

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): February 5, 2024

ZAI LAB LIMITED
(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of
incorporation)

001-38205
(Commission
File Number)

98-1144595
(I.R.S. Employer
Identification No.)

4560 Jinke Road
Bldg. 1, Fourth Floor, Pudong
Shanghai, China
314 Main Street
4th Floor, Suite 100
Cambridge, MA, USA
(Address of principal executive offices)

201210

02142
(Zip Code)

+86 21 6163 2588
+1 857 706 2604
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
American Depositary Shares, each representing 10 Ordinary Shares, par value \$0.000006 per share	ZLAB	The Nasdaq Global Market
Ordinary Shares, par value \$0.000006 per share*	9688	The 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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

Although Zai Lab Limited (the “Company” or “we”) believes that we have sufficient capital to fund our operations until we reach profitability, we have identified opportunities to access capital through debt facilities with Chinese banks on favorable commercial terms to support our working capital needs in mainland China. Such debt arrangements provide additional capital capacity that gives us enhanced flexibility to execute on our corporate strategic goals.

As described in more detail below, we have entered into certain debt arrangements with the Bank of China, SPD Bank, and Ningbo Bank, as described in more detail below. We may decide to enter into additional debt arrangements later this year.

Bank of China Working Capital Loan Facility

On February 5, 2024, the Company entered into an uncommitted facility letter (the “Facility Letter”) with the Bank of China (Hong Kong) Limited (the “BOC HK”) pursuant to which the BOC HK will provide standby letters of credit for loans of up to \$100 million for a term of one year. In accordance with the Facility Letter, the Company has agreed to maintain minimum deposits with BOC HK of \$100 million (subject to adjustment to cover any additional outstanding amounts of interest or other fees) and has paid a one-time, non-refundable fee of \$700,000 upon entry into the Facility Letter. In connection with any application for or extension of credit pursuant to the Facility Letter, the Company will be required to submit, among other things, a deed of indemnity, charge over deposit(s) and a set-off. The Company is bound by representations and warranties and affirmative and restrictive covenants, including a prohibition on taking certain actions without the prior written consent of the BOC HK that could adversely affect the BOC HK, such as mergers, material changes to the Company’s business, the transfer or mortgage of material assets, or guaranteeing the liabilities of another company.

On February 6, 2024, upon our application, the BOC HK provided us with a standby letter of credit in favor of the Bank of China Pudong Development Zone Branch (the “BOC Pudong Branch”) for \$50.0 million which are or may become payable by our wholly-owned subsidiary, Zai Lab (Shanghai) Co., Ltd. (“Zai Lab Shanghai”), and Zai Lab Shanghai subsequently entered into a working capital loan contract (the “Working Capital Loan Agreement”) with the BOC Pudong Branch on February 7, 2024 for a loan of RMB340 million (approximately \$47.8 million). The working capital loan is subject to a floating interest rate equal to the latest one-year loan prime rate published by the National Interbank Funding Center as of the business day prior to the actual withdrawal date minus 50 basis points, or approximately 2.95% initially, and is subject to adjustment every six months. Interest is payable quarterly. The proceeds of this loan are required to be used for working capital needs. The loan is subject to penalties to the extent the proceeds are used for a purpose other than stated in the BOC Pudong Branch Working Capital Loan Agreement or are not timely repaid. Each term loan drawn under the BOC Pudong Branch Working Capital Loan Agreement is required to be repaid within one year. The BOC Pudong Branch Working Capital Loan Agreement contains customary representations and warranties and affirmative and restrictive covenants, including a requirement to obtain prior written consent from BOC Pudong Branch before engaging in certain transactions that could have an adverse impact on its debt repayment ability, such as a merger, division, capital reduction, equity transfer, external investment, substantial increase in debt financing, or significant asset transfer, and certain limitations on dispositions of assets and debt guarantees.

The description of the Facility Letter and Working Capital Loan Agreement contained herein is qualified in its entirety by reference to the Facility Letter, a copy of which is attached hereto as Exhibit 10.1, and the Working Capital Loan Agreement, a copy of which is attached hereto as Exhibit 10.2, each of which is incorporated herein by reference.

After the February 7, 2024 working capital loan described above, \$50.0 million in standby letters of credit remains available under the Facility Letter, which the Company may decide to utilize later this year.

SPD Bank Working Capital Loan Facility

On February 6, 2024, the Company entered into a maximum-amount guarantee contract (the “Guarantee”) with the Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-branch (the “SPD Bank”) pursuant to which the Company will guarantee working capital loans of up to RMB300 million (approximately \$42 million) from SPD Bank to Zai Lab Shanghai over a three-year period. The Company is bound by representations and warranties and affirmative and restrictive covenants, including a prohibition on taking certain actions without the prior written consent of SPD Bank, such as the transfer or mortgage of material assets, significant changes to the Company’s business, or entering into contracts or agreements that have a significant adverse impact on the Company’s ability to perform its obligations under

the Guarantee. Key terms of the specific working capital loans, including amount, term, maturity date, and interest rate, will be included in the specific working capital loan contracts between Zai Lab Shanghai and SPD Bank.

The description of the Guarantee contained herein is qualified in its entirety by reference to the Maximum-Amount Guarantee Contract, a copy of which is attached hereto as Exhibit 10.3, which is incorporated herein by reference.

To date, Zai Lab Shanghai has not entered into any working capital loans with SPD Bank under this debt facility.

Ningbo Bank Working Capital Loan Facility

On February 6, 2024, our wholly-owned subsidiary, Zai Lab (Suzhou) Co., Ltd. (“Zai Lab Suzhou”), entered into a maximum credit contract (the “Maximum Credit Contract”) with Bank of Ningbo Co., Ltd. Suzhou Sub-branch (“Ningbo Bank”). The Ningbo Bank Agreements permit Zai Lab Suzhou to utilize, including through discounting or working capital loan agreements and subject to the terms and conditions in related master agreements, up to RMB230.3 million (approximately \$32.4 million), of which the Company is authorized to utilize up to RMB160 million (approximately \$22.5 million). Key terms or transaction elements, such as the discount rate for the discounting arrangements and amount, term, maturity date, and interest rate for the working capital loans, will be included in the specific discounting applications or loan notes. The Ningbo Bank Agreements contain customary representations and warranties and affirmative and restrictive covenants. Additionally, Ningbo Bank has the right under the Ningbo Bank Maximum Credit Contract to adjust the maximum credit limit, repayment plan, and other terms based on Zai Lab Suzhou’s credit status and guarantee status, and Ningbo Bank’s financial situation. In connection with the arrangements described in the Ningbo Bank Agreements, Zai Lab Suzhou will pledge interests in certain real property it owns in Suzhou.

The description of the Ningbo Bank agreements contained herein is qualified in its entirety by reference to the Ningbo Bank Maximum Credit Contract, a copy of which is attached hereto as Exhibit 10.4, the Electronic Commercial Draft Discounting Master Agreement, a copy of which is attached hereto as Exhibit 10.5, and the Online Working Capital Loan Master Agreement, a copy of which is attached hereto as Exhibit 10.6, each of which is incorporated herein by reference.

To date, Zai Lab Suzhou has not entered into any discounting arrangements or working capital loans under this Ningbo Bank working capital loan facility.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements relating to our loan arrangements described herein and potential future debt arrangements. All statements, other than statements of historical fact, included in this press release are forward-looking statements, and can be identified by words such as “aim,” “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “goal,” “intend,” “may,” “plan,” “possible,” “potential,” “will,” “would,” and other similar expressions. Such statements constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not guarantees or assurances of future performance. Forward-looking statements are based on our expectations and assumptions as of the date of this press release and are subject to inherent uncertainties, risks, and changes in circumstances that may differ materially from those contemplated by the forward-looking statements. We may not actually achieve the plans, carry out the intentions, or meet the expectations or projections disclosed in our forward-looking statements, and you should not place undue reliance on these forward-looking statements. Actual results may differ materially from those indicated by forward-looking statements as a result of various important factors, including but not limited to (1) our ability to successfully commercialize and generate revenue from our approved products; (2) our ability to obtain funding for our operations and business initiatives; (3) the results of our clinical and pre-clinical development of our product candidates; (4) the content and timing of decisions made by the relevant regulatory authorities regarding regulatory approvals of our product candidates; (5) risks related to doing business in China; and (6) other factors identified in our most recent annual and quarterly reports and in other reports we have filed with the U.S. Securities and Exchange Commission (SEC). We anticipate that subsequent events and developments will cause our expectations and assumptions to change, and we undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required by law. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this press release.

Our SEC filings can be found on our website at www.zailaboratory.com and on the SEC’s website at www.SEC.gov. 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 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of the Registrant.

The disclosure set forth in Item 1.01 above is hereby incorporated by reference into this item.

Item 9.01 Financial Statements and Exhibits.**(d) Exhibits**

Exhibit No.	Description
10.1	<u>Facility Letter, dated as of February 5, 2024, by and between Zai Lab Limited and Bank of China (Hong Kong) Limited.</u>
10.2	<u>Unofficial English Translation of Working Capital Loan Agreement, dated as of February 6, 2024, by and between Zai Lab (Shanghai) Co., Ltd. and Bank of China Pudong Development Zone Sub-branch.</u>
10.3+	<u>Unofficial English Translation of Maximum-Amount Guarantee Contract, dated as of February 6, 2024, by and between Zai Lab Limited and Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-branch.</u>
10.4	<u>Unofficial English Translation of Maximum Credit Contract, dated as of February 6, 2024, by and between Zai Lab (Suzhou) Co., Ltd. and Bank of Ningbo Co., Ltd. Suzhou Branch.</u>
10.5+	<u>Unofficial English Translation of Electronic Commercial Draft Discounting Master Agreement Standard Terms, dated as of February 6, 2024, by and between Zai Lab (Suzhou) Co., Ltd. and Bank of Ningbo Co., Ltd. Suzhou Branch.</u>
10.6+	<u>Unofficial English Translation of Online Working Capital Loan Master Agreement, dated as of February 6, 2024, by and between Zai Lab (Suzhou) Co., Ltd. and Bank of Ningbo Co., Ltd. Suzhou Branch.</u>
104	The cover page of this report is formatted in Inline XBRL.

+ Portions of this exhibit have been redacted pursuant to Item 601(b)(10)(iv) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ZAI LAB LIMITED

By: /s/ F. Ty Edmondson

F. Ty Edmondson

Chief Legal Officer & Corporate Secretary

Date: February 8, 2024



Ref: CCMC/CCE(CP)/219/23/100204/00/F/8851239

Date : 11 January 2024

Zai Lab Limited (*incorporated in Cayman Islands with limited liability*)
(the "Borrower")

Important Notice: This Facility Letter sets out the terms and conditions upon which the bank would provide banking facilities to you. You are advised to read and understand the terms and conditions before accepting this Facility Letter.

Dear Sirs,

Re: General Banking Facilities

Further to our recent discussions, the Bank is pleased to grant the following general banking facility(ies) (the "Facility(ies)") to the Borrower subject to the Bank's General Terms and Conditions for General Banking Facilities and Loan Facility(ies) (as amended from time to time, the "General Terms") and the terms and conditions stated below. Words and expressions defined in the General Terms shall have the same meanings when used in this Facility Letter. Any appendix hereto forms an integral part of this Facility Letter.

1.1 Facility(ies)	Amount	Interest Rate / Terms and Conditions
L/G / Standby L/C	USD100,000,000.00	<ul style="list-style-type: none"> ▪ L/G / Standby L/C shall be made available to the Borrower against 100% margin payment from time to time made to the Bank (the "Margin Payment").

1.2 Commitment:

Notwithstanding any provisions of this Facility Letter, the General Terms (if applicable) or any other documents between the Borrower and the Bank to the contrary, the Bank may at any time without prior notice modify, cancel or suspend the Facility/Facilities at its sole discretion including, without limitation, canceling any unutilized facilities, and declaring any outstanding amount to be immediately due and payable.

