold rights to** . Furthermore, many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If we or any of our licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and prospects may be adversely affected. Developments **or uncertainties** in patent law could have a negative impact on our business. Changes in either the patent laws or interpretation of the patent laws **could diminish** ~~in the United States, mainland China, and other~~ -- **the value of patents, thereby impairing our ability to protect our products, product candidates, and technologies. Changes in patent laws and regulations in various countries or** jurisdictions ~~could increase~~ **, changes in the governmental bodies that enforce** ~~the~~ **them** ~~uncertainties and costs surrounding~~ **, or changes in how the relevant governmental authority enforces** ~~the~~ **them** ~~prosecution of~~ **may weaken our ability to obtain new patents or** patent **rights through** ~~applications and the enforcement or~~ **our** ~~defense of issued~~ **licensors or to enforce any** patents **in** ~~, including changing~~ the ~~standards~~ **future. We cannot predict future changes in the interpretation** of ~~patentability, and~~ **patent laws or changes to- 62- patent laws that might be enacted into law by** any **legislative body.** ~~such~~ **Such** changes could **materially affect** ~~have a negative impact on~~ our ~~business. For example, in the United States, the Leahy- Smith America Invents Act (the " America Invents Act "), which was signed into law in September 2011, includes a number of significant changes to U. S.~~ patent **rights** ~~law. These changes include a transition from a " first- to- invent " system to a " first- to- file " to a " first- inventor- to file " system as of March 2013, changes to the way issued patents are challenged,~~ and ~~changes to the way patent applications are disputed during the examination process. These include allowing third party submission and~~

~~explanation of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post grant proceedings, including post grant review, inter partes review, and derivation proceedings. As a result of these changes, patent law in the United States may favor larger and more established companies that have greater resources to devote to patent application filing and prosecution. The USPTO has developed new and untested regulations and procedures to govern the full implementation of the America Invents Act, and many of the substantive changes to patent law associated with the America Invents Act, and, in particular, the first- inventor- to- file provisions became effective in March 2013. Substantive changes to patent law associated with the America Invents Act may affect our ability to obtain patents, and if obtained, to enforce or defend them. Accordingly, it is not clear what, if any, impact the America Invents Act will have on the cost of prosecuting our patent applications and our ability to obtain patents based on our discoveries and to enforce or defend any patents that may issue from our patent applications, all of which~~ could have a material adverse effect on our business, ~~financial condition,~~ results of operations, and prospects ~~. In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. 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 mainland- 119- China, it has become challenging to obtain patents that claim aspects of a product other than the direct compound structure of the active pharmaceutical ingredient of a pharmaceutical or biopharmaceutical product, such as selection patents, polymorphs, enantiomers, salts, ethers and esters, compositions, doses, combinations, prodrugs, metabolites, and new medical uses. Additionally, because a Markush claim lists alternative elements and thus claims numerous lots of chemicals, a Markush claim is much easier than a direct compound structure of the active pharmaceutical ingredient claim to be invalidated. Even if these so- called " secondary patents " are granted in mainland China, they remain challenging to enforce against potential infringers and are invalidated or declared unenforceable at a high rate when challenged. This combination of events has created uncertainty with respect to the validity and enforceability of patents, once obtained. Depending on future actions by the U. S. Congress, the federal courts and the USPTO, the Chinese government, the People' s Courts and the China National Intellectual Property Administration, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future~~ . If we are unable to maintain the confidentiality of our trade secrets, our business and competitive position may be harmed. **We** ~~In addition to the protection afforded by registered patents and pending patent applications, we~~ rely upon ~~unpatented~~ **proprietary confidential information, including** trade ~~secret~~ **secrets and** ~~protection, unpatented~~ know- how ~~and continuing technological innovation~~ to ~~develop and~~ maintain our competitive position. However, **such confidential information** ~~trade secrets and know- how~~ can be difficult to protect. We ~~also~~ seek to protect our proprietary **confidential information** ~~technology and processes~~ , in part, by entering into confidentiality agreements with parties that have access to ~~them,~~ such ~~as~~ **information, including** our partners, collaborators, scientific advisors, employees, consultants **,** and other third parties ~~, and invention assignment agreements with our consultants and employees~~ . We ~~cannot guarantee that we have~~ **may not be able to** ~~entered~~ -- **enter** into such agreements with each party that may have or have had access to our trade secrets or proprietary ~~technology~~ **technologies** ~~and processes~~ . ~~We~~ **Further, we** may not be able to prevent the unauthorized disclosure or use of our ~~technical~~ **trade secrets or** know- how ~~or other trade secrets~~ by the parties to these agreements, ~~however,~~ despite ~~the~~ **their** existence ~~generally of confidentiality agreements~~ and **any** other contractual restrictions. If any of ~~the~~ **these** ~~partners, collaborators, scientific advisors, employees, and consultants who are~~ parties ~~to these agreements~~ breaches or violates the terms of **such** ~~any of these agreements~~ - **agreement** or otherwise discloses our proprietary **confidential** information, we may not have adequate remedies for ~~any~~ such breach or violation ~~,~~ and ~~we~~ could lose ~~our trade secrets as a result~~ **any competitive advantage such confidential information afforded us** . Enforcing a claim that a third party illegally disclosed or misappropriated our trade secrets ~~, including through intellectual property litigations or other proceedings,~~ is difficult, expensive **,** and time **-** consuming, ~~and~~ **with** the outcome ~~is~~ **being** unpredictable ~~. In addition, courts in mainland China and other jurisdictions inside and outside the United States are less prepared, less willing or unwilling to protect trade secrets~~ . Our trade secrets could ~~otherwise~~ become known or **even** be independently discovered by **other parties, including** our competitors ~~or other third parties. For example, competitors could purchase our products and product candidates and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe, misappropriate, or otherwise violate our intellectual property rights, design around our intellectual property protecting such technology or develop their own competitive technologies that fall outside of our intellectual property rights~~ . If any of our trade secrets were to be disclosed or independently developed ~~by a competitor~~ , we would have no right to prevent ~~them, or~~ others ~~to whom they communicate it,~~ from using that ~~technology or~~ information to compete against us, which may have a material adverse effect on our business, ~~prospects,~~ financial condition, ~~and~~ results of operations **, and prospects** . If our products or product candidates infringe, misappropriate, or otherwise violate the intellectual property rights of third parties, we may incur substantial liabilities, and we may be unable to sell or commercialize these products and product candidates. Our ~~commercial~~ success depends significantly on our ability to develop, manufacture, market, and sell our **commercial** products ~~and product candidates~~ and use our proprietary technologies without infringing, misappropriating **,** or otherwise violating the patents and other proprietary rights of third parties. The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. ~~In mainland China and the United States, invention patent applications are generally maintained in confidence until their publication 18 months from the filing date. The publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made and invention patent applications are filed. Even after reasonable investigation, we may not know with certainty whether any third- party may have filed a patent application without our knowledge while we are still developing or producing that product.~~ We may become party to, or threatened with, ~~adversarial~~ **litigation or other** proceedings ~~or litigation~~ regarding intellectual property rights with respect to our ~~technology and any~~ products ~~or ,~~ product candidates ~~we may develop~~ , **or technologies that could negatively affect our**

business ~~including interference proceedings, post- grant review, inter partes review and derivation proceedings before the USPTO and similar proceedings in foreign jurisdictions~~ . ~~-120-~~ Third parties may assert **claims of patent** infringement ~~claims~~ against us **, regardless of merit,** based on **their** existing patents or **based on later issued** patents ~~that may be granted in the future, regardless of their merit~~ . Even if we believe **such** ~~third- party intellectual property~~ claims are without merit, there is no assurance that a court would find in our favor on questions of **patent** infringement ~~, validity, enforceability,~~ or ~~priority~~ **counterclaims pertaining to the underlying patent (s) asserted against us** . A court of competent jurisdiction could hold that ~~these~~ **a** third- party ~~patents~~ **patent** ~~are~~ **is** valid, enforceable, and infringed **by us** , which could **have** ~~materially and adversely affect our ability to commercialize any products or product candidates we may develop and any other products, product candidates or technologies covered by the asserted third- party patents. In order to successfully challenge the validity of any such U. S. patent in federal court, we would need to overcome~~ a **material adverse effect on** ~~presumption of validity. There is no assurance that a court~~ -- **our business** ~~of competent jurisdiction would invalidate the claims of any such U. S. patent~~ . If we are found to **have** ~~infringe~~ **infringed** a third party' s patent rights, and we are unsuccessful in demonstrating that such ~~patents~~ **patent (s)** are invalid or unenforceable, we could be required to: • obtain royalty- bearing licenses from such third party to ~~such~~ **the relevant** ~~patents~~ **patent (s)** , which may not be available on commercially reasonable terms, ~~if~~ **require substantial licensing and royalty payments, or may not be available** at all **,** and even if we were able to obtain such licenses, they could be non- exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us ~~, and could require us to make substantial licensing and royalty payments~~ ; • defend **against additional** litigation or administrative proceedings **in the same and / or other jurisdiction (s)** ; • reformulate **affected** product (s) so that ~~it does~~ **they do** not infringe the intellectual property rights of others, which may not be possible or could be ~~very~~ expensive and time consuming; **- 63-** • cease developing, manufacturing, and commercializing ~~the~~ **any** infringing ~~technology,~~ products, ~~or~~ product candidates **, or technologies** ; and • pay such third party significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed ~~a~~ **their** patent ~~or other intellectual property right~~ . **Similarly,** ~~Claims~~ **claims by third parties** that we have misappropriated ~~the~~ **their** confidential information ~~or~~ **, such as** trade secrets **,** ~~of third parties~~ could ~~have a similar material adverse effect on our business, financial condition, results of operations, and prospects. Even if we are successful in such litigations or administrative proceedings, such litigations and proceedings may be costly and could result in a substantial diversion of management resources. Any of the foregoing may~~ have a material adverse effect on our business **. Even if we are ultimately successful in defending against such claims via litigation (s) or administrative proceeding (s)** , ~~prospects~~ **any such litigation or proceeding may be costly and could result in a substantial diversion of management resources. Consequently, any of the foregoing may have a material adverse effect on our business** , financial condition, ~~and~~ results of operations **, and prospects** . Intellectual property litigation and proceedings could cause us to spend substantial resources and distract our personnel from their normal responsibilities. Even if resolved in our favor, litigation or other **such** legal proceedings relating to our ~~, our licensor' s or other third parties'~~ intellectual property ~~claims~~ **rights** may cause us to incur significant expenses and could distract our personnel 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 price of our **securities** ~~ordinary shares~~ . 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 conduct such litigation or proceedings adequately. **Additionally,** ~~Some~~ **some** of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can **, for example,** because of ~~their~~ greater financial **or other** resources ~~and more mature and developed intellectual property portfolios~~ . **Moreover,** ~~Uncertainties~~ **uncertainties** resulting from the initiation and continuation of ~~patent~~ **such** litigation or other proceedings could have a material adverse effect on our **business** ~~ability to compete in the marketplace~~ . We may be subject to claims that we or our employees, consultants **,** or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or are in breach of confidentiality, non- disclosure, non- use, non- competition **,** or non- solicitation agreements with such current or former employers, some of whom may be our competitors or potential competitors. We could in the future be subject to claims that we or our employees, consultants **,** or advisors have inadvertently or otherwise improperly used or disclosed alleged trade secrets or other proprietary information of ~~our employees', consultants' or advisors'~~ current or former employers ~~. Many~~ of our employees, consultants **, or advisors. For example, many of our employees, consultants,** and advisors are currently or were previously employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to **prevent** ~~ensure that~~ our employees, consultants **,** and advisors **from** ~~do not~~ improperly ~~use~~ **using** the intellectual property, proprietary information, know- how **,** or trade secrets of their current or former employers in their work ~~-121-~~ for us, ~~we~~ **these efforts** may **not** be **successful** ~~subject to claims that we or these individuals have breached the terms of any confidentiality, non- disclosure, non- use, non- competition or non- solicitation agreements we or these individuals have with such current or former employers, or that we or these individuals have, inadvertently or otherwise, improperly used or disclosed the alleged trade secrets or other proprietary information of such current or former employers~~ . Litigation may be necessary to defend against ~~these~~ **such** claims ~~.~~ **, and** ~~Even~~ **even** if we are successful in defending against ~~these~~ **such** claims, litigation could result in substantial costs and ~~could~~ be a distraction to management and research personnel. If our defenses to these claims fail, in addition to requiring us to pay monetary damages, a court could prohibit us from using **certain** technologies or features that are essential to our products and product candidates if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of **another party** ~~the former employers~~ . An inability to incorporate such technologies or features ~~would~~ **could** have a material adverse effect on our business and may prevent us from successfully commercializing our **affected** products and product candidates. In addition, we may lose valuable intellectual property rights or personnel as a result of such claims. Moreover, any such litigation or the threat ~~thereof~~ **of such litigation** may adversely affect

our ability to hire employees or contract with **necessary** ~~independent sales representatives or research~~ personnel. A loss of key personnel or their work product could hamper or prevent our ability to develop or commercialize our products and product candidates, which would have a material adverse effect on our business, results of operations, ~~and~~ financial condition **, and prospects** . In addition, while **we** ~~it is our policy to~~ require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in enforcing such ~~an agreement~~ **agreements** ~~with each employee or contractor who, in fact, conceives or develops intellectual property that we regard as our own~~ . The assignment of intellectual property rights may not be self- executing, or the assignment **- 64-** agreements may be breached, and we may be forced to bring claims against our employees ~~or~~ **,** contractors **,** or other third parties, or defend claims that they may bring against us, to determine the ownership of **certain** ~~what we regard as our~~ intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects. We may not be successful in obtaining ~~necessary~~ intellectual property rights ~~to~~ **for acquired or in- licensed** product candidates ~~for our development pipeline through acquisitions and in- licenses~~ . **Our** ~~Although we also intend to develop product candidates through our own internal research, our near- term~~ business model **depends** ~~is predicated~~ , in ~~large~~ part, on our ability to successfully identify and acquire or in- license product candidates to ~~grow~~ **enhance and strengthen** our product ~~candidate~~ pipeline. ~~However~~ **For such acquired or in- licensed product candidates** , we may be unable to **secure** ~~acquire or in- license~~ intellectual property rights relating to, or necessary for, **commercialization of** any such product candidates from third parties on commercially reasonable terms or at all **. In** ~~, including because we are focusing on specific areas of care~~ such ~~as oncology and inflammatory and infectious diseases. In that~~ event, we may be unable to develop or commercialize such product candidates. We may also be unable to identify product candidates that we believe are an appropriate strategic fit for the Company and **/ or obtain** intellectual property **protection** relating to ~~, or necessary for,~~ such product candidates. Any of the foregoing could have a materially adverse effect on our business, financial condition, results of operations, and prospects. The in- licensing and acquisition of ~~third- party~~ intellectual property rights for product candidates is a competitive area, and a number of **other** ~~more established~~ companies are also pursuing strategies to in- license or acquire third- party intellectual property rights for product candidates that we may consider attractive or necessary. These ~~established~~ **other** companies may have a competitive advantage over us **, for example** due to their size, cash resources **,** and ~~greater~~ clinical development and commercialization capabilities. Furthermore, **certain** companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If we are unable to successfully obtain rights to suitable product candidates, our business, financial condition, results of operations, and prospects ~~for growth~~ could suffer ~~. In addition, we expect that competition for the in- licensing or acquisition of third- party intellectual property rights for product candidates that are attractive to us may increase in the future, which may mean fewer suitable opportunities for us as well as higher acquisition or licensing costs. We may be unable to in- license or acquire the third- party intellectual property rights for product candidates on terms that would allow us to make an appropriate return on our investment~~ . If we or our licensors or collaboration partners do not obtain patent term extension and data exclusivity for our products or their products or any product candidates we may develop, our business may be materially harmed. Depending upon the timing, duration, and specifics of any ~~FDA~~ **regulatory** marketing approval of our products or any product candidates we may develop, one or more of our owned or in- licensed ~~U. S.~~ patents may be eligible for limited patent term extension **in** ~~under the Drug Price Competition and Patent Term Restoration Action of 1984, or Hatch Waxman Amendments. The Hatch Waxman Amendments permit~~ a **particular jurisdiction. For example, in the United States, a single** patent ~~extension term of up to five years as compensation~~ **(provided it claims the approved drug or method for using it, or a method for manufacturing the drug) may be eligible** for patent term ~~lost- 122- during the FDA regulatory review process. A patent term~~ extension **of up to five years, although it** cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval ~~, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended~~ . However, we may not be granted ~~an~~ **any patent term** extension ~~because of~~ **due to failure to meet applicable requirements** , for example, ~~failing~~ **failure** to exercise due diligence during the testing phase or regulatory review process ~~, failing~~ **or failure** to apply **for patent term extension** within **the** applicable deadlines **or** ~~, failing to apply~~ prior to expiration of **the** relevant patents ~~, or otherwise failing to satisfy applicable requirements~~ . Moreover, **any** ~~the applicable time period or the scope of~~ patent ~~protection afforded~~ **term extension approved** could be less than **the period** we ~~request~~ **requested** . The China Patent Law ~~, which was most recently amended by the SCNPC on October 17, 2020, and became effective on June 1, 2021, for the first time,~~ provides for patent term extension and adjustments for patents and a patent linkage system ~~. Under the China Patent Law, patent term extensions can be obtained for regulatory delays in the review and approval of new drugs but are limited to no more than five years and the total post- marketing patent term of the new drug cannot exceed 14 years. The China Patent Law also provides for patent term adjustments where there is an unreasonable delay caused during patent examination. A patentee may apply for a patent term adjustment where the patent is granted at least four years after the filing date, and at least three years after substantive examination was requested. In addition, the China Patent Law, for the first time, introduces in mainland China a patent linkage system for the early resolution of patent disputes concerning generic drug applications similar to the Hatch Waxman Act in the United States, and around the same time of the China Patent Law, the National Medical Products Administration and the China National Intellectual Property Administration jointly issued on September 11, 2020 a draft of the Implementation Measures for Early Resolution Mechanism of Pharmaceutical Patent Disputes (for Trial Implementation) for public comment which sets forth, for the first time, details of how such patent linkage system would be implemented~~ . However, to be implemented, the patent term extensions and adjustments require further promulgation of regulations and detailed implementation measures. Additionally, in mainland China, there is currently no effective law or regulation providing for data exclusivity, although Chinese regulators have proposed a framework for integrating data exclusivity into the Chinese regulatory regime. Until the new provisions of the China Patent Law providing for patent term extensions and adjustments and the proposed framework for

data exclusivity can be implemented ~~through the promulgation of additional laws, regulations and detailed implementation measures~~ , a lower- cost generic or biosimilar drug can emerge onto the market more quickly. Consequently, the absence of currently implemented laws and regulations on patent term extension and adjustment and data exclusivity or the ~~cancelation~~ **cancellation** of the previous five- year administrative exclusivity for domestically manufactured new drugs could result in much weaker protection for us against generic competition in mainland China. For instance, if we are unable to obtain patent term extension or adjustment or the term of any such extension or adjustment is less than we request, our competitors may obtain approval of competing products following our patent expiration, and our business, financial condition, results of operations, and prospects could be materially harmed. **If we were to pursue** ~~The Beijing IP Court accepted a first~~ patent linkage litigation ~~in November 2021. In October 2021~~ , **such litigation** ~~CNIPA announced that it had received 23 requests for administrative adjudication and accepted 12 of them. The first patent linkage case (generic filed with a Type IV Certificate on August 16, 2021) received a first court decision on April 15, 2022 by the Beijing IP Court, and a second court decision on August 5, 2022 by the Supreme People' s Court, which upheld the first decision in rejecting the originators' case and finding the generic did not fall into the scope of the revised claims after the patent invalidation process. Since similar cases would~~ **could** ~~usually~~ take several months to conclude and require additional months thereafter for the decision to be made publicly available **. We** ~~, the Company~~ will monitor future administrative rulings / court decisions on patent linkage ~~and their impact on the protection patent linkage~~ in mainland China ~~provides to originators in practice~~ . **Any** ~~If the originator of chemical drug gets a favorable court judgment or a~~ decision ~~from the CNIPA within the nine~~ **against our interests could adversely affect our business.** ~~-~~ **65** ~~month period, the NMPA can grant marketing authorization to the generic applicant after the nine-~~ ~~month period expires. If the originator for biological drug cannot secure a favorable decision before the NMPA' s issuance of the marketing authorization, the NMPA will grant marketing authorization to the biosimilar applicant accordingly. If originator receives court judgment after the issuance of marketing authorization, the court will normally support an infringement claim in a future infringement lawsuit based on the effective decision of patent coverage based on Article 76 of Patent Law, if the relevant patent and relevant drug are the same. If the originator fails the patent linkage litigation, the generic drug marketing authorization applicant can sue at Beijing IP court for damages to be paid by the patentee or interested party, if the patentee or interested party knew or should have known that (a) the relevant patent is invalid or (b) the generic drug applied for registration does not fall within the scope of the relevant patent.~~ Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment, and other requirements imposed by government patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. **Over** ~~Periodic maintenance fees, renewal fees, annuity fees, and various other~~ -- **the lifetime of any patent rights we hold, certain** government fees ~~on patents and applications~~ will be ~~due to be~~ paid to **a** ~~the USPTO and various government~~ patent **office in** ~~agencies outside of~~ the **respective jurisdiction** ~~United States over the lifetime- 123- of our owned or~~ **for any patent application (s) and on any patent (s) resulting therefrom. In some of our** licensed **matters** ~~patents and applications. In certain circumstances~~ , we rely on our **licensors** ~~licensing partners~~ to pay these fees ~~due to U~~ . **In addition to the** ~~S. and non- U. S. patent agencies. The USPTO and various non- U. S. government agencies require compliance with several procedural, documentary, fee~~ payment **of fees** , ~~and other similar provisions~~ during the patent application process **, the patent office of any given jurisdiction requires compliance with procedural and documentary provisions** . ~~We are also dependent~~ **In some of our licensed matters, we rely** on our licensors ~~to take the necessary action~~ to comply with these requirements ~~with respect to our licensed intellectual property~~ . In some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules **of a jurisdiction** . There are situations, however, in which non- compliance can result in abandonment or lapse of the patent or patent application, resulting in a partial or complete loss of patent rights in the relevant jurisdiction ~~. In such an event, potential competitors might be able to enter the market with similar or identical products or technology~~ , which ~~could~~ **may** have a material adverse effect on our business, financial condition, results of operations, and prospects. Intellectual property rights do not necessarily address all potential threats. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example: • others may be able to make products that are similar to ~~any~~ **our** ~~product~~ **products** or product candidates ~~we may develop~~ or utilize similar technology ~~but~~ that are not covered by the claims of the patents that we **hold rights to** ~~license or may own in the future~~ ; • ~~we, our licensors, patent owners of~~ patent rights **we currently hold or** that we ~~have~~ **may hold** in **the** ~~licensed, or current or~~ future ~~collaborators~~ might **be from inventors that are** not ~~have been~~ the first to make the inventions covered by **such** ~~the issued~~ patent **rights** ~~or pending patent application that we license or may own in the future~~ ; • ~~we, our licensors, patent owners of~~ patent rights **we currently hold or** that we ~~have~~ **may hold** in **the** ~~licensed, or current or~~ future ~~collaborators~~ might **be from inventors that are** not ~~have been~~ the first to file patent applications covering **such** ~~certain of our or their~~ inventions; • others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating **,** or otherwise violating our ~~owned or licensed~~ intellectual property rights; • ~~it is possible that our pending licensed~~ **patent rights we currently hold to any** patent applications ~~or those~~ that **are pending or such patent applications that** we may ~~own~~ **hold patent rights to** in the future ~~will~~ **may** not ~~lead to~~ **result in** issued patents; • issued patents that we hold rights to may be held invalid or unenforceable ~~, including as a result of legal challenges by our competitors~~ ; • our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; • we may not develop additional proprietary technologies that are patentable; • the patents of others may **impede our ability to exploit our innovations and may** harm our business; and • we may choose ~~not to file a patent in order~~ to maintain certain trade secrets or know ~~-~~ how, and a third party may discover ~~certain technologies containing~~ such trade secrets or know ~~-~~ how through independent research and development ~~and /~~ **, which may harm** ~~or~~ **our business** ~~subsequently file a patent covering such intellectual property~~ . Should any of these events occur, they could have a material adverse effect on our business, financial

condition, results of operations, and prospects. **- 66-** Risks Related to Our ADSs and Ordinary Shares If we fail to maintain proper internal **control over** financial reporting ~~controls~~, our ability to produce accurate financial statements or comply with applicable regulations could be impaired. Pursuant to Section 404 of the Sarbanes- Oxley Act, we are required to file a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. The presence of material weaknesses in internal control over financial reporting could result in financial statement errors which, in turn, could lead to errors in our financial reports and / ~~- 124-~~ or delays in our financial reporting, which could require us to restate our operating results. We might not identify one or more material weaknesses in our internal controls in connection with evaluating our compliance with Section 404 of the Sarbanes- Oxley Act. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal controls over financial reporting, we will need to expend significant resources and provide significant management oversight. Implementing any appropriate changes to our internal controls may require specific compliance training of our directors and employees, entail substantial costs in order to modify our existing accounting systems, take a significant period of time to complete **,** and divert management' s attention from other business concerns. These changes may not, however, be effective in maintaining the adequacy of our internal control. If we fail to maintain effective internal control over financial reporting in the future, our management and our independent registered public accounting firm may not be able to conclude that we have effective internal controls over financial reporting, investors may lose confidence in our operating results, the price of our **securities** ~~ordinary shares and / or ADSs~~ could decline, and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes- Oxley Act, our ADSs may not be able to remain listed on ~~the~~ Nasdaq ~~Global Market~~. We **have incurred losses and have not paid dividends on our securities since our inception, and we** do not currently intend to pay dividends on our securities ~~,~~**. The success of** ~~and~~ **an** ~~, consequently, your ability to achieve a return on your~~ investment **in our securities** will depend on appreciation in the price of our **securities** ~~ordinary shares and / or ADSs~~. We **have incurred losses since inception and** have never declared or paid any dividends on our **securities** ~~ordinary shares~~. We currently intend to invest our future earnings, if any, to fund our ~~growth~~ **business** . Therefore, investors are not likely to receive any dividends on their **securities,** ~~ordinary shares and / or ADSs~~ at least in the near term, and the success of an investment in our **securities** ~~ordinary shares and / or ADSs~~ will depend upon any future appreciation in ~~its~~ **their** value **compared to their purchase price** . ~~Consequently~~ **There is no guarantee that our securities will appreciate in value or even maintain the price at which they were purchased. Further** , investors may need to sell all or part of their holdings of our **securities** ~~ordinary shares and / or ADSs after price appreciation, which may never occur,~~ to realize any future gains on their investment. ~~There is no guarantee that our ordinary shares and / or ADSs will appreciate in value or even maintain the price at which our investors purchased the ordinary shares and / or ADSs.~~ The market price of our **securities** ~~ADSs and / or our ordinary shares~~ may be volatile, which could result in substantial ~~loss~~ **losses** ~~to you~~ **for our investors** . The market price of our **securities** ~~ADSs and / or ordinary shares~~ has been volatile ~~. From September 20~~ , ~~2017 to February 24, 2023, the closing price of our ADSs on the Nasdaq Global Market ranged from a high of $ 191. 71 to a low of $ 14. 95 per ADS. From September 28, 2020 to February 24, 2023, the closing price of our ordinary shares on the Hong Kong Stock Exchange ranged from a high of HKD150. 40 to a low of HKD17. 16 per ordinary share. The market price of our ADSs~~ and **will** ~~ordinary shares are~~ likely ~~to~~ continue to be ~~highly~~ volatile and subject to wide fluctuations in response to **a variety of** factors, including the following: • announcements of competitive developments; • regulatory developments affecting us, our **licensors and partners, our** customers **,** or our competitors; • announcements regarding litigation or administrative proceedings involving us **or our licensors and partners** ; • actual or anticipated fluctuations in our period- to- period operating results; • changes in financial estimates by securities research analysts; • additions or departures of our executive officers; • fluctuations of exchange rates between the RMB and the U. S. dollar; • release or expiration of lock- up or other transfer restrictions on our outstanding **securities** ~~ADSs or ordinary shares~~ ; and **- 67-** • sales or perceived sales of additional **securities** ~~ADSs or ordinary shares~~. In addition, the securities markets have ~~from time to time~~ experienced **, and may in the future experience,** significant price and volume fluctuations that are not related to the operating performance of particular companies. Broad market and industry factors may negatively affect the market price of our **securities** ~~ADSs or ordinary shares~~ , regardless of our actual operating performance. For example, in ~~March 2020,~~ the **last few years,** ~~exchanges in the United States and mainland China experienced a sharp decline as~~ the COVID- 19 pandemic **, tensions between the United States and China, and other geopolitical factors have** negatively affected stock market and ~~investors~~ **investor** sentiment and resulted in significant volatility, including temporary trading halts. ~~In 2022, there were multiple severe daily drops in the global stock market.~~ Prolonged global ~~- 125-~~ capital markets volatility may affect overall investor sentiment towards our **securities** ~~ADSs and / or ordinary shares~~ , which would also negatively affect the trading prices for our **securities** ~~ADSs and ordinary shares~~. Fluctuations in the value of the RMB or ~~HK~~ **Hong Kong** dollars may have a material adverse effect on our results of operations and the value of ~~your~~ **our investment securities** . The value of the RMB or HK dollar against the U. S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions ~~. On July 21, 2005, the Chinese government changed its decade- old policy of pegging the value of the RMB to the U. S. dollar, and the RMB appreciated more than 20 % against the U. S. dollar over the following three years. Between July 2008 and June 2010, this appreciation halted, and the exchange rate between the RMB and U. S. dollar remained within a narrow band. In June 2010, the PBOC, announced that the Chinese government would increase the flexibility of the exchange rate, and thereafter allowed the RMB to appreciate slowly against the U. S. dollar within the narrow band fixed by the PBOC. However, more recently, on August 11, 12 and 13, 2015, the PBOC significantly devalued the RMB by fixing its price against the U. S. dollar 1. 9 %, 1. 6 %, and 1. 1 % lower than the previous day' s value, respectively. On October 1, 2016, the RMB joined the International Monetary Fund' s basket of currencies that make up the Special Drawing Right, or SDR, along with the U. S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the RMB depreciated significantly while the U. S. dollar surged and mainland~~

~~China experienced persistent capital outflows~~ . With the development of the foreign exchange market and progress towards interest rate liberalization and RMB internationalization, the Chinese government **has announced, and** may **again** in the future announce ~~further~~ **,** changes to the exchange rate system. There is no guarantee that the RMB will not appreciate or depreciate significantly in value against the U. S. dollar ~~in the future~~ . It is difficult to predict how market forces or Chinese or U. S. government policy may impact the exchange rate between the RMB and the U. S. dollar in the future. The value of our ~~ADSs will~~ **securities may** , therefore, be affected by ~~the~~ foreign exchange rates between U. S. dollars, HK dollars **,** and the RMB. For example, to the extent that we need to convert U. S. dollars or HK dollars into RMB for our operations or if any of our arrangements with other parties are denominated in U. S. dollars or HK dollars and need to be converted into RMB, appreciation of the RMB against the U. S. dollar or the HK dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U. S. dollars or HK dollars for the purpose of making payments for ~~dividends on our ADSs or ordinary shares or for other~~ business purposes, appreciation of the U. S. dollar or the HK dollar against the RMB would have a negative effect on the conversion amounts available to us. Since 1983, the Hong Kong Monetary Authority (" HKMA ") has pegged the HK dollar to the U. S. dollar at the rate of approximately HK $ 7. 80 to US $ 1. 00. However, there is no assurance that the HK dollar will continue to be pegged to the U. S. dollar or that the HK dollar conversion rate will remain at HK $ 7. 80 to US $ 1. 00. If the HK dollar conversion rate against the U. S. dollar changes and the value of the HK dollar depreciates against the U. S. dollar, the Company' s assets denominated in HK dollars will be adversely affected. Additionally, if the HKMA were to repeg the HK dollar to, for example, the RMB rather than the U. S. dollar, or otherwise restrict the conversion of HK dollars into other currencies, then the Company' s assets denominated in HK dollars will be adversely affected. Significant revaluation of the RMB or HK dollar may have a material adverse effect on ~~your~~ **our** ~~investment~~ **business** . For example, to the extent that we need to convert U. S. dollars into RMB or HK dollars for our operations, appreciation of the RMB or HK dollar against the U. S. dollar would have an adverse effect on the RMB amount we would receive from the conversion. Conversely, if we decide to convert our RMB or HK dollars into U. S. dollars for the purpose of making payments for ~~dividends on our ADSs or ordinary shares or for other~~ business purposes, appreciation of the U. S. dollar against the RMB would have a negative effect on the U. S. dollar amount available to us. In addition, appreciation or depreciation in the value of the RMB relative to U. S. dollars would affect our financial results reported in U. S. dollar terms regardless of any underlying change in our business or results of operations. Very limited hedging options are available in mainland China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited **,** and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by Chinese exchange control regulations that restrict our ability to convert RMB into foreign currency. **- 68-** Holders of **our** ADSs have fewer rights than shareholders and must act through the depositary to exercise their rights. Holders of our ADSs do not have the same rights as our shareholders and may only exercise the voting rights with respect to the underlying ordinary shares in accordance with the provisions of the deposit agreement. Under our ~~sixth- 126-~~ amended and restated articles of association, an annual general meeting and any extraordinary general meeting may be called with not less than fourteen days' notice. When a general meeting is convened, you may not receive sufficient notice of a shareholders' meeting to permit you to withdraw the ordinary shares underlying your ADSs to allow you to vote with respect to any specific matter. If we ask for your instructions, we will give the depositary notice of any such meeting and details concerning the matters to be voted upon at least 30 days in advance of the meeting date **,** and the depositary will send a notice to you about the upcoming vote and will arrange to deliver our voting materials to you. The depositary and its agents, however, may not be able to send voting instructions to you or carry out your voting instructions in a timely manner. We will make ~~all~~ commercially reasonable efforts to cause the depositary to extend voting rights to you in a timely manner, but we cannot assure you that you will receive the voting materials in time to ~~ensure that you can~~ instruct the depositary to vote the ordinary shares underlying your ADSs. Furthermore, the depositary will not be liable for any failure to carry out any instructions to vote, for the manner in which any vote is cast or for the effect of any such vote. As a holder or beneficial owner of ADSs, you may have limited recourse if we or the depositary fail to meet our respective obligations under the deposit agreement or if you wish us or the depositary to participate in legal proceedings. As a result, you may not be able to exercise your right to vote and you may lack recourse if your ADSs are not voted as you request. In addition, in your capacity as an ADS holder, you will not be able to call a shareholders' meeting. Under the deposit agreement, for the ADSs, the depositary will give us a discretionary proxy to vote the ordinary shares underlying your ADS at shareholders' meeting if you do not give instructions to the depositary, unless (i) we have failed to timely provide the depositary with our notice of meeting and related voting materials, (ii) we have instructed the depositary that we do not wish a discretionary proxy to be given, (iii) we have informed the depositary that there is a substantial opposition as to a matter to be voted on at the meeting, or (iv) a matter to be voted on at the meeting would have a material adverse impact on shareholders. The effect of this discretionary proxy is that, if you fail to give voting instructions to the depositary, you cannot prevent the ordinary shares underlying your ADSs from being voted, except under the circumstances described above. This may adversely affect your interests and make it more difficult for ADS holders to influence the management of the Company. Holders of our ordinary shares are not subject to this discretionary proxy. ~~You~~ **Holders of our ADSs** may not receive distributions ~~on our ADSs~~ or any value for them if such distribution is illegal or impractical or if any required government approval cannot be obtained in order to make such ~~distribution~~ **distributions** ~~available to you~~ . Although we do not have any present plan to pay any dividends, **if we achieve profitability and were to decide to pay dividends in the future,** the depositary of our ADSs has agreed to pay ~~to you~~ **our ADS holders** the cash dividends or other distributions it or the custodian receives on ordinary shares or other deposited securities underlying our ADSs, after deducting its fees and expenses and any applicable taxes and governmental charges. ~~You~~ **Our ADS holders** will receive these distributions in proportion to the number of ordinary shares ~~your~~ **their** ADSs represent. However, the depositary is not

responsible if it decides that 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 whose offering would require registration under the Securities Act of 1933, as amended (the " Securities Act ") but are not so properly registered or distributed under an applicable exemption from registration. The depositary may also determine that it is not reasonably practicable to distribute certain property. In these cases, the depositary may determine not to distribute such property. We have no obligation to register under the U. S. securities laws any offering of ADSs, ordinary shares, rights **,** or other securities received through such distributions. We also have no obligation to take any other action to permit the distribution of ADSs, ordinary shares, rights **,** or anything else to holders of ADSs. This means that you may not receive 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 cause a material decline in the value of our ADSs. **- 69- Rights of** ~~Your~~ **our** ~~right~~ **shareholders in the United States** to participate in any future rights offerings may be limited, which may cause dilution to ~~your~~ **their** holdings. We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to ~~you~~ **our shareholders** in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary will not make rights available to ~~you~~ **our U. S. shareholders** unless either both the rights and any related securities are registered under the Securities Act, or the distribution of them to ADS holders is exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. If the depositary does not distribute the rights, it may, under the deposit agreement, either sell them, if possible, or allow them to lapse. Accordingly, ~~you~~ **our U. S. shareholders** may be unable to participate in our rights offerings and may experience dilution in ~~your~~ **their** holdings. ~~- 127 -~~ Taxing authorities could reallocate our taxable income among our subsidiaries, which could increase our overall tax liability. We are ~~incorporated~~ **organized** under the laws of the Cayman Islands and currently have subsidiaries in mainland China, Hong Kong, Taiwan, the Cayman Islands, the United States, Australia, and the British Virgin Islands. If we **further grow** ~~succeed in growing~~ our business, we expect to conduct increased operations through our subsidiaries in various tax jurisdictions pursuant to transfer pricing arrangements between us, our parent company **,** and our subsidiaries. If two or more affiliated companies are located in different countries, the tax laws or regulations of each country generally will require that transfer prices be the same as those between unrelated companies dealing at arms' length and that appropriate documentation is maintained to support the transfer prices. While we believe that we operate in compliance with applicable transfer pricing laws and intend to continue to do so, our transfer pricing procedures are not binding on applicable tax authorities. If tax authorities in any of these countries were to successfully challenge our transfer prices as not reflecting arms' length transactions, they could require us to adjust our transfer prices and thereby reallocate our income to reflect these revised transfer prices, which could result in a higher tax liability to us. In addition, if the country from which the income is reallocated does not agree with the reallocation, both countries could tax the same income, resulting in double taxation. If tax authorities were to allocate income to a higher tax jurisdiction, subject our income to double taxation or assess interest and penalties, it would increase our consolidated tax liability, which could adversely affect our financial condition, results of operations, and cash flows. A tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a " permanent establishment " under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. A tax authority may take the position that material income tax liabilities, interest **,** and penalties are payable by us, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly **,** and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable. There is no assurance that we will not be a passive foreign investment company, or ~~the~~ PFIC for U. S. federal income tax purposes for any taxable year, which could subject U. S. investors in our **securities** ~~ADSs or ordinary shares~~ to significant adverse U. S. federal income tax consequences. In general, a non- U. S. corporation will be a PFIC for any taxable year in which (i) 75 % or more of its gross income consists of passive income, or (ii) 50 % or more of the value of its assets (generally determined on a quarterly average basis) consists of assets that produce, or are held for the production of, passive income (the " asset test "). For purposes of the above calculations, a non- U. S. corporation that directly or indirectly owns at least 25 % by value of the shares of another corporation is treated as if it held its proportionate share of the assets of the other corporation and received directly its proportionate share of the income of the other corporation. Passive income generally includes interest, dividends **,** and gains from certain property transactions, rents, and royalties (other than certain rents or royalties derived in the active conduct of a trade or business). For these purposes, cash is **generally** a passive asset and the value of a non- U. S. corporation' s **- 70-** goodwill (which may be determined by reference to the excess of the sum of its market capitalization and liabilities over its booked assets) generally should be an active asset to the extent attributable to business activities that produce non- passive income. Based on the current market price of our ADSs and our current and expected composition of income and assets, we do not expect the Company and its subsidiaries to be PFICs for our current taxable year. However, our assets other than goodwill are expected to consist primarily of cash and cash equivalents for the foreseeable future. Therefore, whether we will satisfy the asset test for the current or any future taxable year will depend largely on the quarterly value of our goodwill (which may be determined by reference to the market price of our ADSs, which could be volatile given the nature and early ~~-~~ stage of our business). If our market capitalization declines while we continue to hold a significant amount of cash **,** ~~(including cash raised in this offering)~~ the risk that we will be a PFIC will increase. Furthermore, we may be a PFIC for any taxable year in which our interest and other investment income constitutes 75 % or more of the sum of (i) such interest and investment income, and (ii) the excess of our revenue over cost of goods sold. In addition, a company' s PFIC status is an annual determination that can be made only after the end of each taxable year. Therefore, we cannot give any assurance as to whether we are a PFIC for the