2. Conditions Precedent / Collateral Security(ies)

The Facility(ies) shall not be made available for drawdown or utilization by the Borrower until the Bank has confirmed receipt of all the following condition precedent documents in form and substance satisfactory to the Bank:-

- A duly signed copy of this Facility Letter indicating the Borrower's and the security providers' acceptance of the Facility(ies) on the terms and conditions set out in this Facility Letter.
- For the purpose of the Margin Payment, Charge of Deposit(s) for the aggregate principal deposit amount of not less than the aggregate limit amount made available under the L/G / Standby L/C Facilities (or if the charged deposit is denominated in any foreign currency acceptable to the Bank, its equivalent in such foreign currency plus any deposit margin (the "Charged Deposit Margin") as determined by the Bank from time to time without any prior notice or agreement by the Borrower and/or the Deposit Chargo(r)s) together with interest accrued or to be accrued thereon. A list of the deposit margin (the "List of Charged Deposit Margin") applicable to each foreign currency acceptable to the Bank is attached herewith for your reference. Should the percentage of the charged deposit margin be changed, the change shall be effective on the date another List of Charged Deposit Margin is issued to the Borrower and the Deposit Chargo(r)s).



Ref: CCMC/CCE(CP)/219/23/100204/00/F/8851239

A Deed of Indemnity, Charge Over Deposit(s) and Set-Off to be executed by the deposit chargor in the Bank's favour to secure general banking facilities from time to time and at any time granted or to be granted by the Bank to the Borrower to such extent as the Bank may from time to time deem fit.

Name of Deposit Chargor:

Zai Lab Limited

In the event that the aggregate mark-to-market value of charged deposit is less than the amount specified in the above Charged Deposit Margin, the Borrower confirms that it shall upon demand by the Bank immediately provide or procure the same be provided to the Bank an additional cash margin or other security acceptable to the Bank.

- Copy, certified by a director, of each of the following documents of your company:
 - Certificate of Incorporation.
 - Memorandum and Articles of Association or other constitutional documents (if any).
 - List of directors with their specimen signatures.
 - Current Business Registration Certificate (if any).
- If any of the Borrower / the guarantor(s) / security provider(s) is a limited company, the relevant shareholder and board resolution and certified copies of the constitutional documents of that company.
- Such other documents as the Bank may request including those as may be required to evidence any and all licences, authorizations, consents or approvals necessary for the performance by the Borrower or the security provider(s) of their respective obligations under this Facility Letter and the security documents.

3. Other Conditions:

- Utilization of the Facility(ies) is conditional upon the Bank's prior approval.
- Throughout the life of the Facility(ies), the Borrower undertakes and procures with the Bank that:-
 - (i) its subsidiary company, 「再鼎醫藥(上海)有限公司」, shall maintain its total available limit of foreign debts with State Administration of Foreign Exchange must not be less than the total aggregate amount of L/G / Standby L/C issued by the Bank.

4. Fees

- Handling Charge : USD700,000.00 flat payable upon acceptance of this Facility Letter.

All fees and charges shall not be refundable under any circumstances.

Currently, the Borrower represents that (i) the Borrower is not (or is not in any way related to) any of the directors, employees, controllers or minority shareholder controllers of Bank of China (Hong Kong) Limited ("BOCHK") or their relatives or BOCHK within the meaning of Rule 85 of Banking (Exposure Limits) Rules (Cap 155S of the Laws of Hong Kong); (ii) the Borrower is not (or is not in any way related to) (a) the senior management and key staff of BOCHK or their relatives, (b) subsidiaries, affiliates and other entities over which BOCHK is able to exert control or (c) the controllers, minority shareholder controllers, directors, senior management and key staff of the subsidiaries, affiliates and other entities mentioned in (b) above or their relatives within the meaning of Hong Kong Monetary Authority Supervisory Policy CR-G-9 and (iii) the Borrower is not a connected party to BOCHK and/or Bank of China Limited under the applicable rules of the Shanghai Stock Exchange, China Banking Regulatory Commission, Hong Kong Exchanges & Clearing Limited. If the Facility(ies) is/are guaranteed/secured or to be guaranteed/secured by any guarantee or security from any third party, the Borrower also represents that none of such third parties is so related or be such a party as mentioned above. The Borrower undertakes that if the Borrower or any such third party becomes so related or be such a party as mentioned above, the Borrower will promptly notify the Bank in writing.





中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

Ref: CCMC/CCE(CP)/219/23/100204/00/F/8851239

Please signify your receipt of the General Terms and your understanding and acceptance of this offer by signing and returning to the Bank the duplicate copy of this Facility Letter on or before 8 April 2024, failing which this offer shall lapse unless otherwise agreed by the Bank.

Should you have any queries, please contact our Ms. Kathy Chan at 398 27779 at any time. We are here to serve you better.

Yours faithfully,
For and on behalf of
Bank of China (Hong Kong) Limited

Authorized Signature(s)

- Encl. ■ General Terms and Conditions for General Banking Facilities and Loan Facility(ies) [version no. 202307_revised (LD/2023/7274)]
- List of Charged Deposit Margin [(all) 140515]
 - Certified Extract of the Minutes of Board Meeting
 - Deed of Indemnity, Charge Over Deposit(s) and Set-off
 - Data Policy Notice





中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

Ref: CCMC/CCE(CP)/219/23/100204/00/F/8851239

After due and careful consideration of the contents of this letter and the General Terms (as defined above), I/we agree to (i) accept the Facilities and (ii) be bound by all the terms and conditions herein set out. If I/we have granted security in your favour, I/we confirm that each security document executed by me/us in respect of, among other things, our obligations to you is not (and will not be) discharged, prejudiced or affected in any way whatsoever and will remain in full force and effect at all times, notwithstanding any variations, amendments and/or supplements to the Facilities.

Borrower: **Zai Lab Limited**

Date :

Witness:

Name :





List of Charged Deposit Margin

The Charged Deposit Margin required for each of the following currencies acceptable to the Bank are set out below:-

<u>Currency</u>	<u>Charged Deposit Margin</u>
<i>HKD</i>	<i>0%</i>
<i>USD</i>	<i>0%</i>
<i>CNY</i>	<i>12%</i>
<i>GBP, EUR, AUD, NZD, JPY, CAD, CHF</i>	<i>25%</i>
<i>DKK, SEK, SGD</i>	<i>34%</i>



General Terms and Conditions for General Banking Facilities and Loan Facility(ies)

Important Notice: These General Terms and Conditions for General Banking Facilities and Loan Facility(ies) set out the terms and conditions upon which the Bank would provide / continue / renew general banking facilities and loan facility(ies) to borrowers. Borrower(s) is / are advised to read and understand these terms and conditions carefully before accepting the general banking facilities and loan facility(ies).

These General Terms and Conditions for General Banking Facilities and Loan Facility(ies) (as amended and in force from time to time) ("**these General Terms and Conditions**") shall apply to all general banking facilities and loan facility(ies) (the "**Facilities**") which **Bank of China (Hong Kong) Limited** (including its successors and assigns, the "**Bank**") may from time to time grant to you as the Borrower.

1. Definitions

In these General Terms and Conditions and the Facility Letter, unless the context otherwise requires, the following expressions shall have the following meanings: -

B Prime	means the prime rate for any currency other than HKD, CNY or USD as may be quoted by the Bank from time to time and subject to fluctuation;
Business Day	means a day on which commercial banks in Hong Kong are open for business but excluding Saturdays, Sundays and public holidays;
Base Rate	means the HKD Prime, USD Prime, CNY Prime, B Prime, HIBOR, CNY HIBOR or such other rates as may be determined by the Bank from time to time (as the case may be);
B/B L/C	means a letters of credit issuance and inward bills facility on a "back to back" basis against master letters of credit which is available on a "direct shipment" basis only;
Borrower	means any party to whom the Facilities are granted or made available by the Bank;
CIRS	means a Facility granted in connection with currency interest rate swap Transactions pursuant to the Bank's Terms and Conditions for Treasury and Derivative Products, Terms and Conditions for Foreign Exchange and Derivative Transactions or the terms and conditions under the ISDA Documentation (as the case may be);
CNY	means Renminbi, the lawful currency of the People's Republic of China;
CNY HIBOR	means in respect of a particular interest period and in relation to any advance and/or drawing under the Facilities in CNY, the rate per annum quoted by the Bank from time to time at Reuters (Code: "BCHN") and Bloomberg (Code: "BOCH");
CNY O/D	means an overdraft facility made available to the Borrower under current account(s) denominated in CNY;
CNY Prime	means the prime rate for CNY as may be quoted by the Bank from time to time and subject to fluctuation;
Currency Option	means a Facility granted in connection with currency option Transactions pursuant to the Bank's Terms and Conditions for Treasury and Derivative Products, Terms and Conditions for Foreign Exchange and Derivative Transactions or the terms and conditions under the ISDA Documentation (as the case may be);
DDC O/D	means an overdraft facility made available to the Borrower under current account(s) denominated in HKD against uncleared cheque(s) which is/are due and which shall be expressed as a percentage of the face amount of the relevant cheque(s) as stated in the relevant Facility Letter;
Default Administrative Charges	means the amount of charges referred to in Clause 6.5;
Default Margin	means, without prejudice to Clause 6.2 below, 6% per annum for Loan Facility(ies), 10% per annum for HKD O/D, DDC O/D, USD O/D and CNY O/D, or the rate specified by the Bank from time to time and displayed or posted in the Bank's banking halls or such other rate as the Bank may designate and notify the Borrower;
D/L	means a demand loan facility;
D/P / D/A	means an export-bills purchase facility against export collection bills on Documents Against Payment ("D/P") and/or Documents Against Acceptance ("D/A") basis with a tenor and up to a percentage of the relevant bills as stated in the relevant Facility Letter;



EID	means an export invoice discounting facility with a tenor and up to a percentage against invoice(s) issued by the Borrower for goods sold or supplied by the Borrower;
EFAC	means the Maximum Funds in Use available for factoring of export bills pursuant to the terms and conditions of a factoring agreement and its supplement(s), if any, from time to time entered into between the Bank and the Borrower;
Event of Default	means any one of the events mentioned in Clause 24 below and reference to "Events of Default" shall be construed accordingly;
Facility(ies)	means the various general banking facilities and loan facility(ies) granted or made available to the Borrower from time to time as set out in the Facility Letter(s) and reference to "Facility" shall be construed accordingly;
Facility Letter	means the facility letter(s) containing the terms and conditions of the Facilities issued by the Bank to the Borrower, as may be amended, revised or supplemented from time to time;
F/X	means a Facility granted in connection with forward exchange Transactions pursuant to the Bank's Terms and Conditions for Treasury and Derivative Products, Terms and Conditions for Foreign Exchange and Derivative Transactions or the terms and conditions under the ISDA Documentation (as the case may be);
HIBOR	means in respect of a particular interest period and in relation to any advance and/or drawing under the Facilities in HKD, the rate per annum quoted by the Bank in the Hong Kong Interbank Hong Kong Dollar Market and known as "Hong Kong Interbank Offered Rate";
HKD	means Hong Kong dollars, the lawful currency of Hong Kong;
HKD O/D	means an overdraft facility made available to the Borrower under current account(s) denominated in HKD;
HKD Prime	means the prime rate for HKD as may be quoted by the Bank from time to time and subject to fluctuation;
Hong Kong	means the Hong Kong Special Administrative Region of the People's Republic of China;
IIF	means an import invoice financing with a tenor and up to a percentage of the relevant invoice as stated in the relevant Facility Letter;
I/L	means an import loans facility with a tenor as stated in the relevant Facility Letter;
IRS	means a Facility granted in connection with interest rate swap Transactions pursuant to the Bank's Terms and Conditions for Treasury and Derivative Products, Terms and Conditions for Foreign Exchange and Derivative Transactions or the terms and conditions under the ISDA Documentation (as the case may be);
ISDA Documentation	means the ISDA Master Agreement, the ISDA Schedule and any other documents ancillary to such documents;
L/C	means a letters of credit issuance and inward bills facility;
L/G	means a letters of guarantee issuance facility;
L/I	means a Facility granted for negotiation of export bills under letters of credits issued by banks acceptable to the Bank (not conforming to terms of such export letter of credit);
Loan Facility(ies)	means the Mortgage Loan Facility, Term Loan Facility, Demand Loan Facility, Revolving Loan Facility and any other loan facilities made available to the Borrower whether or not on the security of certain property(ies) or securities as stated in the relevant Facility Letter;
ML	means a mortgage loan facility;
MML	means a money market line facility;
"Obligors"	means the Borrower, any party to a Security Document and any party to a Facility Letter (including by way of counter-signature), but shall not include the Bank and any other party expressly excluded by the Bank in a Facility Letter.
ODB	means a Facility granted for negotiation of export bills under letters of credits issued by banks acceptable to the Bank;
Original Interest Rate	means the respective applicable rate of interest for HKD O/D, DDC O/D, CNY O/D or USD O/D as specified in the Facility Letter;
Payment Order	means bills, drafts, orders and/or other instruments;
P/L	means a packing loans facility which shall be expressed as a percentage of the relevant export letter of credit as stated in the relevant Facility Letter;
POD	means a payment order discounting facility against any Payment Order purchased or discounted by the Bank from the Borrower;
PSF	means a pre-shipment financing facility which shall be expressed as a percentage of the relevant purchase order/contract as stated in the relevant Facility Letter;
R/L	means a revolving loan facility;





S/G	means a shipping guarantees issuance facility;
Sanctions	means the sanctions (including export controls) laws, regulations, embargoes or restrictive measures administered, enacted or enforced by any Sanctions Authority. Without prejudice to the generality of the preceding sentence, Sanctions shall include: - (a) in relation to the United States of America, any sanction applied by the United States (unilaterally or multilaterally) and shall include regulations imposed by the United States Treasury Department's Office of Foreign Assets Control, the US Department of State or, to the extent applicable, the United States Department of Commerce's Bureau of Industry and Security, including but not limited to US Export Administration Regulations; and (b) in relation to Hong Kong, any sanctions applied by the Government of Hong Kong SAR (unilaterally or multilaterally) and shall include regulations imposed by the Hong Kong Monetary Authority, the Hong Kong Financial Services and the Treasury Bureau, including but not limited to the United Nations Sanctions Ordinance (Cap. 537), United Nations (Anti-Terrorism Measures) Ordinance (Cap.575), Weapons of Mass Destruction (Control of Provision of Services) Ordinance (Cap. 526) and Import and Export (strategic commodities) Regulations (Cap. 60G).
Sanctions Authority	means any of the followings: (a) The United Nations; (b) The People's Republic of China; (c) The United States of America; (d) The European Union (e) The United Kingdom; (f) Hong Kong; and (g) the respective Government Authorities of any of the foregoing, including without limitation, OFAC, the US Department of State, the US Department of Commerce Bureau of Industry Security and the HKMA.
Sanctions Compliance Group	in relation to a person, means itself and its affiliates. For this purpose, (i) "person" means individual, firm, company, corporation, government, state or agency of a state or any association, trust, joint venture, consortium, vessel or partnership; and (ii) "affiliate", in relation to a person, means another person that, directly or indirectly, controls, is controlled by, or is under common control with, the first mentioned person.
Security Documents	means such documents as may from time to time securing, guaranteeing or supporting the Facility(ies) for the benefit of the Bank;
Standby L/C	means a standby letters of credit issuance facility;
T/L	means a term loan facility;
T/R	means a trust receipt facility with a tenor as stated in the relevant Facility Letter;
Transactions	means the transactions entered into pursuant to the Bank's Terms and Conditions for Treasury and Derivative Products, Terms and Conditions for Foreign Exchange and Derivative Transactions or the terms and conditions under the ISDA Documentation (as the case may be) and has its meaning ascribed therein;
USD	means United States dollars, the lawful currency of the United States of America;
USD O/D	means an overdraft facility made available to the Borrower under account(s) denominated in USD; and
USD Prime	means the prime rate for USD as may be quoted by the Bank from time to time and subject to fluctuation.

2. Availability

- 2.1 Subject to the Borrower's acceptance of and full compliance with the terms and conditions set out in the relevant Facility Letter and production and where appropriate, execution of all appropriate documentation mentioned in the relevant Facility Letter to the Bank's satisfaction and payment of all required fees and charges, the Facilities set forth in the relevant Facility Letter will be made available to the Borrower for use until such time as the Bank shall notify the Borrower in writing to the contrary.
- 2.2 The Facilities shall be deemed automatically drawn down by the Borrower and/or advanced by the Bank when payment or liability is made or incurred by the Bank under the relevant Facilities. For the avoidance of doubt and subject to the Bank's overriding discretion, setting up of credit limits in respect of any overdraft facility and/or any other Facilities would only be effected on Business Days.
- 2.3 The Bank reserves the absolute right to (i) reject any application from the Borrower to be provided with or utilize the Facilities and (ii) review and make adjustment to the Facilities at any time at its sole and absolute





discretion.

- 2.4 Where a Facility (the "First Facility") is said to be interchangeable with another Facility (the "Second Facility") as stated in the relevant Facility Letter, and any free unutilized balance is available under the First Facility, the whole amount of such free unutilized balance can be made available to the Borrower for utilization under the Second Facility, subject to any limit stated in the relevant Facility Letter, and the reverse shall also apply. For the avoidance of doubt, any balance of any Facility which is withheld by the Bank shall not be treated as free unutilized balance of such Facility.
- 2.5 In case of T/R being granted, it means that T/R and S/G are granted such that the T/R are interchangeable with the S/G.
- 2.6 Unless otherwise stated in the relevant Facility Letter, whenever T/R are granted together with L/C, such T/R are granted by the Bank as part of the L/C so that the utilization of the T/R is subject to the availability of free unutilized balance under the L/C and upon utilization, will reduce the free unutilized balance of the L/C by a corresponding amount.
- 2.7 In case of T/L or D/L, any advance under such Facility shall be made against a drawdown notice, except that no drawdown notice is required if an application by the Borrower for opening a letter of credit has been accepted by the Bank, in which case drawdown shall be deemed to have been made at the time when payment or a commitment to pay is made by the Bank pursuant to the relevant letter of credit. If a shipping guarantee shall be issued by the Bank on behalf of the Borrower, drawdown shall be deemed to have been made at the time when the Bank pays the beneficiary under the shipping guarantee. Any payment by the Bank in a currency other than the currency of the relevant Facility shall be converted at the spot rate of exchange quoted by the Bank for buying the currency of payment with the currency of the relevant Facility.
- 2.8 If a drawdown notice specifies that the relevant advance shall be credited to an account opened in the name of a third party (and not the Borrower), the Borrower shall remain liable for the repayment of the advance once the same has been made to such account.
- 2.9 A drawdown notice shall be irrevocable once given. A drawdown notice shall be in writing and in such form as the Bank may direct.
- 2.10 A notice for rollover or selection of interest period shall be irrevocable once given. Such notice shall be in writing and in such form as the Bank may direct. The Bank may at its absolute discretion and subject to such conditions as the Bank may think fit accept an instruction for rollover or selection of interest period be given to the Bank by phone, facsimile or electronic mail.
- 2.11 Subject to the Bank's overriding discretion, a drawdown will only be effected on a Business Day (which in the case of a Facility being denominated in USD shall mean a day on which commercial banks in Hong Kong, London and New York City are open for business but excluding Saturdays, Sundays and public holidays).
- 2.12 The Bank is not bound to monitor or verify the application of any amount borrowed under the relevant Facilities.
- 2.13 If, at any time, it is or will become unlawful in any applicable jurisdiction for the Bank to perform any of its obligations under the Facilities or to fund or maintain its participation in any loan, the Bank shall notify the Borrower of the same and the commitments of the Bank shall be immediately cancelled and the Borrower shall repay the Facilities in full on the date specified by the Bank in the notice delivered to the Borrower.

3. Interest

- 3.1 All amounts advanced/drawn under the Facilities shall be charged with interest (before as well as after judgment and subject to fluctuation), commission and/or other charges at such rates as specified in the relevant Facility Letter or at such standard rates specified in any schedule of charges published by the Bank from time to time, or such other rates as the Bank may from time to time determine in its absolute discretion. The schedule of charges shall be made available to the Borrower at any time upon request. If any Base Rate is below zero, such Base Rate shall be deemed to be zero when calculating the applicable interest rate chargeable on the Facilities. In addition, if the applicable interest rate chargeable on the Facilities is below zero (after any negative Base Rate has been deemed to be zero), then such applicable interest rate shall be deemed to be zero.
- 3.2 Unless otherwise specified in these General Terms and Conditions or the relevant Facility Letter, interest on the Facilities will accrue from day to day and be calculated on the basis of actual number of days elapsed and a 365-day year for HKD and Pound Sterling or a 360-day year for other currencies (including USD and CNY) or according to the market practice as the Bank may from time to time adopt in its absolute discretion and any change to a prime rate shall immediately apply to any interest rate calculated by reference to such prime rate.
- 3.3 All accrued interest shall be payable on demand, and if no demand is made, shall be paid on the due date of each instalment payable in respect of a Facility or, in the case where the principal sum of the Facilities is not payable by periodical instalments, at such interval as the Bank may designate in the Facility Letter or otherwise





- on the relevant repayment date or according to the Bank's customary practice as may be notified to the Borrower from time to time and if not so paid, the Bank shall have the right to capitalize such unpaid interest as principal advance so that it shall bear interest at the same rate.
- 3.4 Subject to the Bank's approval, if any Facility is drawn in a currency other than that specified in the Facility Letter, the interest rate applicable to such Facility shall be such rate as determined by the Bank from time to time.
- 3.5 In respect of HKD O/D, and DDC O/D, the Bank shall be entitled to charge the highest of (i) the Original Interest Rate applicable to such facilities; or (ii) the overnight HIBOR; or (iii) the Bank's cost of funds as may be quoted by the Bank from time to time.
- 3.6 In respect of USD O/D, the Bank shall be entitled to charge the highest of (i) the Original Interest Rate applicable to such facilities; or (ii) the Bank's cost of funds as may be quoted by the Bank from time to time.
- 3.7 In respect of CNY O/D, the Bank shall be entitled to charge the highest of (i) the Original Interest Rate applicable to such facilities; or (ii) the Bank's cost of funds as may be quoted by the Bank from time to time.
- 3.8 In respect of any overdraft facility (including HKD O/D, DDC O/D, CNY O/D and USD O/D), the interest accrued thereon shall be payable on the last Calendar Day of each month.
- 3.9 In respect of Facilities other than overdraft facilities, if interest on any such Facilities is charged by reference to prime rate plus or minus an interest margin or at a fixed rate, and if for any reason whatsoever, the prime rate is not available, or if the Bank's cost of funds, as determined solely by the Bank, for maintaining such Facilities exceeds the prime rate or the fixed rate, or if the Bank is unable to obtain deposits to fund such Facilities, the Bank shall be entitled, without limiting the right of the Bank under Clause 3.1 to charge interest, commission or charges at such rates as it may determine from time to time, to charge interest at the Bank's cost of funds or the overnight HIBOR/ the overnight CNY HIBOR (whichever is the highest) plus the said interest margin or where interest is charged at a fixed rate, an interest margin determined by the Bank.
- 3.10 If for any reason whatsoever, interbank offered rates (IBORs) include HIBOR (1) is not available, temporarily or permanently, (2) in the opinion of the Bank ceases to be representative, or (3) in the opinion of the Bank is no longer appropriate for the purposes of calculating interest hereunder, the Bank reserves its absolute right to review and amend the interest rate for the facility(ies) without prior notice. The Bank shall notify the Borrower(s) as soon as the interest rate has been amended.
- 3.11 If for any reason whatsoever, interbank offered rates (IBORs) include HIBOR or the amended rate as decided by the Bank pursuant to Clause 3.10 (if applicable) does not reflect the cost of funds incurred, interest for the advance shall be charged at interest margin over the Bank's cost of funds as may be reasonably determined by the Bank solely. The Bank shall notify the Borrower such cost of funds as soon as it has been fixed.
- 3.12 In respect of a Loan Facility where the Borrower is entitled to choose the duration of interest periods, all accrued interest shall be paid in arrears at the end of each interest period. No interest period shall extend beyond the final maturity date as set out in the Facility Letter and if any interest period would otherwise extend beyond such date, it shall end on such date. If the Bank receives no valid selection of an interest period from the Borrower, that interest period shall be one month. If any interest period would otherwise end on a day which is not a Business Day, it shall end on the immediately succeeding Business Day, if there is one within the same calendar month, and, if not, on the immediately preceding Business Day.
- 3.13 In the case where the principal sum of the Facilities are not payable by periodical instalments and the Bank designates in the Facility Letter that the interest accrued on the Facilities are payable monthly in arrears, the first interest payment date shall be the date in the succeeding month corresponding to the date of the drawdown of the relevant Facilities and thereafter subsequent interest payment dates shall be the corresponding dates in each and every succeeding months provided that no interest payment date shall extend beyond the final maturity date of the relevant Facilities set out in the Facility Letter.