current or any future taxable year. Subject to the discussion **below** ~~in the next paragraph~~, if we are or become a PFIC, U. S. investors generally would be subject to adverse U. S. federal income tax consequences, such as increased tax liabilities on capital gains and certain distributions, and interest charges on taxes deemed to be deferred. If we are a PFIC for any taxable year during which a U. S. investor owns ~~ADSs or~~ **our securities** ~~ordinary shares~~, we will generally continue to be treated as a PFIC with respect to such investor for all succeeding years during which the investor ~~own~~ **owns** ~~ADSs or~~ **our** ~~shares~~ **securities** (unless the investor timely makes a valid " deemed sale " ~~- 128 -~~ election), even if we cease to meet the threshold requirements for PFIC status. A mark- to- market election may be available with respect our **securities** ~~ADSs or ordinary shares~~, which would result in U. S. federal income tax consequences to holders of our **securities** ~~ADSs or ordinary shares~~ that are different from those described above. If a U. S. investor owns our **securities** ~~ADSs or ordinary shares~~ during any year in which we are a PFIC, such investor generally will be required to file annual reports on IRS Form 8621 (or any successor form) with respect to us, generally with their U. S. federal income tax return for that year. U. S. investors should consult their tax advisors regarding the determination of whether we are a PFIC for any taxable year and the potential application of the PFIC rules. If a U. S. ~~Holder~~ **investor** is treated as owning at least 10 % of our ordinary shares, such holder may be subject to adverse U. S. federal income tax consequences. If a U. S. **investor** ~~Holder (as defined below under " Material United States Federal Income Tax Considerations ")~~ is treated as owning (directly, indirectly, or constructively) at least 10 % of either the total value or total combined voting power of our ADSs or our ordinary shares, such U. S. ~~Holder~~ **investor** may be treated as a " United States shareholder " with respect to each controlled foreign corporation, or CFC, in the Company (if any). Because the Company includes at least one U. S. subsidiary (Zai Lab (US) LLC), certain of our non- U. S. subsidiaries will be treated as CFCs (regardless of whether Zai Lab Limited is treated as a CFC). A United States shareholder of a CFC may be required to annually report and include in its U. S. taxable income its pro rata share of " Subpart F income, " " global intangible low- taxed income " and investments in U. S. property by CFCs, regardless of whether we make any distributions. An individual that is a United States shareholder with respect to a CFC generally would not be allowed certain tax deductions or foreign tax credits that would be allowed to a United States shareholder that is a U. S. corporation. We **may not** ~~cannot provide any assurances that we will~~ assist investors in determining whether any of our non- U. S. subsidiaries ~~, if any,~~ are treated as a CFC or whether such investor is treated as a United States shareholder with respect to any of such CFCs. Further, we ~~cannot provide~~ **may not furnish to** any **investors** ~~assurances that we will furnish to any United States shareholders~~ information that may be necessary to comply with the reporting and tax paying obligations discussed above. Failure to comply with these reporting obligations may subject ~~you~~ **a U. S. investor** to significant monetary penalties and may prevent the statute of limitations with respect to ~~your~~ **their** U. S. federal income tax return for the year for which reporting was due from starting. U. S. ~~Holders~~ **investors** should consult their tax advisors regarding the potential application of these rules to their investment in our **securities** ~~ADSs or ordinary shares~~. Changes in tax law may adversely affect our business and financial results. Under current law, we expect to be treated as a non- U. S. corporation for U. S. federal income tax purposes. The tax laws applicable to our business activities, however, are subject to change and uncertain interpretation. Our tax position **- 71 -** could be adversely impacted by changes in tax rates, tax laws, tax practice, tax treaties or tax regulations **,** or changes in the interpretation thereof by the tax authorities in jurisdictions in which we do business. Our actual tax rate may vary from our expectation **,** and that variance may be material. A number of factors may increase our future effective tax rates, including: (i) the jurisdictions in which profits are determined to be earned and taxed; (ii) the resolution of issues arising from any future tax audits with various tax authorities; (iii) changes in the valuation of our deferred tax assets and liabilities; (iv) our ability to use net operating loss carryforwards to offset future taxable income and any adjustments to the amount of the net operating loss carryforwards we can utilize; and (v) changes in tax laws or the interpretation of such tax laws, and changes in U. S. **Generally Accepted Accounting Principles (" U. S.** GAAP ~~. For example, on August 16, 2022, the Inflation Reduction Act (the " IRA ") was signed into law in the United States and significantly revised the Internal Revenue Code of 1986, as amended (the " Internal Revenue Code "). Among other provisions, the IRA includes a 15 % corporate minimum tax rate which applies to certain corporations and a 1 % excise tax on certain corporate stock repurchases made after December 31, 2022. We urge holders of our ADSs or ordinary shares to consult with their legal and tax advisors with respect to such legislation and about the potential tax consequences of investing in or holding our ADSs or ordinary shares~~. 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 ordinary shares and / or ADSs and deprive you of an opportunity to receive a premium for your~~ **our securities** ~~ordinary shares and / or ADSs~~. ~~These~~ **Our directors, executive officers, and other principal** 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 the Company, which could ~~have the dual effect of depriving~~ **deprive** our shareholders of an opportunity to receive a premium for their shares as part of a sale of the Company and ~~reducing~~ **reduce** the price ~~- 129 -~~ of ~~our ordinary shares and / or~~ **our** ~~ADSs~~ **securities**. ~~These~~ **Such** actions may be taken even if they are opposed by **certain of** our other shareholders. In addition, ~~these~~ **our directors, executive officers, and other principal** shareholders could divert business opportunities away from us to themselves or others. You may have difficulty enforcing judgments obtained against us. Zai Lab Limited is a company ~~incorporated~~ **organized** under the laws of the Cayman Islands, and a substantial portion of our assets **and operations** are located ~~outside the United States. A substantial portion of our current operations is conducted~~ in mainland China. In addition, some of our directors and officers are nationals and residents of countries or regions other than the United States or Hong Kong ~~. A~~ **, and a** substantial portion of ~~the~~ **their** assets ~~of these persons~~ is located outside **of** the United States **and Hong Kong**. As a result, it may be difficult for investors to effect service of process within the United States or Hong Kong upon these persons, or to bring an action against us or against these individuals in the United States or Hong Kong in the event that they believe that their rights have been infringed under **applicable** ~~the U. S.~~ federal securities ~~laws, Hong Kong~~ laws or otherwise. Even if shareholders are successful in bringing

an action of this kind, the laws of the Cayman Islands and mainland China may render them unable to enforce a judgment against our assets or the assets of our directors and officers. There is uncertainty as to whether the courts of the Cayman Islands or mainland China would recognize or enforce judgments of U. S. courts against us or such persons predicated upon the civil liability provisions of ~~the~~ securities laws of the United States or any state. The recognition and enforcement of foreign judgments are provided for under PRC Civil Procedures Law. Chinese courts may recognize and enforce foreign judgments in accordance with the requirements of PRC Civil Procedures Law based either on treaties between mainland China and the country where the judgment is made or on principles of reciprocity between jurisdictions. Mainland China does not have any treaties or other forms of reciprocity with the United States that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, according to PRC Civil Procedures Law, mainland China courts will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of Chinese laws or national sovereignty, security **,** or public interest. As a result, it is uncertain whether and on what basis a Chinese court would enforce a judgment rendered by a court in the United States. Investors may be subject to limitations on transfers of their ADSs. ADSs are transferable on the books of the depositary. However, the depositary may close its transfer books at any time ~~or from time to time~~ when it deems expedient in connection with the performance of its duties. In addition, the depositary may refuse to deliver, transfer, or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary deems it advisable to do so because of any requirement of law or of any government or governmental body, or under any provision of the deposit agreement, or for any other reason. **- 72-** Substantial future sales or perceived potential sales of our ordinary shares, ADSs, or other equity or equity- linked securities ~~in the public market~~ could cause the price of our **securities** ~~ordinary shares and / or ADSs~~ to decline. Sales of our ordinary shares, ADSs, or other equity or equity-linked securities ~~in the public market~~, or the perception that these sales could occur, could cause the market price of our **securities** ~~ordinary shares and / or ADSs~~ to decline significantly. All of our ordinary shares represented by ADSs were freely transferable by persons other than our affiliates without restriction or additional registration under the U. S. Securities Act. The shares held by our affiliates are also available for sale, subject to volume and other restrictions as applicable under Rule 144 of the U. S. Securities Act, under trading plans adopted pursuant to Rule 10b5- 1 or otherwise. Divestiture in the future of our **securities** ~~ordinary shares and / or ADSs~~ by shareholders, the announcement of any plan to divest our **securities,** ~~ordinary shares and / or ADSs~~ or hedging activity by third- party financial institutions in connection with similar derivative or other financing arrangements entered into by shareholders could cause the price of our **securities** ~~ordinary shares and / or ADSs~~ to decline. Furthermore ~~, although all of our directors and executive officers have agreed to a lock- up of their ordinary shares~~, any major disposal of our **securities** ~~ordinary shares and / or ADSs~~ by any of **our directors or executive officers** ~~them upon expiration of the relevant lock- up periods~~ (or the perception that ~~these~~ **such** disposals may occur ~~upon the expiration of the lock- up period~~) may cause the prevailing market price of our **securities** ~~ordinary shares and / or ADSs~~ to fall, which could negatively impact our ability to raise ~~equity~~ capital in the future. The different characteristics of the capital markets in Hong Kong and the United States may negatively affect the trading prices of our **securities** ~~ordinary shares and / or ADSs~~. ~~- 130-~~ We are **dual primary listed on** ~~subject to Hong Kong and~~ Nasdaq ~~listing~~ and **the** ~~regulatory requirements. The~~ Hong Kong Stock Exchange ~~and~~ **.** Nasdaq **and the Hong Kong Stock Exchange** have different **listing rules and requirements,** trading hours, trading characteristics (including trading volume and liquidity), trading ~~and listing~~ rules, and investor bases (including different levels of retail and institutional participation). As a result of these differences, the trading prices of our ordinary shares on the Hong Kong Stock Exchange and our ADSs on Nasdaq may not be the same, even **after** allowing for currency differences. Fluctuations in the price of our **securities** ~~ordinary shares~~ due to circumstances ~~peculiar~~ **unique** to the **one** ~~Hong Kong capital markets~~ **market** could materially and adversely affect the price of our **securities** ~~ordinary shares and / or ADSs, or vice versa. Certain events having significant negative impact specifically~~ on the **other** ~~Hong Kong capital markets~~ **market** ~~may result in a decline in the trading price of our ADSs notwithstanding that such event may not impact the trading prices of securities listed in Hong Kong generally or to the same extent, or vice versa~~. The depositary for our ADSs is entitled to charge holders fees for various services, including annual service fees. Dealings in the ordinary shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. The depositary for ~~the~~ **our** ADSs is entitled to charge holders fees for various services including for the issuance of ADSs upon deposit of ordinary shares, cancelation of ADSs, distributions of cash dividends or other cash distributions, distributions of ADSs pursuant to share dividends or other free share distributions, distributions of securities other than ADSs, and annual service fees. In the case of ADSs issued by the depositary into The Depository Trust Company, or DTC, the fees will be charged by the DTC participant to the account of the applicable beneficial owner in accordance with the procedures and practices of the DTC participant as in effect at the time. Additionally, dealings in the ordinary shares registered in our Hong Kong register of members will be subject to Hong Kong stamp duty. Exchange between our ordinary shares and our ADSs may adversely affect the liquidity and / or trading price of ~~each other~~ **our securities** . Subject to compliance with U. S. securities law and the terms of the deposit agreement, holders of our ordinary shares may deposit such ordinary shares with the depositary in exchange for the issuance of our ADSs. Any holder of ADSs may also withdraw the underlying ordinary shares represented by the ADSs pursuant to the terms of the deposit agreement for trading on the Hong Kong Stock Exchange. **If** ~~In the event that~~ a substantial number of our ordinary shares are deposited with the depositary in exchange for ADSs or vice versa, the liquidity and trading price of our ordinary shares on the Hong Kong Stock Exchange and our ADSs on Nasdaq may be adversely affected. **- 73-** The time required for the exchange between our ordinary shares and ADSs might be longer than expected and investors might not be able to settle or effect any sale of their securities during this period, and the exchange of ordinary shares into ADSs involves costs. There is no direct trading or settlement between Nasdaq and the Hong Kong Stock Exchange on which our ADSs and ~~our~~ ordinary shares are respectively traded. In addition, the time differences between Hong Kong and New York and unforeseen market circumstances or other factors may delay the deposit of ordinary shares in exchange of ADSs or the withdrawal of ordinary shares underlying the ADSs. Investors will be prevented

from settling or ~~effecting~~ **effectuating** the sale of their securities during such periods of delay. In addition, there is no assurance that any exchange of ADSs into ordinary shares (and vice versa) will be completed in accordance with the timelines investors may anticipate. Furthermore, 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, ~~cancelation~~ **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. As a result, ~~Shareholders~~ **shareholders** who exchange ADSs into ordinary shares, and vice versa, may not achieve the level of economic return ~~the~~ **they** ~~Shareholders~~ may anticipate. There is uncertainty as to whether Hong Kong stamp duty will apply to the trading or conversion of our ADSs. **We have** ~~In connection with our initial public offering of our ordinary shares in Hong Kong, we~~ established a branch register of members in Hong Kong (the " Hong Kong share register ") ~~. Our~~ **for our** ordinary shares that are traded on the Hong Kong Stock Exchange ~~are registered on the Hong Kong share register~~ , and the trading of these ordinary shares on the Hong Kong Stock Exchange will be subject to the Hong Kong stamp duty. ~~To~~ **In addition, to** facilitate ADS ~~-~~ ordinary share conversion and trading between Nasdaq and the Hong Kong Stock Exchange, we have moved a portion of our issued ordinary shares from our register of members maintained in the Cayman Islands to our Hong Kong share register. ~~- 131 -~~ Under the Hong Kong Stamp Duty Ordinance, any person who effects any sale or purchase of Hong Kong stock, defined as stock the transfer of which is required to be registered in Hong Kong, is required to pay Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0. 2 % of the greater of the consideration for, or the value of, shares transferred, with 0. 1 % payable by each of the buyer and the seller. To the best of our knowledge, Hong Kong stamp duty has not been levied in practice on the trading or conversion of ADSs of companies that are listed in both the United States and Hong Kong and that have maintained all or a portion of their ordinary shares, including ordinary shares underlying ADSs, in their Hong Kong share registers. However, it is unclear whether, as a matter of Hong Kong law, the trading or conversion of ADSs of these dual- listed companies constitutes a sale or purchase of the underlying Hong Kong- registered ordinary shares that is subject to Hong Kong stamp duty. We advise investors to consult their own tax advisors on this matter. If Hong Kong stamp duty is determined by the competent authority to apply to the trading or conversion of our ADSs, the trading price and the value of ~~your~~ **any** investment in our **securities** ~~ADSs and / or ordinary shares~~ may be affected. General Risk Factors We are subject to the risks of doing business globally **, such as from economic or political tensions between the United States and China and other business disruptions or other adverse effects caused by economic downturns, market conditions, changing legal and regulatory requirements, political instability, trade sanctions, public health crises, international war or conflict, natural disasters, extreme weather events, and other geopolitical events or significant disruptions outside of our control** . Because we operate in Greater China **, the United States,** and other countries ~~outside of the United States~~ , our business is subject to risks associated with doing business globally. ~~Accordingly~~ **For example** , our business and financial results could be adversely affected ~~due to a variety of factors~~ **by changes in global, economic, and industry conditions** , including ~~:~~ **currency fluctuations,** changes in **interest rates, capital** ~~a specific country' s or region' s political~~ and ~~cultural climate or economic condition; unexpected~~ **exchange controls, inflation, recession, market volatility, and restrictive government actions such as** changes in laws and regulatory requirements **,** ~~in local jurisdictions; difficulty of effective enforcement of contractual provisions in local jurisdictions; inadequate~~ intellectual property **, legal** ~~protection~~ **protections** ~~in certain countries~~ **and remedies, trade regulations, tax laws and regulations, and procedures and actions affecting approval, production, pricing, marketing, reimbursement, and access for our products or product candidates.- 74- In addition, we, as well as our customers, vendors, partners, and patients, may be impacted by geopolitical events, including economic or political tensions between the United States and China** ; **international war or conflicts** ~~enforcement of anti- corruption and anti- bribery laws~~ , such as the ~~FCPA~~ **war in Ukraine and the conflict between Israel and Hamas** ; ~~economic sanctions~~ and ~~export control laws~~ **other instances of political or civil unrest** , such as **major hostilities or acts** ~~the Export Administration Regulations promulgated by the U. S. Department~~ of **terrorism. For example** ~~Commerce; laws and regulations on foreign investment~~ , ~~including the CFIUS regulations in~~ **as a result of economic or political conditions or tensions between** the United States ~~;~~ **and China, the United States and** ~~the~~ **other** ~~effects~~ **nations have raised the possibility** of ~~applicable local tax regimes~~ **trade or other sanctions on China, Chinese banks,** and ~~potentially~~ **companies with operations in China as well as legislation that restricts or prohibits U. S. investment in certain companies operating in China. Such actual or threatened sanctions on us or third parties with which we do business, such as customers, suppliers, intermediaries, services providers, or banks, and other geopolitical factors could** ~~adverse~~ **adversely** ~~tax consequences;~~ **affect our business and financial results, including our ability to raise capital or raise capital on favorable terms and** the **market price of our securities. We, as well as our customers, vendors, partners, and patients, may also be** ~~impact~~ **impacted** ~~of~~ **by** public health **crises** ~~epidemics on employees, our operations and the global economy~~ , such as ~~the COVID- 19 outbreak impacting China and elsewhere; restrictions on international travel and commerce; and significant adverse changes in local currency exchange rates. We face risks related to~~ the COVID- 19 pandemic, ~~including government actions and quarantine measures taken in response~~ as well as **earthquakes, hurricanes, floods, drought, wildfires, and other extreme weather or catastrophic events. The occurrence of one or more of the events described above could disrupt our studies, supply chain, manufacturing facilities, distribution network, and sales and marketing efforts or result in** increased **costs** ~~infection rates after restrictions were lifted or eased, particularly in mainland China where our~~ **or decreased demand for** ~~operations are primarily located. For example, the COVID- 19 pandemic has adversely affected~~ our ~~sales, marketing, development activities of our proprietary~~ products ~~and our licensor' s products, and our clinical trial operations, and it may continue to adversely affect our business and results of operations, perhaps significantly, depending on the nature, severity, and duration of the continuing effects of the pandemic~~ . **Such developments** ~~We also face risks related to other public health crises or disasters, which~~ could have a material adverse effect on our business ~~and results of operations. Since December 2019, global health concerns relating to the COVID- 19 pandemic have been weighing on the macroeconomic environment and have~~

significantly increased economic volatility and uncertainty. Government authorities worldwide , including in mainland China, have monitored infection rates and implemented numerous measures to try to contain the spread of the virus, such as temporary travel bans and restrictions, quarantines, shelter- in- place or stay- at- home orders, and business shutdowns. Our business operations and those of our suppliers, CROs, CMOs, and other contractors and third parties on which we rely — as well as the Chinese economy more broadly — have been, and may continue to be, adversely affected by the effects of the pandemic. In 2022, there were a number of COVID- 19 cases in Greater China, including in large cities like Shanghai, where one of our principal executive offices is located, that experienced a wave of intermittent full or partial government shutdowns in connection with COVID- 19 control measures. In the last several months, the Chinese government has eased COVID- related restrictions and lifted lockdown measures, shifting away from its " zero- COVID " policy, which changes were followed by spikes in the number of COVID cases across mainland China. The effects of the COVID- 19 pandemic, including as a result of restrictive quarantine measures imposed by the Chinese government and increased infection rates when such restrictions were lifted or eased, have adversely affected our business, and may continue to adversely affect our business, perhaps significantly, in 2023 and beyond. The extent of the impact will depend on the nature, severity, and duration of the ongoing effects of the COVID- 19 pandemic, particularly in mainland China where our operations are primarily located. Specifically, the COVID- 19 pandemic has adversely impacted our operations, business, and financial results, including our manufacturing and supply chain; sales, marketing, and clinical trial operations of our third- party partners; and - 132 - our ability to advance our research and development activities and pursue the development of our pipeline products. For example, some patients have experienced difficulties in accessing hospital care during periods of lockdown measures or heightened COVID infection rates and, as a result, they have had limited or no access to ZEJULA, Optune, QINLOCK, or NUZYRA, our four - **our** commercial products. The ability to conduct in- person interactions between medical representatives and physicians has also been adversely affected. Decreased access to our products has an adverse effect on our revenues. In addition, we have experienced delays in the enrollment of patients in our clinical trials due to outbreaks of COVID- 19 and lockdown measures where we are conducting such trials. Our commercial partners and licensors also have similarly experienced delays in enrollment of patients to their clinical trials due to outbreaks of COVID- 19 and lockdown measures in their respective territories. Although so far none of our NDA submissions and acceptances, key clinical development milestones , or CTA approvals have been materially delayed, there is no guarantee this will continue to be the case. Additionally, the COVID- 19 pandemic may cause us or our commercial partners, licensors, and CMOs to experience delays or interruptions in the ability to manufacture and supply the products we are selling commercially in Greater China. For example, increased infection rates or COVID- related restrictions may negatively impact the distribution and sale of our products or limit our distributor' s ability to successfully sell our commercial product in Greater China, even if we implement contingency plans. In addition, increased infection rates or lockdown measures may restrict our executives and employees, or those of our third- party partners, from traveling or performing their responsibilities, which could negatively affect our business, such as through operational disruptions. Any or all of these adverse effects arising from the COVID- 19 pandemic may adversely affect our business and results of operations or cause the value of the Company to decline , potentially limiting our ability to obtain additional financing on terms acceptable to the Company or at all. There are no comparable recent events that provide guidance as to the effect the COVID- 19 pandemic may have and, as a result, the ultimate impact of the pandemic is highly uncertain and subject to change, and the actual effects on our business and results of operations will depend on many factors beyond our control. Our global operations also expose us to risks associated with other public health crises, such as epidemics and pandemics; natural catastrophes, such as earthquakes, hurricanes, typhoons, or floods; or other disasters, such as fires, explosions and terrorist activity or war that are outside of our control. Our business operations and those of our suppliers, CROs, CMOs, and other contractors may potentially suffer interruptions caused by any such events. Our business and financial results **condition** , including our clinical development, our ability to raise capital or raise capital on favorable terms, and the market price of our **securities** ordinary shares and / or our ADSs, may be adversely affected by Russia' s invasion of Ukraine, such as due to delays in certain partnered studies or as a result of imposed or threatened sanctions on China, Chinese banks, or companies with operations in China or heightened tensions between the United States and China as a result of actions taking in response to this war. Although our business and financial results have not yet been adversely affected by the war in Ukraine, and we do not conduct business in Russia or Ukraine, our business and financial results, including our development programs, our ability to raise capital or raise capital on favorable terms, and the market price of our ordinary shares and / or our ADSs, may be adversely affected by Russia' s invasion of Ukraine. For example, there have been, and may continue to be, delays in certain partnered studies. In addition, the United States and other nations have raised the possibility of sanctions on China, Chinese banks, and companies with operations in China that do business with Russia or its allies, including Belarus. Although we do not conduct business in Russia or Belarus, or with Russian or Belarusian counterparties, we may be impacted by sanctions imposed on third parties with which we do business, such as customers, suppliers, intermediaries, services providers, or banks. Our business and operations may also be adversely impacted by any actions taken by China in response to the war or any related sanctions or threatened sanctions. Such actual or threatened sanctions and other geopolitical factors arising in connection with the way, such as continued political or economic instability or increased economic or political tensions between the United States and China, could also adversely affect our business and financial results, including our ability to raise capital or raise capital on favorable terms and the market price of our ordinary shares and / or our ADSs . If we or our CROs or CMOs fail to comply with **applicable** environmental, health **,** and safety laws and regulations of mainland China , 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, our CROs, CMOs **,** or other contractors are subject to numerous environmental, health **,** and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. In addition, our construction projects can only be put into operation after certain regulatory procedures with the relevant administrative authorities in charge of environmental protection, health **,** and safety have been - 133 -

completed. Our development operations primarily occur in mainland China and the United States and involve the use of hazardous and flammable materials, including chemicals and biological materials. Our operations also produce hazardous waste products. We are therefore subject to Chinese ~~laws~~ and ~~regulations as well as~~ U. S. laws and regulations concerning the discharge of wastewater, gaseous waste, and solid waste during our ~~processes of~~ research and development ~~drugs~~ **of our products and product candidates** . We generally contract with third parties for the disposal of these materials and wastes. **If we fail to** ~~We may not at all times~~ comply ~~fully~~ with environmental regulations and ~~we cannot eliminate the risk of~~ contamination or injury from these materials ~~. In the event of contamination or injury resulting~~ **results** from our use of hazardous materials, we could be held liable for any resulting damages, and any **such** liability could exceed our resources or insurance coverage **(such as workers' compensation insurance for injuries to our employees)** . We also could incur significant costs associated with civil, administrative, or criminal fines and penalties. ~~Although we maintain workers' compensation insurance to cover us for costs and expenses that 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.~~ Furthermore, the Chinese **or U. S.** government ~~or the U. S. government~~ may ~~take steps towards the adoption~~ --- **adopt** ~~of~~ more stringent environmental regulations. ~~Due to the possibility of unanticipated regulatory or other developments, the amount and timing of future environmental expenditures may vary substantially from those currently anticipated.~~ If **this occurs** ~~there is any unanticipated change in the environmental regulations~~ , we may ~~need to~~ incur substantial capital expenditures to install, replace, upgrade, or supplement our facilities and equipment or make operational changes to ~~limit any adverse impact or potential adverse impact on the environment in order to~~ comply with ~~new~~ **such** environmental protection laws and regulations. If such costs **were to** become prohibitively expensive, we may be forced to cease certain aspects of our business **or** operations. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage, use or disposal of biological or hazardous materials. In addition, we may be required to incur substantial costs to comply with current or future ~~environmental,~~ health and safety laws and regulations **, which could** ~~. These current or future laws and regulations may~~ impair our research, development, or production efforts. Failure to comply with ~~these~~ **such** laws and regulations ~~also~~ may result in substantial fines, penalties, or other sanctions. ~~We~~ **Because of volatility in the price of our securities and the share price of biotechnology and biopharmaceuticals companies more broadly, we** may be at ~~an~~ increased risk of securities class action litigation. **In recent years** ~~We may be at an increased risk of securities class action litigation. Historically~~ , ~~securities class action litigation has often been brought, whether warranted or~~ **our** ~~not, against a~~ company **as well as** ~~following a decline in the~~ **other** ~~market price of its securities. This risk is especially relevant for us because biotechnology and biopharmaceutical~~ companies **in our industry** have experienced significant share price volatility ~~in recent years~~ **. As a result** , ~~including during 2022 when~~ we **may be at increased risk of securities class action litigation. Historically** , ~~like~~ **securities class action litigation, whether warranted or not, often follows a decline in** ~~other~~ -- **the market** ~~biotechnology and biopharmaceutical companies, suffered significant share~~ price ~~declines~~ **of a company' s securities** . If we were to ~~be sued~~ **- 75- become subject to class action litigation** , it could result in substantial costs and a diversion of management' s attention and resources, which could harm our business. If ~~securities or industry~~ analysts do not continue to publish research or publish inaccurate or unfavorable research about our business, the market price ~~for our ordinary shares~~ and / or ~~ADSs and~~ trading ~~volume~~ **value of our securities** could decline. The ~~trading~~ market for our **securities** ~~ADSs and / or ordinary shares~~ relies in part on ~~the~~ research and reports that equity research analysts publish about us or our business ~~. We do not control these analysts~~ . If research analysts do not maintain adequate research coverage or if one or more of the analysts who covers us downgrades our **securities** ~~ordinary shares and / or ADSs~~ or publishes inaccurate or unfavorable research about our business, the market price for our **securities** ~~ADSs and / or ordinary shares~~ would likely decline. If one or more of these analysts cease coverage of the 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 and / or~~ **our securities** ~~ordinary shares~~ to decline significantly. The increasing use of social media platforms presents new risks and challenges. Social media is increasingly being used to communicate about our products and the diseases our therapies are designed to treat. Social media practices in the biopharmaceutical industry continue to evolve and regulations relating to such use are not always clear and create uncertainty and risk of noncompliance with regulations applicable to our business. For example, patients may use social media channels to comment on the effectiveness of a product or to report an alleged adverse event. When such disclosures occur, there is a risk that we fail to monitor and comply with applicable adverse event reporting obligations **,** or we may not be able to defend the company or the public' s legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our products. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any social networking website. Further, there is a risk that unmerited or unsupported claims about our products may circulate on social media. If any of these events were to occur or we otherwise fail to comply with applicable regulations, ~~- 134-~~ we could incur liability, face ~~overly~~ restrictive regulatory actions, or incur other harm to our business, including damage to the reputation of our products or Company. ~~Item 1B. Unresolved Staff Comments Not applicable. Item 2. Properties We lease all of our facilities. We have 3, 632 square meters of administrative and laboratory offices at our headquarters in Shanghai, pursuant to a lease which expires in 2025. We have additional facilities in Shanghai which include a 2, 475 square meter commercial office, a 2, 569 square meter office, and a 2, 001 square meter office, pursuant to leases which expire in 2025, 2024, and 2024, respectively. Additionally, we have 2, 592 square meter office in Beijing, 774 square meters in Guangzhou, and 445 square meters in Hong Kong, pursuant to leases which expire in 2025, 2024, and 2025, respectively. We also have a 6, 766 square foot of corporate office space for our principal executive office in Cambridge, Massachusetts, pursuant to a lease which expires in 2028. In early 2017, we built a 4, 223 square meter small molecule drug product facility in Suzhou, China, capable of supporting clinical and commercialized production. The lease for this facility expires in 2026. In 2018, we built a 4, 223 square meter large molecule facility in Suzhou, China, using Cytiva FlexFactory platform technology capable of~~

supporting clinical production of our drug candidates. The lease for this facility expires in 2024. We believe our current facilities are sufficient to meet our near- term needs. In 2019, we acquired land use rights of 50, 851 square meters in Suzhou for the purpose of constructing and operating a research center and biologics manufacturing facility in Suzhou. The terms of the land use rights are 30 years. As of December 31, 2022, we have spent $ 23. 2 million on the construction of an office and research center building on this land. For more information on our purchase commitments related to property, see Part II — Item 8. Financial Statements and Supplementary Data — Note 20. Commitments and Contingencies. Item 3. Legal Proceedings We may be, from time to time, subject to claims and suits arising in the ordinary course of business. Although the outcome of these and other claims cannot be predicted with certainty, management does not believe that the ultimate resolution of these matters will have a material adverse effect on our financial position or results of operations. We are not currently a party to, nor is our property the subject of, any actual or threatened material legal or administrative proceedings. Item 4. Mine Safety Disclosures- 135- PART II Item 5. Market for Registrant' s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities Market Information Our ADSs have been listed on the Nasdaq Global Market since September 20, 2017 under the symbol " ZLAB. " Our ordinary shares have been publicly traded on the Hong Kong Stock Exchange since September 28, 2020 under the stock code " 9688. " As of February 24, 2023, we had approximately 19 holders of record of our ordinary shares. Citibank, N. A. is the depositary for our ADSs. This disclosure does not include beneficial owners whose ordinary shares or ADSs are held by nominees in street name. Because many ordinary shares and ADSs are held by broker nominees, we are unable to estimate the total number of beneficial holders represented by these record holders. Dividend Policy We have never declared or paid dividends on our ordinary shares. We currently expect to retain all future earnings for use in the operation and expansion of our business and do not have any present plan to pay any dividends. The declaration and payment of any dividends in the future will be determined by our Board of Directors in its discretion, and will depend on a number of factors, including our earnings, capital requirements, overall financial condition, and contractual restrictions. Equity Compensation Plan Information Our equity compensation plan information is incorporated by reference in the information in Part III — Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters. Performance Comparison Graph This graph is not " soliciting material, " is not deemed " filed " with the SEC, and is not to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing. The following graph compares the cumulative total shareholder return of our ADSs with the cumulative total return of the NASDAQ Composite Index (U. S.) and the NASDAQ Biotechnology Index for the past five years. The performance graph below assumes an investment of $ 100 at market close on December 31, 2017. Pursuant to applicable SEC rules, all values assume reinvestment of the full amount of any dividends, although no dividends have been declared to date. The shareholder return shown on the graph below is not necessarily indicative of future performance, and we do not make or endorse any predictions as to future shareholder returns.- 136- 12 / 31 / 1712 / 31 / 1812 / 31 / 1912 / 31 / 2012 / 31 / 2112 / 31 / 22Zai Lab Limited100. 00109. 37195. 90637. 49296. 04144. 61Nasdaq Composite Index100. 0096. 12129. 97186. 69226. 63151. 61Nasdaq Biotechnology Index100. 0090. 68112. 81141. 78140. 88125. 52 Recent Sales of Unregistered Securities None. The following table presents acquisitions of the Company' s ADSs to satisfy tax withholding obligations due in connection with exercise of option shares or vesting of restricted shares in 2022: PeriodTotal Number of Shares (or Units) PurchasedAverage Price Paid per Share (or Unit) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or ProgramsMaximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or ProgramsMarch 1 – 31, 2022 1, 515 $ 44. 81 — — April 1 – 30, 2022120, 078 $ 43. 94 — — May 1 – 31, 202242, 156 $ 35. 31 — — June 1 – 30, 2022489 $ 34. 68 — — July 1 – 31, 20223, 959 $ 38. 20 — — August 1 – 31, 20222, 722 $ 42. 92 — — September 1 – 30, 20221, 266 $ 46. 29 — — October 1 – 31, 2022865 $ 34. 20 — — November 1 – 30, 20225, 229 $ 28. 92 — — December 1 – 31, 20227, 056 $ 31. 00 — — Total185, 335 $ 40. 88 — — - 137- In 2022, 185, 335 ADSs were withheld by the Company from employees and directors to satisfy certain tax withholding obligations due in connection with the vesting of restricted share awards and the exercise of option shares under the Company' s share- based compensation programs. The value of the ADSs withheld was based on the closing price of our ADSs on the applicable settlement dates. These ADSs were not acquired as part of any publicly announced plan or program to purchase ADSs. The following is a discussion of the material Cayman Islands, People' s Republic of China and U. S. federal income tax considerations that may be relevant to an investment decision by a potential investor with respect to our ADSs or ordinary shares. This summary should not be considered a comprehensive description of all the tax considerations that may be relevant to the decisions to acquire ADSs or ordinary shares. Material Cayman Islands Taxation The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us or our shareholders or ADS holders 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. The Cayman Islands is not party to any double tax treaties that are applicable to any payments made to or by the Company. There are no exchange control regulations or currency restrictions in the Cayman Islands. Material People' s Republic of China Taxation Zai Lab Limited is a holding company incorporated in the Cayman Islands. Under the EIT Law and its implementation rules, an enterprise established outside of mainland China with a " de facto management body " within mainland China is considered a " resident enterprise, " and will be subject to the EIT on its global income at the rate of 25 %. The implementation rules define the term " de facto management body " as the body that exercises full and substantial control and overall management over the business, productions, personnel, accounts and properties of an enterprise. In 2009, the State Administration of Taxation issued SAT Circular 82, which provides certain specific criteria for determining whether the " de facto management body " of a Chinese- controlled enterprise that is incorporated offshore is located in mainland China. Although this circular only applies to offshore enterprises controlled by Chinese enterprises or Chinese enterprise groups, not those controlled by Chinese individuals or foreigners, the criteria set forth in the circular may reflect the State Administration of

Taxation' s general position on how the " de facto management body " text should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, all offshore enterprises controlled by a Chinese enterprise or a Chinese enterprise will be regarded as a Chinese tax resident by virtue of having its " de facto management body " in mainland China only if all of the following conditions are met: (i) the primary location of the day- to- day operational management is in mainland China; (ii) decisions relating to the enterprise' s financial and human resource matters are made or are subject to approval by organizations or personnel in mainland China; (iii) the enterprise' s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in mainland China; and (iv) at least 50 % of voting board members or senior executives habitually reside in mainland China. We believe that none of Zai Lab Limited and its subsidiaries outside of mainland China is a Chinese resident enterprise for Chinese tax purposes. Zai Lab Limited is not controlled by a Chinese enterprise or Chinese enterprise group, and we do not believe that Zai Lab Limited meets all of the conditions above. Zai Lab Limited is a company incorporated outside mainland China. As a holding company, some of its key assets are located, and its records (including the resolutions of its board of directors and the resolutions of its shareholders) are maintained, outside mainland China. For the same reasons, we believe our other subsidiaries outside of mainland China are also non- Chinese resident enterprises for Chinese tax purpose. However, the tax resident status of an enterprise is subject to determination by the Chinese tax authorities and uncertainties remain with respect to the interpretation of the term " de facto management body. "- 138- If Chinese tax authorities determine that Zai Lab Limited is a Chinese resident enterprise for EIT purposes, we may be required to withhold tax at a rate of 10 % on dividends we pay to our shareholders, including holders of our ADSs that are non- resident enterprises. In addition, non- resident enterprise shareholders (including our ADS holders) may be subject to a 10 % Chinese withholding tax on gains realized on the sale or other disposition of ADS or ordinary shares, if such income is treated as sourced from within mainland China. Furthermore, gains derived by our non- Chinese individual shareholders from the sale of our shares and ADSs may be subject to a 20 % Chinese withholding tax. It is unclear whether our non- Chinese individual shareholders (including our ADS holders) would be subject to any Chinese tax (including withholding tax) on dividends received by such non- Chinese individual shareholders in the event we are determined to be a Chinese resident enterprise. If any Chinese tax were to apply to dividends realized by non- Chinese individuals, it will generally apply at a rate of 20 %. The Chinese tax liability may be reduced under applicable tax treaties. However, it is unclear whether non- Chinese shareholders of Zai Lab Limited would be able to claim the benefits of any tax treaty between their country of tax residence and mainland China in the event that Zai Lab Limited is treated as a Chinese resident enterprise. See Part I — Item 1A. Risk Factors — Risks Related to Doing Business in China — If we are classified as a Chinese resident enterprise for Chinese income tax purposes, such classification could result in unfavorable tax consequences to us and our non- Chinese shareholders or ADS holders. Pursuant to the EIT Law and its implementation rules, if a non- resident enterprise has not set up an organization or establishment in mainland China or has set up an organization or establishment but the income derived has no actual connection with such organization or establishment, it will be subject to a withholding tax on its Chinese- sourced income at a rate of 10 %. Pursuant to the Arrangement between mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Tax Evasion on Income, the tax rate in respect to dividends paid by a Chinese enterprise to a Hong Kong enterprise is reduced to 5 % from a standard rate of 10 % if the Hong Kong enterprise is deemed the beneficial owner of any dividend paid by a Chinese enterprise by Chinese tax authorities and directly holds at least 25 % of the Chinese enterprise. Pursuant to the Notice of the State Administration of Taxation on the Issues concerning the Application of the Dividend Clauses of Tax Agreements, or SAT Circular 81, a Hong Kong resident enterprise must meet the following conditions, among others, in order to enjoy the reduced tax rate: (i) it must directly own the required percentage of equity interests and voting rights in the Chinese resident enterprise; and (ii) it must have directly owned such percentage in the Chinese resident enterprise throughout the 12 months prior to receiving the dividends. Additionally, mainland China has started an anti- tax treaty shopping practice since the issuance of Circular 601 in 2009. On February 3, 2018, the State Administration of Taxation released the Announcement on Issues concerning the " Beneficial Owner " in Tax Treaties, or PN9, which provides guidelines in determining a beneficial owner qualification under dividends, interest, and royalty articles of tax treaties. Chinese tax authorities in general often scrutinize fact patterns case- by- case in determining foreign shareholders' qualifications for a reduced treaty withholding tax rate, especially against foreign companies that are perceived as being conduits or lacking commercial substance. Furthermore, according to the Administrative Measures for Non- Resident Enterprises to Enjoy Treatments under Tax Treaties, which became effective in January 2020, where non- resident enterprises judge by themselves that they meet the conditions for entitlement to reduced tax rate according to tax treaties, they may enjoy such entitlement after reporting required information to competent tax authorities provided that they shall collect and retain relevant documents for future reference and inspections. Accordingly, our subsidiary Zai Lab (Hong Kong) Limited may be able to enjoy the 5 % tax rate for the dividends it receives from its subsidiaries incorporated in mainland China if they satisfy the conditions prescribed under SAT Circular 81, PN9 and other relevant tax rules and regulations and complete the necessary government formalities. However, according to SAT Circular 81, if the relevant tax authorities determine our transactions or arrangements are for the primary purpose of enjoying a favorable tax treatment, the relevant tax authorities may adjust the favorable tax rate on dividends in the future. If our Cayman Islands holding company, Zai Lab Limited, is not deemed to be a Chinese resident enterprise, holders of our ADSs and ordinary shares who are non- Chinese residents will not be subject to Chinese income tax on dividends distributed by us or gains realized from the sale or other disposition of our ADSs or ordinary shares. The following discussion, subject to the limitations set forth below, describes the material U. S. federal income tax consequences for a U. S. Holder (as defined below) of the acquisition, ownership and disposition of ADSs or ordinary shares. It is not a comprehensive description of all tax considerations that may be relevant to a particular person' s decision to acquire our ADSs or ordinary shares. This discussion is limited to U. S. Holders who hold such ADSs or ordinary shares as capital assets (generally, property held for investment). This discussion is based on the Internal Revenue Code, U. S. Treasury Regulations promulgated thereunder and administrative and judicial interpretations

thereof, and the income tax treaty between mainland China and the United States (the " U. S.- China Tax Treaty "), each as available and in effect on the- 139- date hereof, all of which are subject to change or differing interpretations, possibly with retroactive effect, which could affect the tax consequences described herein. 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. For purposes of this summary, a " U. S. Holder " is a beneficial owner of an ADS or ordinary share that is for U. S. federal income tax purposes: • a citizen or individual resident of the United States; • a corporation (or any other entity treated as a corporation for U. S. federal income tax purposes) organized in or under the laws of the United States or any state thereof, or the District of Columbia; • an estate the income of which is subject to U. S. federal income taxation regardless of its source; or • a trust if (i) it has a valid election in effect to be treated as a U. S. person for U. S. federal income tax purposes or (ii) a U. S. court can exercise primary supervision over its administration and one or more U. S. persons have the authority to control all of its substantial decisions. Except as explicitly set forth below, this summary does not address all aspects of U. S. federal income taxation that may be applicable to U. S. Holders subject to special rules, including: • banks or other financial institutions; • insurance companies; • real estate investment trusts; • regulated investment companies; • grantor trusts; • tax- exempt organizations (including private foundations); • persons holding ADSs or ordinary shares through a partnership (including an entity or arrangement treated as a partnership for U. S. federal income tax purposes) or S corporation; • dealers or traders in securities, commodities or currencies (including those who use a mark- to- market method of tax accounting); • persons whose functional currency for U. S. federal income tax purposes is not the U. S. dollar; • certain former citizens and former long- term residents of the United States; • persons who acquired our ADSs or ordinary shares pursuant to the exercise of any employee stock option or otherwise as compensation; • persons holding ADSs or ordinary shares as part of a position in a straddle or as part of a hedging, wash sale, constructive sale, conversion or integrated transaction for U. S. federal income tax purposes; or • direct, indirect or constructive owners of 10 % or more of our total combined voting power or value. In addition, this summary does not address the 3. 8 % Medicare contribution tax imposed on certain net investment income, the U. S. federal estate and gift tax or the alternative minimum tax consequences of the acquisition, ownership, and disposition of ADSs or ordinary shares. We have not received nor do we expect to seek a ruling from the U. S. Internal Revenue Service (" IRS ") regarding any matter discussed herein. No assurance can be given that the IRS would not assert, or that a court would not sustain, a position contrary to any of those set forth below. Further, the Biden Administration has proposed a significant number of changes to U. S. tax laws, including an increase in the maximum tax rate applicable to U. S. corporations and certain individuals. The likelihood of any such legislation being enacted is uncertain but could adversely impact us. Each prospective investor should consult its own tax advisors with respect to the U. S. federal, state, local and non- U. S. tax consequences of acquiring, owning and disposing of ADSs or ordinary shares. If an entity or arrangement treated as a partnership for U. S. federal income tax purposes holds ADSs or ordinary shares, the tax treatment of the partnership and a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Such partner or partnership should consult its own tax advisors as to the U. S. federal income tax consequences of acquiring, owning and disposing of ADSs or ordinary shares.- 140- PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH REGARD TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEIR SITUATIONS AS WELL AS THE APPLICATION OF ANY U. S. FEDERAL, STATE, LOCAL, NON- U. S. OR OTHER TAX LAWS, INCLUDING GIFT AND ESTATE TAX LAWS. A U. S. Holder of ADSs will generally be treated, for U. S. federal income tax purposes, as the owner of the underlying ordinary shares that such ADSs represent. Accordingly, no gain or loss will be recognized if a U. S. Holder exchanges ADSs for the underlying shares represented by those ADSs. The U. S. Treasury has expressed concern that parties to whom ADSs are released before shares are delivered to the depositary or intermediaries in the chain of ownership between holders and the issuer of the security underlying the ADSs, may be taking actions that are inconsistent with the claiming of foreign tax credits by U. S. Holders of ADSs. These actions would also be inconsistent with the claiming of the reduced rate of tax, described below, applicable to dividends received by certain non- corporate U. S. Holders. Accordingly, the creditability of non- U. S. withholding taxes (if any), and the availability of the reduced tax rate for dividends received by certain non- corporate U. S. Holders, each described below, could be affected by actions taken by such parties or intermediaries. Taxation of Dividends We do not currently anticipate paying any distributions on our ADSs or ordinary shares in the foreseeable future. However, subject to the discussion below in " — Passive Foreign Investment Company Considerations, " to the extent there are any distributions made with respect to our ADSs or ordinary shares, the gross amount of any distribution on the ADSs or ordinary shares (including withheld taxes, if any) made out of our current or accumulated earnings and profits (as determined for U. S. federal income tax purposes) will generally be taxable to a U. S. Holder as ordinary dividend income on the date such distribution is actually or constructively received. Distributions in excess of our current and accumulated earnings and profits will be treated as a non- taxable return of capital to the extent of the U. S. Holder' s adjusted tax basis in the ADSs or ordinary shares and thereafter as capital gain. However, because we do not maintain calculations of our earnings and profits in accordance with U. S. federal income tax accounting principles, U. S. Holders should expect to treat distributions paid with respect to the ADSs or ordinary shares as dividends. Dividends paid to corporate U. S. Holders generally will not qualify for the dividends received deduction that may otherwise be allowed under the Code. This discussion assumes that distributions on the ADSs or ordinary shares, if any, will be paid in U. S. dollars. Dividends paid to a non- corporate U. S. Holder by a " qualified foreign corporation " may be subject to reduced rates of U. S. federal income taxation if certain holding period and other requirements are met. A qualified foreign corporation generally includes a foreign corporation (other than one that is a PFIC in the taxable year or the preceding taxable year in which such dividends are paid) if (i) its ordinary shares (or ADSs backed by ordinary shares) are readily tradable on an established securities market in the United States or (ii) it is eligible for benefits under a comprehensive U. S. income tax treaty that includes an exchange of information program and which the U. S. Treasury Department has determined is satisfactory for these purposes. Our ADSs are listed on the Nasdaq Global Market, which is an established