4. Payment

- 4.1 All payments or repayments made by the Borrower to the Bank are to be made in the currency of the payment or liabilities made or incurred by the Bank under the Facility Letter or otherwise in the converted currency if the Bank exercises its rights under Clause 4.4 (the "Applicable Currency"), in immediately available funds without set-off or counter-claim and free and clear of and without withholding or deduction of any or all present or future taxes, duties, payments or other charges. In case any payment under the Facility Letter and/or Security Documents is/are required for such withholding or deduction, it shall be increased by the Borrower to the extent necessary equal to the sum of payment as if no such withholding or deduction has been made. The Borrower shall immediately inform the Bank or pay such sum within the time prescribed. The Borrower shall also within 30 days of making such payment provide documentary evidence to the Bank showing the payment has been made.
- 4.2 If any change in, or in the interpretation of, any law or regulation or directive or compliance with any law or regulation or directive made after the original date of a Facility Letter:





- (a) increases the Bank's cost of making available or maintaining the relevant Facilities; or
 - (b) reduces the amount of any payment receivable by the Bank under the Facility Letter and/or Security Documents,
- then the Borrower will pay to the Bank on demand all amounts needed to compensate the Bank therefor.
- 4.3 No payment to the Bank (whether under any judgment, court order or otherwise) shall discharge the obligation or liability of the Borrower in respect of which it was made unless and until the Bank shall have received payment in full in the Applicable Currency, and to the extent the amount of any such payment shall on actual conversion into the Applicable Currency fall short of such obligation or liability expressed in the Applicable Currency, the Bank shall have a further separate cause of action against the Borrower.
- 4.4 The Bank hereby expressly reserves the right, at any time at its absolute discretion without giving any reason therefor to the Borrower to: -
- (a) convert all or any outstanding indebtedness, liabilities and/or obligations due, owing or incurred by the Borrower under any Facility denominated in the currency specified in the Facility Letter for the relevant Facility into HKD; or
 - (b) convert all or any outstanding indebtedness, liabilities and/or obligations due, owing or incurred by the Borrower under any Facility denominated in a currency other than that specified in the Facility Letter for the relevant Facility into the currency so specified for the relevant Facility or into HKD, as the Bank may deem fit in its absolute discretion.
- The aforesaid conversion shall be at the then prevailing rate of exchange as the Bank may determine conclusively. For the avoidance of doubt, after such conversion, the Bank shall be entitled to re-determine the applicable interest rate for the converted indebtedness, liabilities and/or obligations on the basis that the same are denominated in HKD or (as the case may be) in the currency specified in the Facility Letter for the relevant Facility.
- The Bank may also from time to time, without actual conversion, determine the outstanding amount of any Facility by reference to the base currency to which such Facility was originally denominated at the then prevailing rate of exchange as the Bank may determine conclusively. If such outstanding amount under the base currency exceeds the original base currency amount of such Facility, the Bank shall be entitled to request the Borrower to repay such excess amount upon demand in the currency as specified by the Bank.
- 4.5 Any payment made to the Bank in a currency (the "existing currency") other than the Applicable Currency may at the Bank's absolute discretion be converted into the Applicable Currency to cover the obligations and liabilities of the Borrower at the then prevailing spot rate of exchange as conclusively determined by the Bank for purchasing the Applicable Currency with the existing currency.
- 4.6 All payments made by the Borrower to the Bank shall be accepted upon and subject to the Bank's practice and terms and conditions and where applicable to the rules of any relevant clearing system for the time being and from time to time in force, and shall be deemed not to have been made until such time as the relevant funds have been cleared and received for value by the Bank.
- 4.7 If a change in any currency of a country occurs and such change relates to the currency or currencies in which the Facilities or the transactions contemplated under the Facility Letter are denominated, these General Terms and Conditions and the Facility Letter will, to the extent the Bank (acting reasonably) specifies to be necessary, be amended to comply with any generally accepted conventions and market practice in the relevant interbank market and otherwise to reflect the change in currency.

5. Repayment

- 5.1 Notwithstanding anything to the contrary contained in the Facility Letter and in these General Terms and Conditions but subject to Clause 27.8 hereof, the Bank reserves the **overriding right to demand** immediate repayment of all the outstanding indebtedness, liabilities and/or obligations (including interest and default interest thereon) due, owing or incurred by the Borrower (actual or contingent) to the Bank under or in respect of the Facilities.
- 5.2 Unless otherwise provided in the Facility Letter and/or these General Terms and Conditions and/or General Terms and Conditions for Mortgage Loan Facility or agreed by the Bank in writing, in the case of the Facilities being payable by monthly instalments, the first instalment shall be due and payable one month after the drawdown of the relevant Facilities; in the case of the Facilities being payable by bi-weekly instalments, the first instalment shall be due and payable two weeks after the drawdown of the relevant Facilities.
- 5.3 Subject to the Bank's approval, in the case of the Facilities being payable by the Borrower by monthly instalments, the Borrower may designate a day of each successive month as pre-set payment dates for payment of the monthly instalments to the Bank. The first pre-set payment date shall be the pre-set payment date which immediately follows the date of drawdown of the relevant Facilities. If the first pre-set payment date does not fall on or falls before the date falling one month from the drawdown date of the relevant Facilities: -
- (a) the first monthly instalment shall be due and payable on the second pre-set payment date and the subsequent monthly instalments on the corresponding subsequent pre-set payment dates;





- (b) interest on the relevant Facilities shall accrue on a daily basis for the period from the drawdown date of the Facilities to the first pre-set payment date (the "Extended Interest");
- (c) the amount due and payable for the first monthly instalment shall be a sum representing the monthly instalment payable (calculated as if the relevant Facilities were drawn on the first pre-set payment date) together with the Extended Interest.

If the first pre-set payment date falls on or after the date falling one month from the drawdown date of the relevant Facilities, the first monthly instalment shall be due and payable on the first pre-set payment date and there shall be no Extended Interest payable by the Borrower.

- 5.4 If there is any variation in the interest rate resulting from a change in the Base Rate, the Bank may vary either the amount or number of instalments or both at the Bank's sole discretion and will notify the Borrower subsequently.
- 5.5 In the case of ML and/or T/L secured by mortgaged properties (the "said facilities"), the loan tenor specified in the Facility Letter is subject to the confirmation of the solicitors acting for the Bank after their review of the title deeds of the mortgaged property. Such loan tenor must not be longer than the term of the Government Grant under which the property is held. In the event the term of the Government Grant is shorter than the loan tenor of the said facilities, re-approval of the said facilities by the Bank is required. Such re-approval process may result in the Bank's refusal to grant the said facilities or in repackaging the said facilities with different loan amount and/or loan tenor and/or the terms and conditions of the loan.
- 5.6 In respect of ML, T/L or D/L where CNY HIBOR or HIBOR is used as the Base Rate and where repayment is required to be made on an interest payment date or a repayment date only, or in respect of R/L, if a repayment is not made on an interest payment date, the Borrower shall indemnify the Bank for any break-funding cost which would have been incurred in the amount certified by the Bank.
- 5.7 Unless it is provided in the Facility Letter that the principal of the Facilities is payable by instalments, the principal of the Facilities shall be repaid in full on the final maturity date set out in the Facility Letter.
- 5.8 If the Borrower shall anticipate or experience any difficulty in repaying or servicing the Facilities, the Borrower shall inform the Bank as soon as possible.

6. Default interest/charges

- 6.1 Time shall be of the essence of any payment or repayment to be made by the Borrower.
- 6.2 The Bank reserves the right to charge default interest (before as well as after judgment) on a day to day basis on any sum which is not paid when due: -
 - (a) In respect of HKD O/D and DDC O/D, at (i) the HKD Prime plus the applicable Default Margin, or (ii) the overnight HIBOR, or (iii) the Bank's cost of funds, whichever is the highest, provided that the foregoing default rate and method of calculation shall apply irrespective of whether the due but unpaid overdrafts fall within the overdraft limit previously allowed by the Bank or otherwise.
 - (b) In respect of USD O/D, at (i) the USD Prime plus the applicable Default Margin, or (ii) the Bank's cost of funds, whichever is the highest, provided that the foregoing default rate and method of calculation shall apply irrespective of whether the due but unpaid overdrafts fall within the overdraft limit previously allowed by the Bank or otherwise.
 - (c) In respect of CNY O/D, at (i) the CNY Prime plus the applicable Default Margin, or (ii) the overnight CNY HIBOR plus the applicable Default Margin, or (iii), the Bank's cost of funds, whichever is the highest, provided that the foregoing default rate and method of calculation shall apply irrespective of whether the due but unpaid overdrafts fall within the overdraft limit previously allowed by the Bank or otherwise.
 - (d) In respect of Loan Facility(ies), at the higher of (i) the applicable Default Margin plus the prime rate for the relevant currency and as may from time to time be quoted by the Bank, and (ii) the Bank's cost of funds; or such other rates as the Bank may from time to time determine at its absolute discretion.
 - (e) For Facilities other than HKD O/D, DDC O/D, USD O/D, CNY O/D and Loan Facility(ies), at (i) the applicable Default Margin plus the prime rate for the relevant currency and as may from time to time be quoted or determined by the Bank, or (ii) the overnight inter-bank offered rate for the relevant currency and as may from time to time be quoted or determined by the Bank, or (iii) the Bank's cost of funds whichever is the highest; or such other rates as the Bank may determine from time to time at its absolute discretion.
- 6.3 (a) In respect of HKD O/D and DDC O/D, the Bank shall have the right to charge default interest at the higher of (i) such default rate and in such method of calculation as set out in Sub-clause 6.2(a) on any sum which is overdrawn in excess of the applicable pre-agreed overdraft limit, whether such excess is allowed by the Bank in the exercise of its discretion or upon the request of the Borrower or otherwise, or (ii) the Original Interest Rate.
- (b) In respect of USD O/D, the Bank shall have the right to charge default interest at (i) the USD Prime plus



- 6% per annum, or (ii) the Bank's cost of funds, or (iii) the Original Interest Rate applicable to the USD O/D, whichever is the highest, on any sum which is overdrawn in excess of the applicable pre-agreed overdraft limit, whether such excess is allowed by the Bank in the exercise of its discretion or upon the request of the Borrower or otherwise.
- (c) In respect of CNY O/D, the Bank shall have the right to charge default interest at (i) the CNY Prime plus the applicable Default Margin, or (ii) the overnight CNY HIBOR plus the applicable Default Margin, or (iii) the Bank's cost of funds, or (iv) the Original Interest Rate, whichever is the highest, on any sum which is overdrawn in excess of the applicable pre-agreed overdraft limit, whether such excess is allowed by the Bank in the exercise of its discretion or upon the request of the Borrower or otherwise.
- 6.4 Default interest shall accrue on a day to day basis and be calculated from the date when payment is due up to the date of final payment in full. In the case of the Loan Facility(ies) being payable by instalments, if any instalment or interest payment is overdue, default interest shall be calculated from the due date of the relevant instalment or interest payment on a daily basis up to the day on which actual payment in full has been made. The provisions in this Clause 6.4 shall not prejudice or affect the Bank's rights to charge default interest under Clause 6.2 above.
- 6.5 Apart from default interest, the Bank reserves the right to charge the Borrower Default Administrative Charges of **HKD500.00** or such other amount as determined by the Bank from time to time, on each time when the Borrower fails to make a payment on its due date. In addition, if the Bank shall determine in its absolute discretion that it is necessary to instruct lawyers to issue letter of demand to the Borrower or to take any other recovery action against the Borrower after the Borrower has failed to make any payment on its due date, the Bank shall have the right to recover all legal costs reasonably incurred by the Bank and the Borrower shall be obliged to pay such costs to the Bank upon demand.
- 6.6 For the avoidance of doubt, in case the Original Interest Rate chargeable on the overdue sum shall exceed the default rate specified in Clause 6.2, the Bank shall have the right to continue to apply such Original Interest Rate notwithstanding the sum is overdue.
- 6.7 The Bank reserves the right to compound default interest at such intervals as it deems fit.