securities market in the United States. IRS guidance indicates that the ADSs will be readily tradable for these purposes. The United States does not have a comprehensive income tax treaty with the Cayman Islands. However, in the event that we were deemed to be a Chinese resident enterprise under the EIT Law (see " — Material People's Republic of China Taxation " above), although no assurance can be given, we might be considered eligible for the benefits of the U. S.- China Tax Treaty, and if we were eligible for such benefits, dividends paid on the ADSs or ordinary shares, regardless of whether the ADSs or ordinary shares are readily tradable on an established securities market in the United States, would be eligible for the reduced rates of U. S. federal income taxation, subject to applicable limitations. U. S. Holders should consult their own tax advisors regarding the availability of the reduced tax rates on dividends in light of their particular circumstances. Non- corporate U. S. Holders will not be eligible for reduced rates of U. S. federal income 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. In the event that we were deemed to be a Chinese resident enterprise under the EIT Law (see " — Material People' s Republic of China Taxation " above), holders of ADSs or ordinary shares might be subject to Chinese withholding taxes on dividends paid with respect to ADSs or ordinary shares. In that case, subject to certain conditions and limitations, such- 141- Chinese withholding tax may be treated as a foreign tax eligible for credit against a U. S. Holder' s U. S. federal income tax liability under the U. S. foreign tax credit rules. For purposes of calculating the U. S. foreign tax credit, dividends paid on the ADSs or ordinary shares will be treated as income from sources outside the United States and will generally constitute passive category income. If a U. S. Holder is eligible for U. S.- China Tax Treaty benefits, any China taxes on dividends will not be creditable against such U. S. Holder' s U. S. federal income tax liability to the extent such tax is withheld at a rate exceeding the applicable U. S.- China Tax Treaty rate. An eligible U. S. Holder who does not elect to claim a foreign tax credit for Chinese tax withheld may instead be eligible to claim a deduction, for U. S. federal income tax purposes, in respect of such withholding but only for the year in which such U. S. Holder elects to do so for all creditable foreign income taxes. The U. S. foreign tax credit rules are complex. U. S. Holders should consult their own tax advisors regarding the foreign tax credit or deduction rules in light of their particular circumstances. Taxation of Capital Gains Subject to the discussion below in " — Passive Foreign Investment Company Considerations " below, upon the sale, exchange, or other taxable disposition of ADSs or ordinary shares, a U. S. Holder generally will recognize gain or loss on the taxable sale or exchange in an amount equal to the difference between the amount realized on such sale or exchange and the U. S. Holder' s adjusted tax basis in the ADSs or ordinary shares. The initial tax basis of ADSs or ordinary shares to a U. S. Holder will generally be the U. S. Holder' s U. S. dollar purchase price for the ADS or ordinary shares. Subject to the discussion below in " — Passive Foreign Investment Company Considerations " below, such gain or loss will be capital gain or loss. Under current law, capital gains of non- corporate U. S. Holders derived with respect to capital assets held for more than one year are generally eligible for reduced rates of taxation. The deductibility of capital losses may be subject to limitations. Capital gain or loss, if any, recognized by a U. S. Holder generally will be treated as U. S. source income or loss for U. S. foreign tax credit purposes. U. S. Holders are encouraged to consult their own tax advisors regarding the availability of the U. S. foreign tax credit in consideration of their particular circumstances. If we were treated as a Chinese resident enterprise for EIT Law purposes and Chinese tax were imposed on any gain (see " — Material People' s Republic of China Taxation " above), and if a U. S. Holder is eligible for the benefits of the U. S.- China Tax Treaty, the U. S. Holder may be able to treat such gain as Chinese source gain under the treaty for U. S. foreign tax credit purposes. A U. S. Holder will be eligible for U. S.- China Tax Treaty benefits if (for purposes of the treaty) such U. S. Holder is a resident of the United States and satisfies the other requirements specified in the U. S.- China Tax Treaty. Because the determination of treaty benefit eligibility is fact- intensive and depends upon a U. S. Holder' s particular circumstances, U. S. Holders should consult their tax advisors regarding U. S.- China Tax Treaty benefit eligibility. U. S. Holders are also encouraged to consult their own tax advisors regarding the tax consequences in the event Chinese tax were to be imposed on a disposition of ADSs or ordinary shares, including the availability of the U. S. foreign tax credit and the ability and whether to treat any gain as Chinese source gain for the purposes of the U. S. foreign tax credit in consideration of their particular circumstances. On the other hand, if we are not deemed to be a Chinese resident enterprise for EIT law purposes and we directly or indirectly hold Chinese subsidiaries, with respect to gains realized from the sale or other disposal of our ordinary shares or ADSs, there is a possibility that a Chinese tax authority may impose an income tax under the indirect transfer rules set out under SAT Circular 7, except that such transaction could fall under the safe harbor thereunder. Please refer to " Risk Factors — Risks Related to Doing Business in China — We and our shareholders face uncertainties in mainland China with respect to indirect transfers of equity interests in Chinese resident enterprises. " Status as a PFIC The rules governing PFICs can have adverse tax effects on U. S. Holders. We generally will be classified as a PFIC for U. S. federal income tax purposes if, for any taxable year, either: (i) 75 % or more of our gross income consists of certain types of passive income (the Income Test), or (ii) the average value (determined on a quarterly basis), of our assets that produce, or are held for the production of, passive income (including cash) is 50 % or more of the value of all of our assets (the Asset Test). Passive income generally includes dividends, interest, rents and royalties (other than certain rents and royalties derived in the active conduct of a trade or business), annuities and gains from assets that produce passive income. If a non- U. S. corporation owns at least 25 % by value of the stock of another corporation, the non- U. S. corporation is treated for purposes of the PFIC tests as owning its proportionate share of the assets of the other corporation and as receiving directly its proportionate share of the other corporation' s income.- 142- Whether we are a PFIC for any taxable year is a factual determination that can be made only after the end of each taxable year applying principles, methodologies and legal rules that in some circumstances are unclear and subject to varying interpretation and which depends on the composition and nature of our income and the composition, nature and value of our assets for the relevant taxable year. The fair market value of our assets for purposes of the PFIC rules (including goodwill) may be determined in large part by reference to the quarterly market price of our ADSs, which is likely to fluctuate significantly. In addition, the composition of our income and assets will be affected by how, and how quickly, we use the cash in our business, including any cash that is raised in a financing transaction. We do not

expect that Zai Lab Limited and its subsidiaries will be treated as PFICs for the current taxable year. However, because we hold a substantial amount of passive assets, including cash, and because the value of our assets (including goodwill) may be determined by reference to the market value of our ADSs, which may be especially volatile due to the early- stage of our drug candidates, we cannot give any assurance that we will not be a PFIC for the current or any future taxable year. If we are a PFIC in any taxable year with respect to which a U. S. Holder owns ADSs or ordinary shares, we generally will continue to be treated as a PFIC with respect to such U. S. Holder in all succeeding taxable years, regardless of whether we continue to meet the tests described above, unless we cease to be a PFIC and (i) the U. S. Holder makes the " deemed sale election " described below, (ii) the U. S. Holder has a valid mark- to- market election in effect as described below, or (iii) the U. S. Holder makes a QEF election with respect to all taxable years in which we are a PFIC during such U. S. Holder' s holding period or makes a purging election to cause a deemed sale of the PFIC shares at their fair market value in connection with a QEF election (as discussed below). If a U. S. Holder makes a deemed sale election, such U. S. Holder will be deemed to have sold the shares held by such U. S. Holder at their fair market value, and any gain from such deemed sale would be subject to the rules described below. After the deemed sale election, so long as we do not become a PFIC in a subsequent taxable year, a U. S. Holder' s ADSs or ordinary shares subject to such election will not be treated as shares in a PFIC, and the rules described below with respect to any " excess distributions " or any gain from an actual sale or other disposition of the ADSs or ordinary shares will not apply. Prospective investors should consult their own tax advisors regarding our PFIC status for the current or any future taxable years. U. S. Federal Income Tax Treatment of a Shareholder of a PFIC If we are a PFIC for any taxable year during which a U. S. Holder owns ADSs or ordinary shares, the U. S. Holder, absent the elections listed above, generally will be subject to adverse rules (regardless of whether we continue to be a PFIC) with respect to (i) any " excess distributions " (generally, any distributions received by the U. S. Holder on its ADSs or ordinary shares in a taxable year that are greater than 125 % of the average annual distributions received by the U. S. Holder in the three preceding taxable years or, if shorter, the U. S. Holder' s holding period for its ADSs or ordinary shares) and (ii) any gain realized on the sale or other disposition, including in certain circumstances a pledge, of its ADSs or ordinary shares. Under these adverse rules (a) the excess distribution or gain will be allocated ratably over the U. S. Holder' s holding period, (b) the amount allocated to the current taxable year and any taxable year prior to the first taxable year in which we are a PFIC will be taxed as ordinary income and (c) the amount allocated to each other taxable year during the U. S. Holder' s holding period in which we were a PFIC (i) will be subject to tax at the highest rate of tax in effect for the applicable category of taxpayer for that year and (ii) will be subject to an interest charge at a statutory rate with respect to the resulting tax attributable to each such other taxable year. Non- corporate U. S. Holders will not be eligible for reduced rates of U. S. federal income taxation on any dividends received from us if we were a PFIC in the taxable year in which such dividends are paid or in the preceding taxable year. If we are a PFIC, a U. S. Holder will generally be treated as owning a proportionate amount (by value) of stock or shares owned by us in any direct or indirect subsidiaries that are also PFICs, or lower- tier PFICs, and will be subject to similar adverse rules with respect to any distributions we receive from, and dispositions we make of, the stock or shares of such subsidiaries. U. S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of our subsidiaries. If we are classified as a PFIC and then cease to be so classified, a U. S. Holder may make an election, or a deemed sale election, to be treated for U. S. federal income tax purposes as having sold such U. S. Holder' s ADSs or ordinary shares on the last day of our taxable year during which we were a PFIC. A U. S. Holder that makes a deemed sale election would then cease to be treated as owning stock in a PFIC by reason of ownership of our ADSs or ordinary shares. However, gain recognized as a result of making the deemed sale election would be subject to the adverse rules described above and loss would not be recognized.- 143- PFIC " Mark- to- Market " Election In certain circumstances if we are a PFIC for any taxable year, a U. S. Holder of our ADSs or ordinary shares can be subject to rules different from those described above by making a mark- to- market election with respect to its ADSs or ordinary shares, provided that the ADSs or ordinary shares are " marketable. " ADSs or ordinary shares will be marketable if they are " regularly traded " on a " qualified exchange " or other market within the meaning of applicable U. S. Treasury Regulations. ADSs or ordinary shares will be treated as " regularly traded " in any calendar year in which more than a de minimis quantity of the ADSs or ordinary shares are traded on a qualified exchange on at least 15 days during each calendar quarter. A " qualified exchange " includes a national securities exchange that is registered with the SEC. Under current law, the mark- to- market election may be available to U. S. Holders of ADSs if the ADSs are listed on the Nasdaq Global Market (which constitutes a qualified exchange) and such ADSs are " regularly traded " for purposes of the mark- to- market election (for which no assurance can be given). A U. S. Holder that makes a mark- to- market election must include in gross income, as ordinary income, for each taxable year that we are a PFIC an amount equal to the excess, if any, of the fair market value of the U. S. Holder' s ADSs at the close of the taxable year over the U. S. Holder' s adjusted tax basis in its ADSs. Accordingly, such mark- to- market election may accelerate the recognition of income without a corresponding receipt of cash. An electing U. S. Holder may also claim an ordinary loss deduction for the excess, if any, of the U. S. Holder' s adjusted tax basis in its ADSs over the fair market value of its ADSs at the close of the taxable year, but this deduction is allowable only to the extent of any net mark- to- market gains previously included in income. The adjusted tax basis of a U. S. Holder' s ADSs will be adjusted to reflect amounts included in gross income or allowed as a deduction because of such mark- to- market election. If a U. S. Holder makes an effective mark- to- market election, gains from an actual sale or other disposition of our ADSs in a year in which we are a PFIC will be treated as ordinary income, and any losses incurred on a sale or other disposition of our ADSs will be treated as ordinary losses to the extent of any net mark- to- market gains previously included in income. If we are a PFIC for any taxable year in which a U. S. Holder owns our ADSs but before a mark- to- market election is made, the adverse PFIC rules described above will apply to any mark- to- market gain recognized in the year the election is made. Otherwise, a mark- to- market election 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 IRS consents to the revocation of the election. A mark- to- market election is not permitted for the shares of any

of our subsidiaries that are also classified as PFICs (unless the shares of such subsidiaries are themselves marketable). Prospective investors should consult their own tax advisors regarding the availability of, and the procedure for making, a mark- to- market election, and whether making the election would be advisable, including in light of their particular circumstances. PFIC " QEF " Election Alternatively, if we provide the necessary information, a U. S. Holder can be subject to rules different from those described above by electing to treat us (and each lower- tier PFIC, if any) as a " qualified electing fund " or QEF under Section 1295 of the Code in the first taxable year that we (and each lower- tier PFIC) are treated as a PFIC with respect to the U. S. Holder. A U. S. Holder must make the QEF election for each PFIC by attaching a separate properly completed IRS Form 8621 for each PFIC to the U. S. Holder' s timely filed U. S. federal income tax return. In any year in which we determine that we are a PFIC, we will provide the information necessary for a U. S. Holder to make a QEF election with respect to us upon the request of a U. S. Holder and will endeavor to cause each lower- tier PFIC that we control to provide such information with respect to such lower- tier PFIC. However, there can be no assurance that we will be able to cause any lower- tier PFIC we do not control to provide such information. We may elect to provide the information necessary to make such QEF elections on our website. If you make a QEF election with respect to a PFIC, you will be taxed currently on your pro rata share of the PFIC' s ordinary earnings and net capital gain (at ordinary income and capital gain rates, respectively) for each taxable year that the entity is classified as a PFIC, even if no distributions were received. If a U. S. Holder makes a QEF election with respect to us, any distributions paid by us out of our earnings and profits that were previously included in the U. S. Holder' s income under the QEF election would not be taxable to the U. S. Holder. A U. S. Holder will increase its tax basis in its ADSs or ordinary shares by an amount equal to any income included under the QEF election and will decrease its tax basis by any amount distributed on the ADSs or ordinary shares that is not included in the U. S. Holder' s income. In addition, a U. S. Holder 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 the U. S. Holder' s adjusted tax basis in the ADSs or ordinary shares, as- 144- determined in U. S. dollars. Once made, a QEF election remains in effect unless invalidated or terminated by the IRS or revoked by the U. S. Holder. A QEF election can be revoked only with the consent of the IRS. A U. S. Holder will not be currently taxed on the ordinary income and net capital gain of a PFIC with respect to which a QEF election was made for any taxable year of the non- U. S. corporation for which such corporation does not satisfy the PFIC Income Test or Asset Test. U. S. Holders should note that if they make QEF elections with respect to us and any lower- tier PFIC, they may be required to pay U. S. federal income tax with respect to their ADSs or ordinary shares for any taxable year significantly in excess of any cash distributions received on the ADSs or ordinary shares for such taxable year. Furthermore, recently proposed Treasury Regulations related to PFICs (which will not be effective until finalized) may affect the taxation and reporting obligations of partners of certain U. S. partnerships that invest in PFICs. U. S. Holders should consult their tax advisers regarding the advisability of, and procedure for, making QEF elections in their particular circumstances. PFIC Information Reporting Requirements If we are a PFIC in any year with respect to a U. S. Holder, such U. S. Holder will be required to file an annual information return on IRS Form 8621 regarding distributions received on, and any gain realized on the disposition of, our ADSs or ordinary shares, and certain U. S. Holders will be required to file an annual information return (also on IRS Form 8621) relating to their ownership of our ADSs or ordinary shares. THE U. S. FEDERAL INCOME TAX RULES RELATING TO PFICS ARE COMPLEX. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE OPERATION OF THE PFIC RULES AND RELATED REPORTING REQUIREMENTS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE ADVISABILITY OF MAKING ANY ELECTION THAT MAY BE AVAILABLE. U. S. Backup Withholding and Information Reporting Backup withholding and information reporting requirements may apply to distributions on, and proceeds from the sale or disposition of, our ADSs or ordinary shares that are held by U. S. Holders. The payor may be required to withhold U. S. backup withholding tax on payments made with respect to the ADSs or ordinary shares to a U. S. Holder, other than an exempt recipient, if the U. S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding requirements. Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U. S. Holder' s U. S. federal income tax liability (if any) or refunded provided the required information is furnished to the IRS in a timely manner. Certain U. S. Holders of specified foreign financial assets with an aggregate value in excess of the applicable dollar threshold are required to report information relating to their holding of our ADSs or ordinary shares, subject to certain exceptions (including an exception for shares held in accounts maintained by certain financial institutions) with their tax return for each year in which they hold our ADSs or ordinary shares. U. S. Holders should consult their own tax advisors regarding the information reporting obligations that may arise from their acquisition, ownership or disposition of our ADSs or ordinary shares. THE ABOVE DISCUSSION DOES NOT COVER ALL TAX MATTERS THAT MAY BE OF IMPORTANCE TO A PARTICULAR INVESTOR. PROSPECTIVE INVESTORS ARE STRONGLY URGED TO CONSULT THEIR OWN TAX ADVISORS ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN OUR ADSs OR ORDINARY SHARES. Item 6. [Reserved]- 145- Item 7. 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 our consolidated financial statements and the accompanying notes in this Annual Report on Form 10- K. This section generally discusses year- over- year comparisons between 2022 and 2021. For a discussion of year- over- year changes in our financial condition and results of operations between 2021 and 2020, see Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10- K for the fiscal year ended December 31, 2021, filed on March 1, 2022. In addition to historical information, this discussion and analysis contains forward- looking statements that involve risks, uncertainties, and assumptions. Our actual results may differ materially from those anticipated in these forward- looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences elsewhere in this Annual Report on Form 10- K, including in Forward- Looking Statements and Market Data and Part I — Item 1A. Risk Factors. We are a patient- focused, innovative, commercial-

stage, global biopharmaceutical company with a substantial presence in both Greater China and the United States. We are focused on discovering, developing, and commercializing products that address medical conditions with significant unmet needs in the areas of oncology, autoimmune disorders, infectious diseases, and neuroscience. We intend to leverage our competencies and resources to positively impact human health in Greater China and worldwide. We currently have four commercial products that have received marketing approval in one or more territories in Greater China and thirteen programs in late- stage product development. For more information on our business, products, pipeline, and operations, see Part I — Item 1. Business. Since our 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. Developing high- quality product candidates requires significant investment in our research and development activities over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in this area. Our ability to generate profits and positive cash flow from operations over the next several years depends upon our ability to successfully market our four commercial products — ZEJULA, Optune, QINLOCK, and NUZYRA — and to successfully expand the indications for these products and develop and commercialize our other product candidates. We expect to continue to incur substantial expenses related to our research and development activities. In particular, our licensing and collaboration agreements require us to make upfront payments upon our entry into such agreements and milestone payments upon the achievement of certain development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates based on annual net sales of the licensed products in the licensed territories. We recorded $ 53. 4 million of research and development expense related to upfront license fees and development milestones in 2022. In addition, we expect to incur substantial costs related to the commercialization of our product candidates, in particular during the early launch phase. As we pursue our strategy of growth and development, we anticipate that our financial results will fluctuate from quarter to quarter and year to year depending in part on the balance between the success of our commercial products and the level of our research and development expenses. We cannot predict whether or when products in our pipeline, including new indications for our current commercial products, will receive regulatory approval. Further, if we receive such regulatory approval, we cannot predict whether or when we may be able to successfully commercialize such product or whether or when such product may become profitable. Business Developments and Corporate Strategic Goals In 2022, despite challenges from the COVID- 19 pandemic in China, sales for our four commercial products continued to increase. We expect our sales for these products to further increase in 2023, in part because of ZEJULA' s continued gain of share of hospital sales for ovarian cancer in China, the new NRDL listings for QINLOCK and NUZYRA, and the increased number of supplemental insurance plan listings for Optune. We also continued to make progress across our product pipeline. For example, we had several positive data readouts during the year, including for adagrasib in non- small cell lung cancer, efgartigimod in primary immune thrombocytopenia and generalized myasthenia gravis, and KarXT in schizophrenia. We contributed to successful registrational studies, including the LUNAR study for Tumor Treating Fields and the TRIDENT- 1 study for repotrectinib. And, we increased our pipeline assets through our business development activities with our strategic collaboration with Seagen for the license of TIVDAK, which further deepened our women' s cancer franchise. For more information on our commercial products and product pipeline, including status and developments in 2022, see Part I — Item 1. Business — Our Commercial Products and Part I — Item 1. Business — Our Pipeline of Product Candidates.- 146- We also continued to strengthen our business in 2022 through corporate developments, including key additions to our global leadership team, enhancements to our corporate governance practices, and our voluntary conversion to primary listing status on the Hong Kong Stock Exchange and the subsequent inclusion of our ordinary shares in the Shanghai and Shenzhen Stock Connect Programs. For example, with respect to our global leadership team, we appointed Rafael G. Amado, M. D. as President, Head of Global Oncology Research and Development in December 2022. Dr. Amado joined us from Allogene Therapeutics and brings deep expertise in the field of oncology and significant global biopharmaceutical R & D leadership. And, as we have previously disclosed, we made other key additions to our global leadership team in 2022, including in August when Josh Smiley became Chief Operating Officer and in November when Dr. Peter Huang became Chief Scientific Officer. With respect to corporate governance, in April, we appointed KPMG LLP, a U. S.- based auditor, to be our independent registered public accounting firm and auditor, and in July, our Board of Directors established a lead independent director role, appointing Dr. John Diekman to serve in this important position. In addition, in January 2023, Michel Vounatsos was appointed to our Board of Directors. Mr. Vounatsos brings to the Board extensive global leadership and management experience in the biopharmaceutical industry, including more than 25 years of service at leading companies. His expertise includes significant commercial experience in China and worldwide. Finally, our transition to primary listing status on the Hong Kong Stock Exchange and participation in the Stock Connect programs should help us increase access to our business by investors in Greater China. We further discuss in the MD & A below key factors affecting our results of operations, key components and primary drivers of changes in our results of operations in 2022, and our liquidity and capital resources. In 2023, we seek to continue advancing our mission of becoming a leading global biopharmaceutical company, driving innovation in treatment options for patients in China and beyond, by focusing on the following corporate strategic goals: accelerating medicines to patients through our R & D activities; further expanding our product pipeline through regional and global collaborations and corporate development activities; and continuing our commercial excellence and execution, including by delivering strong financial performance and preparing for the launch of eight new products and obtaining overall corporate profitability by the end of 2025. We also intend to continue building and maintaining the trust of our stakeholders by further developing and integrating our ESG Trust for Life strategy into our business and operations. For additional information on our Mission and Corporate Strategic Goals, see Part I — Item 1. Business — Our Mission and Corporate Strategic Goals. Basis of Presentation Our consolidated statement of operations data for the years ended December 31, 2022 and 2021 and our consolidated statement of financial position data as of December 31, 2022 and 2021 have been derived from our audited consolidated financial statements included elsewhere in this Annual Report on Form 10- K. Our consolidated financial

statements appearing elsewhere in this Annual Report on Form 10- K have been prepared in accordance with U. S. GAAP. Factors Affecting Our Results of Operations Research and Development Expenses We believe our ability to successfully develop product candidates will be the primary factor affecting our long- term competitiveness, as well as our future growth and development. Developing high- quality product candidates requires a significant investment of resources over a prolonged period of time, and a core part of our strategy is to continue making sustained investments in research and development. As a result of this commitment, our pipeline of product candidates has been advancing and expanding, with thirteen late- stage clinical product candidates being investigated as of December 31, 2022. For more information on the nature of the efforts and steps necessary to develop our product candidates, see " Business " and " Regulation. "- 147- We have financed our activities primarily through private placements, our initial public offering in September 2017 and multiple follow- on offerings on Nasdaq and our secondary listing and initial public offering on the Hong Kong Stock Exchange in September 2020. Through December 31, 2022, we have raised approximately $ 164. 6 million from private equity financing and approximately $ 2, 462. 7 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us from our initial public offerings and follow- on offerings. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operating activities was $ 367. 6 million and $ 549. 2 million in 2022 and 2021, respectively. We expect our expenditures to increase significantly in connection with our ongoing activities, particularly as we advance the clinical development of our thirteen late- stage clinical product candidates, research and develop our clinical and pre- clinical- stage product candidates, and initiate additional clinical trials of, and seek regulatory approval for, these and other future product candidates. We review such expenditures for prioritization and efficiency purposes. These expenditures include: • expenses incurred for CROs, CMOs, investigators, and clinical trial sites that conduct our clinical studies; • employee compensation related expenses, including salaries, benefits, and equity compensation expenses; • expenses for licensors; • the cost of acquiring, developing, and manufacturing clinical study materials; • facilities and other expenses, which include office leases and other overhead expenses; • costs associated with pre- clinical activities and regulatory operations; • expenses associated with the construction and maintenance of our manufacturing facilities; and For more information on our research and development expenses, see Key Components of Results of Operations — Research and Development Expenses. Selling, General, and Administrative Expenses Our selling, general, and administrative expenses consist primarily of personnel compensation and related costs, including share- based compensation for commercial and administrative personnel. Other selling, general, and administrative expenses include product distribution and promotion costs, professional service fees for legal, intellectual property, 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 selling, general, and administrative activities. We anticipate that our selling, general, and administrative expenses will increase in future periods to support increases in our commercial and research and development activities and as we continue to discover, develop, commercialize, and manufacture our products and assets. These increases will likely include expanded infrastructure as well as increased headcount and share- based compensation, product distribution, promotion, and insurance costs. We also anticipate incurring additional legal, compliance, accounting, and investor and public relations expenses associated with being a public company. Our Ability to Commercialize Our Product Candidates As of December 31, 2022, thirteen of our product candidates are in late- stage clinical development and various others are in clinical and pre- clinical development in Greater China and the United States. Our ability to generate revenue from our product candidates is dependent on our receipt of regulatory approvals for and successful commercialization of such products, which may not occur. Certain of our product candidates may require additional pre- clinical and / or clinical development, regulatory approvals in multiple jurisdictions, manufacturing supply, substantial investment, and significant marketing efforts before we generate any revenue from product sales. Our License Arrangements Our results of operations have been, and we expect them to continue to be, affected by our licensing, collaboration, and development agreements. We are required to make upfront payments upon our entry into such agreements and milestone payments upon the achievement of certain development, regulatory, and sales- based milestones for the relevant products under these agreements as well as certain royalties at tiered percentage rates based on annual net sales of the licensed products in the licensed territories. We recorded research and development expense related to upfront license fees and development milestones of $ 53. 4 million and $ 384. 1 million in 2022 and 2021, respectively.- 148- The COVID- 19 Pandemic Our results of operations have been, and we expect them to continue to be, adversely affected by the COVID- 19 pandemic, including government actions and quarantine measures taken in response or increased infection rates after restrictions were lifted or eased, particularly in mainland China where our operations and product markets are primarily located. For example, the pandemic has adversely affected patient access to our products, such as through reduced hospital access during periods of lockdown or high infection rates, fewer newly diagnosed oncology patients, and delayed or interrupted treatments. The pandemic has also adversely affected our manufacturing and supply chain and our research and development, sales, marketing, and clinical trial activities. The operations of our suppliers, CROs, CMOs, and other contractors and third parties on which we rely also have been, and may continue to be, adversely affected. Although our net product revenues increased in 2022, as compared to the prior year, these revenue increases were negatively affected by the effects of the pandemic, and we expect additional adverse revenue impacts in the coming year and possibly in future years depending on the nature, severity, and duration of future effects from the pandemic. The following table presents our results of operations ($ in thousands): Year Ended December 31Change20222021 $ % RevenuesProduct revenue, net212, 672 144, 105 68, 567 48 % Collaboration revenue2, 368 207 2, 161 1044 % Total revenues215, 040 144, 312 70, 728 49 % ExpensesCost of sales (74, 018) (52, 239) (21, 779) 42 % Research and development (286, 408) (573, 306) 286, 898 (50) % Selling, general and administrative (258, 971) (218, 831) (40, 140) 18 % Loss from operations (404, 357) (700, 064) 295, 707 (42) % Interest income14, 582 2, 190 12, 392 566 % Foreign currency (loss) gain (56, 403) 4, 661 (61, 064) (1310) % Other income (expenses), net3, 113 (10, 201) 13, 314 (131) % Loss before income tax and share of loss from equity method investment (443, 065) (703, 414) 260, 349 (37) % Income tax expense — — — — — % Share of loss from equity method investment (221) (1, 057) 836 (79) % Net loss (443, 286) (704, 471) 261, 185

(37) % Net loss attributable to ordinary shareholders (443, 286) (704, 471) 261, 185 (37) %- 149- Product Revenue, Net The following table presents the components of the Company' s product revenue, net ($ in thousands): Year Ended December 31Change20222021 $ % Product revenue — gross234, 009 190, 180 43, 829 23 % Less: Rebates and sales returns (21, 337) (46, 075) 24, 738 (54) % Product revenue — net212, 672 144, 105 68, 567 48 % Our product revenue is primarily derived from the sales of ZEJULA, Optune, QINLOCK, and NUZYRA in mainland China and Hong Kong, net of sales returns and rebates to distributors in mainland China with respect to the sales of these products. Our net product revenue increased by $ 68. 6 million in 2022, primarily driven by increased sales volumes and decreased rebates. Although our sales volumes increased, these volumes were negatively affected by the effects of the COVID- 19 pandemic, including government restrictions or lockdown measures in mainland China, which negatively affected patient access to our products. The decrease in rebates was primarily due to fewer products being sold at prices prior to reduction that required such rebates. We had price reductions for QINLOCK and NUZYRA in June 2022, compared to price reductions for ZEJULA in December 2020 and December 2021. The following table presents net revenue by product ($ in thousands): Year Ended December 31Change20222021 $ % ZEJULA145, 194 93, 579 51, 615 55 % Optune47, 321 38, 903 8, 418 22 % QINLOCK14, 957 11, 620 3, 337 29 % NUZYRA5, 200 3 5, 197 173233 % Total212, 672 144, 105 68, 567 48 % Collaboration Revenue Collaboration revenue was $ 2. 4 million in 2022 compared to $ 0. 2 million in 2021 due to increased revenue from our exclusive promotion agreement with Huizheng. Cost of Sales Cost of sales increased by $ 21. 8 million to $ 74. 0 million in 2022 primarily due to increasing sales volumes, higher product costs, and higher royalties. The following table presents the components of our research and development expenses ($ in thousands): Year Ended December 31Change20222021 $ % Personnel compensation and related costs105, 561 77, 227 28, 334 37 % Licensing fees53, 441 384, 104 (330, 663) (86) % CROs / CMOs / Investigators expenses100, 544 82, 571 17, 973 22 % Other costs26, 862 29, 404 (2, 542) (9) % Total286, 408 573, 306 (286, 898) (50) %- 150- Research and development expenses decreased by $ 286. 9 million in 2022 primarily due to: • a decrease of $ 330. 7 million in licensing fees in connection with decreased upfront and milestone payments for our license and collaboration agreements; partially offset by • an increase of $ 28. 3 million in personnel compensation and related costs primarily due to headcount growth and grants of share options and restricted shares and the continued vesting of option and restricted share awards; and • an increase of $ 18. 0 million in CROs / CMOs / Investigators expenses related to ongoing and newly initiated clinical trials. The following table presents our research and development expenses by program ($ in thousands): Year Ended December 31Change20222021 $ % Clinical programs155, 792 433, 021 (277, 229) (64) % Pre- clinical programs6, 644 47, 768 (41, 124) (86) % Unallocated research and development expenses123, 972 92, 517 31, 455 34 % Total286, 408 573, 306 (286, 898) (50) % Research and development expenses attributable to clinical programs decreased by $ 277. 2 million and research and development expenses attributable to pre- clinical programs decreased by $ 41. 1 million in 2022, both decreases driven by decreased license fees. Although we manage our external research and development expenses by program, we do not allocate our internal research and development expenses by program because our employees and internal resources may be engaged in projects for multiple programs at any given time. Selling, General and Administrative Expenses The following table presents our selling, general and administrative expenses by program ($ in thousands): Year Ended December 31Change20222021 $ % Personnel compensation and related costs162, 045 124, 675 37, 370 30 % Professional service fees35, 414 22, 901 12, 513 55 % Other costs61, 512 71, 255 (9, 743) (14) % Total258, 971 218, 831 40, 140 18 % Selling, general and administrative expenses increased by $ 40. 1 million in 2022, primarily due to: • an increase of $ 37. 4 million in personnel compensation and related costs which was primarily driven by headcount growth, particularly in commercial and administrative personnel, and grants of share options and restricted shares and the continued vesting of option and restricted share awards; and • an increase of $ 12. 5 million in professional service fee mainly attributable to our increased legal, compliance, accounting, and investor and public relations expenses associated with being a public company and in connection with sales of ZEJULA, Optune, QINLOCK, and NUZYRA in mainland China and Hong Kong after our commercial launch of these four commercialized products; partially offset by • a decrease of $ 9. 7 million in other costs mainly related to selling, rental, and administrative expenses for commercial operations in mainland China, Hong Kong, and Taiwan. Interest Income Interest income increased by $ 12. 4 million to $ 14. 6 million in 2022, due to increased interest rates.- 151- Foreign Currency (Loss) Gain Foreign currency loss was $ 56. 4 million in 2022 primarily driven by remeasurement loss due to USD appreciating against RMB in 2022, compared to foreign currency gain of $ 4. 7 million in 2021 driven by remeasurement gain due to USD depreciating against RMB in 2021. Other Income (Expenses), Net Other income, net was $ 3. 1 million in 2022, compared to other expense, net of $ 10. 2 million in 2021. The shift from other expense, net to other income, net is primarily due to an increase of $ 7. 4 million in government grant income and a decrease of $ 5. 7 million in loss on equity investments with readily determinable fair value. Share of Loss from Equity Method Investment Share of loss from equity method investment decreased by $ 0. 8 million to $ 0. 2 million in 2022, due to increased losses from our investment in JING Medicine Technology (Shanghai) Ltd., an entity that provides services for drug discovery and development, consultation, and transfer of pharmaceutical technology. Income Tax Expense There was no change in our income tax expense, which was zero in both 2022 and 2021. For more information on taxes to which we are subject in the Cayman Islands, PRC, and Hong Kong, see Note 11. Critical Accounting Policies and Significant Judgments and Estimates We prepare our financial statements in conformity with U. S. GAAP, which requires us to make judgments, estimates, and assumptions. We periodically evaluate these judgments, estimates, and assumptions based on the most recently available information, our own historical experiences, and various other assumptions that we believe to be reasonable under the circumstances. Since the use of estimates is an integral component of the financial reporting process, actual results could differ from our expectations as a result of changes in our estimates. Some of our accounting policies require a higher degree of judgment than others in their application and require us to make significant accounting estimates. The selection of critical accounting policies, judgments and other uncertainties affecting application of those policies, and sensitivity of reported results to changes in conditions and assumptions are factors that should be considered when reviewing our financial statements. We believe the following accounting policies involve the most

significant judgments and estimates used in the preparation of our financial statements. Revenue Recognition Description In mainland China, we sell our products to distributors, who ultimately sell the products to healthcare providers. Based on the nature of the arrangements, the performance obligations are satisfied upon the product' s delivery to distributors. Judgments and Uncertainties Rebates are offered to distributors, consistent with pharmaceutical industry practices. The estimated amount of unpaid or unbilled rebates, if any, is recorded as a reduction of revenue. We estimate rebates based on contracted rates, sales volumes, and level of distributor inventories. Sensitivity of Estimate to Change Actual amounts of rebates paid or billed may differ from our estimates. We regularly review the factors and judgments underlying these estimates and adjust the amounts of rebates accordingly. If actual results vary from our estimates, we also adjust these estimates accordingly, which would affect net product revenue and earnings in the period such variances become expected or known.- 152- 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. Pre- clinical and 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 pre- clinical and clinical trial activities on our behalf in the ongoing development of our product candidates. Expenses related to pre- clinical and clinical trials are accrued based on our estimates of the actual services performed by the third parties for the respective period. The process of estimating our research and development expenses involves reviewing open contracts and purchase orders, communicating with our personnel to identify services that have been performed on our behalf, and estimating the level of service performed and the associated costs incurred for the services when we have not yet been invoiced or otherwise notified of the actual costs. The majority of our service providers invoice us in arrears for services performed, on a pre- determined schedule, or when contractual milestones are met; however, some require advanced payments. We make estimates of our research and development expenses as of each balance sheet date in our financial statements based on facts and circumstances known to us at that time. Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in us reporting expenses that are too high or too low in any particular period. To date, we have not made any material adjustments to our prior estimates of research and development expenses. Share- Based Compensation Share- based awards for our employees are measured at grant date fair value and recognized as expenses (1) immediately at grant date if no vesting conditions are required; or (2) using a straight- line method over the requisite service period, which is the vesting period. To the extent the required vesting conditions are not met resulting in forfeiture of the share- based awards, previously recognized compensation expense relating to those awards are reversed. We determine the fair value of stock options granted to employees using the Black- Scholes option valuation model. Using this model, fair value is calculated based on assumptions with respect to (i) the expected volatility of our ADS price, (ii) the periods of time over which grantees are expected to hold their options prior to exercise (expected lives), (iii) the expected dividend yield on our ADSs, and (iv) risk- free interest rates, which are based on quoted U. S. Treasury rates for securities with maturities approximating the expected lives of the options. Expected volatility has been estimated based on actual movements in some comparable companies' stock price over the most recent historical periods equivalent to the options' expected lives. The expected term of the share options represents the average period the share options are expected to remain outstanding. As the Company does not have sufficient historical information since its IPO to develop reasonable expectations about future exercise patterns and post- vesting employment termination behavior, the expected term of options granted is derived from the average midpoint between the weighted average vesting and the contractual term, also known as the simplified method. The expected dividend yield is zero as we have never paid dividends and do not currently anticipate paying any in the foreseeable future. The assumptions used in this method to determine the fair value of our option shares consider historical trends, macroeconomic conditions, and projections consistent with the Company' s operating strategy. Changes in these estimates can have a significant impact on the determination of fair value of the option shares. If factors change or different assumptions are used, our share- based compensation expenses could be materially different for any period.- 153- Income Taxes In accordance with the provisions of ASC 740, Income Taxes, we recognize in our financial statements the benefit of a tax position if the tax position is " more likely than not " to prevail based on the facts and technical merits of the position. Tax positions that meet the " more likely than not " recognition threshold are measured at the largest amount of tax benefit that has a greater than fifty percent likelihood of being realized upon settlement. We estimate our liability for unrecognized tax benefits which are periodically assessed and may be affected by changing interpretations of laws, rulings by tax authorities, changes and / or developments with respect to tax audits, and expiration of the statute of limitations. The ultimate outcome for a particular tax position may not be determined with certainty prior to the conclusion of a tax audit and, in some cases, appeal or litigation process. We consider positive and negative evidence when determining whether some portion or all of our deferred tax assets will not be realized. This assessment considers, among other matters, the nature, frequency, and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carry- forward periods, our historical results of operations, and our tax planning strategies. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Based upon the level of our historical taxable income and projections for future taxable income over the periods in which the deferred tax assets are deductible, we believe it is more likely than not that we will not realize the deferred tax assets resulted from the tax loss carried forward in the future periods. The actual benefits ultimately realized may differ from our estimates. As each audit is concluded, adjustments, if any, are recorded in our financial statements in the period in which the audit is concluded. Additionally, in future periods, changes in facts and circumstances and new information may require us to adjust the recognition and measurement estimates with regard to individual tax positions. Changes in recognition and measurement estimates are recognized in the period in which the changes occur. As of December 31, 2022 and 2021, we did not have any significant unrecognized uncertain tax positions. A. Liquidity and Capital Resources. To date, we have financed our activities primarily through private placements, our September 2017 initial public offering and various follow- on offerings on

Nasdaq, and our September 2020 secondary listing and initial public offering on the Hong Kong Stock Exchange. Through December 31, 2022, we have raised approximately $ 164. 6 million in private equity financing and approximately $ 2, 462. 7 million in net proceeds after deducting underwriting commissions and the offering expenses payable by us in our initial public offering and subsequent follow- on offerings on Nasdaq and our initial public offering on the Hong Kong Stock Exchange. Our operations have consumed substantial amounts of cash since inception. The net cash used in our operating activities was $ 367. 6 million and $ 549. 2 million in 2022 and 2021, respectively. We have commitments for capital expenditures of $ 9. 0 million as of December 31, 2022, mainly for the purpose of plant construction and installation. We currently do not have any known events that are reasonably likely to cause a material change in the relationship between our costs and revenues. As of December 31, 2022, we had cash and cash equivalents, restricted cash, and short- term investments of $ 1, 009. 3 million. Based on our current operating plan, we expect that our cash, cash equivalents, restricted cash, and short- term investments as of March 1, 2023, will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months. However, in order to bring to fruition our research and development objectives, we may ultimately need additional funding sources, and there can be no assurances that such funding will be made available to us on acceptable terms or at all.- 154- The following table presents information regarding our cash flows (in thousands): Year Ended December 31, Change20222021 $ Net cash used in operating activities (367, 642) (549, 231) 181, 589 Net cash provided by investing activities420, 016 249, 957 170, 059 Net cash (used in) provided by financing activities (1, 730) 820, 202 (821, 932) Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash (6, 274) 1, 116 (7, 390) Net increase in cash, cash equivalents and restricted cash44, 370 522, 044 (477, 674) Net Cash Used in Operating Activities Net cash used in operating activities decreased by $ 181. 6 million in 2022, primarily due to a decrease of $ 261. 2 million in net loss and an increase of $ 20. 4 million in adjustments to reconcile net loss to net cash used in operating activities, partially offset by a decrease of $ 100. 0 million in net changes in operating assets and liabilities. Net Cash Provided by Investing Activities Net cash provided by investing activities increased by $ 170. 1 million in 2022, primarily due to a decrease of $ 184. 7 million in purchases of short- term investments and a decrease of $ 30. 0 million in payments for investment in equity investee, partially offset by a decrease of $ 38. 6 million in proceeds from maturity of short- term investments and an increase of $ 6. 3 million in purchases of property and equipment. Net Cash (Used in) Provided by Financing Activities Net cash used in financing activities was $ 1. 7 million in 2022, compared to net cash provided by financing activities of $ 820. 2 million in 2021. The shift from cash provided by to cash used in financing activities was primarily because we had proceeds of $ 818. 9 million from our issuance of ordinary shares upon public offerings in 2021 while there were no such transactions in 2022. B. Research and Development, Patents, and Licenses For information regarding our research and development activities and expenditures, see Part I — Item 1. Business as well as the discussion elsewhere in this Management' s Discussion and Analysis of Financial Condition and Results of Operations. C. Trend Information. Other than as described elsewhere in this Annual Report on Form 10- K, we are not aware of any trends, uncertainties, demands, commitments, or events that are reasonably likely to have a material adverse effect on our revenue, income from continuing operations, profitability, liquidity, or capital resources, or that would cause our reported financial information not necessarily to be indicative of future results of operations or financial condition. Recently Issued Accounting Standards For more information regarding recently issued accounting standards, see Part II — Item 8. Financial Statements and Supplementary Data — Recent Accounting Pronouncements. Item 7A. Quantitative and Qualitative Disclosures About Market Risk We are exposed to market risk including foreign exchange risk, credit risk, cash flow interest rate risk, and liquidity risk.- 155- Foreign Exchange Risk Renminbi, or RMB, is not a freely convertible currency. The State Administration of Foreign Exchange, under the authority of the People' s Bank of China (" PBOC "), controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The cash and cash equivalents of the Company included aggregated amounts of RMB316. 8 million and RMB151. 7 million, which were denominated in RMB, as of December 31, 2022 and 2021, respectively, representing 5 % and 2 % of the cash and cash equivalents as of December 31, 2022 and 2021, respectively. Our business mainly operates in mainland China with a significant portion of our transactions settled in RMB, and our financial statements are presented in U. S. dollars. We do not believe that we currently have significant direct foreign exchange risk and have not used derivative financial instruments to hedge our exposure to such risk. Although, in general, our exposure to foreign exchange risks should be limited, the value of your investment in our ADSs will be affected by the exchange rate between the U. S. dollar and the RMB because the value of our business is effectively denominated in RMB, while ADSs will be traded in U. S. dollars. The value of the RMB against the U. S. dollar and other currencies may fluctuate and is affected by, among other things, changes in Greater China' s political and economic conditions. The conversion of RMB into foreign currencies, including U. S. dollars, has been based on rates set by the PBOC. On July 21, 2005, the Chinese government changed its decade- old policy of pegging the value of the RMB to the U. S. dollar. Under the revised policy, the RMB is permitted to fluctuate within a narrow and managed band against a basket of certain foreign currencies. This change in policy resulted in a more than 20 % appreciation of the RMB against the U. S. dollar in the following three years. Between July 2008 and June 2010, this appreciation halted, and the exchange rate between the RMB and U. S. dollar remained within a narrow band. In June 2010, the PBOC announced that the Chinese government would increase the flexibility of the exchange rate, and thereafter allowed the RMB to appreciate slowly against the U. S. dollar within the narrow band fixed by the PBOC. However, in August 2015, the PBOC significantly devalued the RMB. The value of our ADSs and our ordinary shares will be affected by the foreign exchange rates between U. S. dollars, HK dollars, and the RMB. For example, to the extent that we need to convert U. S. dollars or HK dollars into RMB for our operations or if any of our arrangements with other parties are denominated in U. S. dollars or HK dollars and need to be converted into RMB, appreciation of the RMB against the U. S. dollar or the HK dollar would have an adverse effect on the RMB amount we receive from the conversion. Conversely, if we decide to convert RMB into U. S. dollars or HK dollars for the purpose of making

payments for dividends on ordinary shares or ADSs or for other business purposes, appreciation of the U. S. dollar or the HK dollar against the RMB would have a negative effect on the conversion amounts available to us. Since 1983, the Hong Kong Monetary Authority (" HKMA ") has pegged the HK dollar to the U. S. dollar at the rate of approximately HK $ 7. 80 to US $ 1. 00. However, there is no assurance that the HK dollar will continue to be pegged to the U. S. dollar or that the HK dollar conversion rate will remain at HK $ 7. 80 to US $ 1. 00. If the HK dollar conversion rate against the U. S. dollar changes and the value of the HK dollar depreciates against the U. S. dollar, our assets denominated in HK dollars will be adversely affected. Additionally, if the HKMA were to repeg the HK dollar to, for example, the RMB rather than the U. S. dollar, or otherwise restrict the conversion of HK dollars into other currencies, then our assets denominated in HK dollars will be adversely affected. Credit Risk Financial instruments that are potentially subject to significant concentration of credit risk consist of cash and cash equivalents, short- term investments, accounts receivable, and notes receivable. 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, 2022 and 2021, we had cash and cash equivalents of $ 1, 008. 5 million and $ 964. 1 million and short- term investments of nil and $ 445. 0 million, respectively. As of December 31, 2022 and 2021, all of our cash and cash equivalents and short- term investments were held by major financial institutions located in mainland China and international financial institutions outside of mainland China which we believe are of high credit quality and for which we monitor continued credit worthiness.- 156- Accounts receivable are typically unsecured and are derived from product sales and collaborative arrangements. We manage credit risk related to our accounts receivable through ongoing monitoring of outstanding balances and limiting the amount of credit extended based upon payment history and credit worthiness. Historically, we have collected receivables from customers within the credit terms with no significant credit losses incurred. As of December 31, 2022, our two largest customers accounted for approximately 28 % of our total accounts receivable collectively. During the year ended December 31, 2022, certain accounts receivable balances were settled in the form of notes receivable. As of December 31, 2022, such notes receivable included bank acceptance promissory notes that are non- interest bearing and due within six months. These notes receivable were used to collect the receivables based on an administrative convenience, given these notes are readily convertible to known amounts of cash. In accordance with the sales agreements, whether to use cash or bank acceptance promissory notes to settle the receivables is at our discretion, and this selection does not impact the agreed contractual purchase prices. In recent years, mainland China has not experienced significant inflation. Although the global economy, including the U. S. economy, has experienced rising inflation in recent quarters, which can increase the costs of our products and product candidates purchased from third parties and, as a result, adversely affect our results of operations, inflation has not had a material impact on our results of operations. Although we have not been materially affected by inflation in the past, we can provide no assurance that we will not be affected in the future by higher rates of inflation in mainland China or in other countries in which our third- party partners operate. Item 8. Financial Statements and Supplementary Data The financial statements required to be filed pursuant to this item are appended to this Annual Report on Form 10- K. An index of those financial statements is in Part IV — Item 15. Exhibits, Financial Statement Schedules. Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure Item 9A. Controls and Procedures (a) Disclosure Controls and Procedures Our management, including our Chief Executive Officer and Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rule 13a- 15 (e)) as of the end of the period covered by this Annual Report on Form 10- K. Our disclosure controls and procedures are designed to ensure that the information required to disclose in the reports that we file and furnish under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC' s rules and forms and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective. Based upon that evaluation, our management has concluded that, as of December 31, 2022, our disclosure controls and procedures were effective. (b) Management' s Report on Internal Control over Financial Reporting Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Exchange Act Rule 13a- 15 (f). Our internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of financial statements for external purposes in accordance with U. S. GAAP and includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated financial statements in accordance with U. S. GAAP, and that receipts and expenditures of the Company are being made only in accordance with authorizations of our management and directors; and (iii) provide reasonable assurance regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company' s assets that could have a material effect on the consolidated financial statements. Internal control over financial reporting, no matter how well designed, has inherent limitations. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of- 157- any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Our management, including our Chief Executive Officer and Chief Financial Officer, assessed the effectiveness of our internal control over financial reporting as of December 31, 2022 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in " Internal Control — Integrated Framework (2013). ". Based on this assessment, management concluded that our internal control over financial reporting was effective as of December 31, 2022. (c) Report of Registered Accounting Firm The effectiveness of our internal control over financial reporting as of December 31, 2022 has been audited by KPMG LLP, an independent registered public accounting firm, who has also audited our consolidated financial statements for the year ended December 31, 2022, as stated in their report which is included in Part II — Item8. Financial Statements and Supplementary Data. (d) Changes in Internal Control over Financial

Reporting There were no changes in our internal control over financial reporting (as such item is defined in Exchange Act Rule 13a- 15 (f)) during the fiscal quarter ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Item 9B. Other Information Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.- 158- PART III Item 10. Directors, Executive Officers and Corporate Governance The information required under this item is incorporated herein by reference to our definitive proxy statement pursuant to Regulation 14A, which proxy statement will be filed with the U. S. Securities and Exchange Commission not later than 120 days after the close of our fiscal year ended December 31, 2022. Item 11. Executive Compensation Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters Item 13. Certain Relationships and Related Transactions, and Director Independence Item 14. Principal Accounting Fees and Services- 159- PART IV The financial statements listed in the Index to Consolidated Financial Statements beginning on page F- 1 are filed as part of this Annual Report on Form 10- K. We have included Additional financial information of parent- company- Financial statement schedule I for the years ended December 31, 2022, 2021, and 2020 on page F- 41. No other financial statement schedules have been filed as part of this Annual Report on Form 10- K because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto. The exhibits filed as part of this Annual Report on Form 10- K are set forth on the Exhibit Index immediately following our consolidated financial statements. The Exhibit Index is incorporated herein by reference. Item 16. Form 10- K Summary ExhibitNumberExhibit Title3. 1Sixth Amended and Restated Memorandum and Articles of Association of Zai Lab Limited (incorporated by reference to Exhibit 3. 1 to our Current Report on Form 8- K (File No. 001- 38205) filed on June 22, 2022) 4. 1Form of Deposit Agreement (incorporated by reference to Exhibit 4. 1 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017) 4. 2Form of American Depositary Receipt (incorporated by reference to Form 424B3 (File No. 333- 220256) filed on March 30, 2022) 4. 3Registrant' s Specimen Certificate for Ordinary Shares (incorporated by reference to Exhibit 4. 1 to our Registration Statement on Form S- 8 (File No. 333- 264800) filed on May 9, 2022) 4. 4Third Amended and Restated Shareholders Agreement between Zai Lab Limited and other parties named therein dated June 26, 2017 (incorporated by reference to Exhibit 4. 4 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on August 15, 2017) 4. 5Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act 10. 1 # Zai Lab Limited 2015 Omnibus Equity Incentive Plan as amended on February 3, 2016 and April 10, 2016 (incorporated by reference to Exhibit 10. 1 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017) 10. 2 # Zai Lab Limited 2017 Equity Incentive Plan (incorporated by reference to Exhibit 10. 22 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017) 10. 3 # Zai Lab Limited 2022 Equity Incentive Plan (incorporated by reference to Exhibit 10. 1 to our Current Report on Form 8- K (File No. 001- 38205) filed on June 22, 2022) 10. 4 # Form Restricted Share Unit Award Agreement (incorporated by reference to Exhibit 10. 2 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on November 9, 2022) 10. 5 # Form Restricted Stock Award Agreement (incorporated by reference to Exhibit 10. 3 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on November 9, 2022) 10. 6 # Form of Non- Statutory Stock Option Award Agreement (incorporated by reference to Exhibit 10. 4 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on November 9, 2022) 10. 7 # Non- Employee Director Compensation Policy10. 8 # Zai Lab Limited 2017 Cash Bonus Plan (incorporated by reference to Exhibit 10. 11 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017)- 160- ExhibitNumberExhibit Title10. 9 Collaboration, Development and License Agreement by and between Tesaro, Inc. and Zai Lab (Shanghai) Co., Ltd. dated September 28, 2016 (incorporated by reference to Exhibit 10. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on August 15, 2017) 10. 10Amendment to Collaboration, Development and License Agreement by and between Tesaro, Inc. and Zai Lab (Shanghai) Co., Ltd., dated February 26, 2018 (incorporated by reference to Exhibit 4. 3 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 30, 2018) 10. 11 License Agreement by and between Bristol- Myers Squibb Company and Zai Lab (Hong Kong) Limited dated March 9, 2015 (incorporated by reference to Exhibit 10. 3 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on August 15, 2017) 10. 12 License and Collaboration Agreement by and between Paratek Bermuda Ltd. and Zai Lab (Shanghai) Co., Ltd. dated April 21, 2017 (incorporated by reference to Exhibit 10. 4 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on August 15, 2017) 10. 13 License Agreement by and between Five Prime Therapeutics, Inc. and Zai Lab (Shanghai) Co., Ltd. dated December 19, 2017 (incorporated by reference to Exhibit 4. 11 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 30, 2018) 10. 14 License and Collaboration Agreement by and between Entasis Therapeutics Holdings Inc. and Zai Lab (Shanghai) Co., Ltd. dated as of April 25, 2018 (incorporated by reference to Exhibit 10. 12 to our Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 227159) filed on September 5, 2018) 10. 15 License and Collaboration Agreement by and between Novocure Limited and Zai Lab (Shanghai) Co., Ltd. dated September 10, 2018 (incorporated by reference to Exhibit 10. 15 to our Annual Report on Form 20- F (File No. 001- 38205) filed on March 29, 2019) 10. 16 Collaboration Agreement by and between MacroGenics, Inc. and Zai Lab (Shanghai) Co., Ltd. dated November 29, 2018 (incorporated by reference to Exhibit 10. 16 to our Annual Report on Form 20- F (File No. 001- 38205) filed on March 29, 2019) 10. 17 License Agreement between Deciphera Pharmaceuticals, LLC and Zai Lab (Shanghai) Co., Ltd. dated June 10, 2019 (incorporated by reference to Exhibit 10. 17 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 29, 2020) 10. 18 Amendment to License Agreement between Deciphera Pharmaceuticals, LLC and Zai Lab (Shanghai) Co., Ltd. dated January 17, 2020 (incorporated by reference to Exhibit 10. 18 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 29, 2020) 10. 19 Collaboration and License Agreement between Incyte Corporation and Zai Lab (Shanghai) Co., Ltd. dated July 1, 2019 (incorporated by reference to Exhibit 10. 19 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 29, 2020) 10. 20 Collaboration Agreement between Regeneron Ireland Designated Activity Company and Zai Lab (Shanghai) Co., Ltd. dated April 6, 2020 (incorporated by reference to Exhibit 10. 20 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 21 License Agreement between Turning Point

Therapeutics, Inc. and Zai Lab (Shanghai) Co., Ltd. dated July 6, 2020 (incorporated by reference to Exhibit 10. 21 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 22 License Agreement between Cullinan Pearl Corp. and Zai Lab (Shanghai) Co., Ltd. dated December 24, 2020 (incorporated by reference to Exhibit 10. 22 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 23 Collaboration and License Agreement between argenx BV and Zai Auto Immune (Hong Kong) Limited dated January 6, 2021 (incorporated by reference to Exhibit 10. 1 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on May 10, 2021)- 161- ExhibitNumberExhibit Title10. 24 License Agreement between Turning Point Therapeutics, Inc. and Zai Lab (Shanghai) Co., Ltd. dated January 10, 2021 (incorporated by reference to Exhibit 10. 2 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on May 10, 2021) 10. 25 Amendment No. 1 to License Agreement between Turning Point Therapeutics, Inc. and Zai Lab (Shanghai) Co., Ltd. dated March 31, 2021 (incorporated by reference to Exhibit 10. 3 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on May 10, 2021) 10. 26 Collaboration and License Agreement, dated as of May 28, 2021, by and between Zai Lab (Hong Kong) Limited and Mirati Therapeutics, Inc. (incorporated by reference to Exhibit 10. 2 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on August 9, 2021) 10. 27 License and Collaboration Agreement, dated as of June 15, 2021, by and between Zai Lab (US) LLC and MacroGenics, Inc. (incorporated by reference to Exhibit 10. 3 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on August 9, 2021) 10. 28 License and Collaboration Agreement by and between Zai Lab (Shanghai) Co., Ltd. and Blueprint Medicines Corporation, dated November 8, 2021 (incorporated by reference to Exhibit 10. 23 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2022) 10. 29 License Agreement by and between Zai Lab (Shanghai) Co., Ltd. and Karuna Therapeutics, Inc., dated November 8, 2021 (incorporated by reference to Exhibit 10. 24 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2022) 10. 30 Collaboration and License Agreement by and between Seagen Inc. and Zai Lab (Hong Kong) Limited dated as of September 20, 2022 (incorporated by reference to Exhibit 10. 1 to our Quarterly Report on Form 10- Q (File No. 001- 38205) filed on November 9, 2022) 10. 31 # Form of Indemnification Agreement for Directors and Officers (incorporated by reference to Exhibit 10. 12 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on August 15, 2017) 10. 32 # Employment Agreement between Samantha (Ying) Du and Zai Lab (Shanghai) Co., Ltd. dated July 1, 2017 (English translation) (incorporated by reference to Exhibit 10. 18 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017) 10. 33 # Letter Agreement between Samantha (Ying) Du and Zai Lab (US) LLC dated December 11, 2017 (incorporated by reference to Exhibit 4. 16 to our Annual Report on Form 20- F (File No. 001- 38205) filed on April 30, 2018) 10. 34 # Fourth Amended and Restated Founder Employment Agreement between Samantha (Ying) Du and Zai Lab Limited dated December 1, 2018 (incorporated by reference to Exhibit 10. 18 to our Annual Report on Form 20- F (File No. 001- 38205) filed on March 29, 2019) 10. 35 # Amended and Restated Employment Agreement between William Ki Chul Cho and Zai Lab (Hong Kong) Limited dated March 22, 2019 (incorporated by reference to Exhibit 10. 19 to our Annual Report on Form 20- F (File No. 001- 38205) filde on March 29, 2019) 10. 36 # Employment Agreement between F. Ty Edmondson and Zai Lab (US) LLC dated August 15, 2020 (incorporated by reference to Exhibit 10. 29 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 37 # Second Amended and Restated Employment Agreement between Harald Reinhart and Zai Lab (Hong Kong) Limited dated December 28, 2019 (incorporated by reference to Exhibit 10. 22 to our Annual Report on Form 20- F (File No. 001- 38205) filed on March 29, 2019) 10. 38 # Employment Agreement between Alan Bart Sandler and Zai Lab (US) LLC dated December 1, 2020 (incorporated by reference to Exhibit 10. 30 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 39 # Severance Agreement and General Release between Alan Bart Sandler and Zai Lab (US) LLC dated October 25, 202210. 40 # Employment Agreement between Joshua Smiley and Zai Lab (US) LLC dated August 1, 2022- 162- ExhibitNumberExhibit Title10. 41 # Employment Agreement between Rafael Amado and Zai Lab (US) LLC dated December 30, 2022 10. 42 # Letter Agreement between Michel Vounatsos and Zai Lab Limited dated January 8, 202310. 43Jinchuang Building House Leasing Contract by and between Zai Lab (Shanghai) Co., Ltd. and Shanghai Jinchuang Property Co., Ltd. dated September 1, 2016 (English translation) (incorporated by reference to Exhibit 10. 26 to Amendment No. 2 to our Registration Statement on Form F- 1 (File No. 333- 219980) filed on September 1, 2017) 10. 44Lease by and between Menlo Prepi I, LLC, TPI Investors 9, LLC and Zai Lab (US) LLC dated August 14, 2019 (incorporated by reference to Exhibit 10. 32 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 10. 45Indenture of Lease by and between MIT 314 Main Street Leasehold LLC and Zai Lab (US) LLC dated December 22, 2020 (incorporated by reference to Exhibit 10. 33 to our Annual Report on Form 10- K (File No. 001- 38205) filed on March 1, 2021) 16. 1Letter from Deloitte Touche Tohmatsu Certified Public Accountants LLP to the SEC, dated June 1, 2022 (incorporated by reference to Exhibit 16. 1 to our Current Report on Form 8- K filed on June 1, 2022) 21. 1Subsidiaries of the Registrant 23. 1Consent of KPMG LLP, an independent accounting firm, regarding the consolidated financial statements of Zai Lab Limited 23. 2Consent of Deloitte Touche Tohmatsu Certified Public Accountants LLP, an independent accounting firm, regarding the consolidated financial statements of Zai Lab Limited 31. 1Certification of Chief Executive Officer Required by Rule 13a- 14 (a) 31. 2Certification of Chief Financial Officer Required by Rule 13a- 14 (a) 32. 1Certification of Chief Executive Officer Required by 18 U. S. C. Section 1350 32. 2Certification of Chief Financial Officer Required by 18 U. S. C. Section 1350101. INSInline XBRL Instance Document- the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document101. SCHInline XBRL Taxonomy Extension Schema Document101. CALInline XBRL Taxonomy Extension Calculation Linkbase Document101. LABInline XBRL Taxonomy Extension Label Linkbase Document101. PREInline XBRL Taxonomy Extension Presentation Linkbase Document101. DEFInline XBRL Taxonomy Extension Definitions Linkbase Document104Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) # Management contract or compensatory plan, contract, or arrangement Confidential treatment has been granted as to certain portions, which portions have been omitted and submitted separately to the Securities and Exchange Commission. Certain confidential information contained in this exhibit has been omitted because it (i) is not material and (ii) would be

competitively harmful if publicly disclosed.- 163- SIGNATURES Pursuant to the requirements of Section 13 or 15 (d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report on Form 10- K to be signed on its behalf by the undersigned, thereunto duly authorized. ZAI LAB LIMITEDDate: March 1, 2023By: / s / Samantha (Ying) DuName: Samantha (Ying) DuTitle: Chief Executive Officer- 164- Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10- K has been signed by the following persons in the capacities and on the dates indicated below: SignatureTitleDate / s / Samantha (Ying) DuChief Executive Officer and Chairperson of the Board of DirectorsMarch 1, 2023Samantha (Ying) Du (Principal Executive Officer) / s / Billy ChoChief Financial OfficerMarch 1, 2023Billy Cho (Principal Financial and Accounting Officer) / s / John DiekmanDirectorMarch 1, 2023John Diekman / s / Kai- Xian ChenDirectorMarch 1, 2023Kai- Xian Chen / s / Richard GaynorDirectorMarch 1, 2023Richard Gaynor / s / Nisa LeungDirectorMarch 1, 2023Nisa Leung / s / William LisDirectorMarch 1, 2023William Lis / s / Leon O. Moulder, Jr. DirectorMarch 1, 2023Leon O. Moulder, Jr. / s / Scott MorrisonDirectorMarch 1, 2023Scott Morrison / s / Michel VounatsosDirectorMarch 1, 2023Michel Vounatsos / s / Peter WirthDirectorMarch 1, 2023Peter Wirth- 165- PageReports of Independent Registered Public Accounting Firms (KPMG LLP, New York, NY, Auditor Firm ID: 185; Deloitte Touche Tohmatsu Certified Public Accountants LLP, Shanghai, the People' s Republic of China, Auditor Firm ID: 1113) F- 2Consolidated Balance Sheets as of December 31, 2022 and 2021F- 6Consolidated Statements of Operations for the Years Ended December 31, 2022, 2021, and 2020F- 7Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2022, 2021, and 2020F- 8Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2022, 2021, and 2020F- 9Consolidated Statements of Cash Flows for the Years Ended December 31, 2022, 2021, and 2020F- 10Notes to Consolidated Financial StatementsF- 11Schedule I — Condensed Financial Information of Parent Company F- 41 Report of Independent Registered Public Accounting Firm To the Shareholders and Board of Directors of Zai Lab Limited Opinion on the Consolidated Financial Statements We have audited the accompanying consolidated balance sheet of Zai Lab Limited and subsidiaries (the Company) as of December 31, 2022, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2022, and the related notes and schedule listed in the Schedule I (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and the results of its operations and its cash flows for the year ended December 31, 2022, in conformity with U. S. generally accepted accounting principles. We also have audited the adjustments to the 2021 and 2020 consolidated financial statements to retrospectively apply the share subdivision, as described in Note 2 (a). In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2021 or 2020 consolidated financial statements of the Company other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2021 or 2020 consolidated financial statements taken as a whole. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company' s internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated March 1, 2023 expressed an unqualified opinion on the effectiveness of the Company' s internal control over financial reporting. Basis for Opinion These consolidated financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audit included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audit provides a reasonable basis for our opinion. Critical Audit Matter The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates. Evaluation of accrued preclinical and clinical trial expenses As discussed in Note 2 to the consolidated financial statements, the Company' s research and development expenses include costs associated with payments to contract research organizations (CROs) and contract manufacturing organizations (CMOs) for various preclinical and clinical trial activities. Expenses related to preclinical and clinical trial activities are accrued based on the Company' s estimates of the actual services performed by the CROs and CMOs. As disclosed in the consolidated financial statements, the Company recorded $ 66. 0 million in accounts payable and $ 66. 8 million in other current liabilities, which included the accrued preclinical and clinical trial expenses. We identified the evaluation of accrued preclinical and clinical trial expenses as a critical audit matter. Specifically, evaluating the estimate of services performed for certain research and development projects at year- end required subjective auditor judgment. The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls related to accrued preclinical and clinical trial expenses. This included controls related to the estimation of the services performed by the CROs and CMOs during the period that are included in accounts payable and accrued liability balances at the

end of each reporting period. On a sample basis, we examined contracts, purchase orders, invoices, and third- party confirmations and compared them to the Company' s estimation of services performed by the CROs and CMOs. We also examined certain invoices received and / or payments made after the reporting date and evaluated whether they were associated with services received prior to that date and whether they were included in the Company' s estimate of costs incurred at year- end. / s / KPMG LLP We have served as the Company' s auditor since 2022. New York, New York F- 3 Opinion on Internal Control Over Financial Reporting We have audited Zai Lab Limited and subsidiaries' (the Company) internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet of the Company as of December 31, 2022, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity, and cash flows for the year ended December 31, 2022, and the related notes and schedule listed in Schedule I (collectively, the consolidated financial statements), and our report dated March 1, 2023 expressed an unqualified opinion on those consolidated financial statements. The Company' s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management' s Annual Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company' s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Definition and Limitations of Internal Control Over Financial Reporting A company' s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company' s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company' s assets that could have a material effect on the financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Report of independent registered public accounting firm To the Shareholders and Board of Directors of Zai Lab Limited Opinion on the Financial Statements We have audited, the accompanying consolidated balance sheets of Zai Lab Limited and its subsidiaries (collectively referred to as the " Company ") as of December 31, 2021, the related consolidated statements of operations, comprehensive loss, changes in shareholders' equity and cash flows, for each of the two years in the period ended December 31, 2021, the related notes and schedule listed in the Schedule I (collectively referred to as the " financial statements "), before the effects of the retrospective adjustments for share subdivision as discussed in Note 2 (a) (the" retrospective adjustments"). The previously issued financial statements, before the effects of the retrospective adjustments, are not presented herein. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2021, in conformity with accounting principles generally accepted in the United States of America. We were not engaged to audit the retrospective adjustments, and accordingly, we do not express an opinion or any other form of assurance about whether such retrospective adjustments are appropriate and have been properly applied. The retrospective adjustments were audited by other auditors. Basis for Opinion These financial statements are the responsibility of the Company' s management. Our responsibility is to express an opinion on the Company' s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U. S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB. We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion. / s / Deloitte Touche Tohmatsu Certified Public Accountants LLP Shanghai, the People' s Republic of China We have served as the

Company' s auditor since 2017. In 2022, we became the predecessor auditor. F- 5 (In thousands of U. S. dollars (" $ ") except for number of shares and per share data) December 31, 20222021Notes $ $ AssetsCurrent assetsCash and cash equivalents31, 008, 470 964, 100 Short- term investments5 — 445, 000 Accounts receivable (net of allowance for credit loss of $ 11 as of December 31, 2022 and 2021, respectively) 39, 963 47, 474 Notes receivable8, 608 7, 335 Inventories, net631, 621 18, 951 Prepayments and other current assets35, 674 18, 021 Total current assets1, 124, 336 1, 500, 881 Restricted cash, non- current4803 803 Long- term investments (including the fair value measured investment of $ 6, 431 and $ 15, 383 as of December 31, 2022 and 2021, respectively) 76, 431 15, 605 Prepayments for equipment1, 396 989 Property and equipment, net857, 863 43, 102 Operating lease right- of- use assets919, 512 14, 189 Land use rights, net6, 892 7, 811 Intangible assets, net1, 511 1, 848 Long- term deposits1, 396 870 Value added tax recoverable — 23, 858 Total assets1, 220, 140 1, 609, 956 Liabilities and shareholders' equityCurrent liabilitiesAccounts payable65, 974 126, 163 Current operating lease liabilities97, 050 5, 927 Other current liabilities1266, 818 60, 811 Total current liabilities139, 842 192, 901 Deferred income21, 360 27, 486 Non- current operating lease liabilities913, 343 9, 613 Total liabilities174, 545 230, 000 Commitments and contingencies (Note 20) Shareholders' equityOrdinary shares (par value of $ 0. 000006 per share; 5, 000, 000, 000 shares authorized, 962, 455, 850 and 955, 363, 980 shares issued as of December 31, 2022 and 2021, respectively; 960, 219, 570 and 954, 981, 050 shares issued and outstanding as of December 31, 2022 and 2021, respectively) 6 6 Additional paid- in capital2, 893, 120 2, 825, 948 Accumulated deficit (1, 861, 360) (1, 418, 074) Accumulated other comprehensive income (loss) 25, 685 (23, 645) Treasury stock (at cost, 2, 236, 280 and 382, 930 shares as of December 31, 2022 and 2021, respectively) (11, 856) (4, 279) Total shareholders' equity1, 045, 595 1, 379, 956 Total liabilities and shareholders' equity1, 220, 140 1, 609, 956 The accompanying notes are an integral part of these consolidated financial statements. Year Ended December 31, 202220212020Notes $ $ $ RevenuesProduct revenue, net10212, 672 144, 105 48, 958 Collaboration revenue102, 368 207 — Total revenues215, 040 144, 312 48, 958 ExpensesCost of sales (74, 018) (52, 239) (16, 736) Research and development (286, 408) (573, 306) (222, 711) Selling, general and administrative (258, 971) (218, 831) (111, 312) Loss from operations (404, 357) (700, 064) (301, 801) Interest income14, 582 2, 190 5, 120 Interest expenses — — (181) Foreign currency (loss) gain (56, 403) 4, 661 21, 659 Other income (expenses), net173, 113 (10, 201) 7, 417 Loss before income tax and share of loss from equity method investment (443, 065) (703, 414) (267, 786) Income tax expense11 — — — Share of loss from equity method investment (221) (1, 057) (1, 119) Net loss (443, 286) (704, 471) (268, 905) Loss per share — basic and diluted13 (0. 46) (0. 76) (0. 35) Weighted- average shares used in calculating net loss per ordinary share — basic and diluted958, 067, 140 929, 921, 120 776, 677, 430 Loss per American Depositary Shares (" ADS ")- basic and diluted (4. 63) (7. 58) (3. 46) Weighted- average ADSs used in calculating net loss per ADS- basic and diluted95, 806, 714 92, 992, 112 77, 667, 743 Note: All the numbers of ordinary shares and per share data in these consolidated financial statements have been retrospectively adjusted as a result of the Share Subdivision and the ADS Ratio Change that became effective on March 30, 2022. The Share Subdivision and ADS Ratio Change did not result in any change to the number of outstanding ADSs of the Company. Refer to Note 2 (a) for additional information. Year Ended December 31, 202220212020 $ $ $ Net loss (443, 286) (704, 471) (268, 905) Other comprehensive income (loss), net of tax of nil: Foreign currency translation adjustments49, 330 (9, 121) (19, 144) Comprehensive loss (393, 956) (713, 592) (288, 049) Consolidated Statements of Shareholders' Equity Ordinary sharesAdditionalpaidin capitalAccumulateddeficit AccumulatedothercomprehensiveIncome (loss) Treasury Stock Number ofSharesAmountNumber ofShares Amount Total $ $ $ $ $ $ Balance at January 1, 2020682, 372, 4704 734, 734 (444, 698) 4, 620 — — 294, 660 Issuance of ordinary shares upon vesting of restricted shares2, 257, 6800 0 — — — — — — — Exercise of shares option8, 993, 6100 6, 664 — — — — — — 6, 664 Issuance of ordinary shares upon follow- on public offering, net of issuance cost of $ 74663, 000, 0000 280, 549 — — — — — — 280, 549 Issuance of ordinary shares upon secondary listing, net of issuance cost of $ 5, 698121, 486, 5001 850, 690 — — — — — — 850, 691 Share- based compensation — — 24, 830 — — — — 24, 830 Net loss — — — — (268, 905) — — (268, 905) Foreign currency translation — — — — — (19, 144) — — (19, 144) Balance at December 31, 2020878, 110, 2605 1, 897, 467 (713, 603) (14, 524) — — 1, 169, 345 Issuance of ordinary shares upon vesting of restricted shares2, 054, 5000 0 — — — — — — — Exercise of shares option12, 353, 4000 7, 417 — — — — — — 7, 417 Issuance of ordinary shares upon follow- on public offering, net of issuance cost of $ 83957, 164, 0001 818, 035 — — — — — — 818, 036 Issuance of ordinary shares in connection with collaboration and license arrangement (Note 16) 5, 681, 8200 62, 250 — — — — — — 62, 250 Issuance cost adjustment for secondary listing — — 65 — — — — — — 65 Receipt of employees' shares to satisfy tax withholding obligations related to share- based compensation — — — — — — (382, 930) (4, 279) (4, 279) Share- based compensation — — 40, 714 — — — — 40, 714 Net loss — — — — (704, 471) — — (704, 471) Foreign currency translation — — — — — (9, 121) — — (9, 121) Balance at December 31, 2021955, 363, 9806 2, 825, 948 (1, 418, 074) (23, 645) (382, 930) (4, 279) 1, 379, 956 Issuance of ordinary shares upon vesting of restricted shares1, 940, 6800 0 — — — — — — — Exercise of shares option5, 151, 1900 5, 870 — — — — — — 5, 870 Receipt of employees' shares to satisfy tax withholding obligations related to share- based compensation — — — — — — (1, 853, 350) (7, 577) (7, 577) Share- based compensation — — 61, 302 — — — — 61, 302 Net loss — — — — (443, 286) — — (443, 286) Foreign currency translation — — — — — 49, 330 — — 49, 330 Balance at December 31, 2022962, 455, 8506 2, 893, 120 (1, 861, 360) 25, 685 (2, 236, 280) (11, 856) 1, 045, 595 The accompanying notes are an integral part of these consolidated financial statements. " 0 " in above table means less than 1, 000 dollars. Year Ended December 31, 202220212020 $ $ $ Cash flows from operating activitiesNet loss (443, 286) (704, 471) (268, 905) Adjustments to reconcile net loss to net cash used in operating activities: Allowance for credit loss1 10 1 Inventory write- down477 1, 368 29 Depreciation and amortization expenses8, 227 6, 487 4, 640 Amortization of deferred income (2, 602) (521) (312) Share- based compensation61, 302 40, 714 24, 830 Non- cash research and development expenses — 62, 250 — Share of loss from equity method investment221 1, 057 1, 119 Loss from fair value changes of equity investment with readily determinable fair value8, 952 14, 617 — Loss (gain) on disposal of property and equipment560 29 (21) Non- cash lease expenses8, 350 6, 119 4, 318 Foreign currency remeasurement loss (gain) 56, 403 (10, 679) (21, 659) Changes in operating assets and liabilities: Accounts receivable4, 330 (42, 319) (1, 375)

Notes receivable (1, 976) (7, 335) — Inventories (15, 382) (7, 174) (7, 168) Prepayments and other current assets (19, 258) (7, 086) (4, 199) Long- term deposits (527) (8) (485) Value added tax recoverable22, 781 (1, 717) (8, 404) Accounts payable (53, 773) 63, 522 39, 981 Other current liabilities7, 392 30, 142 10, 682 Operating lease liabilities (8, 455) (5, 385) (3, 416) Deferred income (1, 379) 11, 149 14, 289 Net cash used in operating activities (367, 642) (549, 231) (216, 055) Cash flows from investing activitiesPurchases of short- term investments (260, 274) (445, 000) (949, 161) Proceeds from maturity of short- term investments705, 274 743, 902 405, 000 Purchases of investment in equity investee — (30, 000) — Purchases of property and equipment (24, 585) (18, 295) (10, 130) Proceeds from disposal of property and equipment0 3 — Purchases of intangible assets (399) (653) (539) Net cash provided by (used in) investing activities420, 016 249, 957 (554, 830) Cash flows from financing activitiesRepayment of short- term borrowings — — (6, 527) Proceeds from exercises of stock options5, 870 7, 417 6, 664 Proceeds from issuance of ordinary shares upon public offerings — 818, 875 1, 137, 683 Payment of public offering costs — (1, 837) (5, 380) Employee taxes paid related to settlement of equity awards (7, 600) (4, 253) — Net cash (used in) provided by financing activities (1, 730) 820, 202 1, 132, 440 Effect of foreign exchange rate changes on cash, cash equivalents and restricted cash (6, 274) 1, 116 4, 862 Net increase in cash, cash equivalents and restricted cash44, 370 522, 044 366, 417 Cash, cash equivalents and restricted cash — beginning of the year964, 903 442, 859 76, 442 Cash, cash equivalents and restricted cash — end of the year1, 009, 273 964, 903 442, 859 Supplemental disclosure on non- cash investing and financing activitiesPayables for purchase of property and equipment5, 269 2, 568 788 Payables for purchase of intangible assets163 191 70 Payables for public offering costs — — 1, 063 Payables for treasury stock2 26 — Right- of- use asset acquired under operating leases14, 801 2, 183 6, 393 Receivables for disposal of property and equipment64 — — Supplemental disclosure of cash flow informationCash and cash equivalents1, 008, 470 964, 100 442, 116 Restricted cash, non- current803 803 743 Total cash and cash equivalents and restricted cash1, 009, 273 964, 903 442, 859 Interest paid — — 189 Zai Lab LimitedNotes to the Consolidated Financial StatementsFor the Years Ended December 31, 2022, 2021, and 2020 1. Organization and Principal Activities Zai Lab Limited was incorporated on March 28, 2013 in the Cayman Islands as an exempted company with limited liability under the Companies Act of the Cayman Islands (as amended). Zai Lab Limited and its subsidiaries (collectively referred to as the " Company ") are focused on discovering, developing, and commercializing products and product candidates that address medical conditions with significant unmet needs, including in the areas of oncology, autoimmune disorders, infectious diseases, and neuroscience. The Company' s principal operations and geographic markets are in Greater China. The Company has a substantial presence in Greater China and the United States. As of December 31, 2022, the Company' s significant operating subsidiaries were as follows: Name of CompanyPlace ofIncorporationDate ofIncorporationPercentage ofOwnershipPrincipal ActivitiesZai Lab (Hong Kong) LimitedHong KongApril 29, 2013100 % Operating company for business development and R & D activities and commercialization of innovative medicines and deviceZai Lab (Shanghai) Co., Ltd. MainlandChinaJanuary 6, 2014100 % Development and commercialization of innovative medicines and devicesZai Lab (AUST) Pty. Ltd. AustraliaDecember 10, 2014100 % Clinical trial activitiesZai Lab (Suzhou) Co., Ltd. MainlandChinaNovember 30, 2015100 % Development and commercialization of innovative medicinesZai Biopharmaceutical (Suzhou) Co., Ltd. MainlandChinaJune 15, 2017100 % Development and commercialization of innovative medicinesZai Lab (US) LLCthe UnitedStatesApril 21, 2017100 % Operating company for business development, R & D activities and certain business activities, including legal, compliance and communication functions of the CompanyZai Lab International Trading (Shanghai) Co., Ltd. MainlandChinaNovember 6, 2019100 % Commercialization of innovative medicines and devicesZai Auto Immune (Hong Kong) LimitedHong KongNovember 4, 2020100 % Operating company for business development and R & D activitiesZai Lab (Taiwan) LimitedTaiwanDecember 10, 2020100 % Commercialization of innovative medicines and devicesZai Lab Trading (Suzhou) Co., Ltd. MainlandChinaOctober 27, 2020100 % Commercialization of innovative medicines and devices 2. Summary of Significant Accounting Policies (a) Basis of Presentation The consolidated financial statements have been prepared in accordance with U. S. generally accepted accounting principles (" U. S. GAAP "). Significant accounting policies followed by the Company in the preparation of the accompanying consolidated financial statements are summarized below. Effective as of March 30, 2022, the Company subdivided each of its issued and unissued ordinary shares into ten ordinary shares (the " Share Subdivision "). Following the Share Subdivision, the Company' s authorized share capital became $ 30, 000 divided into 5, 000, 000, 000 shares with a par value of $ 0. 000006 per share. The numbers of issued and unissued ordinary shares and per share data as disclosed elsewhere in these consolidated financial statements and notes thereto are presented on a basis after taking into account the effects of the Share Subdivision and have been retrospectively adjusted, where applicable. In connection with the Share Subdivision, the conversion ratio of our ADSs to ordinary shares changed from one ADS to one ordinary share to a new ratio of one ADS to ten ordinary shares (the " ADS Ratio Change "). The Share Subdivision and ADS Ratio Change did not result in any change to the number of outstanding ADSs of the Company. In 2022, the Company began to separately present foreign currency (loss) gain on our consolidated statements of operations. This amount was previously included in other income (expense), net. Additionally, the Company began to provide a breakdown of other income (expense), net in Note 17. We also began to separately present the amount of foreign currency remeasurement loss (gain) on our consolidated statements of cash flows. This amount was previously included in changes in other current liabilities. This change did not have any impact on net cash used in operating activities. Corresponding amounts in the prior periods of the consolidated financial statements have been presented to conform to the current period presentation. (b) Principles of Consolidation The consolidated financial statements include the financial statements of the Company. All intercompany transactions and balances are eliminated upon consolidation. (c) Use of Estimates The preparation of the consolidated financial statements in conformity with U. S. GAAP requires management to make estimates, judgements, 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, accrual of rebates, recognition of research and development expenses to the appropriate financial reporting period

based on the progress of the research and development projects, fair value of share- based compensation expenses, recoverability of deferred tax assets, and a lack of marketability discount of the ordinary shares issued in connection with license and collaboration arrangements (Note 16). These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenues and expenses during the periods presented. Actual results could differ from these estimates. (d) Foreign Currency Translation The functional currency of Zai Lab Limited, Zai Lab (Hong Kong) Limited, Zai Lab (US) LLC, and Zai Auto Immune (Hong Kong) Limited are the U. S. dollar (" $ "). The Company' s Chinese mainland subsidiaries determined their functional currency to be the Chinese Renminbi (" RMB "). The Company' s Australia subsidiary determined its functional currency to be the Australian dollar (" A $ "). The Company' s Taiwan subsidiary determined its functional currency to be the Taiwan dollar (" TWD "). 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 U. S. dollar as its reporting currency. F- 12 Assets and liabilities are translated from each entity' s functional currency to the reporting currency at the exchange rate on the balance sheet date. Equity amounts are translated at historical exchange rates. Revenues, expenses, gains, and losses are translated using the average rate for the period presented. The resulted foreign currency translation adjustments are recorded as a component of other comprehensive loss in the consolidated statements of comprehensive loss, and the accumulated foreign currency translation adjustments are recorded as a component of accumulated other comprehensive income (loss) in the consolidated statements of changes in shareholders' equity. Monetary assets and liabilities denominated in currencies other than the applicable functional currencies are translated into the functional currencies at the prevailing rates of exchange at the balance sheet date. Non- monetary assets and liabilities are translated into the applicable functional currencies at historical exchange rates. Transactions in currencies other than the applicable functional currencies during the year are converted into the functional currencies at the applicable rates of exchange prevailing at the transaction dates. Transaction gains and losses are recognized in the consolidated statements of operations. (e) Cash, Cash Equivalents, and Restricted Cash Cash and Cash Equivalents The Company considers all highly liquid investments purchased with original maturities of three months or less to be cash equivalents. Cash and cash equivalents consist primarily of cash on hand, demand deposits, and highly liquid investments with maturity of less than three months and are stated at cost, which approximates fair value. Restricted cash mainly consists of bank deposits held as collateral for issuances of letters of credit. (f) Short- Term Investments Short- term investments are time deposits with original maturities between three months and one year. Short- term investments are stated at cost, which approximates fair value. Interest earned is included in interest income. (g) Accounts Receivable The Company' s accounts receivable arise from product sales and represent amounts due from its customers. In addition, the Company records accounts receivable arising from its collaborative agreements. From January 1, 2020, the Company adopted the ASU 2016- 13, Credit Losses, Measurement of Credit Losses on Financial Instruments. Accounts receivable are recorded at the amounts net of allowances for credit losses. The allowance for credit losses reflects the Company' s current estimate of credit losses expected to be incurred over the life of the receivables. The Company considers various factors in establishing, monitoring, and adjusting its allowance for credit losses including the aging of receivables and aging trends, customer creditworthiness, and specific exposures related to particular customers. The Company also monitors other risk factors and forward- looking information, such as country- specific risks and economic factors that may affect a debtor' s ability to pay in establishing and adjusting its allowance for credit losses. Accounts receivable are written off when deemed uncollectible. (h) Notes Receivable Notes receivable is equal to contractual amounts owed from signed, secured promissory notes issued from customers to the Company. The Company considers the notes receivable to be fully collectible. Accordingly, no allowance for credit loss has been established as of December 31, 2022 and 2021. F- 13 (i) Inventories Inventories are stated at the lower of cost or net realizable value, with cost determined on a weighted average basis. The Company periodically reviews the composition of inventory and shelf life of inventory to identify obsolete, slow- moving, or otherwise non- saleable items. The Company will record a write- down to its net realizable value in cost of sales in the period that the decline in value is first identified. (j) Prepayments for Equipment The prepayments for equipment purchase are recorded in long- term prepayments considering the prepayments are all related to property and equipment. (k) 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 lifeOffice equipment3 yearsElectronic equipment1. 25- 3 yearsVehicles4 yearsLaboratory equipment5 yearsManufacturing equipment10 yearsLeasehold improvementslesser of useful life or lease term Construction in progress represents property and equipment under construction and pending installation and is stated at cost less impairment losses, if any. (l) Leases The Company leases facilities for its offices, research and development center, and manufacturing facilities in mainland China, Hong Kong, and the United States. On January 1, 2019, the Company adopted the ASC 842, Leases using the modified retrospective transition approach by applying the new standard to all leases existing at the date of initial application and not restating historical periods before the adoption date. The Company assessed whether an arrangement contains a lease at inception. The Company' s leases are all classified as operating leases with fixed lease payments, or minimum payments, as contractually stated in the lease agreements. The Company' s leases do not contain any material residual value guarantees or material restrictive covenants. Operating leases are included in operating lease right- of- use assets and operating lease liabilities in the consolidated balance sheets. Operating lease liabilities that become due within one year of the balance sheet date are classified as current operating lease liabilities. Operating lease expense is recognized on a straight- line basis over the lease term. At the commencement date of a lease, the Company recognizes a lease liability for future fixed lease payments and a right- of- use (" ROU ") asset representing the right to use the underlying asset during the lease term. The lease liability is initially measured as the present value of the future fixed lease payments that will be made over the lease term. The lease term includes periods for which the Company is reasonably certain that the renewal options will be exercised and the termination options will not be exercised. The Company uses its incremental borrowing rate based on the information available