7. F/X and other Treasury and Derivative Products

- 7.1 All F/X and other treasury and derivative products Transactions shall be subject to the terms and conditions stipulated by the Bank from time to time and the market practices prevailing for the time being and must be settled before 3:00 p.m. Hong Kong time on the relevant value date or delivery date for any particular Transactions or such other time as may be required by the Bank.

8. Facilities granted to two or more Borrowers severally

- 8.1 If, under any Facility Letter, the Facilities are granted to two or more Borrowers severally, such Facilities or any part or parts thereof may, subject to the Bank's prior approval, be utilized by any one of the relevant Borrowers within such sub-limits (the "Sub-Limits") (if they are expressly stipulated in the relevant Facility Letter or otherwise imposed by the Bank) and upon such terms as the Bank may determine from time to time. In any event, the Borrowers may not in aggregate borrow more than the amount of the Facilities. For the purpose of this Clause 8, the Facilities that are granted to two or more Borrowers severally are hereinafter called the "Global Facilities" and the facility limit in respect of the Global Facilities is called the "Global Limit".
- 8.2 For the avoidance of doubt, unless Sub-Limits are stipulated in the Facility Letter or otherwise imposed by the Bank, the Bank may allow any one or more of the Borrowers to utilize the Global Facilities up to the full extent of the Global Limit, provided that unless the Bank in its absolute discretion agrees, the aggregate utilization of the Global Facilities at any time by all of the relevant Borrowers in respect of each type of the Global Facilities shall not exceed the relevant Global Limit(s) of such Global Facilities.
- 8.3 Where there are Sub-Limits stipulated in the Facility Letter or otherwise imposed by the Bank, all the Borrowers acting together by themselves or through an authorized representative(s) may apply to the Bank to vary the Sub-Limits allocated to each of the Borrowers by giving the Bank not less than three (3) Business Days' prior notice. The Bank reserves the absolute discretion to determine whether to accept or reject any such application.
- 8.4 Upon approval by the Bank of any application to vary the Sub-Limits, each of the relevant Borrowers shall be bound by the variation and any condition imposed by the Bank in respect of such variation.
- 8.5 Notwithstanding anything herein contained, the Bank reserves the absolute right to re-allocate the Global Facilities and/or the Global Limits and/or the Sub-Limits (if any) at any time and at the Bank's sole and absolute discretion.
- 8.6 For the avoidance of doubt, all provisions contained in these General Terms and Conditions applicable to the Facilities shall equally apply to the Global Facilities and insofar as the relevant Borrower's utilization of and





liabilities under or relating to the Global Facilities are concerned, each of the Borrowers to whom the Global Facilities is granted shall be bound by the provisions contained in these General Terms and Conditions.

9. Facilities to be used by third parties

- 9.1 Subject to the Bank's prior approval, the Bank may, at the request of the Borrower, allow the Facilities granted to the Borrower to be utilized by third parties (the "Co-user(s)") upon the following conditions and other additional conditions as the Bank may from time to time impose: -
- (a) any utilization of the Facilities by the Co-user(s) shall be booked under the account(s) of the Borrower and the Borrower shall be fully liable for the same to the Bank as if it were the party actually utilizing the Facilities;
 - (b) in addition and without prejudice to sub-clause (a) above, the Co-user(s) shall, in addition to the Borrower, be fully liable to the Bank in respect of their utilization of the Facilities as if the Facilities were granted in their favour and utilized by them under their own account(s). In this regard, the Co-user(s) shall be bound by these General Terms and Conditions and any other terms and conditions under which the Bank has agreed to grant the Facilities to the Borrower, as if the Co-user(s) is/are the Borrower named therein; and
 - (c) in case the Borrower has given any guarantee in favour of the Bank for the obligations and liabilities of the Co-user(s) under general banking facilities granted or to be granted by the Bank in favour of the Co-user(s), such guarantee shall for all intent and purposes cover the obligations and liabilities of the Co-user(s) under sub-clause (b) above. For the avoidance of doubt, this provision shall not be affected in case the liability of the Borrower under sub-clause (a) above is or becomes unenforceable or avoided for whatever reason.

10. Prepayment

- 10.1 Unless otherwise provided in the Facility Letter, prepayment under the Loan Facility(ies) shall be subject to the following conditions: -
- (a) where the principal sum of the Loan Facility(ies) is repayable by instalments, all prepayments (whether total or partial) must be paid on an instalment payment date of the Loan Facility(ies), otherwise the Bank shall be entitled to charge interest on the amount to be prepaid up to the next coming instalment payment date;
 - (b) in respect of Loan Facility(ies) where CNY HIBOR or HIBOR is used as the Base Rate, if a prepayment is not made on an interest payment date or a repayment date, the Borrower shall indemnify the Bank for any break-funding cost which would have been incurred in the amount certified by the Bank;
 - (c) the Borrower shall give to the Bank at least 1 month's prior notice in writing of the Borrower's intention to prepay whether in whole or in part the outstanding amount of the Loan Facility(ies). Such notice shall be irrevocable once given. If the Borrower fails to give such notice in the prescribed manner, a prepayment fee as may be specified by the Bank from time to time and displayed or posted in the Bank's banking halls shall be payable by the Borrower on or before the prepayment;
 - (d) any partial prepayment shall be in the minimum sum of **HKD50,000.00** or its equivalent in other foreign currencies. In the case of any partial prepayment, the Bank may, at its discretion, vary either the amount of the monthly instalment or the number of future instalments;
 - (e) amount prepaid shall be subject to the Bank's right of appropriation under Clause 17 below;
 - (f) any prepayment of the principal of the Loan Facility(ies) shall include all interest accrued thereon and may not be re-borrowed;
 - (g) all or any sums or liabilities (actual or contingent) payable by the Borrower in connection with the prepaid portion of the Loan Facility(ies) shall be paid or discharged by the Borrower on or before the prepayment; and
 - (h) due payment of any prepayment charges or fees as may be stipulated in the relevant Facility Letter.

11. Conclusive Statement

- 11.1 Any statement of account (including, without limitation, the monthly statement) relating to the Facilities signed as correct by any one of the Bank's officers shall be conclusive evidence of the indebtedness of the Borrower to the Bank and be binding on the Borrower, save for manifest error.
- 11.2 Any certificate relating to the Bank's cost of funds or any Base Rate in respect of any Facilities signed as correct by any one of the Bank's officers shall be conclusive and binding on the Borrower.
- 11.3 Any opinion, determination or decision by the Bank as to any materiality, effect or otherwise relating to anything herein mentioned or referred to shall be conclusive and binding on the Borrower.
- 11.4 Instruction given by the Borrower to the Bank through telephone, facsimile or electronic mail shall be binding





against the Borrower and the Bank may (but shall not be obliged to) act upon such instructions subject to such conditions as the Bank may think fit. The Bank may at its absolute discretion take recording or keep record of such instructions with or without notice to the Borrower. The Borrower consents to such recording and record keeping and agrees to the use of such records for any purpose that the Bank deems desirable including for use as evidence, in any proceedings, against the Borrower or any other person.

12. Termination of the Facilities

- 12.1 Notwithstanding anything contained in the Facility Letter (including any review date stated therein), the Bank reserves the overriding right to:-
- (a) review the Facilities at any time (if applicable, prior to the review date stated in the Facility Letter) and the Facilities shall terminate forthwith (if applicable, even if prior to the said review date) as and when the Bank has given to the Borrower notice of termination; and
 - (b) increase, reduce and/or cancel the Facilities or any part or parts thereof or to vary or amend the terms and conditions thereof at any time at its sole and absolute discretion to be effective forthwith (if applicable, even if prior to the said review date) by notice in writing to the Borrower.
- 12.2 A renewal fee shall be payable by the Borrower when the Facilities or any part or parts thereof are renewed, extended or otherwise revised by the Bank.

13. Mortgaged Property(ies)

- 13.1 The following provisions shall apply if land property(ies) is/are mortgaged to the Bank as security for the Facilities:-
- (a) the title of the property(ies) to be mortgaged to the Bank shall be approved by solicitors appointed by the Bank;
 - (b) the mortgaged property(ies) has/have to be insured against fire risks. The relevant insurance policy denoting the Bank's interest as mortgagee together with the premium receipt shall be lodged with the Bank forthwith after the Borrower has accepted the relevant Facility Letter under which the Facilities are granted (but in any event prior to the drawdown of the Facilities), and in the case of renewal of any insurance policy, fifteen (15) days before the expiry of the current insurance policy, provided always that if the Borrower fails to perform its obligation as aforesaid, the Bank shall be entitled (but not be obliged) to take out or renew at the Borrower's costs and expenses the said insurance policy for the Borrower with such insurance company, for such insured amount and on such terms as the Bank shall determine;
 - (c) where the property(ies) mortgaged is/are residential property(ies), such property(ies) shall, as indicated and subject to the conditions imposed by the Bank, be insured against fire risks with an insurance company acceptable to the Bank for an amount approved by the Bank. If the amount insured is the full replacement value of the property(ies) and the Bank requires valuation of the property(ies) to be conducted by the Bank's nominated surveyor from time to time, the Borrower shall be liable to reimburse the Bank on demand all valuation charges, so incurred;
 - (d) where the property(ies) mortgaged is/are property(ies) other than residential properties, such property(ies) has/have to be insured through the Bank's appointed agent upon such terms, for such amount and against such risks as the Bank may require from time to time;
 - (e) where the mortgage of the property(ies) is given to the Bank by way of equitable mortgage, the Borrower shall forthwith on demand by the Bank execute or procure the execution of a legal mortgage or legal charge in favour of the Bank on such terms and in such form as the Bank may require;
 - (f) the Borrower undertakes that the property(ies) is/are self-occupied by the registered owner(s) thereof and the property(ies) shall not be let to any other party(ies) unless with the Bank's prior written consent. The Bank shall have the right to re-determine the interest rate, the loan amount and/or the terms and conditions of the relevant Facilities at its absolute discretion upon giving the consent to let and such re-determination of the interest rate, the loan amount and/or the terms and conditions shall take immediate effect unless otherwise agreed by the Bank. All costs and expenses (including the Bank's legal costs on a full indemnity basis) reasonably incurred by the Bank in giving the consent shall be borne and paid by the Borrower;
 - (g) the Borrower undertakes that it shall not / it shall procure the mortgagor not to enter into any second mortgage / further mortgage over the property(ies) without the prior written consent of the Bank. Otherwise, re-approval of the Loan by the Bank is required. Such re-approval process may result in the Bank's refusal to grant the Loan or in repackaging the Loan with different loan amount and/or loan tenor and/or the terms and conditions of the loan; and
 - (h) on default in payment of any of the Facilities, the Bank may take possession of and sell the property(ies) pursuant to the terms of the relevant mortgage or charge documents under which the property(ies) is/are





mortgaged to the Bank.

14. Property valuation fees

- 14.1 The Borrower acknowledges that when any land property is proposed to be mortgaged to the Bank as security for the Facilities, the Bank may, in its absolute discretion, elect to engage a property valuation agent or its internal office or department, or both, to assess the value of the property concerned. Without prejudice to the generality of the foregoing, during the availability of the Facilities, the Borrower will promptly deliver to the Bank from time to time as requested by the Bank valuation report or reports (with the name of the Bank as the addressee) in respect of the mortgaged property(ies) or any part thereof, which shall be dated not earlier than 30 days prior to the date of its delivery and prepared at the cost and expense of the Borrower by an independent firm of property valuation agent acceptable to the Bank, as to the then current market value of the mortgaged property(ies).
- 14.2 If any property valuation agent has been engaged, the Borrower shall be obliged to reimburse the Bank the full amount of the fees charged by the agent and pay the Bank a handling charge in such sum as the Bank may charge its customers generally for arranging such kind of property valuation. If the Bank has engaged its internal office or department to make assessment of the value of the property concerned, the Bank may impose a handling charge on the Borrower in such amount as the Bank may charge its customers generally for such service. All such fees and charges shall be payable by the Borrower forthwith on demand.
- 14.3 For the avoidance of doubt, unless the Bank otherwise agrees, the Borrower shall be liable for the payments mentioned in Clause 14.2, notwithstanding that the property in question may not eventually be accepted by the Bank as security for the Facilities for whatever reason or that the Facilities are not eventually made available to or utilized by the Borrower on whatever ground.