at the commencement date in determining the lease liabilities as the Company' s leases generally do not provide an implicit rate. The incremental borrowing rate is reevaluated upon a lease modification. The Company considered information available at the adoption date of ASC 842 to determine the incremental borrowing rate for leases in existence as of this date. F- 14 The ROU asset is measured at the amount of the lease liability with adjustments, if applicable, for lease prepayments made prior to or at lease commencement, initial direct costs incurred by the Company, and lease incentives. Under ASC 842, land use rights agreements are also considered to be operating lease contracts. The Company elected to apply each of the practical expedients described in ASC 842 which allow companies (i) not to reassess prior conclusions on whether any expired or existing contracts are or contain a lease, lease classification, and initial direct costs upon adoption of ASC 842, (ii) combine lease and non- lease components for all underlying assets groups, and (iii) not recognize ROU assets or lease liabilities for short term leases. A short- term lease is a lease that, at the commencement date, has a lease term of 12 months or less and does not include an option to purchase the underlying asset that the lessee is reasonably certain to exercise. (m) Land Use Rights All land in mainland China is subject to government or collective ownership. Land use rights can be purchased for a specified period of time. The purchase price of land use rights represents the operating lease prepayments under ASC 842 and is recorded as land use rights on the balance sheet, which is amortized over the remaining lease term. In 2019, the Company acquired land use rights for a term of 30 years from the local Bureau of Land and Resources in Suzhou for the purpose of constructing and operating the research center and biologies manufacturing facility in Suzhou. (n) Long- Term Deposits Long- term deposits represent amounts paid in connection with the Company' s long- term lease agreements. (o) Value Added Tax Recoverable Value added tax recoverable represents amounts paid by the Company for purchases. The amounts were recorded as long- term assets considering they were expected to be deducted from future value added tax payables arising on the Company' s future revenues. (p) Intangible Assets Intangible assets mainly consist of externally purchased software which are amortized over three to five years on a straight- line basis. Amortization expenses for 2022, 2021, and 2020 were $ 0. 5 million, $ 0. 5 million, and $ 0. 3 million, respectively. Amortization expenses of the Company' s intangible assets are expected to be approximately $ 0. 6 million, $ 0. 5 million, $ 0. 3 million, $ 0. 1 million, insignificant amount, and nil for 2023, 2024, 2025, 2026, 2027, and thereafter, respectively. (q) Impairment of Long- Lived Assets The Company evaluates long- lived assets, which includes intangible assets, tangible assets, and ROU assets for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of the related asset group to its future undiscounted cash flows. The Company measures any amount of impairment based on the difference between the carrying value and the estimated fair value of the impaired asset group. Long- lived assets are reported at the lower of carrying amount or fair value less cost to sell. Impairment of the Company' s long- lived assets was not material for 2022, 2021, and 2020. F- 15 (r) Fair Value Measurements 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: (i) market approach; (ii) income approach; and (iii) 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. Equity investments with readily determinable fair value are measured using level 1 inputs and were $ 6. 4 million and $ 15. 4 million as of December 31, 2022 and 2021, respectively. The unrealized gains and losses from fair value changes are recognized in other income (expenses), net in the consolidated statements of operations. Financial instruments of the Company primarily include cash, cash equivalents and restricted cash, short- term investments, accounts receivable, notes receivable, prepayments, and other current assets, accounts payable, and other current liabilities. As of December 31, 2022 and 2021, the carrying values of cash and cash equivalents, short- term investments, accounts receivable, notes receivable, prepayments, and other current assets, accounts payable, and other current liabilities approximated their fair values due to the short- term maturity of these instruments, and the carrying value of restricted cash approximated its fair value based on the nature of the assessment of the ability to recover these amounts. (s) Revenue Recognition In 2018, the Company adopted ASC Topic 606 (" ASC 606 "), Revenue from Contracts with Customers. Under ASC 606, the Company recognizes revenue when its customer obtains control of promised goods or services, in an amount that reflects the consideration expected to be received in exchange for those goods or services. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract (s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price, including variable consideration, if any; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies a performance obligation. The Company only applies the five- step model to contracts when it is probable that the Company will collect the consideration to which it is entitled in exchange for the goods or services it transfers to the customer. Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations it must deliver and which of these performance obligations are distinct. The Company recognizes as revenue the amount of the transaction price that is allocated to each performance obligation when that performance obligation is satisfied or as it is satisfied. The Company' s revenue is mainly from product sales. The Company recognizes revenue from product sales when the Company has satisfied the performance obligation by transferring control of the product to the customers. Control of the product generally transfers to the customers when the delivery is made and when title and risk of loss

transfers to the consumers. Cost of sales mainly consists of the acquisition cost of products, the manufacturing cost of products, royalty fees, and sales- based milestone payments. F- 16 The Company has applied the practical expedients under ASC 606 with regard to assessment of financing component and concluded that there is no significant financing component given that the period between delivery of goods and payment is generally one year or less. The Company' s product revenues were mainly generated from the sale of ZEJULA (niraparib), Optune (Tumor Treating Fields), QINLOCK (ripretinib), and NUZYRA (Omadacycline) to customers. In mainland China, the Company sells the products to distributors, who ultimately sell the products to health care providers. Based on the nature of the arrangements, the performance obligations are satisfied upon the delivery of the products to distributors. Rebates are offered to distributors, consistent with pharmaceutical industry practices. The estimated amount of unpaid or unbilled rebates are recorded as a reduction of revenue, if any. Estimated rebates are determined based on contracted rates and sales volumes and to a lesser extent, distributor inventories. The Company regularly reviews the information related to these estimates and adjusts the amount accordingly. In Hong Kong, the Company sells the products to customers, which are typically healthcare providers such as oncology centers. The Company utilizes a third party for warehousing services. Based on the nature of the arrangements, the Company has determined that it is a principal in the transaction since the Company is primarily responsible for fulfilling the promise to provide the products to the customers, maintains inventory risk until delivery to the customers, and has latitude in establishing the price. Revenue was recognized at the amount to which the Company expected to be entitled in exchange for the sale of the products, which is the sales price agreed with the customers. Consideration paid to the third party is recognized in operating expenses. The Company didn' t recognize any contract assets and contract liabilities as of December 31, 2022 and 2021. (t) Collaborative Arrangements The Company analyzes its collaboration arrangements to assess whether such arrangements involve joint operating activities performed by parties that are both active participants in the activities and exposed to significant risks and rewards dependent on the commercial success of such activities and therefore within the scope of ASC Topic 808, Collaborative Arrangements (ASC 808). This assessment is performed throughout the life of the arrangement based on changes in the responsibilities of all parties in the arrangement. For collaboration arrangements within the scope of ASC 808 that contain multiple elements, the Company first determines which elements of the collaboration are deemed to be within the scope of ASC 808 and which elements of the collaboration are more reflective of a vendor- customer relationship and therefore within the scope of ASC 606. For elements of collaboration arrangements that are accounted pursuant to ASC 808, an appropriate recognition method is determined and applied consistently. (u) Research and Development Expenses Elements of research and development expenses primarily include (i) payroll and other related costs of personnel engaged in research and development activities; (ii) in- licensed patent rights fees of exclusive development rights of products granted to the Company; (iii) costs related to pre- clinical testing of the Company' s technologies under development and clinical trials such as payments to contract research organizations (" CROs ") and contract manufacturing organizations (" CMOs "), investigators, and clinical trial sites that conduct our clinical studies; (iv) costs to develop the product candidates, including raw materials and supplies, product testing, depreciation, and facility- related expenses; and (v) other research and development expenses. Research and development expenses are charged to expense as incurred and have no alternative future uses. F- 17 The Company has acquired rights to develop and commercialize product candidates. Upfront payments that relate to the acquisition of a new product compound, as well as pre- commercial milestone payments, are immediately expensed as acquired in- process research and development in the period in which they are incurred, provided that the new product compound did not also include processes or activities that would constitute a " business " as defined under U. S. GAAP, and the product candidate has not achieved regulatory approval for marketing and, absent obtaining such approval, has no established alternative future use. Milestone payments made to third parties subsequent to regulatory approval which meet the capitalization criteria would be capitalized as intangible assets and amortized over the estimated remaining useful life of the related product. If the conditions enabling capitalization of development costs as an asset have not yet been met, all development expenditures are recognized in profit or loss when incurred. (v) Deferred Income Deferred income mainly consists of deferred income from government grants, American Depositary Receipts (the " ADR ") Program Agreement with ADR depositary bank (the " DB ") in July 2017, and the upfront payments received from Huizheng. Government grants consist of cash subsidies received by the Company' s subsidiaries in mainland China from local governments. Grants received as incentives for conducting business in certain local districts with no performance obligation or other restriction as to the use are recognized when cash is received. We included $ 11. 5 million, $ 4. 1 million, and $ 7. 3 million of cash grants in other income for 2022, 2021, and 2020, respectively. Grants received with government specified performance obligations are recognized when all the obligations have been fulfilled. If such obligations are not satisfied, the Company may be required to refund the subsidy. We recorded $ 0. 9 million and $ 2. 4 million of cash grants in deferred income as of December 31, 2022 and 2021, respectively, which will be recognized when the government specified performance obligation is satisfied. According to the ADR Program Agreement, the Company has the right to receive reimbursements for using DB' s services, subject to the compliance by the Company with the terms of the agreement. The Company performed a detailed assessment of the requirements and recognizes the reimbursements it expects to be entitled to over the five- year contract term as other income. We recorded $ 0. 2 million, $ 0. 3 million, and $ 0. 3 million in other income for 2022, 2021, and 2020, respectively. We recorded nil and $ 0. 2 million in deferred income as of December 31, 2022 and 2021, respectively. In March 2020, the Company entered into an exclusive promotion agreement with Huizheng. Under the terms of the agreement, the Company will leverage Hanhui' s existing infrastructure to optimize an anticipated future commercial launch of NUZYRA in mainland China given that NUZYRA is a broad- spectrum antibiotic in both hospital and community care facilities. In exchange for the exclusive promotion rights in mainland China, Huizheng has agreed to pay the Company a non- creditable, upfront payment in the amount of RMB230. 0 million. The Company received RMB90. 0 million in April 2020 and received RMB70. 0 million in February 2022. The Company assessed and determined to record the upfront payment as deferred income and amortize it over 10 years from the date when the income recognition criteria were met. In December 2021, the Company

obtained the regulatory approval for the commercialization of NUZYRA in mainland China which triggered the income recognition criteria and therefore the Company started to amortize the deferred income into collaboration revenue on monthly basis. We recorded $ 2. 4 million, $ 0. 2 million, and nil in collaboration revenue for 2022, 2021, and 2020, respectively. We recorded $ 20. 5 million and $ 24. 9 million in deferred income as of December 31, 2022 and 2021, respectively. (w) 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. For each of the periods presented, the Company' s comprehensive loss includes net loss and foreign currency translation adjustments, which are presented in the consolidated statements of comprehensive loss. F- 18 (x) Share- Based Compensation The Company grants share options and non- vested restricted shares to eligible employees, non- employees, and directors and accounts for these share- based awards in accordance with ASC 718, Compensation- Stock Compensation. Share- based awards are measured at grant date fair value using the Black – Scholes model. In accordance with ASC 718, the Company has elected to use the straight- line method to recognize compensation expense for share awards with graded vesting based on service conditions, subject to the minimum amount of cumulative compensation expense recognized is not less than the portion of the award vested to date. The Company recognized as expenses (i) immediately at grant date if no vesting conditions are required; or (ii) using a straight- line method over the requisite service period, which is the vesting period. 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. 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. The Company determines the fair value of stock options granted to employees using the Black- Scholes option valuation model. (y) Income Taxes Income tax expense includes (i) deferred tax expense, which generally represents the net change in the deferred tax asset or liability balance during the year plus any change in valuation allowances; (ii) current tax expense, which represents the amount of tax currently payable to or receivable from a taxing authority; and (iii) non- current tax expense, which represents the increases and decreases in amounts related to uncertain tax positions from prior periods and not settled with cash or other tax attributes. The Company recognizes deferred tax assets and liabilities for temporary differences between the financial statement and income tax bases of assets and liabilities, which 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. (z) Earnings (Loss) Per Share Basic earnings (loss) per ordinary share is computed by dividing net income (loss) attributable to ordinary shareholders by weighted average number of ordinary shares outstanding during the period. Diluted earnings (loss) per ordinary share reflects the potential dilution that could occur if securities were exercised or converted into ordinary shares. The Company had stock options and non- vested restricted shares, which could potentially dilute basic earnings (loss) per share in the future. To calculate the number of shares for diluted earnings (loss) per share, the effect of the stock options and non- vested restricted shares is computed using the treasury stock method. The computation of diluted earnings (loss) per share does not assume exercise or conversion of securities that would have an anti- dilutive effect. F- 19 (aa) 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 therefore, the Company has only one operating and reportable segment. (ab) Concentration of Risks Concentration of Customers The following customers accounted for 10 % or more of revenue (in thousands): Year Ended December 31, 202220212020 $ $ $ A52, 534 40, 634 15, 774 Concentration of Suppliers The following suppliers accounted for 10 % or more of research and development expenses and inventory purchases (in thousands): Year Ended December 31, 202220212020 $ $ $ C * * 33, 564 D * * 26, 710 E * 165, 431 * F * 66, 650 * * Represents less than 10 % of research and development expenses and inventory purchases for the period. Concentration of Credit Risk 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, 2022 and 2021, all of the Company' s cash and cash equivalents and short- term investments were held by major financial institutions located in mainland China and international financial institutions outside of mainland China which management believes are of high credit quality and continually monitors the credit worthiness of these financial institutions. F- 20 The following debtors accounted for 10 % or more of accounts receivable balances (in thousands): December 31, 20222021 $ $ A9, 342 10, 293 B * 10, 979 * Represents less than 10 % of accounts receivable as of the applicable date. Accounts receivable are typically unsecured and are derived from product sales and collaborative arrangements. The Company manages credit risk of accounts receivable through ongoing monitoring of the outstanding balances and limits the amount of credit extended based upon payment history and credit worthiness. Historically, the Company has collected receivables from customers within the credit terms with no significant credit losses incurred. Certain accounts receivable balances may be settled in the form of notes receivable. As of December 31, 2022, notes receivable represented bank acceptance promissory notes that are non- interest bearing and due within six months. Notes receivable were used to collect the receivables based on an administrative convenience, given these notes are readily convertible to be known amounts of cash. In accordance with the sales agreements, whether to use cash or bank acceptance promissory notes to settle the receivables is at the Company' s discretion, and this selection does not impact the agreed contractual purchase prices. Foreign Currency Risk RMB is not a freely convertible currency. The State Administration of Foreign Exchange, under the authority of the People' s Bank of China,

controls the conversion of RMB into foreign currencies. The value of RMB is subject to changes in central government policies and to international economic and political developments affecting supply and demand in the China Foreign Exchange Trading System market. The cash and cash equivalents of the Company included aggregated amounts of RMB316. 8 million and RMB151. 7 million, which were denominated in RMB, as of December 31, 2022 and 2021, respectively, representing 5 % and 2 % of cash and cash equivalents as of December 31, 2022 and 2021, respectively. (ae) Recent Accounting Pronouncements Adopted Accounting Standards In November 2021, the FASB issued ASU2021- 10, Government Assistance (Topic 832) — Disclosures by Business Entities about Government Assistance. The amendments in this ASU require disclosures about transactions with a government that have been accounted for by analogizing to a grant or contribution accounting model to increase transparency about (1) the types of transactions, (2) the accounting for the transactions, and (3) the effect of the transactions on an entity' s financial statements. The amendments in this ASU are effective for all entities within their scope for financial statements issued for annual periods beginning after December 15, 2021. The Company adopted this standard as of January 1, 2022. There was no material impact on the Company' s financial position or results of operations upon the adoption. F- 21 3. Cash and Cash Equivalents The following table presents the Company' s cash and cash equivalents (in thousands): December 31, 20222021 $ $ Cash at bank and in hand1, 007, 423 663, 472 Cash equivalents (note (i)) 1, 047 300, 628 1, 008, 470 964, 100 Denominated in: US $ 957, 824 932, 888 RMB (note (ii)) 45, 486 23, 791 Hong Kong dollar (" HK $ ") 4, 378 6, 674 Australian dollar (" A $ ") 598 475 Taiwan dollar (" TW $ ") 184 272 1, 008, 470 964, 100 Notes: (i) Cash equivalents represent short- term and highly liquid investments in a money- market fund. (ii) Certain cash and bank balances denominated in RMB were deposited with banks in mainland China. The conversion of these RMB- denominated balances into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the Chinese government. 4. Restricted Cash, Non- Current The Company' s restricted cash balance was $ 0. 8 million as of both December 31, 2022 and 2021 and consisted of long- term bank deposits held as collateral for issuance of letters of credit. These deposits will be released when the related letters of credit are settled by the Company. 5. Short- Term Investments Short- term investments are primarily comprised of time deposits with original maturities between three months and one year. The short- term investments balance was nil as of December 31, 2022. The Company' s short- term investments balance was $ 445. 0 million as of December 31, 2021 and consisted entirely of short- term held to maturity debt instruments with high credit ratings, which were determined to have remote risk of expected credit loss. Accordingly, no allowance for credit loss was recorded as of December 31, 2021. F- 22 6. Inventories, Net The Company' s net inventory balance was $ 31. 6 million and $ 19. 0 million as of December 31, 2022 and 2021, respectively, and mainly consisted of finished goods purchased from Tesaro Inc., now GlaxoSmithKline plc (" GSK "), for distribution in Hong Kong, from NovoCure Limited (" NovoCure ") for distribution in Hong Kong and mainland China, and from Deciphera Pharmaceuticals, LLC (" Deciphera ") for distribution in Hong Kong, mainland China, and Taiwan, as well as finished goods and certain raw materials for ZEJULA and NUZYRA commercialization in mainland China. The following table presents the Company' s inventories, net (in thousands): December 31, 20222021 $ $ Finished goods12, 156 5, 632 Raw materials19, 029 13, 231 Work in progress436 88 Inventories31, 621 18, 951 The Company writes down inventory for any excess or obsolete inventories or when the Company believes that the net realizable value of inventories is less than the carrying value. The Company recorded write- downs in cost of sales of $ 0. 5 million, $ 1. 4 million, and nil during the years ended December 31, 2022, 2021, and 2020, respectively. 7. Long- Term Investments In July 2021, the Company made an equity investment in MacroGenics Inc. (" MacroGenics "), a biopharmaceutical company focused on developing and commercializing innovative monoclonal antibody- based therapeutics for the treatment of cancer, in a private placement with total contributions of $ 30, 000 and obtained 958, 467 newly issued common shares of MacroGenics at $ 31. 30 per share. The Company recorded this investment at acquisition cost and subsequently measured it at fair value, with the changes in fair value recognized in other income (expenses), net in the consolidated statements of operations. The equity investments with readily determinable fair value are measured using level 1 inputs and were $ 6. 4 million and $ 15. 4 million as of December 31, 2022 and 2021, respectively. The Company recognized a fair value loss of $ 9. 0 million, $ 14. 6 million, and nil for 2022, 2021, and 2020, respectively. F- 23 8. Property and Equipment, Net The following table presents the components of the Company' s property and equipment, net (in thousands): December 31, 20222021 $ $ Office equipment977 836 Electronic equipment7, 416 5, 036 Vehicles202 220 Laboratory equipment18, 726 17, 069 Manufacturing equipment17, 055 14, 600 Leasehold improvements11, 300 10, 432 Construction in progress24, 251 11, 334 79, 927 59, 527 Less: accumulated depreciation (22, 064) (16, 425) Property and equipment, net57, 863 43, 102 Depreciation expense was $ 7. 7 million, $ 6. 0 million, and $ 4. 3 million for 2022, 2021, and 2020, respectively. 9. Leases The Company leases facilities for its offices, research and development center, and manufacturing facilities in mainland China, Hong Kong, Taiwan, and the United States. Lease terms vary based on the nature of operations and market dynamics; however, all leased facilities are classified as operating leases with remaining lease terms between one and seven years. The following table presents operating lease costs (in thousands). Total lease expense related to short- term leases was insignificant for those periods presented. Year Ended December 31, 202220212020 $ $ $ Operating fixed lease cost8, 774 6, 263 4, 539 The following table presents operating cash flows related to leases (in thousands): Year Ended December 31, 202220212020 $ $ $ Cash paid for amounts included in measurement of lease liabilities8, 084 5, 840 4, 056 Non- cash operating lease liabilities arising from obtaining operating right- of- use assets14, 801 2, 183 6, 393 F- 24 The maturities of lease liabilities in accordance with ASC Topic 842, Leases in each of the next five years and thereafter were as follows: Year EndedDecember 31, $ 20237, 561 20246, 184 20254, 586 20261, 734 2027822 Thereafter391 Total lease payments21, 278 Less: imputed interest (885) Present value of minimum operating lease payments20, 393 Weighted- average remaining lease terms and discount rates are as follows: December 31, 20222021Weighted- average remaining lease term2. 6 years4. 2 yearsWeighted- average discount rate3. 4 % 2. 3 % 10. Revenue The Company' s product revenue is primarily derived from the sales of ZEJULA, Optune, QINLOCK, and NUZYRA in mainland China and Hong Kong. The table below presents the Company' s net product sales (in thousands): Year Ended December 31, 202220212020 $ $ $ Product revenue — gross234, 009 190, 180 57, 355 Less: Rebates

and sales returns (21, 337) (46, 075) (8, 397) Product revenue — net212, 672 144, 105 48, 958 Sales rebates are offered to distributors in mainland China, and the amounts are recorded as a reduction of revenue. Estimated rebates are determined based on contracted rates, sales volumes, and level of distributor inventories. F- 25 The following table presents net revenue by product (in thousands): Year Ended December 31, 202220212020 $ $ $ ZEJULA145, 194 93, 579 32, 138 Optune47, 321 38, 903 16, 418 QINLOCK14, 957 11, 620 402 NUZYRA5, 200 3 — Total product revenue — net212, 672 144, 105 48, 958 The Company' s collaboration revenue was $ 2. 4 million, $ 0. 2 million, and nil for 2022, 2021, and 2020, respectively. Accounts receivable arising from the Company' s collaborative arrangement were nil and $ 11. 0 million as of December 31, 2022 and 2021, respectively. The collaboration revenue was from the Company' s exclusive promotion arrangement with Huizheng. 11. Income Tax Zai Lab Limited, ZLIP Holding Limited, Zai Auto Immune Limited, and Zai Anti Infectives Limited are incorporated in the Cayman Islands. Under the current laws of the Cayman Islands, Zai Lab Limited, ZLIP Holding Limited, Zai Auto Immune Limited, and Zai Anti Infectives Limited are not subject to tax on income or capital gain. Additionally, the Cayman Islands does not impose a withholding tax on payments of dividends to shareholders. British Virgin Islands Taxation ZL Capital Limited is incorporated in the British Virgin Islands. Under the current laws of the British Virgin Islands, ZL Capital Limited is not subject to income tax. Zai Lab (AUST) Pty. Ltd. is incorporated in Australia and is subject to corporate income tax at a rate of 30 %. Zai Lab (AUST) Pty. Ltd. had no taxable income for the periods presented; therefore, no provision for income taxes is required. Zai Lab (US) LLC is incorporated in the United States and is subject to U. S. federal corporate income tax at a rate of 21 %. Zai Lab (US) LLC is also subject to state income tax in Delaware. Zai Lab (US) LLC had no taxable income for the periods presented; therefore, no provision for income taxes is required. Zai Lab (Taiwan) Limited is incorporated in Taiwan and is subject to corporate income tax at a rate of 20 %. Zai Lab (Taiwan) Limited had no taxable income for the periods presented; therefore, no provision for income taxes is required. F- 26 Zai Lab (Hong Kong) Limited, ZL China Holding Two Limited, Zai Auto Immune (Hong Kong) Limited, and Zai Anti Infectives (Hong Kong) Limited are 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. Under the two- tiered profits tax rates regime in Hong Kong, the first HK $ 2 million of profits of the qualifying group entity will be taxed at 8. 25 %, and profits above HK $ 2 million will be taxed at 16. 5 %. For the years ended December 31, 2022, 2021, and 2020, Zai Lab (Hong Kong) Limited, ZL China Holding Two Limited, Zai Auto Immune (Hong Kong) Limited, and Zai Anti Infectives (Hong Kong) Limited 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, Zai Lab (Hong Kong) Limited, ZL China Holding Two Limited, Zai Auto Immune (Hong Kong) Limited, and Zai Anti Infectives (Hong Kong) Limited are exempted from income tax on its foreign- derived income, and there are no withholding taxes in Hong Kong on remittance of dividends. Under EIT Law, the statutory income tax rate is 25 %, and the EIT rate will be reduced to 15 % for state- encouraged High and New Technology Enterprises (" HNTE "). Zai Lab (Shanghai) Co., Ltd., first obtained a HNTE certificate in 2018 and began to enjoy the preferential tax rate of 15 % from 2018 to 2020 and further extended the certificate in 2021 effective for 2021 to 2023. Zai Lab International Trading (Shanghai) Co., Ltd., Zai Lab (Suzhou) Co., Ltd., Zai Biopharmaceutical (Suzhou) Co., Ltd., and Zai Lab Trading (Suzhou) Co., Ltd. are subject to the statutory rate of 25 %. No provision for income taxes has been required to be accrued because the Company and all of its subsidiaries are in cumulative loss positions for the periods presented. The following table presents loss (income) before income taxes (in thousands): Year Ended December 31, 202220212020 $ $ $ Cayman Islands19, 454 28, 401 2, 612 British Virgin Islands2 2 3 Mainland China290, 056 340, 865 220, 813 Hong Kong53, 425 243, 400 20, 022 United States79, 620 89, 374 24, 616 Australia (260) 1, 758 839 Taiwan989 671 — 443, 286 704, 471 268, 905 F- 27 Reconciliations of the differences between the Chinese statutory income tax rate and the Company' s effective income tax rate are as follows: Year Ended December 31, 202220212020Statutory income tax rate25 % 25 % 25 % Share- based compensation (1. 40 %) (0. 92 %) (1. 36 %) Research and development super deduction2. 51 % — % — % Non- deductible expenses (2. 31 %) (5. 78 %) (1. 17 %) Prior year tax filing adjustment6. 33 % 1. 50 % 1. 78 % Effect of different tax rate of subsidiary operation in other subsidiaries (2. 85 %) (4. 60 %) (1. 04 %) Preferential tax rate (6. 26 %) (4. 30 %) (7. 48 %) Changes in valuation allowance (21. 02 %) (10. 90 %) (15. 73 %) Effective income tax rate — % — % — % The following table presents the principal components of deferred tax assets and liabilities (in thousands): Year Ended December 31, 202220212020 $ $ $ Deferred tax assets: Depreciation of property and equipment, net98 108 84 Research and experimental capitalization22, 476 — — Share- based compensation1, 787 — — Accrued expenses1, 800 — — Government grants189 496 400 Deferred revenue3, 378 3, 733 2, 069 Qualified donation12, 947 10, 246 7, 627 Net operating loss carry forwards241, 397 175, 101 94, 954 Less: valuation allowance (284, 072) (189, 684) (105, 134) Deferred tax assets, net — — — The Company considers positive and negative evidence to determine whether some portion or all of the deferred tax assets will be more likely than not realized. This assessment considers, among other matters, the nature, frequency, and severity of recent losses and forecasts of future profitability. These assumptions require significant judgment, and the forecasts of future taxable income are consistent with the plans and estimates the Company is using to manage the underlying businesses. Valuation allowances are established for deferred tax assets based on a more likely than not threshold. The Company' s ability to realize deferred tax assets depends on its ability to generate sufficient taxable income within the carry forward periods provided for in the tax law. In 2022 and 2021, the Company determined that the deferred tax assets on temporary differences and net operating loss carry forwards were related to certain subsidiaries, for which the Company is not able to conclude that the future realization of those net operating loss carry forwards and other deferred tax assets are more likely than not. As such, it has fully provided valuation allowance for the deferred tax assets as of December 31, 2022 and 2021. As of December 31, 2022, 2021 and 2020, the Company had net operating losses of approximately $ 1, 483. 2 million, $ 1, 089. 7 million, and $ 605. 2 million, respectively. As of December 31, 2022, net operating loss carryforwards related to the Company' s subsidiaries in mainland China, Hong Kong, Taiwan, the United States, and Australia are $ 1, 225. 9 million, $ 43. 9 million, $ 1. 5 million, $ 208. 1 million, and $ 3.

8 million, respectively. Net operating loss carryforwards in mainland China and Taiwan expire through 2032 and those in Hong Kong, the United States, and Australia do not expire. F- 28 The following table presents that movement of the valuation allowance: 20222021 $ $ Balance as of January 1, (189, 684) (105, 134) Additions (94, 388) (84, 550) Balance as of December 31, (284, 072) (189, 684) Uncertainties exist with respect to how the current income tax law in mainland China applies to the Company' s overall operations, and more specifically, with regard to tax residency status. The EIT Law includes a provision specifying that legal entities organized outside of mainland China will be considered residents for Chinese income tax purposes if the place of effective management or control is within mainland China. The implementation rules to the EIT Law provide that non- resident legal entities will be considered Chinese residents if substantial and overall management and control over the manufacturing and business operations, personnel, accounting, and properties occurs within mainland China. Despite the present uncertainties resulting from the limited Chinese tax guidance on the issue, the Company does not believe that the legal entities organized outside of mainland China within the Company should be treated as residents for EIT Law purposes. If the Chinese tax authorities subsequently determine that the Company and its subsidiaries registered outside of mainland China should be deemed resident enterprises, the Company and its subsidiaries registered outside of mainland China will be subject to Chinese income taxes, at a rate of 25 %. The Company is not subject to any other uncertain tax position. 12. Other Current Liabilities The following table presents the Company' s other current liabilities (in thousands): December 31, 20222021 $ $ Payroll31, 689 25, 685 Accrued professional service fee4, 080 4, 319 Payables for purchase of property and equipment5, 269 2, 568 Accrued rebate to distributors8, 443 15, 001 Tax payables13, 283 8, 817 Others (i) 4, 054 4, 421 Total66, 818 60, 811 (i) Others mainly include accrued travel and business- related expenses. F- 29 13. Loss Per Share The following table presents the computation of the basic and diluted net loss per share (in thousands, except share and per share data): Year Ended December 31, 202220212020Numerator: Net loss attributable to ordinary shareholders (443, 286) (704, 471) (268, 905) Denominator: Weighted average number of ordinary shares- basic and diluted958, 067, 140929, 921, 120776, 677, 430Net loss per share- basic and diluted (0. 46) (0. 76) (0. 35) As a result of the Company' s net loss for the years ended December 31, 2022, 2021, and 2020, share options and non- vested restricted shares outstanding in the respective periods were excluded from the calculation of diluted loss per share as their inclusion would have been anti- dilutive. December 31, 202220212020Share options91, 181, 42081, 015, 59087, 559, 200Non- vested restricted shares33, 433, 8909, 567, 3605, 417, 500 14. Related Party Transactions The Company incurred research and development expenses for product research and development services provided by MEDx (Suzhou) Translational Medicine Co., Ltd (" MEDx "), over which an immediate family member of our Chief Executive Officer and Chairperson of the Board held significant influence. The Company incurred development expenses with MEDx of $ 0. 4 million, $ 0. 7 million, and $ 0. 7 million during the years ended December 31, 2022, 2021, and 2020, respectively. 15. Share- Based Compensation In March 2015, the Board of Directors of the Company approved an Equity Incentive Plan (the " 2015 Plan "), pursuant to which the Board of Directors could grant options to purchase ordinary shares to management including officers, directors, employees, and individual advisors who rendered services to the Company. In August 2017, in connection with the completion of the Company' s initial public offering on Nasdaq (the " IPO "), the Board of Directors approved the 2017 Equity Incentive Plan (the " 2017 Plan "). All equity- based awards subsequent to the IPO would be granted under the 2017 Plan. The 2017 Plan provided for an automatic annual increase to the number of ordinary shares reserved under the 2017 Plan on each January 1st between January 1, 2018 and January 1, 2027 equal to the lesser of 4 % of the number of ordinary shares outstanding as of the close of business on the immediately prior December 31st or such number as approved by the Board on or prior to such date each year. On June 22, 2022, at the 2022 Annual General Meeting of Shareholders of the Company, the Company' s shareholders approved the 2022 Equity Incentive Plan (the " 2022 Plan "), which was previously approved by the Board of Directors on April 20, 2022, conditioned on and subject to (i) the dual primary listing of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the " Hong Kong Stock Exchange ") and (ii) the granting of a waiver on Note 1 to Rule 17. 03 (9) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The Company' s voluntary conversion of its secondary listing status to primary listing status on the Hong Kong Stock Exchange became effective on June 27, 2022, and the waiver was granted to the Company in connection with the primary conversion. As such, the 2022 Plan became effective on June 27, 2022, and the aggregate number of shares that may be delivered in satisfaction of awards under the 2022 Plan is 97, 908, 743 ordinary shares as of June 22, 2022. No new grants will be made under the 2015 Plan or the 2017 Plan as of the effective date of the 2022 Plan. F- 30 The options granted have a contractual term of ten years and generally vest ratably over a five- year period, with 20 % of the awards vesting on each anniversary of the grant date. The non- vested restricted shares granted vest ratably over a five- or four- year period, with 20 % or 25 % of the awards vesting on each anniversary of the grant date. The restricted shares will be released from the restrictions once they vest. Upon termination of the award holders' service with the Company for any reason, any shares that are outstanding and not yet vested will be immediately forfeited unless otherwise set forth in an agreement between the Company and the award holder. Upon each settlement date of the share awards, shares were withheld to cover the required withholding tax, which was based on the value of a share on the settlement date as determined by the closing price of the ADSs on the trading day of the applicable settlement date. The remaining shares after the withholding were delivered to the recipient. The amount remitted to the tax authorities for employee tax obligations was reflected as a financing activity on the consolidated statements of cash flows. These shares withheld by the Company as a result of the net settlement were accounted for as treasury stock and considered issued but not outstanding. Stock Option Activity The following table presents a summary of option activity and related information during the year ended December 31, 2022: Number ofoptions Weightedaverage exerciseprice Weightedaverageremainingcontractual term (years) Aggregateintrinsic value (thousands) Outstanding at December 31, 202181, 015, 590 $ 2. 79 5. 98 $ 339, 570 Granted22, 571, 050 $ 4. 37 Exercised (5, 151, 190) $ 1. 14 Forfeited (7, 254, 030) $ 5. 66 Outstanding at December 31, 202291, 181, 420 $ 3. 05 5. 89 $ 115, 969 Vested and exercisable as of December 31, 202254, 682, 520 $ 1. 48 4. 22 $ 112, 582 The aggregate intrinsic value of stock options exercised during 2022, 2021, and 2020 was $ 14. 3 million, $ 170. 4 million, and

$ 64. 8 million, respectively. Stock Option Valuation Assumptions The following table presents the assumptions used to estimate the fair values of the share options granted: 202220212020Risk- free rate of return1. 4 %- 4. 0 % 0. 9 %- 1. 4 % 0. 4 %- 0. 8 % Expected term (in years) 6. 56, 6. 25 or 6. 5 6 or 6. 5Estimated volatility rate65 % 65 % 70 % Expected dividend rate0 % 0 % 0 % F- 31 Non- Vested Restricted Shares Activity The following table summarized the Company' s non- vested restricted share activity in 2022: Numbersof non- vestedrestricted shares Weightedaveragerемainingcontractual term (years) Aggregateintrinsic value (thousands) Non- vested as of December 31, 20219, 567, 3603. 36 $ 60, 131 Granted30, 663, 040Vested (1, 940, 680) Forfeited (4, 855, 830) Non- vested as of December 31, 202233, 433, 8903. 55 $ 102, 642 Stock- Based Compensation Expenses Options granted are measured based on grant- date fair value estimated using the Black- Scholes option pricing model. The grant- date fair value of restricted shares is the fair value of the underlying stock on the award' s grant date. Compensation expense is recognized over the vesting period of the applicable awards on a straight- line basis. The weighted- average grant- date fair value per share for options granted during 2022, 2021, and 2020 were $ 2. 74, $ 12. 60, and $ 4. 06 per share, respectively. The weighted- average grant- date fair value per share for restricted shares granted in 2022, 2021, and 2020 were $ 3. 71, $ 10. 55, and $ 7. 46 per share, respectively. The following table presents the stock- based compensation expense which has been reported in the Company' s consolidated statements of operations (in thousands): Year Ended December 31, 202220212020 $ $ $ Selling, general and administrative38, 118 23, 194 15, 718 Research and development23, 184 17, 520 9, 112 Total61, 302 40, 714 24, 830 As of December 31, 2022, there was unrecognized share- based compensation expense related to unvested share options and unvested restricted shares of $ 101. 3 million and $ 128. 6 million, respectively, which the Company expects to recognize over a weighted- average period of 3. 34 years and 3. 59 years, respectively. 16. License and Collaboration Agreements The Company may enter into collaboration agreements with third parties to license intellectual property. These agreements may require the Company to make payments related to certain future development, regulatory, and sales- based milestones as well as tiered royalties on future sales of licensed products in the licensed territory. Payments under these agreements generally become due and payable upon the achievement of such milestones or sales. These commitments are not recorded as liabilities on the consolidated balance sheet because the achievement and timing of these milestones are not fixed and determinable. Operating expenses for costs incurred pursuant to these arrangements are reported in their respective expense line item when we become obligated to pay, which is generally in the same fiscal year of payment unless otherwise noted. The following is a description of the Company' s significant license and collaboration agreements as of December 31, 2022. F- 32 License and Collaboration Agreement with GSK (Niraparib) In September 2016, the Company entered into a collaboration, development, and license agreement with Tesaro, Inc., a company later acquired by GSK, pursuant to which the Company obtained an exclusive sublicense under certain patents and know- how of GSK to develop, manufacture, and commercialize GSK' s proprietary PARP inhibitor, niraparib, in mainland China, Hong Kong, and Macau for the diagnosis and prevention of any human diseases or conditions (other than prostate cancer). To date, the Company has made an upfront payment of $ 15. 0 million and has paid $ 16. 5 million development, regulatory, and sales- based milestones, including a $ 1. 0 million milestone payment accrued in 2020 and made in 2021, a $ 4. 0 million milestone payment made in 2022, and a $ 3. 5 million development milestone and $ 8. 0 million sales- based milestone paid in 2022, which were accrued in 2019 and 2021, respectively. The Company may be required to pay an additional aggregate amount of up to $ 28. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentages rates ranging from mid- to high- teens on annual net sales of the licensed products in the licensed territories. License and Collaboration Agreement with Paratek Bermuda Ltd. (" Paratek ") (Omadacycline) In April 2017, the Company entered into a license and collaboration agreement with Paratek, pursuant to which the Company obtained both an exclusive license under certain patents and know- how of Paratek and an exclusive sub- license under certain intellectual property that Paratek licensed from Tufts University to develop, manufacture, and commercialize products containing omadacycline (ZL- 2401) as an active ingredient in Greater China in the field of all human therapeutic and preventative uses other than biodefense. To date, the Company has made an upfront payment of $ 7. 5 million and has paid $ 14. 0 million in development and regulatory milestone payments, including a $ 5. 0 million development milestone payment upon approval by the FDA of a New Drug Application (" NDA ") submission in 2018, a $ 3. 0 million development milestone payment upon submission of the first regulatory approval application for a licensed product in the People' s Republic of China paid in 2020, and a $ 6. 0 million development milestone upon regulatory approval of omadacycline for the treatment of adults with ABSSSI and CABP in the People' s Republic of China accrued in December 2021 and paid in 2022. The Company may be required to pay an additional aggregate amount of up to $ 40. 5 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentages rates ranging from low- to mid- teens on annual net sales of licensed products in the licensed territory. License and Collaboration Agreement with Amgen (Bemarituzumab) In December 2017, the Company entered into a license and collaboration agreement with Five Prime Therapeutics, Inc. (later acquired by Amgen), pursuant to which it obtained an exclusive license under certain patents and know- how of Five Prime to develop and commercialize products containing Five Prime' s proprietary afucosylated FGFR2b antibody known as bemarituzumab (FPA144) as an active ingredient in the treatment or prevention of any disease or condition in humans in Greater China. To date, the Company has made an upfront payment of $ 5. 0 million and a milestone payment of $ 2. 0 million. The Company may be required to pay an additional aggregate amount of up to $ 37. 0 million in development and regulatory milestones as well as certain royalties at tiered percentage rates ranging from high- teens to low twenties on annual net sales of the licensed product in the licensed territory. Under the terms of the agreement, provided that the Company enrolls and treats a specified number of patients in the bemarituzumab FPA144- 004 study in mainland China, the Company is eligible to receive a low single- digit percentage quarterly royalty, on a licensed product- by- licensed product basis on net sales of all licensed product outside of the licensed territory until the tenth (10th) anniversary of the first commercial sale of each such licensed product outside the licensed territory. F- 33 License and Collaboration Agreement with Entasis Therapeutics Holdings Inc. (" Entasis ") (SUL- DUR) In April 2018, the Company entered into a license and collaboration agreement with Entasis,