15. Indemnity

- 15.1 The Borrower shall indemnify the Bank on a fully indemnity basis from and against all action, suits, proceedings, claims, demands, losses, damages, costs, fees, expenses and/or liabilities of whatsoever nature which the Bank may suffer, incur or sustain, whether actual or contingent, by reason of or in maintaining or enforcing the Facilities granted to the Borrower (including the Facilities used by Co-user(s) as mentioned in Clause 9 above) or by accepting any instruction/notice given by the Borrower through telephone, facsimile or electronic mail unless caused by the negligence or wilful default of the Bank.
- 15.2 Without prejudice to Clause 4.1, if the Bank is required to make any payment for such withholding or deduction referred to in Clause 4.1 or incur any liability with respect to such withholding or deduction, the Borrower shall promptly indemnify the Bank against such payment or liability.

16. Expenses

- 16.1 Whether or not the Facilities are drawn or utilized by the Borrower, all expenses including but not limited to legal fees, communications and other out-of-pocket expenses reasonably incurred by the Bank in connection with the Facilities or any documents executed in respect of the Facilities or any enforcement, or attempted enforcement, of the Bank's rights under the Facility Letter or other documents executed in respect of the Facilities, are to be borne by the Borrower on a full indemnity basis.

17. Appropriation

- 17.1 The Borrower hereby irrevocably waives any right or power which it may have by way of appropriation and the Bank shall have the sole and absolute right to appropriate either at the time of payment or at any time thereafter any moneys paid to the Bank by or otherwise coming into the Bank's possession or control from the Borrower in or towards discharging whichever part or parts of liabilities of the Borrower to the Bank as the Bank shall think fit. Any such appropriation shall override any purported appropriation by the Borrower.

18. Set-off and Lien

- 18.1 In addition and without prejudice to any general banker's lien, right of set-off or similar right to which the Bank may be entitled, the Bank shall have the right and is hereby irrevocably and unconditionally authorized, to the fullest extent permitted by law, from time to time and at any time without prior notice to the Borrower (any such notice being expressly waived):-
 - (a) to set off and appropriate and apply any credit balance in any of the account(s) and/or deposit(s) of the Borrower (whether in its sole name or jointly with others) in whatever currency maintained with any of the Bank's branches or sub-branches (whether subject to notice or not and whether matured or not) and/or any of the liability of the Bank (whether actual or contingent) due or owing to the Borrower (whether



- alone or jointly with others) against or on account of the obligations and liabilities whatsoever of the Borrower (whether actual or contingent, future or existing) due, owing or incurred to the Bank; and
- (b) to apply any credit balance in any of the account(s) and/or deposit(s) of the Borrower (whether in its sole name or jointly with others) in whatever currency maintained at any of the Bank's offices or branches or sub-branches (whether the credit balance was originally available in any account maintained with the Bank (formerly known as Po Sang Bank Limited) or any one or more of Bank of China (Hong Kong Branch), The Kwangtung Provincial Bank (Hong Kong Branch), Sin Hua Bank Limited (Hong Kong Branch), The China & South Sea Bank Limited (Hong Kong Branch), Kincheng Banking Corporation (Hong Kong Branch), The China State Bank Limited (Hong Kong Branch), The National Commercial Bank Limited (Hong Kong Branch), The Yien Yieh Commercial Bank Limited (Hong Kong Branch) and Hua Chiao Commercial Bank Limited (collectively the "Merging Banks") prior to the merger of the said Merging Banks on 1st day of October 2001 (the "Date of Merger")) (whether subject to notice or not and whether matured or not) and/or to set off any of the liability of the Bank (whether actual or contingent) due or owing to the Borrower (whether alone or jointly with others) including but not limited to any liability of any one or more of the Merging Banks (whether actual or contingent) which was originally due or owing to the Borrower (whether alone or jointly with others) prior to the Date of Merger, towards satisfaction of or against the Borrower's obligations and liabilities, whether actual or contingent, future or existing, due, or owing or incurred to the Bank, including but not limited to any such obligations and liabilities of the Borrower originally due, owing or incurred to the Bank or any one or more of the Merging Banks prior to the Date of Merger.

The Bank shall notify the Borrower promptly after exercising its rights under this Clause 18.1.

- 18.2 For the purposes aforesaid, the Bank may convert all or any part of the said credit balance or deposit of the Borrower or such liability of the Bank to the Borrower to such other currencies at the applicable rate of exchange quoted and determined by the Bank as may be necessary.
- 18.3 If any sum is due but unpaid under the Facilities and/or these General Terms and Conditions, the Bank may at any time without further reference to the Borrower, retain all or any securities, valuables or any other property whatever and wherever situate which may be deposited with or otherwise held by the Bank for or in the name of the Borrower whether for safe custody or otherwise and sell the same or any part thereof at such price as the Bank shall determine whether by public auction, private treaty or tender and the Bank may engage such agent or broker therefor and apply the proceeds thereof in satisfaction of any or all sums owing under the Facilities and/or these General Terms and Conditions after first deducting all costs and expenses reasonably incurred by the Bank and the Bank shall not be liable for any loss arising from the sale or other disposition of any such securities, valuables or other property unless caused by the negligence or wilful misconduct of the Bank.
- 18.4 The rights herein conferred on the Bank are in addition and without prejudice to any rights conferred on the Bank under any Security Documents at any time and from time to time held by the Bank.

19. Authorization to debit account(s)

- 19.1 The Bank shall be entitled to debit at any time and from time to time all or any of the interests, fees, charges, commissions, costs, expenses and other sums due and payable by the Borrower in respect of the Facilities from any of the account(s) of the Borrower without prior notice to the Borrower. Such sums shall be deemed duly drawn or overdrawn from the account(s) by the Borrower.

20. Debt Collection

- 20.1 The Bank shall be entitled to employ debt collecting agent(s) to collect any sum due but unpaid by the Borrower under the Facilities. The Borrower agrees, and acknowledges that the Borrower has been warned, that the Borrower shall indemnify and keep the Bank indemnified on a full indemnity basis against all costs and expenses which the Bank may reasonably incur in the employment of debt collecting agent(s). The Bank shall be entitled to disclose to such debt collecting agent(s) any or all information relating to the Borrower, the Facilities or the Facility Letter.

21. Information

- 21.1 The Borrower agrees that it is necessary to supply the Bank with data/information related to the Borrower (including for the purpose of this subclause, that of any party/ies or individual(s) who is/are related to a corporate borrower in whatever capacity) or any information as required by the Bank for assessing the grant, revision and renewal of the Facilities. The Borrower (which for this subclause refers to itself in the case of an incorporated entity and its capacity as the duly authorised agent acting on behalf of the related party/ies and individual(s) including but not limited to the Borrower's holding companies, subsidiaries, affiliates, shareholders, directors and authorized persons, all these parties and individuals are hereinafter collectively





referred as the "Related Parties") authorize the Bank to use any data, information and documents relating to the Borrower and the Related Parties, the Facilities, the Facility Letter or any other agreements or transactions or dealings between the Borrower and/or the Related Parties and /or the Bank in accordance with the Bank's Conditions for Services (as amended and in force from time to time) (the "Conditions") (provided that in the case of an individual, such use will be subject to the Data Policy Notice issued and/or revised by the Bank from time to time (the "Notice"), and the contents and the receipt of which are hereby acknowledged by the Borrower) and notes that such data/information/documents (including the Facility Letter or anything in respect of the Facilities) held by the Bank will be kept confidential but permits the Bank to provide such data/information/documents to the parties referred to in the Conditions or listed in the Notice (as the case may be) or to any of its branches, subsidiaries and holding companies and the branches, subsidiaries and affiliates of any of its holding companies (together the "Bank's Related Parties") or other persons including but not limited to any person permitted by the Borrower, the professional advisers and any other persons providing services to the Bank or any of the Bank's Related Parties (including, without limitation, credit reference agencies, debt collection agencies, rating agencies, insurers or insurance brokers, credit protection providers), any actual or potential assignee, transferee, participant or sub-participant or any subsequent chargee, mortgagee or encumbrancer in respect of securities held by the Bank for the Facilities or to any person to the extent required by or for compliance of any laws, regulations, guidelines or rules of stock exchange binding on or applicable to the Bank or any of the Bank's Related Parties or to any person to whom information is required or requested to be disclosed by any court or governmental or regulatory authority to which the Bank or any of the Bank's Related Parties are subject to or to any person to whom information is required to be disclosed in connection with, and for the purposes of any litigation, arbitration, administrative, mediation or other investigations, proceedings or disputes relating to the Bank or any of the Bank's Related Parties. The Borrower further authorizes the Bank to contact any of the employers of the Borrower (if applicable), bank, referee, credit reference agencies or any other source for the purpose of obtaining or exchanging any information and to compare the information provided by the Borrower with other information collected by the Bank for checking purposes. The Bank is entitled to use the result of such comparison to take any action which may be adverse to the interest of or against the Borrower. The Borrower also consents to the data/information/documents being transferred to another jurisdiction outside Hong Kong.

- 21.2 The Borrower undertakes at all times to notify the Bank in writing of any change of the particulars of the Borrower including without limitation the Borrower's address, telephone number and facsimile number.
- 21.3 The Borrower agrees that the Bank may provide the following information to any Obligor in respect of any Facilities extended by the Bank to the Borrower: -
 - (a) a copy of the contract evidencing the obligations to be guaranteed or secured by any Obligors or a summary thereof;
 - (b) a copy of any formal demand for overdue payment served on the Borrower from time to time; and
 - (c) a copy of the latest statement of accounts provided to the Borrower from time to time on request by any Obligors.
- 21.4 In the case of an individual Borrower, the Borrower acknowledges that the Bank has provided him with the following information:
 - (a) the Borrower's data may be supplied to a credit reference agency and/or, in the Event of Default, to a debt collection agency;
 - (b) the Borrower's right to be informed, upon request, about what items of data are routinely disclosed to such credit reference agency and/or debt collection agency, and the Borrower's right to be provided with further information to enable the making of a data access and correction request to the relevant credit reference agency or debt collection agency, as the case may be;
 - (c) that, in the event of any default in payment, unless the amount in default is fully paid before the expiry of 60 days from the date such default occurred, the Borrower shall be liable to have his account data retained by the credit reference agency until the expiry of five years from the date of final settlement of the amount in default; and
 - (d) that the Borrower, upon termination of the account by full payment and on condition that there has not been, within five years immediately before such account termination, any material default on the account, will have the right to instruct the Bank to make a request to the credit reference agency to delete from its database any account data relating to the terminated account.
- 21.5 The Borrower shall promptly supply, or procure the supply of, such documentation and other evidence as reasonably requested by the Bank or pursuant to or in satisfaction of any law or regulation to which the Bank is subject.
- 21.6 This Clause 21 shall also apply, mutatis mutandis, to any party who has entered into or countersigned the Facility Letter in favour of the Bank, but is not otherwise a party to any other Security Document.



22. Assignment

- 22.1 The Bank may at any time, without consent of or notice to the Borrower, assign or transfer to any party all or any of its rights, benefits, obligations and liabilities under the Facilities and these General Terms and Conditions and the related guarantees, collateral securities and support documents provided that the Borrower, at any time of such assignment or transfer, will not be liable to pay any greater amount than the Borrower would have been liable to pay had no assignment or transfer been made. The Borrower may not assign or transfer any of its rights, benefits, obligations and/or liabilities under the Facilities and/or these General Terms and Conditions to any party except with the prior written consent of the Bank.
- 22.2 In addition to the other rights provided to the Bank, the Bank may without consulting with or obtaining consent from any Obligor, at any time charge, assign or otherwise create security in or over (whether by way of collateral or otherwise) all or any of its rights under any Facility Letter(s) or Security Document to secure obligations of the Bank including:
- (a) any charge, assignment or other security to secure obligations to a federal reserve or central bank; and
 - (b) any charge, assignment or other security granted to any holders (or trustee or representatives of holders) of obligations owed, or securities issued, by the Bank as security for those obligations or securities, except that no such charge, assignment or security shall:
 - (i) release the Bank from any of its obligations under the Facility Letter(s) or Security Document or substitute the beneficiary of the relevant charge, assignment or security for the Bank as a party to any of the Facility Letter(s) or Security Document; or
 - (ii) require any payments to be made by an Obligor other than or in excess of, or grant to any person any more extensive rights than, those required to be made or granted to the Bank under the Facility Letter(s) or Security Document.

23. Representations, warranties and undertakings

- 23.1 The Borrower makes the following representations and warranties to the Bank on the date of its execution of the relevant Facility Letter: -
- (a) it is a company duly incorporated with limited liability under the laws of the place where it was incorporated (applicable where the Borrower is a limited company);
 - (b) it has a valid and subsisting business registration certificate pursuant to the Business Registration Ordinance (Cap.310 of the Laws of Hong Kong) (where applicable);
 - (c) it has the power and authority and the legal capacity to perform and observe its obligations under the Facility Letter(s), Security Documents and any other ancillary documents executed in the Bank's favour;
 - (d) all necessary corporate and other action (including but not limited to any corporate resolutions required to be passed by the Borrower's shareholders and/or directors) under all applicable laws and regulations (including but not limited to the Borrower's Memorandum and Articles of Association) to which the Borrower is subject has been taken to authorise the use of the Facilities and the execution, delivery and performance of these General Terms and Conditions, the relevant Facility Letter, the Security Documents (if applicable) and any other ancillary documents;
 - (e) these General Terms and Conditions, the relevant Facility Letter, the Security Documents (if applicable) and any other ancillary documents constitute valid and legally binding obligations of the Borrower in accordance with their terms;
 - (f) it is not in default of any payment of any principal of or interest on any indebtedness for borrowed money and is not in breach of or in default under any other provision of any indenture, deed of trusts, agreement or other instrument to which it is a party and under or subject to which any such indebtedness for borrowed money has been issued or incurred and is outstanding and no event, condition or act which with the giving of notice or lapse of time, or both, would constitute an event of default under any such indenture, deed of trust, agreement or other instrument has occurred or is continuing which has not, in each case, been properly waived and/or remedied thereunder;
 - (g) the entry into and performance by it of, and the transactions contemplated by, these General Terms and Conditions, the relevant Facility Letter, the Security Documents (if applicable) and any other ancillary documents, do not and will not conflict with any law or regulation applicable to it, its constitutional documents or any agreement, or instrument binding on it or any of its assets;
 - (h) all information provided by the Borrower was true, complete and accurate in all material respects as at the date it was given or as at the date (if any) at which it is stated and was not misleading in any respect;
 - (i) it is not subject to any existing litigation or arbitration or administrative proceeding or petition for bankruptcy or winding up before any court, tribunal, arbitrator or governmental authority and is not pending any litigation or arbitration or administrative proceeding or petition for bankruptcy or winding up





- and it has no knowledge of (having made all reasonable enquiries) any litigation, arbitration or administrative proceeding or petition for bankruptcy or winding up threatened against the Borrower, or any of its properties or assets, which might, in each case, result in a material adverse change or effect on the business, assets, condition (financial or otherwise) or prospects of the Borrower;
- (j) there is no arrangement with any other financier to further charge the mortgaged property(ies) under which the Bank is the first mortgagee except for those where prior written consent has been given by the Bank;
 - (k) no Event of Default has occurred, or will occur as a result of execution of any of the Facility Letter(s), Security Documents and other ancillary documents and/or utilizing any of the Facilities, which has not been duly remedied or waived under the Facility Letter and/or these General Term and Conditions;
 - (l) None of the members of the Obligor's Sanctions Compliance Group and their respective directors, officers and agents:
 - i is the target of any Sanctions, or is owned or controlled by any target of any Sanctions; or
 - ii is located, incorporated, organised or resided in a country or territory that is, or whose government is, the target of Sanctions, which currently includes the Crimean region, Cuba, Iran, the Democratic People's Republic of Korea and Syria.
 - (m) the above representations and warranties shall be repeated and deemed to be made by the Borrower, where applicable, on each advance or drawing of the Facility(ies) and on each interest payment date, in each case by reference to the facts and circumstances then existing.
- 23.2 The Borrower undertakes with the Bank that it will:
- (a) promptly notify the Bank in writing on becoming aware of the occurrence of any Event of Default or potential Event of Default or any other events or circumstances which has or might have a material adverse change in or effect on the Borrower's operations, prospects, business or condition (financial or otherwise) or the Borrower's ability to perform its obligations hereunder and under the Facility Letter, other Security Document(s) or any other ancillary documents;
 - (b) duly pay or cause to be paid all taxes, duties and other governmental charges imposed upon the Borrower;
 - (c) from time to time (including in respect of the net exposure of one or more transactions under the Facilities) upon the demand of the Bank provide or procure to be provided to the Bank further cash or security acceptable to the Bank having current market value of not less than the then outstanding Facilities and/or the net exposure thereunder;
 - (d) ensure that the Borrower's obligations hereunder and under the Facility Letter, whether actual or contingent, are not subordinated to, and that they will at all times rank at least pari passu in priority of payment and in all other respects with any other of the Borrower's unsecured obligations, except to the extent that such obligations are preferred solely by operation of law;
 - (e) comply in all respects with all laws and regulations to which it may be subject, if failure so to comply would materially impair its ability to perform its obligations under the Facilities and Security Documents to which it is a party;
 - (f) promptly notify the Bank in writing of any change of the Borrower's particulars or the particulars of any third party guarantor(s) or security provider(s) in respect of the Borrower's liabilities including without limitation its/their address(es) and/or telephone number(s) and/or facsimile number(s);
 - (g) (in case of the Borrower being a firm, partnership or company) promptly upon the Bank's request supply or procure to be supplied to the Bank all information, books, documents, accounts, instruments, computer or other records, orders, correspondence (whether original or copy) and other evidence (in whatever form) relating to the Facility(ies) and collection and enforcement of the Facility(ies). The Borrower shall allow any officer, employee, advisors, duly authorized representative or agent of the Bank, at all reasonable times, to attend any premises of or occupied by the Borrower or where the Borrower carries on business to inspect, check, verify and copy (at the Borrower's expense) any of the above as the Bank may require from time to time;
 - (h) promptly supply or procure to be supplied to the Bank such other documents or information reasonably required by the Bank from time to time; and
 - (i) (in case of the Borrower being a firm, partnership or company) comply with, and (in any other case where any third party guarantor(s) or security provider(s) is involved) ensure any such third party guarantor(s) or security provider(s) to comply with, in each case in all material respects, with all environmental laws (including but not limited to obtain and maintain all environmental permits relevant to the operation of their business activities in the relevant countries) applicable to it or the relevant third party guarantor(s) or security provider(s); and
 - (j) not directly or indirectly use, lend, contribute or otherwise make available any service or facility provided by the Bank or any proceeds thereof, or permit the same to be used, lent, contributed or otherwise made available, (i) to fund any activities or business of or with any person, or in any country or territory, that, at the time of such funding, is, or whose government is, the target of any Sanctions; or (ii) in any manner that would result in a violation of any Sanctions by any person in any capacity.
- 23.3 In the case where the Borrower is a firm, partnership or company, that it undertakes with the Bank that it will NOT unless the Bank otherwise expressly agrees in writing:
- (a) merge, or consolidate with or into any other corporation or take any step with a view to dissolution, liquidation or winding up;
 - (b) make any material change to the nature of the Borrower's business as presently carried on;





- (c) create, incur or suffer or permit to exist any charge or security interest upon any of the Borrower's property, assets, revenues and rights, present or future, except (i) in favour of the Bank or (ii) being any lien arising by operation of law and in the ordinary course of trading or entered into in the ordinary course of its banking arrangements provided that in each case the debt secured thereby is paid when due or contested in good faith;
 - (d) make loans, advance moneys, grant credit to or guarantee or indemnify the liability of any person, firm or company, except for any trade credit extended to its customers on normal commercial terms and in the ordinary course of its trading activities or as permitted by the purpose of the Facility(ies);
 - (e) [intentionally left blank];
 - (f) sell, assign or dispose any of its major assets or business (as determined by the Bank) to any third party unless the proceeds of such sale, assignment or disposal are for the repayment of any outstanding under the Facilities.
- 23.4 In the case where the Borrower is a firm or partnership, it undertakes with the Bank that it will promptly inform all withdrawing, retiring and joining partners in writing of the representations and warranties in this Clause 23.

24. Events of Default

- 24.1 Without prejudice to the other provisions herein, all amounts (including principal and interest) due or owing by the Borrower to the Bank shall, without any demand, become immediately due and payable by the Borrower and the Bank shall not be required to make any further advances under any of the Facility(ies) upon the occurrence of any of the following events of default: -
- (a) the failure by any Obligor to pay any principal, interest, charges or other costs and expenses payable to the Bank in connection with the Facility(ies) on the due date;
 - (b) the Borrower's failure to pay any money, debts and liabilities owing or incurred, due but unpaid to the Bank in any manner howsoever or on any account whether as principal or surety and whether alone or jointly with any other person, firm or corporation;
 - (c) any of the representations, warranties, undertakings, covenants or statements of any Obligor under the Facility Letter and/or these General Terms and Conditions and/or the Security Documents and any other ancillary documents or any information or document delivered by any Obligor to the Bank is incorrect or misleading in any material respect;
 - (d) any distress, attachment, sequestration, execution or other legal process is levied, enforced or sued out on or against the assets of any Obligor;
 - (e) an event occurs which, in the opinion of the Bank, has or might have a material adverse change in or effect on the business, assets condition (financial or otherwise) or prospects of any Obligor or affect or prevent the ability of any Obligor to perform its obligations under the Facility Letter and/or the Security Documents;
 - (f) a payment default occurs under the provisions of any agreement or instrument evidencing or securing any financial indebtedness of any Obligor or any such financial indebtedness becomes payable or capable of being declared payable before its stated maturity;
 - (g) a petition is presented or proceedings are commenced or an order is made or an effective resolution is passed for the bankruptcy or winding up of any Obligor or for the appointment of a liquidator, receiver, official administrator or similar officer in respect of any Obligor or all or any part of its business or assets or if any Obligor otherwise becomes insolvent or bankrupt under any court of law;
 - (h) without prejudice to paragraph (a) above, failure of any Obligor to comply with any provision contained in these General Terms and Conditions, the Facility Letter and/or the Security Documents and any other ancillary documents which is not capable of remedy or, if can be remedied, has not been remedied within seven days of the earlier of notice from the Bank requiring its remedy or any Obligor becoming aware of the failure to comply;
 - (i) any change to the direct or indirect shareholding of the Borrower or any guarantor without the prior written consent of the Bank (except if the Borrower or such guarantor is a company listed on any stock exchange);
 - (j) any governmental, tax, monetary or other approval required by any Obligor in connection with the Facilities is withdrawn or revised in a way prejudicial to the interest of the Bank under the Facilities, these General Terms and Conditions, the Facility Letter or any Security Documents or any other ancillary documents;
 - (k) any present or future security on or over the assets of any Obligor becomes enforceable;
 - (l) it becomes unlawful for any Obligor to perform any of its obligations under these General Terms and Conditions, the Facility Letter, any Security Document or any other ancillary documents; and
 - (m) the occurrence of any event which under the law of any relevant jurisdiction, has an analogous or equivalent effect to any event mentioned in this Clause 24.1.

25. Liability of the Bank

- 25.1 The Bank shall not be liable for any loss or damage suffered by the Borrower or any other person as a result of:-
- (a) the withdrawal or suspension of any transaction of the Borrower or for any failure to effect or execute any of the order or instruction from the Borrower whether it is attributable, either directly or indirectly, to any circumstances or events outside the control of the Bank; and/or





- (b) (i) any mechanical, electronic or other failure, malfunction, interruption, inaccuracy or inadequacy of the Bank's telecommunication and computer system or other equipment or its installation or operation; (ii) any incomplete or erroneous transmission of any instruction or order of the Borrower or any error in the execution of any such instruction or order (except negligence or wilful misconduct of the Bank's authorized officers) nor for any delay, loss (including loss of profit or any economic loss), expenses or damages whatsoever incurred or suffered by the Borrower as a result of (i) and /or (ii) above; and/or
 - (c) any delay, interruption or suspension howsoever caused by any third party, including but not limited to service providers or equipment suppliers, which interferes with, affects or disrupts the performance of the Bank hereunder; and/or
 - (d) any instruction / notice given by the Borrower through telephone, facsimile or electronic mail having been acted upon by the Bank.
- 25.2 In the case of any POD, the Bank shall have absolute discretion to refuse to purchase or discount any Payment Order without giving any reason therefor. In addition and without prejudice to the Bank's right under all existing terms and conditions, the Bank has full recourse against the Borrower in respect of any or all of the Payment Orders purchased or discounted by the Bank from the Borrower and the Borrower shall refund to the Bank on demand at any time, whether prior to the maturity of the Payment Order or otherwise, the sum paid to the Borrower by way of the purchase or discount of the Payment Order together with interest thereon from the date of the Bank's payment to the Borrower up to the refund by the Borrower in full.