pursuant to which it obtained an exclusive license under certain patents and know- how of Entasis to develop and commercialize products containing Entasis' proprietary compounds known as durlobactam (ETX2514) and Sulbactam (ETX2514SUL) as an active ingredient with the possibility of developing and commercializing a combination of such compounds with Imipenem in all human diagnostic, prophylactic, and therapeutic uses in Greater China, Korea, Vietnam, Thailand, Cambodia, Laos, Malaysia, Indonesia, the Philippines, Singapore, Australia, New Zealand, and Japan. The Company' s rights to develop and commercialize the licensed products are limited to the lead product (Sulbactam) until such lead product receives initial FDA approval in the United States. To date, the Company has made an upfront payment of $ 5. 0 million and two development milestone payments totaling $ 7. 0 million. The Company may be required to pay an additional aggregate amount of up to $ 91. 6 million in development and commercial milestones as well as certain royalties at tiered percentage rates ranging from high single digits to low- teens on annual net sales of the licensed products in the licensed territory. The Company is also responsible for a portion of the costs of the global pivotal Phase III clinical trial of SUL- DUR outside of the territory. The Company has the right to terminate this agreement at any time by providing written notice of termination to Entasis. License and Collaboration Agreement with Creseendo Biologies Ltd. (" Creseendo ") (ZL- 1102) In May 2018, the Company entered into an agreement with Creseendo, pursuant to which the Company obtained an exclusive, worldwide license to develop, commercialize, and manufacture ZL- 1102, a topical, innovative antibody VH domain therapeutic for all indications. Pursuant to the terms of the agreement, the Company will be responsible for conducting all regulatory filings, clinical studies, and commercialization activities, with both companies participating in a Joint Development Committee. In October 2020, the Company and Creseendo entered into a supplemental license agreement, under which Creseendo granted to the Company a non- exclusive, worldwide license to use the Creseendo VH HLEs in connection with the development, commercialization, manufacture, and other exploitation of VH HLE licensed products. To date, the Company has made two upfront fee payments totaling $ 4. 5 million, including a $ 2. 5 million payment in 2020, and three milestone payments totaling $ 6. 0 million, including a $ 2. 0 million payment in 2020 and a $ 4. 0 million payment in 2021. The Company may be required to pay an additional aggregate amount of up to $ 298. 1 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates on annual global sales. The Company has the right to terminate this agreement at any time by providing written notice of termination to Creseendo. License and Collaboration Agreement with NovoCure (Tumor Treating Fields) In September 2018, the Company entered into a license and collaboration agreement with NovoCure, pursuant to which it obtained an exclusive license under certain patents and know- how of NovoCure to develop and commercialize Tumor Treating Fields products in all human therapeutic and preventative uses in the field of oncology in Greater China. To date, the Company has made an upfront payment of $ 15. 0 million in 2018 and two milestone payments totaling $ 10. 0 million made in 2020. The Company may be required to pay an additional aggregate amount of up to $ 68. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from low- to mid- teens on annual net sales of the licensed products in the licensed territory. The Company will purchase licensed products exclusively from NovoCure at NovoCure' s fully burdened manufacturing cost. The Company has the right to terminate this agreement at any time by providing written notice of termination to NovoCure. F- 34 License and Collaboration Agreements with MacroGenics (including Margetuximab and Tebotelimab) In November 2018, the Company entered into a collaboration agreement with MacroGenics, pursuant to which it obtained an exclusive license under certain patents and know- how of MacroGenics to develop and commercialize margetuximab, tebotelimab (MGD- 013), and an undisclosed multi- specific TRIDENT molecule in pre- clinical development, each as an active ingredient in all human fields of use, except to the extent limited by any applicable third party agreement of MacroGenics in Greater China. To date, the Company has made an upfront payment of $ 25. 0 million and three milestone payments totaling $ 9. 0 million, including $ 4. 0 million paid in 2020 and $ 5. 0 million accrued in 2021 but paid in 2022. The Company may be required to pay an additional aggregate amount of up to $ 84. 0 million in development and regulatory milestones as well as certain royalties at tiered percentage rates ranging from low- teens to twenties on annual net sales of the licensed products in the licensed territory. The tebotelimab program was terminated in 2022, but we continue to collaborate with respect to the other licensed products. The Company has the right to terminate this agreement at any time by providing written notice of termination to MacroGenics. In June 2021, the Company entered into another collaboration and license agreement with MacroGenics, pursuant to which the Company and MacroGenics made four collaboration programs involving up to four immuno- oncology molecules. The first collaboration program covers a lead research molecule that incorporates MacroGenics' DART platform and binds CD3 and an undisclosed target that is expressed in multiple solid tumors. The second collaboration program will cover a target to be designated by MacroGenics. For both molecules, the Company received commercial rights in Greater China, Japan, and Korea, and MacroGenics received commercial rights in all other territories. For the lead molecule, the Company receives an option upon reaching a predefined clinical milestone to convert the regional arrangement into a global 50 / 50 profit share. The Company also obtained exclusive, global licenses from MacroGenics to develop, manufacture, and commercialize two additional molecules. For these four programs, each Company will contribute intellectual property to generate either CD3- or CD47- based bispecific antibodies. To date, the Company has made an upfront payment of $ 25. 0 million in 2021. Further, on June 15, 2021, as partial consideration for the rights granted to us under this agreement, we entered into a stock purchase agreement with MacroGenics, pursuant to which we purchased from MacroGenics in a private placement an aggregate of 958, 467 newly issued shares of common stock, par value $ 0. 01 per share, of MacroGenics, with a per share purchase price of $ 31. 30, for aggregate gross proceeds of approximately $ 30. 0 million. The Company may be required to pay an additional aggregate amount of up to $ 1, 386. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates on annual net sales of specified products, subject to reduction under specified circumstances. The Company also has an option to convert the royalty arrangement for the lead research molecule to a global 50 / 50 profit and loss sharing arrangement by making a payment of approximately $ 85. 0 million. License and Collaboration Agreement with Deciphera (Ripretinib) In June 2019, the Company entered into a license agreement with Deciphera, pursuant to

which it obtained an exclusive license under certain patents and know- how of Deciphera to develop and commercialize products containing ripretinib in the field of the prevention, prophylaxis, treatment, cure, or amelioration of any disease or medical condition in humans in Greater China. To date, the Company has made an upfront payment of $ 20. 0 million and three milestone payments totaling $ 12. 0 million, including $ 2. 0 million paid in 2020 and $ 5. 0 million paid in 2021. The Company may be required to pay an additional aggregate amount of up to $ 173. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from low- to high- teens on annual net sales of the licensed products in the licensed territory. The Company has the right to terminate this agreement at any time by providing written notice of termination to Deciphera. F- 35 License and Collaboration Agreement with Incyte Corporation (" Incyte ") (Retifanlimab) In July 2019, the Company entered into a collaboration and license agreement with Incyte, pursuant to which it obtained an exclusive license under certain patents and know- how of Incyte to develop and commercialize products containing retifanlimab (INCMGA012) as an active ingredient in the treatment, palliation, diagnosis, or prevention of diseases in the fields of hematology or oncology in humans in Greater China. We terminated this license agreement, in accordance with its terms, effective January 11, 2023. Collaboration Agreement with Regeneron Pharmaceuticals, Inc (" Regeneron ") (Odronextamab) In April 2020, the Company entered into a collaboration agreement with Regeneron Ireland Designated Activity Company, an affiliate of Regeneron, pursuant to which it obtained oncology development and exclusive commercialization rights for products containing odronextamab as the sole active ingredient in Greater China. We also obtained a right of first negotiation for additional indications outside the field of cancer. To date, the Company has made an upfront payment of $ 30. 0 million in 2020. The Company may be required to pay an additional aggregate amount of up to $ 160. 0 million in regulatory and sales- based milestones. Additionally, the Company will make payments to Regeneron based on annual net sales, such that Regeneron shares in a significant portion of any potential profits. The Company is also responsible for contributing to the global development costs of odronextamab for certain trials and will purchase odronextamab exclusively from Regeneron. The Company has the right to terminate this agreement at any time by providing written notice of termination to Regeneron. License Agreement with BMS (Formerly Turning Point Therapeutics Inc (" Turning Point ")) (Repotrectinib and TPX- 0022) In July 2020, the Company entered into an exclusive license agreement with Turning Point (a company later required by BMS) pursuant to which the Company received an exclusive license to develop and commercialize products containing repotrectinib as an active ingredient in all human therapeutic indications in Greater China. To date, the Company has made an upfront payment of $ 25. 0 million in 2020 and three milestone payments in 2021 totaling $ 5. 0 million. The Company may be required to pay an additional aggregate amount of up to $ 146. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from mid- to high- teens on annual net sales of the licensed product in the licensed territory. The Company has the right to terminate this agreement at any time by providing written notice of termination. In January 2021, the Company entered into an additional license agreement with Turning Point, which expanded their collaboration. Under the terms of this agreement, the Company obtained an exclusive license under certain patents and know- how to develop and commercialize products containing Turning Point' s product candidate, TPX- 0022, as an active ingredient in all human therapeutic indications in Greater China. To date, the Company has made an upfront payment of $ 25. 0 million. We may be required to pay an additional aggregate amount of up to $ 336. 0 million in development, regulatory, and sales- based milestone payments as well as certain royalties at tiered percentage rates ranging from mid- teen to low twenties on annual net sales of the licensed products in the licensed territory. In addition, Turning Point will have the right of first negotiation to develop and commercialize an oncology product candidate discovered by the Company. License Agreement with Taiho Pharmaceutical Co., Ltd. (" Taiho ") (formerly Cullinan Pearl Corp. (" Cullinan Pearl ")) (Zipalertinib, formerly CLN- 081) In December 2020, the Company entered into a license agreement with Cullinan Pearl, a subsidiary of Cullinan Oncology, Inc., pursuant to which it obtained an exclusive license under certain patents and know- how of Cullinan Pearl to develop, manufacture, and commercialize products containing CLN- 081 as an active ingredient in all uses in humans and animals in Greater China. F- 36 To date, the Company has made an upfront payment of $ 20. 0 million, which was accrued in 2020 and paid in 2021. The Company may be required to pay an additional aggregate amount of up to $ 211. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from high- single- digit to low- teens on annual net sales of the licensed product in the licensed territory. Cullinan Pearl received worldwide rights for CLN- 081, excluding Japan, from Taiho in 2018. In June 2022, Taiho acquired Cullinan Pearl and obtained exclusive global rights to CLN- 081 outside of the United States. In December 2022, we agreed with Taiho on the assignment of our license agreement with Cullinan Pearl to Taiho. The Company has the right to terminate this agreement at any time by providing written notice of termination to Taiho. License Agreement with Takeda Pharmaceutical Company Limited (" Takeda ") (Simurosertib) In December 2020, the Company entered into an exclusive license agreement with Takeda. Under the terms of the license agreement, Takeda exclusively licensed to the Company the right to research, develop, and commercialize the licensed products in the licensed field during the term. To date, the Company has made an upfront payment of $ 6. 0 million to Takeda, which was accrued in 2020 and paid in 2021. This program was terminated in 2022. Collaboration and License Agreement with argenx BV (" argenx ") (Efgartigimod) In January 2021, the Company entered into a collaboration and license agreement with argenx pursuant to which the Company received an exclusive license under certain patients and know- how of argenx to develop and commercialize products containing efgartigimod as an active ingredient in all human and animal uses for any preventative or therapeutic indications in Greater China. Pursuant to the collaboration and license agreement, the Company and argenx entered into a share issuance agreement. The Company issued as an upfront payment to argenx 5, 681, 820 ordinary shares of the Company. In determining the fair value of the ordinary shares at closing, the Company considered the closing price of the ordinary shares on the closing date and included a lack of marketability discount because the shares were subject to certain restrictions. The fair value of the shares on the closing date was determined to be $ 62. 3 million in the aggregate. In addition, the Company made a $ 75. 0 million cash payment as a guarantee for non- creditable, non- refundable development cost- sharing

payment in 2021. The Company has made a milestone payment of $ 25. 0 million in 2022 which was accrued in the fourth quarter of 2021 related to the first regulatory approval for the licensed product by the U. S. Food and Drug Administration (" FDA ") in December 2021. The Company may be required to pay certain royalties at tiered percentages rates ranging from mid- teen to low- twenties on annual net sales of the licensed products in the licensed territory. Collaboration and License Agreement with Mirati Therapeutics, Inc. (" Mirati ") (Adagrasib) In May 2021, the Company entered into a collaboration and license agreement with Mirati pursuant to which the Company obtained the right to research, develop, manufacture, and exclusively commercialize adagrasib in all indications in Greater China, with Mirati retaining exclusive rights for the development, manufacturing, and commercialization of adagrasib outside of Greater China and certain co- commercialization, manufacture, and development rights in Greater China. To date, the Company has made an upfront payment of $ 65. 0 million to Mirati in 2021 and two development milestone payments totaling $ 10. 0 million in 2022. The Company may be required to pay an additional aggregate amount of up to $ 263. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from high- teens to low- twenties on annual net sales of the licensed product in the licensed territory. F- 37 Collaboration and License Agreement with Blueprint Medicines Corporation (" Blueprint ") (BLU- 945 and BLU- 701) In November 2021, the Company entered into a collaboration and license agreement with Blueprint, pursuant to which the Company obtained rights to develop and exclusive commercialize BLU- 701 and BLU- 945 and BLU- 701 and certain other forms thereof, including backup compounds, for the treatment of patients with EGFR- driven NSCLC in Greater China. To date, the Company has made an upfront payment of $ 25. 0 million in 2021. The Company may be required to pay an additional aggregate amount of up to $ 590. 0 million in clinical, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from the low- to mid- teens on annual net sales of the licensed products in the licensed territory. Blueprint deprioritized BLU- 701 in 2022, but we continue to collaborate with respect to BLU- 945. The Company has the right to terminate this agreement after the second anniversary of the effective date by providing written notice of termination to Blueprint. License Agreement with Karuna Therapeutics, Inc. (" Karuna ") (KarXT) In November 2021, the Company entered into a license agreement with Karuna, pursuant to which the Company obtained an exclusive license to develop, manufacture, and commercialize KarXT (xanomeline- trospium) in Greater China. To date, the Company has made an upfront payment of $ 35. 0 million in 2021 and two development milestone payments totaling $ 10. 0 million in 2022. The Company may be required to pay an additional aggregate amount of up to $ 142. 0 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates ranging from low- to high- teens on annual net sales of the licensed products in Greater China. Collaboration and License Agreement with Seagen Inc. (" Seagen ") (TIVDAK) In September 2022, the Company entered into a collaboration and license agreement with Seagen, pursuant to which the Company and Seagen agreed to collaboratively develop and commercialize TIVDAK (tisotumab vedotin). Under the agreement, the Company obtained an exclusive license to develop and commercialize TIVDAK in Greater China. To date, the Company has made an upfront payment of $ 30. 0 million in 2022. The Company may be required to pay an additional aggregate amount of up to $ 263. 0 million in development, regulatory, and sales- based milestone payments as well as certain royalties at tiered percentage rates ranging from mid- teens to low- twenties on annual net sales of the licensed products in Greater China. The agreement will remain in effect, unless earlier terminated, until the expiration of the last- to- expire royalty term for the last licensed product. The agreement contains customary provisions for termination by either party, including in the event of a material breach by the other party that remains uncured, by the Company for convenience, for certain bankruptcy events, and by Seagen upon a challenge of the licensed patent rights. Aggregate Potential Payments under License and Collaboration Agreements As noted above, the Company has entered into various license and collaboration agreements with third party licensors to develop and commercialize product candidates. Based on the terms of these agreements, the Company is contingently obligated to make additional material payments upon the achievement of certain contractually defined milestones. Based on management' s evaluation of the progress of each project noted above, as of December 31, 2022, the Company may be required to pay licensors an aggregate additional amount of up to approximately $ 5, 300. 4 million in development, regulatory, and sales- based milestones as well as certain royalties at tiered percentage rates on annual net sales. The development milestones, such as regulatory approval for the product candidates, may occur before the Company has commercialized the product or received any revenue from sales of such product candidate. These milestone payments are subject to uncertainties and contingencies and may not occur. F- 38 17. Other Income (Expenses), Net The following table presents other income (expenses), net (in thousands): Year Ended December 31, 202220212020 $ $ $ Government grants11, 471 4, 113 7, 289 Loss on equity investments with readily determinable fair value (8, 952) (14, 617) — Others miscellaneous gain594 303 128 Total3, 113 (10, 201) 7, 417 18. Restricted Net Assets The Company' s ability to pay dividends may depend on the Company receiving distributions of funds from its Chinese subsidiaries. Relevant Chinese laws and regulations permit payments of dividends by the Company' s Chinese subsidiaries only out of its retained earnings, if any, as determined in accordance with Chinese 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 Chinese subsidiaries. In accordance with the Company Law of the People' s Republic of China, 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 Chinese statutory accounts. A domestic enterprise may provide discretionary surplus reserve, at the discretion of the Board of Directors, from the profits determined in accordance with the enterprise' s Chinese statutory accounts. The aforementioned reserves can only be used for specific purposes and are not distributable as cash dividends. The Company' s Chinese subsidiaries were established as domestic enterprises and therefore are subject to the above- mentioned restrictions on distributable profits. No appropriation to statutory reserves was made during the years ended December 31, 2022, 2021, and 2020 because the Chinese subsidiaries had substantial losses during such periods. As a result of these Chinese laws and regulations, subject to the limits discussed above that require annual appropriations of 10 % of after- tax profit to be set aside, prior to payment of dividends, as a

general reserve fund, the Company' s Chinese subsidiaries are restricted in their ability to transfer out a portion of their net assets. Foreign exchange and other regulation in mainland China may further restrict the Company' s Chinese subsidiaries from transferring out funds in the form of dividends, loans, and advances. As of December 31, 2022 and 2021, amounts restricted are the paid- in capital of the Company' s Chinese subsidiaries, which amounted to $ 456. 0 million and $ 406. 0 million, respectively. 19. Employee Defined Contribution Plans Full time employees of the Company in mainland China 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 subsidiaries in China mainland make contributions to the government for these benefits primarily based on certain percentages of the employees' salaries subject to certain caps and other government requirements. The total amounts for such employee benefits, which were expensed as incurred, were $ 23. 6 million, $ 17. 6 million, and $ 4. 4 for 2022, 2021, and 2020, respectively. The Company' s employees who are U. S. taxpayers and who meet certain age and service requirements are eligible to participate in a broad- based, defined contribution retirement plan which is qualified under Section 401 of the Internal Revenue Code (" the 401 (k) plan "). In 2022, the Company makes a matching contribution equal to 50 % of the first 5 % of the employee' s elective contributions under the plan, up to 2. 5 % of an employee' s eligible compensation. Contributions made by the Company vest 100 % upon contribution. The total amounts for such employee benefits, which were expensed as incurred, was $ 0. 5 million in 2022 and was not material in 2021 and 2020. F- 39 The Company also provides required Mandatory Provident Fund contribution for its full- time employees located in Hong Kong and provides social benefits contribution for its full- time employees located in Taiwan. The total amounts for these contributions, which were expensed as incurred, was $ 0. 2 million in 2022 and was not material in 2021, and 2020. 20. Commitments and Contingencies (a) Purchase Commitments The Company' s commitments related to purchase of property and equipment contracted but not yet reflected in the consolidated financial statements were $ 9. 0 million as of December 31, 2022 and were expected to be incurred within one year. (b) Legal Proceedings The Company is not currently a party to any material legal proceedings. Each quarter, the Company evaluates whether there have been any developments in legal proceedings that would require an accrual. In accordance with the accounting guidance for contingencies, the Company will accrue for losses that are both probable and reasonably estimable. (c) Indemnifications In the normal course of business, the Company enters into agreements that indemnify others for certain liabilities that may arise in connection with a transaction or certain events and activities. If the indemnified party were to make a successful claim pursuant to the terms of the indemnification, the Company may be required to reimburse the loss. These indemnifications are generally subject to various restrictions and limitations. The Company' s exposure under these agreements is unknown because it involves claims that may be made against the Company in the future but have not yet been made. To date, the Company has not paid any claims or been required to defend any action related to its indemnification obligations. F- 40 Additional Financial Information of Parent Company- Financial Statements Schedule I Condensed Balance Sheets December 31, 20222021 $ $ AssetsCurrent assets: Cash and cash equivalents944, 649 591, 842 Short- term investments — 445, 000 Prepayments and other current assets10, 203 2, 364 Total current assets954, 852 1, 039, 206 Investment in subsidiaries93, 363 341, 980 Total assets1, 048, 215 1, 381, 186 Liabilities and shareholders' equityLiabilitiesCurrent liabilities: Other current liabilities2, 620 996 Total current liabilities2, 620 996 Deferred income — 234 Total liabilities2, 620 1, 230 Shareholders' equityOrdinary shares (par value of $ 0. 000006 per share; 5, 000, 000, 000 shares authorized, 962, 455, 850 and 955, 363, 980 shares issued as of December 31, 2022 and 2021, respectively; 960, 219, 570 and 954, 981, 050 shares issued and outstanding as of December 31, 2022 and 2021, respectively) 6 6 Additional paid- in capital2, 893, 120 2, 825, 948 Accumulated deficit (1, 861, 360) (1, 418, 074) Accumulated other comprehensive income (loss) 25, 685 (23, 645) Treasury stock (11, 856) (4, 279) Total shareholders' equity1, 045, 595 1, 379, 956 Total liabilities and shareholders' equity1, 048, 215 1, 381, 186 Financial Statements Schedule I Condensed Statements of Operations and Comprehensive Loss Year Ended December 31, 202220212020 $ $ $ Operating Expenses: Research and development (178) (6) (437) General and administrative (19, 773) (12, 074) (7, 345) Loss from operations (19, 951) (12, 080) (7, 782) Interest income12, 857 1, 881 4, 899 Other (expenses) income, net (8, 678) (18, 173) 312 Profit (Loss) before income tax and equity in loss of subsidiaries (15, 772) (28, 372) (2, 571) Equity in loss of subsidiaries (427, 514) (676, 099) (266, 334) Income tax expense — — — Net loss (443, 286) (704, 471) (268, 905) Other comprehensive income (loss), net of tax of nil: Foreign currency translation adjustment49, 330 (9, 121) (19, 144) Comprehensive loss (393, 956) (713, 592) (288, 049) F- 42 Additional Financial Information of Parent Company- Condensed Statements of Cash Flows Year Ended December 31, 202220212020 $ $ $ Cash flows from operating activities: Net loss (443, 286) (704, 471) (268, 905) Adjustments to reconcile net loss to net cash provided by operating activities: Amortization of deferred income (234) (312) (312) Share based compensation3, 724 3, 435 3, 025 Equity in loss of subsidiaries427, 514 676, 099 266, 334 Loss from fair value changes of equity investment of readily determinable fair value8, 952 14, 617 — Changes in operating assets and liabilities: Prepayments and other current assets (7, 839) (439) 2, 253 Other current liabilities1, 648 (376) 738 Net cash provided by (used in) operating activities (9, 521) (11, 447) 3, 133 Cash flows from investing activities: Purchases of short- term investments (260, 274) (445, 000) (949, 161) Proceeds from maturity of short- term investments705, 274 743, 902 405, 000 Purchase of investment in equity investee — (30, 000) — Investment in subsidiaries (80, 942) (884, 342) (256, 097) Net cash provided by (used in) investing activities364, 058 (615, 440) (800, 258) Cash flows from financing activities: Proceeds from exercises of stock options5, 870 7, 418 6, 664 Proceeds from issuance of ordinary shares upon public offerings — 818, 875 1, 137, 683 Payment of public offering costs — (1, 692) (4, 541) Employee taxes paid related to settlement of equity awards (7, 600) (4, 253) — Net cash provided by (used in) financing activities (1, 730) 820, 348 1, 139, 806 Effect of foreign exchange rate changes on cash and cash equivalent — 773 (515) Net increase in cash and cash equivalents352, 807 194, 234 342, 166 Cash and cash equivalents- beginning of the year591, 842 397, 608 55, 442 Cash and cash equivalents- end of the year944, 649 591, 842 397, 608 F- 43 1. Schedule I has been provided pursuant to the requirements of Rule 12- 04 (a) and 5- 04 (c) of Regulation S- X, which require condensed financial information as to the financial position, changes in financial position and results of operations of a parent company as

of the same dates and for the same periods for which audited consolidated financial statements have been presented when the restricted net assets of consolidated subsidiaries exceed 25 percent of consolidated net assets as of the end of the most recently completed fiscal year. 2. The condensed financial information has been prepared using the same accounting policies as set out in the consolidated financial statements except that the equity method has been used to account for investments in its subsidiaries. For the parent company, Zai Lab Limited records its investments in subsidiaries under the equity method of accounting as prescribed in ASC 323, Investments- Equity Method and Joint Ventures. Such investments are presented on the Condensed Balance Sheets as " Investment in subsidiaries ". Ordinarily under the equity, an investor in an equity method investee would cease to recognize its share of the losses of an investee once the carrying value of the investment has been reduced to nil absent an undertaking by the investor to provide continuing support and fund losses. For the purpose of this Schedule I, the parent company has continued to reflect its share, based on its proportionate interest, of the losses of subsidiaries regardless of the carrying value of the investment even though the parent company is not obligated to provide continuing support or fund losses. 3. Certain information and footnote disclosures normally included in financial statements prepared in accordance with U. S. GAAP have been condensed or omitted. The footnote disclosures provide certain supplemental information relating to the operations of the Company and, as such, these statements should be read in conjunction with the notes to the accompanying consolidated financial statements. 4. As of December 31, 2022 and 2021, there were no material contingencies, significant provisions of long- term obligations, mandatory dividend or redemption requirements of redeemable stocks or guarantees of Zai Lab Limited. F- 44 Exhibit 4. 5 DESCRIPTION OF SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934 As of December 31, 2022, the registrant had the following series of securities registered pursuant to Section 12 of the U. S. Securities Exchange Act of 1934, as amended: Title of each class: Name of each exchange on which registered: American Depositary Shares, each representing 10 Ordinary Share, par value $ 0. 000006 per shareZLABThe Nasdaq Global MarketOrdinary Shares, par value $ 0. 000006 per share * 9688The Stock Exchange of Hong Kong Limited * Included in connection with the registration of the American Depositary Shares with the Securities and Exchange Commission. The ordinary shares are not registered or listed for trading in the United States but are listed for trading on The Stock Exchange of Hong Kong Limited. Citibank, N. A. acts as the depositary bank for the American Depositary Shares pursuant to the Deposit Agreement, dated as of September 20, 2017. 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 has appointed a custodian to safekeep the securities on deposit. In this case, the custodian is Citibank, N. A. — Hong Kong, located at 9 / F., Citi Tower, One Bay East, 83 Hoi Bun Road, Kwun Tong, Kowloon, Hong Kong. As of March 1, 2023, our authorized share capital consists of $ 30, 000. 00 divided into 5, 000, 000, 000 ordinary shares, with a par value of $ 0. 000006 each. Each American depositary share (" ADS ") represents the right to receive, and to exercise the beneficial ownership interests in, ten 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. We and the depositary bank may agree to change the ADS- to- ordinary share ratio by amending the deposit agreement. This amendment may give rise to, or change, the depositary fees payable by ADS owners. 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. An ADS holder 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 such ADSs. The deposit agreement and the ADR specify our rights and obligations as well as ADS holders' rights and obligations as owner of ADSs and those of the depositary bank. ADS holders appoint the depositary bank to act on their behalf in certain circumstances. The deposit agreement and the ADRs are governed by New York law. However, our obligations to the holders of 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 ADS holders to satisfy reporting requirements and obtain regulatory approvals in certain circumstances. ADS holders 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 ADS holders' behalf to satisfy such reporting requirements or obtain such regulatory approvals under applicable laws and regulations. We will not treat ADS holders as our shareholders, and ADS holders will not have direct shareholder rights. The depositary bank will hold on ADS holders' behalf the shareholder rights attached to the ordinary shares underlying the ADSs. ADS holders will be able to exercise the shareholders rights for the ordinary shares represented by the 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, an ADS holder will, as an ADS owner, need to arrange for the cancellation of such ADSs and become a direct shareholder. The manner in which ADS holders owns the ADSs (e. g., in a brokerage account vs. as registered holder, or as holder of certificated vs. uncertificated ADSs) may affect the holders' rights and obligations, and the manner in which, and extent to which, the

depositary bank' s services are made available to the holders. An ADS holder may hold the ADSs either by means of an ADR registered in such holder' s name, through a brokerage or safekeeping account, or through an account established by the depositary bank in such holder' s name reflecting the registration of uncertificated ADSs directly on the books of the depositary bank (commonly referred to as the " direct registration system " or " DRS "). The direct registration system reflects the uncertificated (book- entry) registration of ownership of ADSs by the depositary bank. Under the direct registration system, ownership of ADSs is evidenced by periodic statements issued by the depositary bank to the holders of the ADSs. The direct registration system includes automated transfers between the depositary bank and The Depository Trust Company (" DTC "), the central book- entry clearing and settlement system for equity securities in the United States. If an ADS holder decides to hold the ADSs through such holder' s brokerage or safekeeping account, the holder must rely on the procedures of his / her broker or bank to assert his / her rights as an 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 an ADS holder' s ability to exercise such holder' s rights as an owner of ADSs. ADS holders should consult with their broker or bank if they 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 ADS holders have opted to own the ADSs directly by means of ADSs registered in such holders' name and, as such, we will refer to ADS holders as the " holders. " 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 Holders of ADSs generally have the right to receive the distributions we make on the securities deposited with the custodian. ADS holders' 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 of 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 received in a currency other than U. S. dollars to be converted into U. S. dollars and for the distribution of the U. S. dollars to the holders, subject to 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 Ordinary Shares Whenever we make a free distribution of ordinary shares for the securities on deposit with the custodian, we will deposit the applicable number of 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 holders 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 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 (e. g., 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 subscribe for 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 subscribe for additional ADSs to holders. The depositary bank will establish procedures to distribute rights to subscribe for 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). Holders may have to pay fees, expenses, taxes, and other governmental charges to subscribe for the new ADSs upon the exercise of such rights. The depositary bank is not obligated to establish procedures to facilitate the distribution and exercise by holders of rights to subscribe for new ordinary shares other than in the form of ADSs. The depositary bank will not distribute the rights to holders if: • We do not timely request that the rights be distributed to holders or we request that the rights not be distributed to holders; 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 holders. 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 holders 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 holders 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 holders, holders 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 subscribe for additional ordinary shares, we will notify the depositary bank in advance and will indicate whether we wish such distribution to be made to holders. 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 holders and if we provide to the depositary bank all of the documentation contemplated in the deposit agreement, the depositary bank will distribute the property to 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 holders and will sell the property if: • We do not request that the property be distributed to holders or if we request that the property not be distributed to holders; 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 holders is not reasonably practicable; or • 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 holders. The custodian will be instructed to surrender the shares being redeemed against payment of the applicable redemption price. The depositary bank will convert into U. S. dollars upon the terms of the deposit agreement the redemption funds received in a currency other than U. S. dollars and will establish procedures to enable holders to receive the net proceeds from the redemption upon surrender of their ADSs to the depositary bank. Holders may have to pay fees, expenses, taxes, and other governmental charges upon the redemption of the 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 the 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, the ADSs would, to the extent permitted by law and the deposit agreement, 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 holders, amend the deposit agreement, the ADRs, and the applicable Registration Statement (s) on Form F- 6, call for the exchange of holders' 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 holders, the depositary bank may sell such property and distribute the net proceeds to holders as in the case of a cash distribution. Issuance of ADSs upon Deposit of Ordinary Shares Our ordinary shares have been and will be deposited with the custodian. The depositary bank may create ADSs on a holder' s behalf if such holder or such holder' s broker deposits ordinary shares with the custodian. The depositary bank will deliver these ADSs to the person such holder indicates only after such holder pays any applicable issuance fees and any charges and taxes payable for the transfer of the ordinary shares to the custodian. Holders' 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 a holder makes a deposit of ordinary shares, such holder will be responsible for transferring good and valid title to the depositary bank. As such, the holder 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. • The holder is 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 holders' cost and expense, take any and all actions necessary to correct the consequences of the misrepresentations. Transfer, Combination, and Split- up of ADRs Holders will be entitled to transfer, combine, or split up their ADRs and the ADSs evidenced thereby. For transfers of ADRs, a holder 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 the ADRs either combined or split up, a holder must surrender his / her ADRs in question to the depositary bank with such holder' s request to have them combined or split up, and such holder 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 Holders will be entitled to present their ADSs to the depositary bank for cancellation and then receive the corresponding number of underlying ordinary shares at the custodian' s offices. Holders' 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 the ADSs, holders 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. Holders 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 a holder holds ADSs registered in his / her name, the depositary bank may ask such holder 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 the ADSs. The withdrawal of the ordinary shares represented by the 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. Holders will have the right to withdraw the securities represented by the 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) 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 holders' right to withdraw the securities represented by the ADSs except to comply with mandatory provisions of law. Voting Rights Holders generally have the right under the deposit agreement to instruct the depositary bank to exercise the voting rights for the ordinary shares represented by ADSs. At our request, the depositary bank will distribute to holders 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, it will endeavor to vote the securities (in person or by proxy) represented by the holder' s ADSs in accordance with such voting instructions 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 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. In the event of voting by poll, holders in respect of which no timely voting instructions have been received shall be deemed to have instructed the depositary bank 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 instructions shall be deemed given and no such discretionary proxy shall be given with respect to any matter as to which we inform the depositary bank 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 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 that holders will receive voting materials in time to enable them to return voting instructions to the depositary bank in a timely manner. Fees and Charges Holders will be required to pay the following fees under the terms of the deposit agreement: ServiceFees • Issuance of ADSs (e. g., an issuance of ADS upon a deposit of ordinary shares, upon a change in the ADS (s)- to- ordinary share ratio, or for any other reason), excluding ADS issuances as a result of distributions of ordinary sharesUp to U. S. 5 ¢ per ADS issued • Cancellation of ADSs (e. g., a cancellation of ADSs for delivery of deposited property, upon a change in the ADS (s)- to- share ratio, or for any other reason) Up to U. S. 5 ¢ per ADS cancelled • Distribution of cash dividends or other cash distributions (e. g., upon a 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 ADSsUp to U. S. 5 ¢ per ADS held • Distribution of securities other than ADSs or rights to purchase additional ADSs (e. g., upon a spin- off) Up to U. S. 5 ¢ per ADS held • ADS ServicesUp to U. S. 5 ¢ per ADS held on the applicable record date (s) established by the depositary bankHolders 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 ordinary shares on the share register and applicable to transfers of 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 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) the issuance of ADSs, and (ii) the cancellation of ADSs are charged to the person to whom the ADSs are issued (in the case of ADS issuances) and to the person whose ADSs are cancelled (in the case of ADS cancellations). In the case of ADSs issued by the depositary bank into 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 being issued or the DTC participant (s) holding the ADSs being cancelled, as the case may be, on behalf of the beneficial owner (s) and will be charged by the DTC participant (s) to the account of the applicable beneficial owner (s) in accordance with the procedures and practices of the DTC participants 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 holders. Certain

of the depositary fees and charges (such as the ADS services fee) may become payable shortly after the closing of an ADS offering. Note that the fees and charges holders may be required to pay may vary over time and may be changed by us and by the depositary bank. Holders 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 holders' 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 holders' 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 holders are required to pay. In addition, we may not be able to provide holders with prior notice of any modifications or supplements that are required to accommodate compliance with applicable provisions of law. Holders will be bound by the modifications to the deposit agreement if they continue to hold their ADSs after the modifications to the deposit agreement become effective. The deposit agreement cannot be amended to prevent holders from withdrawing the ordinary shares represented by the 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 holders at least 30 days before termination. Until termination, holders' 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 holders request the cancellation of their ADSs) and may 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. Holders 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 holders. 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 holders on our behalf or for the accuracy of any translation of such a document, for the investment risks associated with investing in 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, or our respective controlling persons or agents 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 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 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 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 ordinary shares but is not, under the terms of the deposit agreement, made available to holders. • 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, indirect, or punitive damages for any breach of the terms of the deposit agreement, or otherwise. • no disclaimer of any Securities Act liability is intended by any provision of the deposit agreement. • nothing in the deposit agreement gives rise to a partnership or joint venture, or establishes a fiduciary relationship, among us, the depositary bank and holders. • nothing in the deposit agreement precludes Citibank (or its affiliates) from engaging in transactions in which parties adverse to us or the ADS owners have interests, and nothing in the deposit agreement obligates Citibank to disclose those transactions, or any information obtained in the course of those transactions, to us or to the ADS owners, or to account for any payment received as part of those transactions. Pre- Release Transactions The depositary bank has informed us that it no longer engages in pre- release transactions, and has no intention to do so in the future. Taxes Holders 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. Holders 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 holders' behalf. However, holders 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. Holders are required to indemnify us, the depositary bank, and the custodian for any claims with respect to taxes arising out of any refund of taxes, reduced rate of withholding, or of the tax benefit obtained for or by the holders. 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. Holder 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 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 ordinary shares (including ordinary shares represented by ADSs) is governed by the laws of the Cayman Islands. By holding an ADS or an interest therein, ADS holders irrevocably agree that any legal suit, action, or proceeding against or involving us or the Depositary, arising out of or based upon the deposit agreement, ADSs, or ADRs, may only be instituted in a state or federal court in New York, New York, and ADS holders irrevocably waive any objection to the laying of venue and irrevocably submit to the exclusive jurisdiction of such courts with respect to any such suit, action or proceeding. AS A PARTY TO THE DEPOSIT AGREEMENT, ADS HOLDERS IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF THE DEPOSIT AGREEMENT, THE ADRs, AND ANY TRANSACTIONS CONTEMPLATED THEREIN (WHETHER BASED ON CONTRACT, TORT, COMMON LAW, OR OTHERWISE) AGAINST US AND / OR THE DEPOSITARY BANK. Exhibit 10. 7 NON- EMPLOYEE DIRECTOR COMPENSATION POLICY As of January 7, 2023, subject to the terms and conditions of the 2022 Equity Incentive Plan (the " Plan ") of Zai Lab Limited (the " Company "), each individual who both provides services to the Company as a member of the Board of Directors (the " Board ") and is not employed by the Company or an affiliate (a " Non- Employee Director ") shall be entitled to receive the following amounts of compensation: Type of CompensationAmount and Form of PaymentAnnual cash retainer $ 50, 000 Annual equity awardEach Non- Employee Director is eligible to receive, effective as of a date designated by the Board (the " Date of Grant "), and subject to satisfaction of applicable stock exchange requirements, an annual grant of a number of shares of Restricted Shares (as defined in the Plan) for such number of ADSs as is equal to $ 500, 000 divided by the Nasdaq closing price of the Company' s American Depositary Shares (the " ADSs ") on the Date of Grant (or on the next succeeding business day if Nasdaq is not open for trading on the Date of Grant), rounded down to the nearest whole share. Such Restricted Shares shall vest in full on the day prior to the next subsequent Annual General Meeting of shareholders or such other date as may be designated by the Board, subject to continued service as a member of the Board through such date. New member equity awardEach Non- Employee Director newly elected to the Board is eligible to receive, effective as of a date designated by the Board (the " Date of New Director Grant "), and subject to satisfaction of applicable stock exchange requirements, an initial grant of a number of Restricted Shares (as defined in the Plan) for such number of ADSs as is equal to $ 750, 000 divided by the Nasdaq closing price of the Company' s ADSs on the Date of New Director Grant (or on the next succeeding business day if Nasdaq is not open for trading on the Date of New Director Grant), rounded down to the nearest whole share. Such Restricted Shares shall vest ratably over three years on the anniversary of the Date of New Director Grant, subject to continued service as a member of the Board through such date. In the event that a newly elected Non- Employee Director' s date of election is less than 180 days prior to the Date of Grant of the next annual equity award to Non- Employee Directors, such newly elected Non- Employee Director shall not be eligible to participate in that particular annual equity award, but shall be eligible to participate in subsequent annual equity awards. Additional annual cash retainer for Lead Independent Director $ 35, 000 Additional annual cash retainer for Audit Committee chair $ 20, 000 Additional annual cash retainer for Audit Committee member $ 10, 000 Additional annual cash retainer for Compensation Committee chair $ 15, 000 Additional annual cash retainer for Compensation Committee member $ 7, 500 Additional annual cash retainer for Nominating and Corporate Governance Committee chair $ 10, 000 Additional annual cash retainer for Nominating and Corporate Governance Committee member $ 5, 000 Additional annual cash retainer for Research and Development Committee chair $ 15, 000Additional annual cash retainer for Research and Development Committee member $ 7, 500 Additional annual cash retainer for Commercial Committee chair $ 15, 000 Additional annual cash retainer for Commercial Committee member $ 7, 500 Annual Limit on Non- Employee Director CompensationThe total compensation of each Non- Employee Director (including cash retainers and equity grants) shall not exceed $ 1, 000, 000 in the initial calendar year of service and $ 750, 000 in any subsequent calendar year of service. Unless approved by the Company' s shareholders at a general meeting, the total number of shares issued and to be issued upon the exercise of share options granted and to be granted under the 2022 Equity Incentive Plan and any other plan of the Company to any Non- Employee Director within any 12- month period shall not exceed 1 % of the shares in issue at the date of any grant. Cash retainers shall be payable in cash on a quarterly basis and pro- rated for periods of service of less than a full calendar quarter. In addition, Non- Employee Directors will be reimbursed by the Company for reasonable and customary expenses incurred in connection with attendance at Board and committee meetings, in accordance with the Company' s policies as in effect from time to time. For the avoidance of doubt, directors who are (i) employees of the Company, (ii) employees of one of its affiliates or (iii) (a) are affiliated with a shareholder holding more than one percent (1 %) of the ordinary shares or ordinary

share equivalents of the Company or (b) individually (or through any trust or estate planning entity) holding more than one percent (1 %) of the ordinary shares or ordinary share equivalents of the Company will not receive compensation for their service as a director, other than reimbursement for reasonable and customary expenses incurred in connection with attendance at Board and committee meetings, in accordance with the Company' s policies as in effect from time to time.- 2- Exhibit 10. 39 SEVERANCE AGREEMENT AND GENERAL RELEASE This Severance Agreement and General Release (hereinafter " Agreement ") is made and voluntarily entered into between Alan Bart Sandler (" Employee ") and Zai Lab (US), LLC its affiliated companies, subsidiaries, agents, attorneys, successors, assigns, and representatives (hereinafter collectively, the " Company "). The Company and Employee are referred to herein individually as " Party " or collectively as the " Parties. " WHEREAS, Employee and the Company entered into an Employment Agreement dated December 1, 2020 (the " Employment Agreement "); WHEREAS, Employee and the Company have agreed to a Revised Non- Binding Term Sheet, dated September 21, 2022 (" Term Sheet "); WHEREAS, Employee' s employment with the Company shall terminate on October 28, 2022 (" Separation Date "); WHEREAS, Employee is not aware of any work- related injury or illness that has not already been disclosed to the Company; WHEREAS, Employee represents that Employee has not initiated, and is not aware of, any action in any forum, including any state or federal court or agency, on Employee' s behalf that involves the Company; WHEREAS, in exchange for the consideration and promises herein, the Parties desire to release each other (and the other Released Parties, as defined below) from any claims arising from or related to Employee' s employment relationship and the termination thereof; WHEREAS, Employee has agreed to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions and demands that Employee may have, including, but not limited to, Employee' s claim that he had " good reason " to terminate the Employment Agreement, and any and all claims arising or in any way related to Employee' s employment with, or termination from the Company, all of which the Company denies; and WHEREAS, Employee understands that in order to receive the Consideration under this Agreement (as defined below), Employee must sign and return this Agreement to Katie Holm, Human Resources, US, by no later than 21 days after Employee receives this Agreement and further, not revoke Employee' s signature on this Agreement as provided below. NOW, THEREFORE, in consideration of the mutual covenants and promises herein contained and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed by and between the Parties as follows: 1. Consideration. In consideration for the release of all claims as set forth below and other obligations under this Agreement, and upon Employee' s timely delivery to Katie Holm, Human Resources, US, of this fully signed Agreement, and so long as Employee does not timely revoke this Agreement as provided below: a. The Company shall pay Employee the amount of $ 567, 000. 00, less applicable deductions and withholdings, representing 12 months of Employee' s current base salary. b. The Company shall pay Employee a prorated 2022 target bonus in the amount of $ 233, 790. 41, less applicable deductions and withholdings. c. The Company shall pay Employee the lump sum amount of $ 300, 000. 00, less applicable deductions and withholdings. The foregoing payments will be made to Employee via direct deposit on the Company first payroll period following the Effective Date of this Agreement (as defined in Paragraph 3). d. The Company agrees to forgive Employee' s repayment obligation respecting the Sign- on Bonus pursuant to Section 3. 3. 2 of the Employment Agreement. e. The foregoing consideration set forth in this Paragraph 1, hereinafter called " Consideration ", shall constitute the entire amount of monetary consideration provided to Employee under this Agreement and Employee will not seek any further compensation for any claimed damages, costs or attorney' s fees from the Company or the Company Released Parties. Employee agrees that the Consideration satisfies in full any consideration owed to him by the Company pursuant to Section 8 of the Employment Agreement and the Term Sheet. 2. Tax Indemnification. Employee acknowledges and agrees that the Company has made no representations or warranties regarding the tax consequences of any amounts paid by the Company to Employee pursuant to this Agreement. Employee agrees to pay all federal or state taxes owed by Employee, if any, which are required by law to be paid with respect to the payments herein. Employee further agrees to indemnify and hold the Company harmless from any taxes owed by Employee, including interest or penalties owed by Employee, on account of this Agreement. Employee further agrees to reimburse Company for any attorney' s fees and costs incurred by Company as a result of having to obtain indemnification under this Agreement. 3. Effective Date. The " Effective Date " of this Agreement means the eighth day after Employee signs and returns this Agreement to the Company provided Employee did not revoke Employee' s signature on this Agreement, at which point this Agreement shall be effective and irrevocable. 4. Payment in Full. Other than the Consideration which will be paid as set forth in this Agreement, Employee acknowledges and agrees that Employee has received all accrued salary, wages, accrued but unused vacation, bonuses, commissions, expense reimbursements, equity entitlements, sign on grants, option grants, restricted share grants, units, equity incentives, benefits, the Final Compensation (as defined in Section 8 of the Employment Agreement), and / or other such sums or payments due and owing to Employee as a result of his employment with the Company, including pursuant to the Employment Agreement and the Term Sheet. In light of the payment by the Company of all wages due, the Parties further acknowledge and agree that California Labor Code § 206. 5 is not violated by virtue of Employee' s execution of this Agreement. That section provides in pertinent part as follows: " No employer shall require the execution of any release of any claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of such wages has been made. " 5. General Release of Claims by Employee. In consideration of the promises and releases made herein and the payment of the Consideration, all of which are in excess of any regular Company policy or obligation owed by the Company to Employee, Employee hereby fully and forever releases and discharges the Company and Zai Lab Limited, and their parents, affiliates and subsidiaries, and each of their respective executives, directors, employees, managers, officers, investors, insurers, owners, shareholders, members, representatives, agents, attorneys, joint employers, benefit plans, trustees and administrators, and each of their respective predecessors, successors and assigns (collectively, the " Released Parties ") from and against any all claims, damages complaints, charges, duties, obligations, or causes of action of every kind and nature, known and unknown, that Employee had, has or may have against the Company or any of the Released Parties, including any omissions, acts, facts, or damages arising out of Employee' s

employment with the Company or termination thereof that have occurred up until and including the date Employee signs this Agreement. This general release includes, but is not limited to, any rights or claims arising under the United States and California Constitutions; California statutory and common law (including contract law, employment law and tort law); the California Fair Employment and Housing Act; the California Labor Code; the California Family Rights Act; the Private Attorneys General Act; the Industrial Welfare Commission Orders; Title VII of the Civil Rights Act of 1964 as amended; the Employee Retirement Income Security Act of 1974; the Age Discrimination in Employment Act; the Older Workers Benefit Protection Act; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Equal Pay Act; the Fair Labor Standards Act; the Foreign Corrupt Practices Act of 1977 (" FCPA "); the Americans with Disabilities Act as amended; any federal and state family leave statutes; and any and all other federal, state and local laws, statutes, executive orders, regulations and common law; any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Employee as a result of this Agreement; any and all claims for attorneys' fees and costs; any and all claims relating to, or arising from, Employee' s right to purchase, or actual purchase of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law and securities fraud; any and all claims for wrongful discharge, discrimination, harassment, retaliation, breach of contract (express and implied) including arising out of the Employment Agreement, breach of covenant of good faith and fair dealing, promissory estoppel, negligent and intentional infliction of emotional distress, negligent or intentional interference with contract or prospective economic advantage, unfair business practices, tort, defamation, invasion of privacy, and negligence; any and all claims for wages, overtime, bonuses, on call pay, equity, options, grants, units, incentives, remuneration of any kind, commissions, benefits and / or severance pay; claims for notice, pay in lieu of notice, costs, penalties, damages, interest and / or attorneys' fees; and any other claims arising from or relating to Employee' s employment with the Company or any Released Party based on any legal theory or law now or hereafter recognized. Notwithstanding the foregoing general releases, Employee acknowledges that Employee has not asserted any claims against the Company for sexual harassment or sexual abuse, and none of the payments set forth as consideration in this Agreement are related to sexual harassment or sexual abuse. Notwithstanding the foregoing, nothing in this Agreement shall be construed to be a waiver by Employee of, any earned, vested and nonforfeitable benefit of Employee pursuant to the terms of a Company benefit plan, Employee' s rights under California Labor Code Section 2802 to indemnification, Employee' s rights to enforce this Agreement, or any claim that cannot be waived as a matter of law. 6. Employee' s Acknowledgement of Waiver of (Age) Claims Under ADEA / Time Periods. Employee agrees that Employee is hereby waiving and releasing any rights under the Age Discrimination in Employment Act of 1967 (" ADEA ") as amended, and that this waiver and release is knowing and voluntary. Employee understands that this ADEA waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Employee acknowledges that the consideration given for this ADEA waiver and release is in addition to anything of value to which Employee was already entitled. Employee further acknowledges notice by this writing that: a. Employee has twenty- one (21) calendar days within which to consider this Agreement and sign it. If Employee signs this Agreement before such time period has elapsed, Employee does so knowingly and voluntarily and Employee agrees that Employee' s decision was not induced by the Company through fraud, misrepresentation, or threat to withdraw or alter the offer of Consideration; b. Employee has been and hereby is advised that Employee should consult with an attorney prior to executing this Agreement; c. Employee is, through this Agreement, releasing the Company and the other Released Parties from any and all claims Employee may have against the Company or such Released Parties, including but not limited to claims for age discrimination under the ADEA; d. Employee has seven (7) calendar days following Employee' s execution of this Agreement to revoke Employee' s signature on this Agreement. If Employee does so, Employee will not receive the Consideration; and e. In order to revoke this Agreement, Employee must deliver to Katie Holm, Human Resources, US, Zai Lab (US) LLC, 1440 O' Brien Drive, Suite A & C, Menlo Park, CA 94025, a written revocation before 12: 00 a. m. (midnight) Pacific Time on the seventh calendar day following the date Employee signs the Agreement. As set forth in Paragraph 3, this Agreement shall be effective and irrevocable on the eighth day after Employee signs and returns it provided Employee has not delivered notice of revocation. 7. General Release of Claims by Company. In consideration of the promises and releases made herein, the Company hereby fully and forever releases and discharges Employee and Employee' s heirs, estates, representatives, agents and attorneys, and each of their respective predecessors, successors and assigns, from and against any all claims, damages complaints, charges, duties, obligations, or causes of action of every kind and nature, known and unknown, that the Company had, has or may have against the Employee or any of the foregoing released parties, including any omissions, acts, facts, or damages arising out of Employee' s employment with the Company, that have occurred up until and including the date the Company signs this Agreement, including but not limited to, claims in contract, tort, fraud, negligence, public policy, breach of fiduciary duty, and any other claims arising under any federal, state and local laws, statutes, executive orders, regulations and common law, under any theory now or hereinafter recognized. 8. Release of Unknown Claims. The Parties agree and acknowledge that the releases provided for in the foregoing Paragraphs shall apply to all unknown and unanticipated injuries and / or damages (as well as those now disclosed). Each of the Parties acknowledges and understands that Section 1542 of the Civil Code of the State of California provides as follows: A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY. Being aware of Section 1542 of the California Civil Code, each Party, by signing this Agreement, hereby expressly waives and releases, to the fullest extent permitted by law, the provisions of Section 1542 of the California Civil Code and any other similar provisions of law that may be applicable. Each Party is aware that either Party may hereafter discover claims or facts in addition to or different from those that either Party now knows or believes to exist with respect to the subject matter of this Agreement

which if such Party had known, may have affected such Party' s decision to sign this Agreement; however, each Party hereby settles and releases all of the claims which either Party had, has or may have against the other Party and all of the released parties, including arising out of such additional or different facts. 9. No Claims. Employee attests that Employee is not aware of any violations of law committed by the Company or its parent company or their affiliates, including under any securities laws, the FCPA or any other regulatory or compliance laws, statutes, or regulations. Employee further has not filed any lawsuits, administrative complaints or charges, either in Employee' s name or on behalf of any other person or entity, against the Company or the Released Parties in any local, state or federal court or with any local, state, federal or administrative agency or regulatory body, concerning any matter which was or could have been raised in connection with any matter released in this Agreement, and that, to the fullest extent allowed by law and except as provided for in this Agreement, Employee will not do so. 10. Continuing Obligations. a. Employee understands that the terms and existence of this Agreement are personal to Employee and that Employee must maintain the confidential nature of this Agreement as confidentiality is a material term of the Agreement. Employee covenants that Employee has not disclosed and will not disclose the existence or terms of this Agreement to anyone other than Employee' s spouse, registered domestic partner, attorney, accountant, or if required by legal process or to enforce Employee' s rights under this Agreement. b. Employee specifically acknowledges that Employee' s employment with the Company created a relationship of trust between Employee and the Company with respect to any information of a confidential or secret nature of which Employee became aware during the period of Employee' s employment and which (i) relates to the business of the Company, or to the business of any customer or supplier of the Company; or (ii) is processed by the Company and has been created, discovered, or developed by, or has otherwise become known to the Company that has commercial value to the business in which the Company is engaged. All said information is herein called " Proprietary Information. " By way of illustration, and not in limitation, proprietary information includes trade secrets, patents, patent applications, inventions, processes, computer programs, data, know how, strategies, forecasts, customer lists, pricing, policies, operational procedures, staffing, billing, and collection practices, contract provisions, philosophies, or other intellectual property rights of the Company. At all times Employee will keep in confidence and trust all such proprietary information and will not, directly, or indirectly, use, publish, post, summarize or disclose any such Proprietary Information or anything relating to it without the written consent of the Company. Employee hereby agrees that all Proprietary Information shall remain the sole and exclusive property of the Company and its assigns. Employee further acknowledges and agrees that Employee' s Proprietary Information and Inventions Agreement with the Company remains in full force and effect and is unaffected by this Agreement. c. Employee also agrees that Employee continues to be bound by any post- termination obligations set forth in any nondisclosure, inventions, and / or confidential and proprietary information agreement or policy which Employee was provided, or which Employee executed during the course of Employee' s employment with the Company, including that certain Nondisclosure Agreement executed by Employee on December 1, 2020 (" Nondisclosure Agreement "). d. Employee agrees, to the fullest extent permitted by law, that Employee will not make any statement publicly or to any third party, person, or entity concerning the Company or the other Released Parties that may be disparaging or derogatory, or otherwise take any action which may disparage or place in a negative light the Company or any of the other Released Parties in any manner or form. e. The Company shall keep the terms of this Agreement confidential except that the Company may disclose this Agreement to the Company' s attorneys, Board of Directors, tax advisors and accountants, any governmental taxing agency, any Company representative charged with carrying out the terms of this Agreement, if compelled pursuant to subpoena or court order, and in connection with any dispute with Employee regarding the terms of this Agreement. f. Nothing in this Agreement shall (i) waive a Party' s right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or sexual harassment when the Party has been required or requested to attend the proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature; (ii) prevent Employee from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that Employee has reason to believe is unlawful; (iii) prevent Employee from making a report or disclosure of information that is protected under the whistleblower provisions of state or federal law or regulation to any self- regulatory organization, governmental agency, or legislative body; or (iv) prohibit Employee from initiating communications directly with, responding to any inquiries from, providing testimony before, or from filing a claim with or assisting with an investigation of a self- regulatory authority or a government agency or entity, including the U. S. Equal Employment Opportunity Commission, the Department of Labor, the National Labor Relations Board, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the " Regulators "). However, to the maximum extent permitted by law, Employee is waiving Employee' s right to receive any individual monetary relief from the Company or any of the Released Parties resulting from such claims or conduct, regardless of whether Employee or another party has filed them, and in the event, Employee obtains such monetary relief, the Company will be entitled to an offset for the payments made pursuant to this Agreement. This Agreement does not limit Employee' s right to receive an award from any Regulator that provides awards for providing information relating to a potential violation of law. g. Further, pursuant to the Defend Trade Secrets Act of 2016, an individual will not be held criminally or civilly liable if the individual discloses a trade secret where the disclosure is made (x) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (y) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. Federal law also provides that an individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. 11. Return of Company Property. Employee confirms that Employee has delivered to the Company all property, documents, data, and proprietary information of any nature pertaining to the Company or its affiliated companies. Employee also affirms that employee has not taken from the

Company or its affiliated companies any documents or data of any description or any reproduction containing or pertaining to any Proprietary Information nor has Employee utilized nor will Employee utilize Proprietary Information for any reason whatsoever. 12. No Admission of Liability. This Agreement and compliance with this Agreement shall not be construed as an admission by Employee, the Company or any of the Released Parties of any liability whatsoever, or as an admission by Employee, the Company or the Released Parties of any violation of the rights of Employee or any person, or of the violation of any order, law, statute, duty, or contract whatsoever against Employee or any person. 13. No Representations. Each Party represents that it / he has had the opportunity to consult with an attorney and has carefully read and understands the scope and effect of the provisions of this Agreement. The Parties hereto further represent and acknowledge that in executing this Agreement, each has not relied upon any representation or statement made by any of the Parties or by any of the Parties' agents, attorneys, or representatives with regard to the subject matter, basis, or effect of the Agreement or otherwise, other than those specifically stated in this written Agreement. 14. Final and Binding. This Agreement shall be binding upon the Parties hereto and upon their heirs, administrators, representatives, executors, successors, and assigns, and shall inure to the benefit of said Parties and each of them and to their heirs, administrators, representatives, executors, successors, and assigns. Employee expressly warrants that Employee has not transferred to any person or entity any rights, causes of action, or claims released in the Agreement. 15. Severability. Should any provision of this Agreement be found by a court of competent jurisdiction or an arbitrator to be illegal, invalid, unenforceable or void, that provision shall be considered severable, and the remaining provisions shall remain in full force and effect without said provision. 16. Entire Agreement. With the exception of any agreement or policy with the Company pertaining to Employee' s post- termination obligations to protect the Company' s proprietary, trade secret, and confidential information or other legitimate business interests, including the Nondisclosure Agreement, which shall remain in full force and effect, this Agreement sets forth the entire agreement and understanding between the Parties hereto concerning the subject matter of this Agreement and fully supersedes any and all prior agreements or understandings, written or oral, between the Parties hereto pertaining to the subject matter hereof including the Term Sheet. The Recitals are hereby incorporated into this Agreement. 17. Plain Meaning. This Agreement shall be interpreted in accordance with the plain meaning of its terms and not strictly for or against any of the Parties hereto. 18. Governing Law. Except as set forth herein, this Agreement shall be deemed to have been executed and delivered within the State of California, and it shall be construed, interpreted, governed, and enforced in accordance with the laws of the State of California, without regard to the State of California' s conflict of law principles. 19. No Knowledge of Wrongdoing. Employee represents that Employee has no knowledge of any wrongdoing that could be subject to a claim before, or raise a disclosure obligation to, a federal or state governmental agency, or any other wrongdoing that involves Employee or other present or former Company employees. 20. Costs. The Parties shall each bear their own attorneys' fees and other fees incurred in connection with this Agreement, if any. In the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, and court fees, plus reasonable attorneys' fees, incurred in connection with such an action. 21. Arbitration. The Parties agree that any dispute regarding any aspect of this Agreement, including the confidentiality provisions, shall be submitted exclusively to final and binding arbitration before a mutually agreed upon arbitrator in accordance with the Federal Arbitration Act, 9 U. S. C. § § 1, et seq. using JAMS. The arbitrator shall be empowered to award any appropriate relief, including remedies at law, in equity or injunctive relief. However, each of the Parties reserves the right to seek provisional, injunctive and / or equitable relief in any court of competent jurisdiction to prevent irreparable harm to such Party. Arbitration proceedings shall be held in San Francisco, California or at any other location mutually agreed upon by the Parties. The Parties agree that this arbitration shall be the exclusive means of resolving any dispute under this Agreement and that no other action will be brought by them in any court or other forum except if required to prevent irreparable harm to a Party (such as disclosure of confidential information), in which case a Party may file a court action in any court of competent jurisdiction. 22. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all that may claim through it, to the terms and conditions of this Agreement. Employee represents and warrants that Employee has the capacity to act on Employee' s own behalf, and on behalf of all others, to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien, or assignments in law or equity or otherwise, of or against any of the claims or causes of action released herein. 23. No Waiver. The failure of any Party to insist upon the performance of any of the terms and conditions in this Agreement, or the failure to prosecute any breach of any of the terms and conditions of this Agreement, shall not be construed thereafter as a waiver of any such terms or conditions. This entire Agreement shall remain in full force and effect as if no such forbearance or failure of performance had occurred. 24. No Oral Modification. Any modification or amendment of this Agreement, or additional obligation assumed by either Party in connection with this Agreement, shall be effective only if placed in writing and signed by both Parties or by authorized representatives of each Party. No provision of this Agreement can be changed, altered, modified, or waived except by an executed writing by the Parties. 25. Counterparts. This Agreement may be executed in counterparts and each counterpart, when executed, shall have the efficacy of a second original. Photographic copies of such signed counterparts may be used in lieu of the original for any purpose. 26. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that: a. they have read this Agreement; b. they have been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel; c. they understand the terms and consequences of this Agreement and of the releases it contains; and d. they are fully aware of the legal and binding effect of this Agreement. IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below. Dated: October 25, 2022 / s / Alan SandlerEmployee: Alan Bart SandlerFor Zai Lab (US) LLC: Dated: October 25, 2022 / s / Josh SmileyBy: Josh SmileyTitle: Chief Operating Officer Exhibit 10. 40Execution Version EMPLOYMENT AGREEMENT THIS AMENDED

AND RESTATED EMPLOYMENT AGREEMENT (" Agreement ") is made and entered into as of August 1, 2022, by and between Zai Lab (US) LLC (the " Company "), and Joshua Smiley (the " Employee "). RECITALS The Company and its Affiliates are engaged in the business of researching, developing, manufacturing, and commercializing drug products in the pharmaceutical industry, including without limitation the sales and marketing of both small molecule and large molecule therapeutics (the " Business Of The Group "), and the Employee is qualified to engage in providing services in support of the Business Of The Group as contemplated under this Agreement. NOW, THEREFORE, in consideration of the promises and the respective covenants and agreements of the parties, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows: 1. EMPLOYMENT. Effective as of August 1, 2022 (the " Commencement Date "), the Company agrees to employ the Employee, and the Employee agrees to commence employment with the Company on the Commencement Date. The period beginning on the Commencement Date and ending on the date the Employee' s employment under this Agreement is terminated is referred to herein as the " Employment Period ". 1. 1. Employment by Company. The Company agrees to employ the Employee as the Chief Operating Officer of the Company. In addition, the Employee shall serve as the Chief Operating Officer of Zai Lab Limited, a limited company incorporated under the laws of the Cayman Islands and the ultimate parent corporation of the Company (the " Parent Company ") without further compensation. The Employee agrees to render such services and to perform such duties and responsibilities as are normally associated with and inherent in the aforementioned roles and the capacities in which the Employee is employed, as well as such other duties and responsibilities as shall from time to time be assigned to the Employee by the Chief Executive Officer of the Company or such person' s designee. 1. 2. Acceptance of Employment. The Employee accepts such employment set out in Section 1. 1 and agrees to faithfully perform and render the services required of the Employee under this Agreement through execution of this Agreement and the Compliance Agreement, attached as Exhibit A to this Agreement. Except for reasonable vacations and absences due to temporary illness, and activities that may be mutually agreed to by the parties, the Employee shall devote his entire time, attention and energies during normal business hours and such evenings and weekends as may be reasonably required for the discharge of his duties to the Business of The Group, and the performance of the Employee' s duties and responsibilities under this Agreement. 1. 3. Positions with Affiliates. If requested by the Company, the Employee agrees to serve without additional compensation if elected, nominated or appointed as an officer and / or director of the Company, the Parent Company and any of the subsidiaries or affiliates of the Company or the Parent Company (collectively, " Affiliates ") and in one or more executive offices of any of the Affiliates. 1. 4. Conflicts of Interest. The Employee has reviewed with the Board of Directors of Zai Lab Limited (the " Board ") the present directorships, ownership (legal and beneficial, direct and indirect) interests and other positions or roles held by the Employee or his associate (s). The Employee agrees to review with the Board any potential directorships, ownership (legal and beneficial, direct and indirect) interests and other positions or roles with business organizations or arrangements before Employee takes upon such engagement or ownership. The Employee or his associate (s) is precluded from owning an interest (legal and beneficial, direct and indirect) in another company or serving as an employee, director, consultant, advisor or member of such another company that may be directly competitive or directly in conflict with the Company or the Parent Company until such interest is presented to the Board and the Board consents to such interest or employment. 1. 5. Compliance with Policies. The Employee agrees that, while employed by the Company, he will comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to his position. 1. 6. At- Will Employment. This Agreement does not guarantee or imply any right to continued employment for any period whatsoever. The parties acknowledge that the Employee' s employment is and shall continue to be at- will, and that either the Employee or the Company may terminate your employment at any time, subject to the terms and conditions of this Agreement. 2. PLACE OF PERFORMANCE. The Employee shall be based in Cambridge, Massachusetts; provided that it is expected that part of the Employee' s duties will include routine travel to the Company' s affiliate site in Shanghai, China, subject to the limitations arising in connection with COVID- 19 pandemic- related travel restrictions between the United States and mainland China. In addition, the Company or the Parent Company may require that the Employee travel in furtherance of the Business of the Group, to the extent necessary and / or substantially consistent with the then present business travel obligations of employees at substantially the same service level as the Employee. 3. COMPENSATION BENEFITS AND EXPENSE REIMBURSEMENTS. 3. 1. Base Salary. In consideration for the agreement of the Employee to be employed under this Agreement, during the Employment Period, the Employee shall receive from the Company an annual base salary of US $ 600, 000 (the " Base Salary "), which will be pro- rated for the Employee' s period of service as Chief Operating Officer in 2022. This Base Salary, and all other compensation and reimbursement under the Agreement, may be provided through a professional employer organization. The Base Salary to be paid to the Employee will be subject to reduction for payroll tax withholdings, deductions legally required (if any) and such other deductions properly and reasonably authorized by the Employee. The Company (or a professional employer organization, as applicable) shall pay such Base Salary in accordance with its standard payroll procedures. The Employee' s Base Salary will be subject to annual review and adjustments will be made based upon the Company' s normal performance review practices for executive employees of the Company. 3. 2. Sign- On Bonus. The Company will pay to the Employee on the Commencement Date a payment of US $ 400, 000 (the " Sign- On Bonus "), less any applicable deductions and withholding taxes. This Sign- On Bonus will be paid in two installments: $ 250, 000 in August 2022 and $ 150, 000 in August 2023, with the second installment contingent upon the Employee relocating to the Boston area by such time. 3. 3. Annual Bonus. For each calendar year completed during the Employment Period, the Employee will be eligible to participate in the Company' s annual bonus program, with a target annual bonus opportunity equal to 50 % of the Base Salary (the " Target Bonus "). The actual bonus award amount shall be determined by the Board (or the Compensation Committee thereof) in its sole discretion based on the Employee' s performance and the Company' s performance against goals established by the Board (or the Compensation Committee thereof). The annual bonus shall be paid in the year after the year to which such bonus relates; however, in order to earn any such bonus, the Employee must be employed with the Company

through the date that such bonus is paid. Any annual bonus payable for the Employee' s initial year of employment will be pro- rated based on the Commencement Date. 3. 4. Equity Incentives. 3. 4. 1. Stock Options. Subject to the approval of the Board (or the Compensation Committee thereof) and the Employee' s execution of the applicable award agreement, the Employee shall, in August 2022, be granted an option to purchase 139, 000 American Depositary Shares (" ADSs ") (the " Option ") with an exercise price equal to the fair market value of an ADS on the date of grant in accordance with the Zai Lab Limited 2022 Equity Incentive Plan (the " Plan "). The Option shall vest annually beginning on the anniversary of the Commencement Date, which vesting shall be ratable over five years, subject to the Employee providing continuous full- time services to the Company under this Agreement on the Commencement Date and through each applicable vesting date. The Option will be subject to the terms, definitions and provisions of the Plan, the stock option agreement to be entered into by and between the Employee and the Parent Company, any other applicable shareholder and / or option holder agreements, and any other restrictions and / or limitations generally applicable to the equity of the Parent Company or equity awards held by Company executives or otherwise imposed by law. 3. 4. 2. Restricted Share Units. Subject to the approval of the Board (or the Compensation Committee thereof) and the Employee' s execution of the applicable award agreement, the Employee shall, in August 2022, be granted restricted share units representing 79, 500 ADSs (the " Restricted Share Units "), which shall vest annually beginning on the anniversary of the Commencement Date, which vesting shall be ratable over five years, subject to the Employee providing continuous full- time services to the Company under this Agreement on the Commencement Date and through each applicable vesting date. The Restricted Share Unit shall be settled for ADSs upon vesting. The Restricted Share Unit will be subject to the terms, definitions and provisions of the Plan, the restricted share units award agreement to be entered by and between the Employee and the Parent Company, any other applicable shareholder and / or option holder agreements, and any other restrictions and / or limitations generally applicable to the equity of the Parent Company or equity awards held by Company executives or otherwise imposed by law. 3. 4. 3. Future Equity Incentives. Subject to the receipt of any required approvals, commencing in calendar year 2023 and during the Employment Period, the Employee will be eligible to receive discretionary annual equity incentive awards under the Plan or successor equity incentive plan in accordance with policies of the Parent Company.- 3- 3. 5. Participation in Employee Benefit Plans. The Employee will be entitled to participate in all employee benefit plans from time to time in effect for similarly situated senior executive employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided to the Employee under this Agreement (e. g., a severance pay plan). With respect to vacation benefits, the Employee will be entitled to reasonable vacation time, with the understanding that for calendar year 2022, such vacation will accrue at the annual rate of not less than 22 days (pro- rated based on the Commencement Date) and for each calendar year thereafter, not less than 15 days (pro- rated for any partial year of service). The Employee' s participation will be subject to the terms of the applicable plan documents and applicable Company policies, and any other restrictions or limitations imposed by law. The Company reserves the right to amend, modify, cancel or terminate the benefit plans and programs it offers to its employees at any time. 3. 6. Reimbursements. During the Employment Period, the Employee will be reimbursed, in accordance with the Company' s reimbursement policy in effect from time to time applicable to employees of the Company, for all reasonable traveling expenses and other disbursements incurred by him for or on behalf of the Company in the performance of his duties hereunder upon presentation by the Employee of appropriate receipts. The Employee' s right to payment or reimbursement for reasonable business expenses hereunder shall be subject to the Company' s reimbursement policy in effect from time to time and the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made by the Company as soon as reasonably practicable following the time that the applicable expense is submitted by the Employee to the Company and in no event later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit. 3. 7. Withholding and Deductions. Recognizing that the Employee is an employee for all purposes, the Company shall deduct from any compensation payable to the Employee the sums which the Company is required by law to deduct, including, but not limited to, government state withholding taxes, social security taxes and state disability insurance and mandatory provident funds, and the Company shall pay any amounts so deducted to the applicable governmental entities and agents entitled to receive such payments. 4. INVOLUNTARY TERMINATION. 4. 1. Death or Disability. If the Employee dies, then the Employee' s employment by the Company hereunder shall automatically terminate on the date of the Employee' s death. If the Employee is incapacitated or disabled by accident, sickness or otherwise so as to render him mentally or physically incapable of performing the services required to be performed by him under this Agreement for a period of ninety (90) consecutive days or longer, or for any ninety (90) days during any six (6) month period (such condition being herein referred to as " Disability "), the Company, at its option, may terminate the Employee' s employment under this Agreement immediately upon giving him notice to that effect. In the case of a Disability, until the Employee becomes eligible for disability income under the Company' s disability income insurance (if any) or until the Company shall have terminated the Employee' s service in accordance with the foregoing, whichever shall first occur, to the extent permitted by the terms of the Company' s plans, the Employee will be entitled to receive compensation, at the rate and in the manner provided in Section 3. 1, notwithstanding any such physical or mental disability. Termination pursuant to this Section 4. 1 is hereinafter referred to as an " Involuntary Termination ".- 4- 4. 1. Substitution. The Board or its designee may designate another employee to act in the Employee' s place during any period of Disability suffered by the Employee during the Employment Period. Notwithstanding any such designation, the Employee shall continue to receive the Base Salary and benefits in accordance with Section 3 of this Agreement until the Employee becomes eligible for disability income under the Company' s disability income insurance (if any) or until the termination of the Employee' s employment, whichever occurs first. 4. 2. Disability Income Payments. While receiving disability income payments under the Company' s disability income insurance, if any (the " Disability Payments "), the Employee shall not be entitled to receive any Base Salary under Section 3. 1, but shall

continue to participate in all other compensation and benefits in accordance with Sections 3. 3, 3. 5, and 3. 7 until the date of the Employee' s termination of employment. With regard to equity incentives, the applicable equity incentive plan and award agreement shall govern the Employee' s participation and the Parent Company' s obligations relating to such equity incentives. 4. 3. 1. Verification of Disability. If any question arises as to whether during any period the Employee is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of the Employee' s duties and responsibilities hereunder, the Employee may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Employee or the Employee' s guardian has no reasonable objection to determine whether the Employee is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question arises and the Employee fails to submit to such medical examination, the Company' s determination of the issue shall be binding on the Employee. 5. TERMINATION FOR CAUSE BY THE COMPANY. The Company may terminate the employment of the Employee hereunder at any time during the Employment Period for Cause (such termination being hereinafter referred to as a " Termination for Cause ") by giving the Employee notice of such termination, upon the giving of which such termination shall take effect immediately. For the purpose of this Agreement, " Cause " means any one of the following grounds, as determined by the Board in its reasonable judgment: (i) the Employee' s use of legal or illegal drugs, including alcohol, which interferes with the performance of the Employee' s obligations and duties to the Company or any of its Affiliates; (ii) the Employee' s commission of a felony, or any crime involving fraud, moral turpitude or misrepresentation or violation of applicable securities laws; (iii) mismanagement by the Employee of the business and affairs of the Company or any Affiliate of the Company which results or could reasonably be expected to result in a material harm to the Company or any of its Affiliates; (iv) the Employee' s material breach of any of the terms of this Agreement or any other agreement between the Employee and the Company or any of its Affiliates; (v) the Employee' s violation of any confidentiality, non- competition, non- solicitation, no- hire or other restrictive covenant set forth in this Agreement, the Compliance Agreement or any other agreement between the Employee and the Company or any of its Affiliates or any material policy of the Company or any of its Affiliates; or- 5- (vi) the Employee' s material failure to perform or substantial negligence in the performance of the Employee' s obligations and duties to the Company or any of its Affiliates, or any other conduct by the Employee which is or could reasonably be expected to be materially detrimental to the interests and well- being of the Company or any of its Affiliates, including, without limitation, harm to its business or reputation. 6. TERMINATION WITHOUT CAUSE BY THE COMPANY. The Company may terminate the employment of the Employee hereunder at any time during the Employment Period without Cause (such termination being hereinafter called a " Termination Without Cause ") by giving the Employee notice of such termination. 7. TERMINATION BY THE EMPLOYEE. 7. 1. Without Good Reason. The Employee may terminate his services hereunder at any time without Good Reason (as defined below) (such termination being referred to hereinafter as a " Voluntary Termination "). A Voluntary Termination will be deemed to be effective following reasonable notice by the Employee of not less than thirty (30) calendar days, provided that the Company may elect to waive all or any portion of such notice period. 7. 2. With Good Reason. The Employee may terminate his services hereunder at any time for Good Reason (as defined below) by (i) providing written notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than the thirtieth (30th) day following the occurrence of that condition; (ii) providing the Company a period of thirty (30) days to remedy the condition and so specifying in the notice and (iii) terminating his employment for Good Reason within thirty (30) days following the earlier of the expiration of the period to remedy if the Company fails to remedy the condition or receipt of notice from the Company that it will not remedy the condition (such termination being hereinafter referred to as a " Termination for Good Reason "). For purposes of this Agreement, the term " Good Reason " shall mean without the Employee' s consent (a) any material diminution of the Employee' s duties or responsibilities hereunder (except in each case in connection with the Employee' s Termination for Cause or due to the Employee' s illness or Disability) or the assignment to the Employee of duties or responsibilities that are materially inconsistent with the Employee' s then- current position, except in connection with the Employee' s illness or Disability; (b) a material diminution in the duties or responsibilities of the officer to whom the Employee is required to report, including a requirement that the Employee report to an officer other than the Company' s Chief Executive Officer; (c) any material breach of the Agreement by the Company; or (d) relocation of the Employee' s primary location from which he performs his services to the Company to a location more than thirty (30) kilometers from such location, other than on a temporary basis not to exceed a period equal to six (6) consecutive calendar months, provided that business travel as described in Section 2 shall not give rise to a Good Reason condition under this Section 7. 2. 8. EFFECT OF TERMINATION ON SERVICES. 8. 1. Voluntary Termination or a Termination for Cause. 8. 1. 1. Upon the termination of the Employee' s employment hereunder pursuant to a Voluntary Termination or a Termination for Cause and subject to Section 3. 7, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company or any of its Affiliates under this Agreement except to receive the following (in the aggregate, the " Final Compensation "):- 6- (i) the unpaid portion of the Base Salary provided for in Section 3. 1, computed on a pro rata basis up to (and including) the effective date of such termination; (ii) reimbursement for any expenses for which the Employee shall not have theretofore been reimbursed as provided in Section 3. 6, provided that the Employee submits all such expenses and required supporting documentation within sixty (60) days of the effective date of such termination and otherwise in accordance with the Company reimbursement policy in effect from time to time; and (iii) any additional compensation as may be expressly required under applicable law if required by applicable law. 8. 1. 2. Final Compensation (other than expense reimbursement, which shall be paid within thirty (30) days after such reimbursement is submitted in accordance with subsection (ii) above) will be paid to the Employee within thirty (30) days following the date of termination (or such shorter period required by law). 8. 2. Involuntary Termination. Upon the termination of the Employee' s employment hereunder pursuant to an Involuntary Termination and subject to Sections 3. 7, 8. 4 and 14, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company, or any of its Affiliates under this Agreement

except to receive: (i) Final Compensation in accordance with Section 8. 1; (ii) an aggregate amount equal to one (1) month' s Base Salary; and (iii) subject to the Employee being eligible for and timely electing COBRA benefits, payment of the Company' s portion of monthly premiums for the continuation of health insurance benefits as in effect for the Employee immediately prior to the effective date of such termination under the law commonly known as COBRA with such COBRA Continuation is payable directly to the insurance carrier (" COBRA Continuation Benefits ") for one (1) month, provided that if the Company determines in its sole discretion that it cannot pay the COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Employee a taxable monthly payment payable at the same time that the Base Salary payment is made under subsection (ii) above. 8. 3. Termination Without Cause or Termination for Good Reason in Connection with a Change in Control. 8. 3. 1. Upon the termination of the Employee' s employment hereunder pursuant to a Termination Without Cause or a Termination for Good Reason within twelve (12) months following a Change in Control and subject to Sections 3. 7, 8. 4, 14 and 15, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company or any of its Affiliates under this Agreement except to receive the following (in the aggregate, the " Severance Payments ") in addition to the Final Compensation in accordance with Section 8. 1:- 7- (i) an aggregate amount equal to the Base Salary for twelve (12) months (the " Severance Period "), payable from the effective date of such termination in accordance with the Company' s normal payroll policies and at the same rate and in the same manner as set forth in Section 3. 1 and 3. 7 hereof, and to be reduced by any Non-Competition Payments (as defined in the Compliance Agreement) paid to you pursuant to the Compliance Agreement with respect to the same period of time; (ii) a payment equal to a pro- rated Target Bonus for the year of such employment termination (determined by multiplying the Target Bonus by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Employee is employed by the Company and the denominator of which is three hundred and sixty- five (365)), payable at the same time bonuses for such year are paid to other senior executives of the Company (the " Pro-rated Bonus "); (iii) COBRA Continuation Benefits during the Severance Period, provided that if the Company determines in its sole discretion that it cannot pay the COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Employee a taxable payment payable at the same time that the Base Salary payments are made under subsection (i) above; and (iv) full acceleration of vesting for any unvested portion of any outstanding equity incentive awards granted under the Plan or any successor equity incentive plan. The Severance Payments (other than Final Compensation) under subsections (i) and (ii) above will be provided in the form of salary continuation, payable in equal installments in accordance with the Company' s normal payroll practices, during the Severance Period, provided that the first such payment will be made on the next regular pay day following the date on which the Release of Claims (as defined below) becomes effective and irrevocable and will be retroactive to effective date of the termination of the Employee' s employment. 8. 3. 1. For purposes of this Agreement, " Change in Control " means the occurrence of any of the following: (i) Samantha Du ceases to serve as the Chief Executive Officer of the Parent Company or ceases to serve as the Executive Chairperson of the board of directors of the Parent Company; (ii) any one person, or more than one person acting as a group (" Person "), acquires ownership of the stock of the Parent Company that, together with the stock held by such Person, constitutes more than 50 % of the total voting power of the stock of the Parent Company, except that any change in the ownership of the stock of the Parent Company as a result of a private financing of the Parent Company that is approved by the Board will not be considered a Change in Control;- 8- (iii) a majority of members of the Board is replaced during any twelve- (12-) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (iv) any Person acquires (or has acquired during the twelve- (12-) month period ending on the date of the most recent acquisition by such person or persons) assets from the Parent Company that have a total gross fair market value equal to or more than 50 % of the total gross fair market value of all of the assets of the Parent Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (iv), gross fair market value means the value of the assets of the Parent Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Parent Company. Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to re- domicile the Parent Company in a jurisdiction other than its original jurisdiction of incorporation, (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the Persons who held the Parent Company' s securities immediately before such transaction or (iii) the transaction is an equity financing of the Company or Parent Company. 8. 3. 2. Liquidated Damages. The parties acknowledge and agree that damages which will result to the Employee for a Termination Without Cause or other breach of this Agreement by the Company shall be extremely difficult or impossible to establish or prove, and agree that the Severance Payments shall constitute liquidated damages for any breach of this Agreement by the Company through the date of termination. The Employee agrees that, except for such other payments and benefits to which the Employee may be eligible as expressly provided by the terms of this Agreement or any applicable benefit plan, such liquidated damages shall be in lieu of all other claims that the Employee may make by reason of termination of her / his employment or any such breach of this Agreement and that, as a condition to receiving the Severance Payments (as applicable), the Employee will execute the Release of Claims. 8. 4. Release. The obligation of the Company to make any payments and benefits (other than Final Compensation) to or on behalf of the Employee under Sections 8. 2 and 8. 3 is conditioned on the Employee signing and not revoking a timely and effective separation agreement containing a general release of claims in favor of the Company and other customary terms (including, without limitation, a restriction against competition that is substantially similar to that contained in your Compliance Agreement) in a form reasonably satisfactory to the Company (the " Release of Claims ") and provided that the Release of Claims becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the " Release Deadline ").

If the Release of Claims does not become effective by the Release Deadline, the Employee will forfeit any rights to severance or benefits (other than Final Compensation) under this Agreement. In no event will Severance Payments or benefits (other than Final Compensation) be paid or provided until the Release of Claims becomes effective and irrevocable. 9. POST-EMPLOYMENT COMPLIANCE. The obligation of the Company to make any payments (other than Final Compensation) to or on behalf of the Employee under Section 8. 3 above, and the Employee' s right to retain the same, is expressly conditioned upon the Employee' s continued performance of the Employee' s obligations under this Agreement, the- 9- Compliance Agreement and any other agreement between the Employee and the Company or any of its Affiliates (including any restrictive covenants therein). 10. STANDARDS OF CONDUCT. The Employee will conduct himself in an ethical and professional manner at all times and in accordance with any employee or employment policies or guidelines which the Company may issue from time to time, including the Code of Conduct, and the ethical guidelines of the State bar under which he is licensed and in which he is providing services to the Company. 11. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE. The Employee represents and warrants to the Company that: (i) the Employee has the proper skill, training and background so as to be able to perform under the terms of this Agreement in a competent and professional manner; (ii) the Employee will not infringe any intellectual property rights including patent, copyright, trademark, trade secret or other proprietary right of any person; (iii) the Employee will not use any trade secrets or confidential information owned by any third party, and (iv) the Employee' s signing of this Agreement and the performance of the Employee' s obligations under it will not breach or be in conflict with any other agreement to which the Employee is a party or is bound. 12. ENFORCEMENT. It is the desire and intent of the parties hereto that the provisions of this Agreement will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, to the extent that a restriction contained in this Agreement is more restrictive than permitted by the laws of any jurisdiction whose law may be deemed to govern the review and interpretation of this Agreement, the terms of such restriction, for the purpose only of the operation of such restriction in such jurisdiction, will be the maximum restriction allowed by the laws of such jurisdiction and such restriction will be deemed to have been revised accordingly herein. A court having jurisdiction over an action arising out of or seeking enforcement of any restriction contained in this Agreement may modify the terms of such restriction in accordance with this Section 12. 13. COVENANT AGAINST ASSIGNMENT. The Employee may not assign any rights or delegate any of the duties of the Employee under this Agreement. As used in this provision, " assignment " and " delegation " shall mean any sale, gift, pledge, hypothecation, encumbrance, or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs. 14. TIMING OF PAYMENTS AND SECTION 409A. 14. 1. Notwithstanding anything to the contrary in this Agreement, if at the time that the Employee' s employment terminates, the Employee is a " specified employee, " as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six- (6-) month period or, if earlier, upon the Employee' s death; except (i) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1. 409A- 1 (b) (including without limitation by reason of the safe harbor set forth in Section 1. 409A- 1 (b) (9) (iii), as determined by the Company in its reasonable good faith discretion); (ii) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1. 409A- 1 (a) (5); or (iii) other amounts or benefits that are not subject to the requirements of Section 409A (" Section 409A ") of the Internal Revenue Code of 1986, as amended (the " Code ").- 10- 14. 1. For purposes of this Agreement, all references to " termination of employment " and correlative phrases shall be construed to require a " separation from service " (as defined in Section 1. 409A- 1 (h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term " specified employee " means an individual determined by the Company to be a specified employee under Treasury regulation Section 1. 409A- 1 (i). 14. 2. Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. 14. 3. In no event shall the Company or any of its Affiliates have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A. 15. LIMITATIONS ON PAYMENTS. Notwithstanding anything in this Agreement or elsewhere to the contrary, in the event that any payment or benefit received or to be received by the Employee under this Agreement or otherwise (collectively, the " Payments ") would (i) constitute a " parachute payment " within the meaning of Section 280G of the Code, and (ii) but for this Section 15, be subject to the excise tax imposed by Section 4999 of the Code, then the Payments shall be reduced (but not below zero) to the extent, but only to the extent, needed to ensure that no portion of the Payments constitutes a " parachute payment " within the meaning of Section 280G of the Code; provided, that no reduction in the Payments shall be made by reason of this Section 15 unless, on an after- tax basis taking into account the excise tax imposed by Section 4999 of the Code together with all applicable income taxes, the Payments payable to the Employee would be greater than if such reduction had not been made. Any reduction in the Payments required by the immediately preceding sentence shall be applied, first, against any cash severance payments, then against other payments and benefits to which Q & A 24 (c) of Section 1. 280G- 1 of the Treasury Regulations does not apply, and finally against all remaining payments and benefits. 16. D & O INSURANCE. The Employee will receive Directors' and Officers' insurance coverage to the same extent provided to officers of the Company under the Company' s Directors' and Officers' insurance policy. The Employee will receive a copy of the policy promptly following his commencement of employment with the Company. 17. MISCELLANEOUS. 17. 1. Notices. Any notice, request, demand or other communication required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery, (ii) the date of transmission by facsimile or e- mail, with confirmed transmission and receipt, (iii) two (2) days after deposit with an internationally- recognized courier or overnight service such as Federal Express, DHL, or (iv) five (5) days

after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the party to be notified at the address set forth on the signature pages hereto. 17. 2. Gender; Time. The parties agree that any use of words in any gender in this Agreement shall also refer to the masculine, feminine or neuter gender, as the case may require. Time is of the essence in performance of the rights and obligations under this Agreement.- 11- 17. 3. Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions. 17. 4. Binding Agreement; Benefit. The provisions of this Agreement will be binding upon and will inure to the benefit of the respective heirs, legal representatives and successors of the parties hereto. 17. 5. Governing Law. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Massachusetts, without giving effect to its principles or rules of conflict laws to the extent such principles or rules would require or permit the application of the laws of another jurisdiction. 17. 6. Waiver of Breach. The waiver by either party of a breach of any provision of this Agreement by the other party must be in writing and will not operate or be construed as a waiver of any subsequent breach by such other party. 17. 7. Entire Agreement; Amendments. This Agreement, together with the Compliance Agreement, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or understanding among the parties with respect to the subject matter hereto. This Agreement may be amended only by an agreement in writing signed by each of the parties hereto. 17. 8. Headings. The Section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. 17. 9. Severability. Subject to the provisions of Section 12 above, any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. 17. 10. Assignment. This Agreement is personal in its nature and the parties hereto shall not, without the consent of the other party hereto, assign or transfer this Agreement or any rights or obligations hereunder, provided, however, that the rights and obligations of the Company hereunder shall be assignable and delegable without the Employee' s consent to any of its Affiliates or in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or shares of the Company or similar transaction involving the Company or a successor corporation. 17. 11. Confidentiality. The Employee agrees not to disclose this Agreement or its terms to any person or entity, other than the Employee' s agents, advisors or representatives, except as consented to by the Company in writing or as may be required by law. 17. 12. Further Assurances. The Employee agrees to execute, acknowledge, seal and deliver such further assurances, documents, applications, agreements and instruments, and to take such further actions, as the Company may reasonably request in order to accomplish the purposes of this Agreement. 17. 13. Consultation with Counsel. The Employee acknowledges that he had the right to consult with counsel in the review of this Agreement. 17. 14. Costs. Each of the parties shall pay all costs and expenses incurred or to be incurred by such party in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement.- 12- 17. 15. Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original, but all of which together will constitute but one and the same instrument. This Agreement may be executed by electronically transmitted signature (including through the use of eSignature platforms such as DocuSign ® or authorized electronically imaged signatures) and such signatures shall be deemed to bind each undersigned party hereto as if they were original signatures; and that this Agreement, or any part thereof, shall not be challenged or denied any legal effect, validity and / or enforceability solely on the ground that it is executed by electronically transmitted signatures. [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]- 13- IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. COMPANY: By: / s / Samantha Du Samantha Du Chairperson and CEOAddress: Chief Executive OfficerZai Lab (US) LLC314 Main StreetSuite 04- 100Cambridge, MA 02142With a copy to: Law DepartmentZai Lab (US) LLC314 Main StreetSuite 04- 100Cambridge, MA 02142 EMPLOYEE: / s / Joshua Smiley Joshua Smiley Exhibit 10. 41 EMPLOYMENT AGREEMENT THIS EMPLOYMENT AGREEMENT (" Agreement ") is made and entered into by and between Zai Lab (US) LLC (the " Company "), and Rafael G. Amado (the " Employee ") as of the date set forth below, to be effective as set forth herein. RECITALS The Company and its Affiliates are engaged in the business of researching, developing, manufacturing, and commercialization of drug products in the pharmaceutical industry, including without limitation the sales and marketing of both small molecule and large molecule therapeutics (the " Business Of The Group "), and the Employee is qualified to engage in providing services in support of the Business Of The Group as contemplated under this Agreement. AGREEMENT NOW, THEREFORE, in consideration of the promises and the respective covenants and agreements of the parties, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows: 1. EMPLOYMENT. Effective as of December 30, 2022 (the " Effective Date "), the Company agrees to employ the Employee and the Employee agrees to commence employment with the Company. The period beginning on the Effective Date and ending on the date the Employee' s employment under this Agreement is terminated (as set forth in Section 4, Section 5, Section 6, Section 7 and Section 8) is referred to herein as the " Employment Period ". 1. 1 Employment by Company. The Company agrees to employ the Employee as the President, Head of Global Oncology Research and Development of the Company reporting to the Chief Executive Officer of the Company. In addition, the Employee shall serve as the President, Head of Global Oncology Research and Development of Zai Lab Limited, a limited liability company incorporated under the laws of the Cayman Islands and the ultimate parent corporation of the Company (the " Parent Company ") without further compensation. The Employee agrees to render such services and to perform such duties and responsibilities as are normally associated with and inherent in the aforementioned roles and the capacities in which the Employee is employed, as well as such other duties and responsibilities as shall from time to time be assigned to the Employee by the Chief Executive Officer of the Company. 1. 2 Acceptance of Employment. The Employee accepts such employment set out in Section 1. 1 and agrees to faithfully perform and render the services required of the Employee under this

Agreement through execution of this Agreement and the Compliance Agreement, attached as Exhibit A to this Agreement. Except for reasonable vacations and absences due to temporary illness, and activities that may be mutually agreed to by the parties, the Employee shall devote his entire time, attention and energies during normal business hours and such evenings and weekends as may be reasonably required for the discharge of his duties to the Business of The Group, and the performance of the Employee' s duties and responsibilities under this Agreement. 1. 3 Positions with Affiliates. If requested by the Company, the Employee agrees to serve without additional compensation if elected, nominated or appointed as an officer and / or 2 director of the Company, the Parent Company and any of the subsidiaries or affiliates of the Company or the Parent Company (collectively, " Affiliates ") and in one or more executive offices of any of the Affiliates. 1. 4 Conflicts of Interest. The Employee has reviewed with the board of directors of Zai Lab Limited (the " Board ") the present directorships, ownership (legal and beneficial, direct and indirect) interests and other positions or roles held by the Employee or his associate (s). The Employee agrees to review with the Board any potential directorships, ownership (legal and beneficial, direct and indirect) interests and other positions or roles with business organizations or arrangements before Employee takes upon such engagement or ownership. Except as otherwise permitted by this Agreement or the Compliance Agreement, the Employee or his associate (s) is precluded from owning an interest (legal and beneficial, direct and indirect) in another company or serving as an employee, director, consultant, advisor or member of such another company that may be directly competitive or directly in conflict with the Company or the Parent Company until such interest is presented to the Board and the Board consents to such interest or employment. 1. 5 Compliance with Policies. The Employee agrees that, while employed by the Company, he will comply with all Company policies, practices and procedures and all codes of ethics or business conduct applicable to his position, as in effect from time to time. 2. PLACE OF PERFORMANCE. The Employee shall be based in the greater San Francisco area; provided that it is expected that part of the Employee' s duties will include routine travel to the Company' s affiliate sites in Cambridge, Massachusetts and Shanghai, China. In addition, the Company or the Parent Company may require that the Employee travel in furtherance of the Business of the Group, to the extent necessary and / or substantially consistent with the then present business travel obligations of employees at substantially the same service level as the Employee. Should Employee agree in the future to relocate from San Francisco to Cambridge, Massachusetts, the location of the Company' s U. S. headquarters, the Company shall reimburse Employee for all reasonable expenses incurred by Employee in relocating to Cambridge. 3. COMPENSATION BENEFITS AND EXPENSE REIMBURSEMENTS. 3. 1 Base Salary. In consideration for the agreement of the Employee to be employed under this Agreement, during the Employment Period, the Employee shall receive from the Company an annual base salary (" Base Salary ") of US $ 620, 000, which will be pro- rated for the Employee' s period of service as President, Head of Global Oncology Research and Development in 2022. This Base Salary, and all other compensation and reimbursement under the Agreement, may be provided through a professional employer organization. The Base Salary to be paid to the Employee will be subject to reduction for payroll tax withholdings and deductions legally required (if any) or such other deductions properly and reasonably authorized by the Employee. The Company (or a professional employer organization, as applicable) shall pay such Base Salary in accordance with its standard payroll procedures. The Employee' s Base Salary will be subject to annual review and any merit increase adjustments will be made based upon the Company' s normal performance review practices for executive employees of the Company. 3. 2 Equity Incentives. 3. 2. 1 Stock Options. Subject to the approval of the Board (or the Compensation Committee thereof) and the Employee' s execution of the applicable award agreement, the Employee shall, on the Effective Date, be granted an option to purchase 183, 700 American Depositary Shares (" ADSs ") (the " Option ") with an exercise price equal to the fair market value of an ADS on the date of grant in accordance with the Zai Lab Limited 2022 Equity Incentive Plan (as it may be amended from time to time, the " Plan "). The Option shall vest annually beginning on the anniversary of the Option grant date, which vesting shall be ratable over five years, subject to the Employee providing continuous full- time services to the Company under this Agreement on the date of grant of the Option and through each applicable vesting date. The Option will be subject to the terms, definitions and provisions of the Plan, the stock option agreement to be entered into by and between the Employee and the Parent Company, any other applicable shareholder and / or option holder agreements, and any other restrictions and / or limitations generally applicable to the equity of the Parent Company or equity awards held by Company executives or otherwise imposed by law. 3. 2. 2 Restricted Share Units. Subject to the approval of the Board (or the Compensation Committee thereof) and the Employee' s execution of the applicable award agreement, the Employee shall, on the Effective Date, be granted restricted share units representing 105, 000 ADSs (the " Restricted Share Units "), which shall vest annually beginning on the anniversary of the Restricted Share Units grant date, which vesting shall be ratable over five years, subject to the Employee providing continuous full- time services to the Company under this Agreement on the date of grant of the Restricted Share Units and through each applicable vesting date. The Restricted Share Units shall be settled for ADSs upon vesting. The Restricted Share Units will be subject to the terms, definitions and provisions of the Plan, the restricted share units award agreement to be entered by and between the Employee and the Parent Company, any other applicable shareholder and / or option holder agreements, and any other restrictions and / or limitations generally applicable to the equity of the Parent Company or equity awards held by Company executives or otherwise imposed by law. 3. 2. 3 Special Restricted Share Units. Subject to the approval of the Board (or the Compensation Committee thereof) and the Employee' s execution of the applicable award agreement, the Employee shall, on the Effective Date, be granted special restricted share units representing 21, 000 ADSs (the " Special Restricted Share Units "), which shall fully vest on the first anniversary of the Special Restricted Share Units grant date, subject to the Employee providing continuous full- time services to the Company under this Agreement. The Special Restricted Share Units shall be settled for ADSs upon vesting. The Special Restricted Share Units will be subject to the terms, definitions and provisions of the Plan, the restricted share units award agreement to be entered by and between the Employee and the Parent Company, any other applicable shareholder and / or option holder agreements, and any other restrictions and / or limitations generally applicable to the equity of the Parent Company or equity awards held by Company executives or otherwise imposed by law. 3. 2. 4 Future Equity Grant. Subject to

the receipt of any required approvals, commencing in calendar year 2023 and during the Employment Period, the Employee will be 3 eligible to receive discretionary annual equity incentive awards under the Plan or successor equity incentive plan in accordance with policies of the Parent Company. 3. 3 Bonuses. 3. 3. 1 Annual Bonus. Starting from year 2023 and for each calendar year completed during the Employment Period, the Employee shall be eligible to receive an annual bonus with a target equal to 50 % of the Base Salary (the " Target Bonus "), the amount of which shall be determined by the Board (or the Compensation Committee thereof) in its sole discretion based on the Employee' s performance and the Company' s performance against written goals established by the Board (or the Compensation Committee thereof). The annual bonus shall be paid by no later than April 15th of the year following the year to which such bonus relates; however, in order to earn or be paid any such bonus, the Employee must be employed through the date that such bonus is paid. 3. 3. 2 Sign on Bonus. The Employee will be eligible to receive aggregate cash payments of US $ 600, 000 (the " Sign- On Bonus "), with $ 300, 000 payable on the first month following the Effective Date and $ 300, 000 payable on the third month anniversary of the Effective Date of your continuous employment with the Company. The Company will withhold all applicable income taxes on such amount, and will pay the net amount to the employee with the regularly scheduled payroll for such month of payment. In the event that the Employee' s employment is terminated by the Company for Cause (as defined below) within the one (1) year period following the Effective Date, the employee will repay to the Company the full amount of the Sign- On Bonus within thirty (30) days following the date of termination. In the event that the employee resigns from the Company prior to the first anniversary of the Effective Date, the employee will repay to the Company a prorated portion of the Sign- On Bonus based on the number of full and partial months remaining in such one (1) year period as of the date of such termination of employment, with such repayment being within thirty (30) days following the last working day with the Company. 3. 4 Participation in Employee Benefit Plans / Paid Time Off. The Employee will be entitled to participate in all employee benefit plans from time to time in effect for similarly situated executive employees of the Company generally, except to the extent such plans are duplicative of benefits otherwise provided to the Employee under this Agreement (e. g., a severance pay plan). The Employee' s participation will be subject to the terms of the applicable plan documents and generally applicable Company policies, as the same may be in effect from time to time, and any other restrictions or limitations imposed by law. The Company reserves the right to amend, modify, cancel or terminate the benefit plans and programs it offers to its employees at any time. In addition, the Employee will accrue fifteen (15) business days of paid vacation per calendar year, which may be carried over to the next calendar year, up to a maximum of twenty (23) days (" Vacation Cap "). Once the Vacation Cap is reached, the Employee will not accrue additional vacation until you have used some vacation to fall below the Vacation Cap. The Employee will also receive paid sick time and holidays in accordance with Company policy. 3. 5 Reimbursements. During the Employment Period, the Employee shall be provided by the Company with a corporate credit card to be used solely for business- related expenses subject to all applicable policies and procedures of the Company. Additionally, insofar as the Employee incurs any business- related expenses paid for him personally and not with the corporate card, the Employee will be reimbursed, in accordance with the practice applicable to employees of the Company from time to time, for all reasonable traveling expenses and other disbursements incurred by him for or on behalf of the Company in the performance of his duties hereunder upon presentation by the Employee of appropriate receipts, and otherwise in compliance with the Company' s reimbursement policy in effect from time to time. The Employee' s right to payment or reimbursement for business expenses hereunder shall be subject to the Company' s reimbursement policy in effect from time to time and the following additional rules: (i) the amount of expenses eligible for payment or reimbursement during any calendar year shall not affect the expenses eligible for payment or reimbursement in any other calendar year, (ii) payment or reimbursement shall be made by the Company as soon as reasonably practicable following the time that the applicable expense is submitted by the Employee to the Company and in no event later than December 31 of the calendar year following the calendar year in which the expense or payment was incurred, and (iii) the right to payment or reimbursement shall not be subject to liquidation or exchange for any other benefit. 3. 6 Deductions. Recognizing that the Employee is an employee for all purposes, the Company shall deduct from any compensation payable to the Employee the sums which the Company is required by law to deduct, including, but not limited to, government state withholding taxes, social security taxes and state disability insurance and mandatory provident funds, and the Company shall pay any amounts so deducted to the applicable governmental entities and agents entitled to receive such payments. 4. INVOLUNTARY TERMINATION. 4. 1 Disability / Death. If the Employee dies, then the Employee' s employment by the Company hereunder shall automatically terminate on the date of the Employee' s death. If the Employee is incapacitated or disabled by accident, sickness or otherwise so as to render him mentally or physically incapable of performing the services required to be performed by him under this Agreement for a period of ninety (90) consecutive days or longer, or for any ninety (90) days during any six (6) month period (such condition being herein referred to as " Disability "), the Company, at its option, may terminate the Employee' s employment under this Agreement immediately upon giving him notice to that effect. In the case of a Disability, until the Employee becomes eligible for disability income under the Company' s disability income insurance or until the Company shall have terminated the Employee' s service in accordance with the foregoing, whichever shall first occur, to the extent permitted by the terms of the Company' s plans, the Employee will be entitled to receive from the Company his Base Salary compensation, at the rate and in the manner provided in Section 3. 1, notwithstanding any such physical or mental disability. Termination pursuant to this Section 4. 1 is hereinafter referred to as an " Involuntary Termination ". 4. 2 Substitution. The Board or its designee may designate another employee to act in the Employee' s place during any period of Disability suffered by the Employee during the Employment Period. Notwithstanding any such designation, the Employee shall continue to receive the Base Salary and benefits in accordance with Section 3 of this Agreement until the Employee becomes eligible for disability income under the Company' s disability income insurance (if any) or until the termination of the Employee' s employment, whichever occurs first. 4. 3 Disability Income Payments. While receiving disability income payments under the Company' s disability income insurance (the " Disability Payments "), the Employee shall not be entitled to receive

any Base Salary from the Company under Section 3. 1, but shall continue to participate in all other compensation and benefits in accordance with Sections 3. 3, 3. 4 and 3. 5 until the date of the Employee' s termination of employment. 4. 4 Verification of Disability. If any question arises as to whether during any period the Employee is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of the Employee' s duties and responsibilities hereunder, the Employee may, and at the request of the Company shall, submit to a medical examination by a physician selected by the Company to whom the Employee or the Employee' s guardian has no reasonable objection to determine whether the Employee is so disabled and such determination shall for the purposes of this Agreement be conclusive of the issue. If such question arises and the Employee fails to submit to such medical examination, the Company' s determination of the issue shall be binding on the Employee. 5. TERMINATION FOR CAUSE BY THE COMPANY. The Company may terminate the employment of the Employee hereunder at any time during the Employment Period for " Cause " (such termination being hereinafter referred to as a " Termination for Cause ") by (i) providing notice to the Employee specifying in reasonable detail the condition (s) giving rise to the potential Termination for Cause no later than the thirtieth (30) day following the occurrence of that condition; (ii) providing the Employee a period of thirty (30) days to remedy the condition and so specifying in the notice; and (iii) terminating his employment for cause within thirty (30) days following the expiration of the period to remedy if the Employee fails to remedy the condition. For the purpose of this Section 5, " Cause " means any one of the following grounds, as determined by the Board in its reasonable judgment: (i) the Employee' s use of legal or illegal drugs, including alcohol, which interferes with the performance of the Employee' s obligations and duties to the Company or any of its Affiliates; (ii) the Employee' s commission of a felony, or any crime involving fraud, moral turpitude or misrepresentation or violation of applicable securities laws; (iii) mismanagement by the Employee of the business and affairs of the Company or any Affiliate of the Company which results or could reasonably be expected to result in a material harm to the Company or any of its Affiliates; (iv) the Employee' s material breach of any of the terms of this Agreement, including if the Employee does not travel as required pursuant to Section 2 of this Agreement, or any other agreement between the Employee and the Company or any of its Affiliates; (v) the Employee' s violation of any restrictive covenant set forth in this Agreement, the Compliance Agreement or any other agreement between the Employee and the Company or any of its Affiliates or any material policy of the Company or any of its Affiliates; or (vi) the Employee' s material failure to perform or substantial negligence in the performance of the Employee' s obligations and duties to the Company or any of its Affiliates, or any other conduct by the Employee which is or could reasonably be expected to be materially detrimental to the interests and well- being of the Company or any of its Affiliates, including, without limitation, harm to its business or reputation. 6. TERMINATION WITHOUT CAUSE BY THE COMPANY. The Company may terminate the employment of the Employee hereunder at any time during the Employment Period without " Cause " (such termination being hereinafter called a " Termination Without Cause ") by giving the Employee notice of such termination. 7. TERMINATION BY THE EMPLOYEE. 7. 1 The Employee may terminate his services hereunder at any time and for any reason (such termination being referred to hereinafter as a " Voluntary Termination "). A Voluntary Termination will be deemed to be effective following reasonable notice by the Employee of not less than 30 (30) calendar days, provided that the Company may elect to waive all or any portion of such notice period and accelerate the Employee' s last day of employment. 7. 2 The Employee may also terminate his services hereunder at any time for Good Reason (as defined below) by (i) providing notice to the Company specifying in reasonable detail the condition giving rise to the Good Reason no later than the thirtieth (30) day following the occurrence of that condition; (ii) providing the Company a period of thirty (30) days to remedy the condition and so specifying in the notice; and (iii) terminating his employment for Good Reason within thirty (30) days following the expiration of the period to remedy if the Company fails to remedy the condition (such termination being hereinafter referred to as a " Termination for Good Reason "). For purposes of this Agreement, the term " Good Reason " shall mean, without the Employee' s consent, (i) any material diminution of the Employee' s title, duties, or responsibilities hereunder (except in each case in connection with a Termination for Cause or pursuant to Section 4); (ii) a material reduction in Employee' s total compensation (considering Base Salary, Equity Incentives, and Bonuses) if a comparable reduction in total compensation does not also occur for the other members of the Company' s executive leadership team unless such reduction in Employee' s total compensation is based on one or more grounds for Termination for Cause; (iii) the Company' s decision not to attempt to develop its products and future therapies for eventual commercialization in the U. S. market; or (iv) the assignment to the Employee of duties or responsibilities that are materially inconsistent with the Employee' s then- current position, as specified hereunder, except in connection with the Employee' s illness or disability, or a change in the Employee reporting directly to the Company' s Chief Executive Officer. 8. EFFECT OF TERMINATION ON SERVICES. 8. 1 Voluntary Termination or a Termination for Cause. 8. 1. 1 Upon the termination of the Employee' s employment hereunder pursuant to a Voluntary Termination or a Termination for Cause, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company or any of its Affiliates under this Agreement except to receive the following (in the aggregate, the " Final Compensation "): (i) the unpaid portion of the Base Salary provided for in Section 3. 1, computed on a pro rata basis up to (and including) the effective date of such termination; (ii) reimbursement for any expenses for which the Employee shall not have theretofore been reimbursed as provided in Section 3. 5, provided that the Employee submits all such expenses and required supporting documentation within sixty (60) days of the effective date of such termination and otherwise in accordance with the Company reimbursement policy in effect from time to time; and (iii) payment at the rate of the Base Salary for any accrued but unused vacation time as of the effective date of such termination. 8. 1. 2 Final Compensation (other than expense reimbursement, which shall be paid within thirty (30) days after such reimbursement is submitted in accordance with subsection (ii) above) will be paid to the Employee in accordance with applicable law. 8. 2 Involuntary Termination. Upon the termination of the Employee' s employment hereunder pursuant to an Involuntary Termination, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company, or any of its Affiliates under this Agreement except to receive: (i) Final Compensation in accordance with Section 8.

1; (ii) Subject to Sections 8. 5, 14 and 15, an aggregate amount equal to one (1) month' s Base Salary; and (iii) Subject to Sections 8. 5, 14 and 15, and further provided the Employee being eligible for and timely electing COBRA benefits, payment of the Company' s portion of monthly premiums for the continuation of health insurance benefits as in effect for the Employee immediately prior to the effective date of such termination under the law commonly known as COBRA with such COBRA Continuation is payable directly to the insurance carrier (" COBRA Continuation Benefits ") for one (1) month, provided that if the Company determines in its sole discretion that it cannot pay the COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Employee a taxable monthly payment payable at the same time that the Base Salary payment is made under subsection (ii) above. 8. 3 Termination Without Cause or for Good Reason. 8. 3. 1 Upon the termination of the Employee' s employment hereunder pursuant to a Termination Without Cause or for Good Reason, neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company or any of its Affiliates under this Agreement except to receive the following (in the aggregate, the " Severance Payments "): (i) Final Compensation in accordance with Section 8. 1; (ii) Subject to Sections 8. 5, 14 and 15, an aggregate amount equal to the Base Salary for twelve (12) months (the " Severance Period "), payable from the effective date of such termination in accordance with the Company' s normal payroll policies and at the same rate and in the same manner as set forth in Sections 3. 1 and 3. 4 hereof, plus any additional compensation as may be expressly required under applicable law; (iii) Subject to Sections 8. 5, 14 and 15, COBRA Continuation Benefits during the Severance Period, provided that if the Company determines in its sole discretion that it cannot pay the COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Employee a taxable monthly payment payable at the same time that the Base Salary payments are made under subsection (ii) above; and (iv) Subject to Sections 8. 5, 14 and 15, a payment equal to a pro- rated Target Bonus for the year of such employment termination (determined by multiplying the Target Bonus by a fraction, the numerator of which is the number of days during the fiscal year of termination that the Employee is employed by the Company and the denominator of which is three hundred and sixty- five (365)), payable at the same time bonuses for such year are paid to other senior executives of the Company (the " Pro- rated Bonus "); and (v) Subject to Sections 8. 5, 14 and 15, Severance Payments (which do not include the Final Compensation) will be provided in the form of salary continuation, payable in equal installments in accordance with the Company' s normal payroll practices, during the Severance Period, provided that the first such payment will be made on the next regular pay day following the date on which the Release of Claims (as defined below) becomes effective and irrevocable and will be retroactive to effective date of the termination of the Employee' s employment. 8. 4 Change in Control Termination. 8. 4. 1 Upon the termination of the Employee' s employment hereunder pursuant to a Termination Without Cause in connection with or within twelve (12) months following a Change in Control (such termination being referred to in this Agreement as a " Change in Control Termination "), neither the Employee nor his beneficiary or estate will have any further rights or claims against the Company or any Affiliates under this Agreement except to receive the following (in the aggregate, the " Enhanced Severance Payments "): (i) Final Compensation in accordance with Section 8. 1; (ii) Subject to Sections 8. 5, 14 and 15, an aggregate amount equal to twelve (12) months' Base Salary (the " CiC Severance Period "); (iii) Subject to Sections 8. 5, 14 and 15, and further subject to the last sentence of Section 8. 3. 1 (iii), COBRA Continuation Benefits during the CiC Severance Period; and (iv) Subject to Sections 8. 5, 14 and 15, the Pro- rated Bonus. 8. 4. 2 Subject to Section 8. 5, 14 and 15, Enhanced Severance Payments (which do not include the Final Compensation) will be provided in the form of salary continuation, payable in equal installments in accordance with the Company' s normal payroll practices, during the twelve (12) month period following the Change in Control Termination, provided that the first such payment will be made on the next regular pay day following the date on which the Release of Claims becomes effective and irrevocable and will be retroactive to effective date of the termination of the Employee' s employment. 8. 4. 3 Notwithstanding anything to the contrary in any agreement between the Employee and the Company, upon a Change in Control Termination, the Employee will be entitled to one hundred percent (100 %) accelerated vesting of any then- outstanding unvested stock options, restricted stock or other equity awards granted to the Employee by the Parent Company, subject to Section 8. 5, 14 and 15. 8. 4. 4 For purposes of this Agreement, " Change in Control " means the occurrence of any of the following: (i) any one person, or more than one person acting as a group (" Person "), acquires ownership of the stock of the Parent Company that, together with the stock held by such Person, constitutes more than 50 % of the total voting power of the stock of the Parent Company, except that any change in the ownership of the stock of the Parent Company as a result of a private financing of the Parent Company that is approved by the Board will not be considered a Change in Control; (ii) a majority of members of the Board is replaced during any twelve- (12-) month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election; or (iii) any Person acquires (or has acquired during the twelve- (12-) month period ending on the date of the most recent acquisition by such person or persons) assets from the Parent Company that have a total gross fair market value equal to or more than 50 % of the total gross fair market value of all of the assets of the Parent Company immediately prior to such acquisition or acquisitions. For purposes of this subsection (iii), gross fair market value means the value of the assets of the Parent Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets. For purposes of this definition, Persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Parent Company. Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to re- domicile the Parent Company in a jurisdiction other than its original jurisdiction of incorporation, (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the Persons who held the Parent Company' s securities immediately before such transaction or (iii) the transaction is an equity financing of the Company or Parent Company. 8. 4. 5 Liquidated Damages. The parties acknowledge and agree that damages which will result to the Employee for a Termination Without Cause or other breach of this Agreement by the Company shall be

extremely difficult or impossible to establish or prove, and agree that the Severance Payments and Enhanced Severance Payments (if applicable) shall constitute liquidated damages for any breach of this Agreement by the Company through the date of termination. The Employee agrees that, except for such other payments and benefits to which the Employee may be eligible as expressly provided by the terms of this Agreement or any applicable benefit plan, such liquidated damages shall be in lieu of all other claims that the Employee may make by reason of termination of her / his employment or any such breach of this Agreement and that, as a condition to receiving the Severance Payments and / or Enhanced Severance Payments (as applicable), the Employee will execute the Release of Claims. 8. 5 Release. The obligation of the Company to make any payments and benefits (other than Final Compensation) to or on behalf of the Employee under Sections 8. 2, 8. 3 and 8. 4 is conditioned on the Employee signing and not revoking a timely and effective separation agreement containing a general release of claims and other customary terms (including mutual non- disparagement) in a form provided to the Employee by the Company (the " Release of Claims ") and provided that the Release of Claims becomes effective and irrevocable no later than sixty (60) days following the termination date (such deadline, the " Release Deadline "). If the Release of Claims does not become effective by the Release Deadline, the Employee will forfeit any rights to severance or other post- termination benefits (other than Final Compensation) under this Agreement. In no event will the Severance Payments or Enhanced Severance Payments (if applicable) be paid or provided until the Release of Claims becomes effective and irrevocable. 9. POST- EMPLOYMENT COMPLIANCE. The obligation of the Company to make any payments (other than Final Compensation) to or on behalf of the Employee under Section 8. 2 (in the case of disability), Section 8. 3 or Section 8. 4 above, and the Employee' s right to retain the same, is expressly conditioned upon the Employee' s continued performance of the Employee' s obligations under this Agreement, the Compliance Agreement and any other agreement between the Employee and the Company or any of its Affiliates (including any restrictive covenants therein). 10. STANDARDS OF CONDUCT. The Employee will conduct himself in an ethical and professional manner at all times and in accordance with any employee or employment policies or guidelines which the Company may issue from time to time, including the Code of Conduct, and the ethical guidelines of the State bar under which he is licensed and in which he is providing services to the Company. 11. REPRESENTATIONS AND WARRANTIES OF THE EMPLOYEE. The Employee represents and warrants to the Company that: (i) the Employee has the proper skill, training and background so as to be able to perform under the terms of this Agreement in a competent and professional manner; (ii) the Employee will not infringe any intellectual property rights including patent, copyright, trademark, trade secret or other proprietary right of any person; (iii) the Employee will not use any trade secrets or confidential information owned by any third party and (iv) the Employee' s signing of this Agreement and the performance of the Employee' s obligations under it will not breach or be in conflict with any other agreement to which the Employee is a party or is bound, and the Employee is not now subject to any covenants against competition or similar covenants or any court order that could affect the performance of the Employee' s obligations under this Agreement. 12. ENFORCEMENT. It is the desire and intent of the parties hereto that the provisions of this Agreement will be enforced to the fullest extent permissible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, to the extent that a restriction contained in this Agreement is more restrictive than permitted by the laws of any jurisdiction whose law may be deemed to govern the review and interpretation of this Agreement, the terms of such restriction, for the purpose only of the operation of such restriction in such jurisdiction, will be the maximum restriction allowed by the laws of such jurisdiction and such restriction will be deemed to have been revised accordingly herein. A court having jurisdiction over an action arising out of or seeking enforcement of any restriction contained in this Agreement may modify the terms of such restriction in accordance with this Section 12. 13. COVENANT AGAINST ASSIGNMENT. The Employee may not assign any rights or delegate any of the duties of the Employee under this Agreement. As used in this provision, " assignment " and " delegation " shall mean any sale, gift, pledge, hypothecation, encumbrance, or other transfer of all or any portion of the rights, obligations, or liabilities in or arising from this Agreement to any person or entity, whether by operation of law or otherwise, and regardless of the legal form of the transaction in which the attempted transfer occurs. 14. TIMING OF PAYMENTS AND SECTION 409A. 14. 1 Notwithstanding anything to the contrary in this Agreement, if at the time that the Employee' s employment terminates, the Employee is a " specified employee, " as defined below, any and all amounts payable under this Agreement on account of such separation from service that would (but for this provision) be payable within six (6) months following the date of termination, shall instead be paid on the next business day following the expiration of such six- (6-) month period or, if earlier, upon the Employee' s death; except (i) to the extent of amounts that do not constitute a deferral of compensation within the meaning of Treasury regulation Section 1. 409A- 1 (b) (including without limitation by reason of the safe harbor set forth in Section 1. 409A- 1 (b) (9) (iii), as determined by the Company in its reasonable good faith discretion); (ii) benefits which qualify as excepted welfare benefits pursuant to Treasury regulation Section 1. 409A- 1 (a) (5); or (iii) other amounts or benefits that are not subject to the requirements of Section 409A (" Section 409A ") of the Internal Revenue Code of 1986, as amended (the " Code "). 14. 2 For purposes of this Agreement, all references to " termination of employment " and correlative phrases shall be construed to require a " separation from service " (as defined in Section 1. 409A- 1 (h) of the Treasury regulations after giving effect to the presumptions contained therein), and the term " specified employee " means an individual determined by the Company to be a specified employee under Treasury regulation Section 1. 409A- 1 (i). 14. 3 Each payment made under this Agreement shall be treated as a separate payment and the right to a series of installment payments under this Agreement is to be treated as a right to a series of separate payments. 14. 4 In no event shall the Company or any of its Affiliates have any liability relating to the failure or alleged failure of any payment or benefit under this Agreement to comply with, or be exempt from, the requirements of Section 409A. 15. LIMITATIONS ON PAYMENTS. Notwithstanding anything in this Agreement or elsewhere to the contrary, in the event that any payment or benefit received or to be received by the Employee under this Agreement or otherwise (collectively, the " Payments ") would (i) constitute a " parachute payment " within the meaning of Section 280G of the Code, and (ii) but for this Section 15, be subject to the excise tax imposed by Section 4999 of the Code, then the Payments shall be reduced (but not below zero) to the extent,

but only to the extent, needed to ensure that no portion of the Payments constitutes a " parachute payment " within the meaning of Section 280G of the Code; provided, that no reduction in the Payments shall be made by reason of this Section 15 unless, on an after- tax basis taking into account the excise tax imposed by Section 4999 of the Code together with all applicable income taxes, the Payments payable to the Employee would be greater than if such reduction had not been made. Any reduction in the Payments required by the immediately preceding sentence shall be applied, first, against any cash severance payments, then against other payments and benefits to which Q & A 24 (c) of Section 1. 280G- 1 of the Treasury Regulations does not apply, and finally against all remaining payments and benefits. 16. MISCELLANEOUS. 16. 1 Notices. Any notice, request, demand or other communication required or permitted to be given to a party pursuant to the provisions of this Agreement will be in writing and will be effective and deemed given under this Agreement on the earliest of: (i) the date of personal delivery, (ii) the date of transmission by facsimile or e- mail, with confirmed transmission and receipt, (iii) two (2) days after deposit with an internationally- recognized courier or overnight service such as Federal Express, DHL, or (iv) five (5) days after mailing via certified mail, return receipt requested. All notices not delivered personally or by facsimile will be sent with postage and other charges prepaid and properly addressed to the party to be notified at the address set forth on the signature pages hereto. 16. 2 Gender; Time. The parties agree that any use of words in any gender in this Agreement shall also refer to the masculine, feminine or neuter gender, as the case may require. Time is of the essence in performance of the rights and obligations under this Agreement. 16. 3 Survival. Provisions of this Agreement shall survive any termination of employment if so provided in this Agreement or if necessary or desirable to accomplish the purposes of other surviving provisions. 16. 4 Binding Agreement; Benefit. The provisions of this Agreement will be binding upon and will inure to the benefit of the respective heirs, legal representatives and successors of the parties hereto. 16. 5 Governing Law. This Agreement will be governed by, and construed and enforced in accordance with, the laws of the State of California, without giving effect to its principles or rules of conflict laws to the extent such principles or rules would require or permit the application of the laws of another jurisdiction. 16. 6 Waiver of Breach. The waiver by either party of a breach of any provision of this Agreement by the other party must be in writing and will not operate or be construed as a waiver of any subsequent breach by such other party. 16. 7 Entire Agreement; Amendments. This Agreement, together with the Compliance Agreement, contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements or understanding among the parties with respect thereto. This Agreement may be amended only by an agreement in writing signed by each of the parties hereto. 16. 8 Headings. The Section headings contained in this Agreement are for reference purposes only and will not affect in any way the meaning or interpretation of this Agreement. 16. 9 Severability. Subject to the provisions of Section 12 above, any provision of this Agreement that is prohibited or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction will not invalidate or render unenforceable such provision in any other jurisdiction. 16. 10 Assignment. This Agreement is personal in its nature and the parties hereto shall not, without the consent of the other party hereto, assign or transfer this Agreement or any rights or obligations hereunder, provided, however, that the rights and obligations of the Company hereunder shall be assignable and delegable without the Employee' s consent to any of its Affiliates or in connection with any subsequent merger, consolidation, sale of all or substantially all of the assets or shares of the Company or similar transaction involving the Company or a successor corporation. 16. 11 Confidentiality. The Employee agrees not to disclose this Agreement or its terms to any person or entity, other than the Employee' s agents, advisors or representatives, except as consented to by the Company in writing or as may be required by law or in connection with a dispute regarding the terms of this agreement between the Employee and the Company. 16. 12 Further Assurances. The Employee agrees to execute, acknowledge, seal and deliver such further assurances, documents, applications, agreements and instruments, and to take such further actions, as the Company may reasonably request in order to accomplish the purposes of this Agreement. 16. 13 Consultation with Counsel. The Employee acknowledges that he had the right to consult with counsel in the review of this Agreement. 16. 14 Costs. Each of the parties shall pay all costs and expenses incurred or to be incurred by such party in negotiating and preparing this Agreement and in closing and carrying out the transactions contemplated by this Agreement. 16. 15 Counterparts. The parties may execute this Agreement in any number of counterparts and, as so delivered, the counterparts shall together constitute one and the same document. The parties agree that each such counterpart is an original and shall be binding upon all of the parties, even though all of the parties are not signatories to the same counterpart. [REMAINDER OF PAGE INTENTIONALLY LEFT BLANK] 15 IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written. COMPANY: EMPLOYEE: By: / s / Samantha Du / s / Rafael Amado Samantha Du Chairperson and CEO Rafael G Amado Date: December 17, 2022 Date December 16, 2022 E- mail: sdu @ zailaboratory. com E- Mail: rgamado @ comcast. net 16 Exhibit 10. 42 4th Floor, Suite 100 Cambridge, Massachusetts 02142 Mr. Michel Vounatsos [* * *] Re: Zai Lab Limited Board of Directors Dear Mr. Vounatsos: Zai Lab Limited (the " Company ") is pleased to offer you an opportunity to join the board of directors of the Company (the " Board "). Your appointment will take effect immediately upon approval by the Board, which we expect to occur on January 7, 2023. Your appointment as a director will continue until the annual general meeting of the Company in June 2023, at which meeting you will be eligible for re- election. In addition to serving as a member of the Board, we would like to offer you an opportunity to serve as Chairperson of a newly created Commercial Committee and as a member of the Research and Development Committee, each until your resignation or removal. These Committee appointments will take effect immediately upon approval of the Board, which we expect to occur on January 7, 2023. As consideration for your services, you will receive compensation in accordance with the Company' s non- employee director compensation policy, with the understanding that such policy may be changed in the future, but currently includes the following: • An annual cash retainer of $ 50, 000, for your service on the Board; an additional annual cash retainer of $ 15, 000 for your service as the Chair of the Commercial Committee; and an additional annual cash retainer of $ 7, 500 for your service as a member of the Research and Development Committee, in each case payable in quarterly installments and pro- rated for your

periods of service; and • An equity award to be received in March 2023 of a number of Restricted Shares (as defined in the Company' s 2022 Equity Incentive Plan) for such number of ADSs as is equal to $ 750, 000 divided by the Nasdaq closing price of the Company' s ADSs on the date of grant, rounded down to the nearest whole share. Such Restricted Shares shall vest ratably over three (3) years on the anniversary of the grant date, subject to your continued service as a member of the Board through such date. Your relationship with the Company as a director shall be governed by the charter documents of the Company and any such other agreements that you and the Company enter into from time to time. You acknowledge that, as a result of your service as a director of the Company, you will obtain confidential information and proprietary information relating to or provided by the Company and its affiliates (including, but not limited to, its stockholders and customers). During and after your service with the Company, you shall not use for your benefit or disclose confidential information, proprietary information, or knowledge or data relating to or provided by the Company and its affiliates. We hope that you will accept our offer to join the Company' s Board and indicate your agreement with these terms and accept this offer by signing and dating this letter. (Remainder of page intentionally left blank.) Sincerely, ZAI LAB LIMITEDBy: / s / Samantha Du Samantha DuChairperson and CEOACKNOWLEDGED AND AGREED AS OF THE DATE FIRST WRITTEN ABOVEBy: / s / Michel Vounatsos Michel Vounatsos (Signature Page to Director Offer Letter) Exhibit 21. 1 Subsidiaries of Registrant NameChinese Name (where applicable) Jurisdiction ofIncorporation ofOrganizationZai Lab (Hong Kong) Limited再创医药 (香港) 有限公司 Hong KongZai Lab (Shanghai) Co., Ltd. 再鼎医药 （ 上海 ） 有限公司ShanghaiZai Lab International Trading (Shanghai) Co., Ltd. 再鼎国际贸易 （ 上海 ） 有限公司ShanghaiZai Lab (Suzhou) Co., Ltd. 再鼎医药 （ 苏州 ） 有限公司SuzhouZai Lab Trading (Suzhou) Co., Ltd. 再鼎医药贸易 （ 苏州 ） 有限公司SuzhouZai Biopharmaceutical (Suzhou) Co., Ltd再创生物医药 （ 苏州 ） 有限公司SuzhouZai Lab (Aust) Pty., Ltd. N / AAustraliaZai Lab (US) LLCN / AUSAZLIP Holding LimitedN / ACaymanZL Capital LimitedN / ABVIZL China Holding Two LimitedN / AHong KongZai Auto Immune LimitedN / ACaymanZai Auto Immune (Hong Kong) LimitedN / AHong KongZai Anti Infectives LimitedN / ACaymanZai Anti Infectives (Hong Kong) LimitedN / AHong KongZai Lab (Taiwan) Limited再鼎台湾医药有限公司Taiwan * All subsidiaries are wholly owned, directly or indirectly, by Zai Lab Limited. Exhibit 23. 1 Consent of Independent Registered Public Accounting Firm We consent to the incorporation by reference in the registration statements (No. 333- 221616, No. 333- 239223, No. 333- 258630, No. 333- 264800, and No. 333- 268054) on Form S- 8 of our reports dated March 1, 2023, with respect to the consolidated financial statements of Zai Lab Limited and subsidiaries and the effectiveness of internal control over financial reporting. Exhibit 23. 2 CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM We consent to the incorporation by reference in the Registration Statements No. 333- 221616, No. 333- 239223, No. 333- 258630, No. 333- 264800 and No. 333- 268054 on Form S- 8 of our report dated March 1, 2022, relating to the financial statements of Zai Lab Limited appearing in this Annual Report of Zai Lab Limited on Form 10- K for the year ended December 31, 2022. Exhibit 31. 1 Certification by the Principal Executive Officer Pursuant to Exchange Act Rule 13a- 14 (a), As Adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 I, Samantha (Ying) Du, certify that: 1. I have reviewed this Annual Report on Form 10- K for the year ended December 31, 2022 of Zai Lab Limited; 2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report; 3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report; 4. The registrant' s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a- 15 (e) and 15d- 15 (e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a- 15 (f) and 15d- 15 (f)) for the registrant and have: (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles; (c) Evaluated the effectiveness of the registrant' s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and (d) Disclosed in this report any change in the registrant' s internal control over financial reporting that occurred during the registrant' s most recent fiscal quarter (the registrant' s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant' s internal control over financial reporting; and 5. The registrant' s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant' s auditors and the audit committee of the registrant' s board of directors (or persons performing the equivalent functions): (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant' s ability to record, process, summarize and report financial information; and (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant' s internal control over financial reporting. Date: March 1, 2023 / s / Samantha (Ying) DuSamantha (Ying) DuChief Executive Officer (Principal Executive Officer) Exhibit 31. 2 Certification by the Principal Financial Officer As Adopted pursuant to Section 302 of the Sarbanes- Oxley Act of 2002 I, Billy Cho, certify that: Date: March 1, 2023 / s / Billy ChoBilly ChoChief Financial Officer (Principal Financial and Accounting Officer) Exhibit 32. 1 Pursuant to 18 U. S. C. Section 1350, As Adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 In connection with the Annual Report on Form 10- K for the year ended December 31, 2022 of Zai Lab Limited (the " Company "), as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Samantha (Ying) Du, Chief Executive Officer of the Company, certify, pursuant to 18 U. S. C.

~~Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that to my knowledge: (1) The Report fully complies with the requirements of Section 13 (a) or 15 (d) of the Securities Exchange Act of 1934; and (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company. Exhibit 32. 2 As Adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002 In connection with the Annual Report on Form 10- K for the year ended December 31, 2022 of Zai Lab Limited (the " Company "), as filed with the Securities and Exchange Commission on the date hereof (the " Report "), I, Billy Cho, Chief Financial Officer of the Company, certify, pursuant to 18 U. S. C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, that to my knowledge:~~