26. Financial Statements/Information

- 26.1 In case the Borrower and/or any Obligors is a limited company, the Bank shall be entitled, at any time and from time to time require the Borrower to furnish to the Bank: -
- (a) within ninety (90) days after the end of every six (6) months of each accounting period, copies of the unaudited consolidated and/or unconsolidated financial statements of the Borrower and (if applicable), any Obligors and the Borrower's subsidiary companies duly certified by the Borrower's director(s) and (if applicable) the director(s) of any Obligors and/or the Borrower's subsidiary companies to be true copies of the original unaudited consolidated and/or unconsolidated financial statements; and
 - (b) within one hundred and eighty (180) days from the close of the financial year of the Borrower, or (if applicable) any Obligors and the Borrower's subsidiary companies, the original audited consolidated and/or unconsolidated annual financial statements of the Borrower or (if applicable) any Obligors and the Borrower's subsidiary companies for such year or copies of such audited consolidated and/or unconsolidated annual financial statements duly certified by the Borrower's director(s) and (if applicable) the director(s) of any Obligors and/or the Borrower's subsidiary companies to be true copies of the original audited consolidated and/or unconsolidated annual financial statements.
- 26.2 In case the Borrower is a sole-proprietorship or partnership, the Borrower shall furnish to the Bank at the request of the Bank copies of the Borrower's financial statements duly certified by the sole-proprietor or partner(s) of the Borrower to be true copies of the original and such other information about the Borrower.
- 26.3 In case the Borrower is an individual, the Borrower shall furnish to the Bank at the request of the Bank certified copies of the Borrower updated income tax return, bank statements and such other information as the Bank shall from time to time require.
- 26.4 The Borrower shall procure that each set of financial statements delivered pursuant to Clauses 26.1 and 26.2 are prepared according to relevant generally accepted accounting principles.

27. Miscellaneous

- 27.1 Subject to prior notice to the Borrower, the Bank reserves the absolute right to vary the terms of the Facilities, to increase, reduce and/or cancel any Facility or any part thereof at any time and from time to time, including without limitation, the basis of calculation of any interest, charges, commissions, fees or default interest payable under the Facility Letter(s) and to vary these General Terms and Conditions (including without limitation the Default Margin or the Default Administrative Charges), to impose a commitment fee on the daily undrawn balance of the Facilities granted, and/or to impose any additional handling charges at such rate as determined by the Bank at its sole discretion. **Any variation, amendment or supplement shall be binding on the Borrower(s) if the Borrower(s) do(es) not terminate the Facility(ies) after receiving any notice of such variation, amendment or supplement.**
- 27.2 No failure, delay or omission by the Bank in exercising any right, power, privilege or remedy shall impair such right, power, privilege or remedy or be construed as a waiver thereof, nor shall any single or partial exercise of any right, power, privilege or remedy preclude any further exercise of any other right power, privilege or remedy. Rights, powers, privileges and remedies herein provided are cumulative and do not exclude those provided by law.





- 27.3 Subject to Clause 27.4, any notice, demand or other communication to the Borrower shall be sent to the Borrower's last known address or such other address as may have been notified in writing by the Borrower to the Bank and, if (i) delivered personally, shall be deemed to have been given at the time of such delivery; (ii) despatched by letter postage prepaid, shall be deemed to have been given twenty-four (24) hours after posting; and (iii) transmitted by facsimile or other electronic means, shall be deemed to have been given at the time of despatch, provided that the Bank may give oral notice to the Borrower and if it consists of more than one person, any one of them, whether personally or through the telephone, and any oral notice so given shall be immediately effective and binding upon the Borrower. Subject to Clause 11.4, any notice or communication to the Bank shall not be effective until actually received by the Bank. If the Borrower consists of more than one person, any notice, demand or other communication shall be effective on the Bank only if given by each of them and on all of them if given by the Bank to any of them.
- 27.4 The Bank reserves the right to notify the Borrower of any variation of these General Terms and Conditions or any fees or changes in the standard charges for or relating to the Facilities, the Default Margin, the default interest set out in Clause 6.2 above, the Default Administrative Charges or the basis of calculation of any of them by notice displayed or posted up in the Bank's banking halls.
- 27.5 These General Terms and Conditions are in addition and without prejudice to the Bank's rights under all existing or future security and/or legal documents (if any) held by the Bank.
- 27.6 If the Borrower shall consist of more than one person and any Facilities are made available to such Borrowers jointly, the liabilities of the Borrowers to the Bank under those Facilities shall be joint and several and each and every provision of the Facility Letter and the terms herein shall be construed accordingly. If the Borrower is a firm (whether partnership or sole proprietorship), the Facility Letter and the terms herein shall be binding jointly and severally on all persons now or for the time being or at any time hereafter carrying on business in the name of the said firm or in succession to the said firm notwithstanding any change of members or constitution thereof.
- 27.7 Save as provided for in Clause 27.8, in case of conflict between (1) the terms of the Facility Letter, (2) these General Terms and Conditions and (3) any of the terms contained in the documentation mentioned in the relevant Facility Letter, (a) the terms of the Facility Letter shall prevail over these General Terms and Conditions and the terms referred to in (3), and (b) the terms referred to in (3) shall prevail over these General Terms and Conditions.
- 27.8 In the case where mortgage/legal charge forms prescribed by the Hong Kong Housing Authority, Hong Kong Housing Society or other similar bodies or authorities are used, whenever there is any conflict between the terms of the Facility Letter, these General Terms and Conditions and any of the terms contained in the mortgage/legal charge forms, the terms of the mortgage/legal charge forms shall prevail.
- 27.9 Any provision in the Facility Letter and/or these General Terms and Conditions which is or is declared by any court or tribunal of competent jurisdiction to be illegal, invalid or unenforceable in any respect under applicable law shall be severed from the Facility Letter and/or these General Terms and Conditions (as the case may be) to the maximum extent permissible by such applicable law without in any manner affecting the legality, validity or enforceability of the remaining provisions of the Facility Letter and/or these General Terms and Conditions (as the case may be), all of which shall continue in full force and effect.
- 27.10 In the case where a facility is subject to a separate set of General Terms and Conditions, if there is any conflict between these General Terms and Conditions and the General Terms and Conditions for the specific facility, the latter shall prevail.
- 27.11 Unless contrary intention appears, words importing the singular number shall include the plural number and vice versa and words importing the masculine gender shall include the feminine gender and the neuter gender.
- 27.12 References to any regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization.

28. Third Party Rights

- 28.1 Subject to Clause 28.3, a person who is not a party to any Facility Letter has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) (the "Third Parties Ordinance") to enforce or to enjoy the benefit of any term of such Facility Letter and/or these General Terms and Conditions.
- 28.2 Notwithstanding any term of any Facility Letter and/or these General Terms and Conditions, the consent of any person who is not a party to such Facility Letter is not required to rescind or vary such Facility Letter and/or these General Terms and Conditions at any time.
- 28.3 Any director, officer, employee, affiliate or agent of the Bank or any of the Bank's Related Parties may, by virtue of the Third Parties Ordinance, rely on any provision of any Facility Letter and/or these General Terms and Conditions which expressly confers rights on that person.
- 28.4 This Clause 28 shall apply upon the commencement date of the Third Parties Ordinance (being 1 January



2016).

29. Language

- 29.1 The Chinese version of the Facility Letter and these General Terms and Conditions are for reference only and if there is any conflict between the English version and the Chinese version, the English version shall prevail.

30. Governing Law

- 30.1 The Facility Letter and these General Terms and Conditions shall be governed by and construed in accordance with the laws of Hong Kong. The Borrower hereby irrevocably submits to the non-exclusive jurisdiction of the courts of Hong Kong.



Working Capital Loan Contract

No.: M112023PK (ZGK) 60

Borrower: Zai Lab (Shanghai) Co., Ltd.

Unified social credit code: 9131000008621843XU

Legal representative/person in charge: Ying Du

Address: 4th Floor, South Building, Building 1, No. 4560 Jinke Road, Pudong New Area, Shanghai Zip Code: 201203

Account opening financial institution and account number: Bank of China Shanghai Zhangjiang Hi-Tech Park Sub-branch 784970025636

Phone: 021-61632588 **Fax:** /

Lender: Bank of China Limited Shanghai Pudong Development Zone Sub-branch

Legal representative/person in charge: Zhou Leyi

Address: No. 58, Xinjinqiao Road, Pudong New Area, Shanghai Zip Code: 201206

Phone: 021-20512666 **Fax:** /

The borrower and lender have reached an agreement through equal consultation on the issuance of working capital loans by the lender to the borrower, and hereby enter into this contract.

Article 1 Loan Amount

Loan currency: RMB.

Loan amount: (in words) Three Hundred and Forty Million Yuan;

(in figures) 340,000,000.00.

Article 2 Term of Loan

Term of loan: 12 months, calculated from the actual withdrawal date. If it is an installment withdrawal, it shall be calculated from the first actual withdrawal date.

The borrower shall strictly withdraw funds according to the agreed withdrawal date. If the actual withdrawal date is later than the agreed withdrawal date, the borrower shall still repay according to the repayment date stipulated in this contract.

Article 3 Purpose of Loan

Purpose of loan: Used for purchasing raw materials and other daily business turnover needs.

Without the written consent of the lender, the borrower shall not change the purpose of the loan, including but not limited to not using the loan for fixed assets, equity and other investments, or for any fields and purposes prohibited by laws, regulations, regulatory provisions, or the state from production and operation, or for refinancing or purchasing other financial products for arbitrage, or for illegally adding implicit local government debts, and other purposes prohibited from using bank loans for investment.

Article 4 Loan Interest Rate and Interest Settlement

1. Loan interest rate

The loan interest rate (annualized interest rate, simple interest for RMB loans, simple interest / compound interest combination for foreign currency loans (choose one)) shall be set out in subsection (2) below:

(1) Fixed interest rate, annual interest rate %. The contract interest rate remains unchanged during the loan term.

N/A [intentionally left in blank]

(2) Floating interest rate, priced daily / every 6 months / every years (choose one) from the actual withdrawal date (or the first actual withdrawal date if it is a partial withdrawal). The reset date is the first day of the next repricing period, which starts on the corresponding day of the repricing month. If there is no corresponding day in the month, it is the last day of the month. If it is reset daily, the reset date will be the day of the next repricing period.

For each withdrawal:

■ Floating interest rate for RMB loans

A. The interest rate for the first installment (from the actual withdrawal date to the end of this repricing period) shall be the latest loan market quoted interest rate of 1-year / 5-year or more (choose one) published by the National Interbank Funding Center as of the working day prior to the actual withdrawal date, plus / minus (choose one) 50 basis points;

B. On the day of repricing, along with other installment withdrawals, the applicable interest rate for the floating period shall be repriced based on the latest loan market quoted interest rate of 1-year / 5-year or more (choose one) published by the National Interbank Funding Center as of the working day prior to the repricing date, plus / minus (choose one) 50 basis points.

Floating interest rate for foreign currency loans

N/A [intentionally left in blank]

2. Interest calculation

(1) For the fixed interest rate in paragraph 1(1) of this article, the floating interest rate for RMB loans in paragraph 1(2) of this article, and the floating interest rate for foreign currency loans in items A and C:

The interest shall be calculated from the actual withdrawal date of the borrower, based on the actual withdrawal amount and the number of days used.

Interest calculation formula: Interest = principal × actual number of days × daily interest rate.

The daily interest rate calculation base is 360 days per year, and the conversion formula is: Daily interest rate = annual interest rate/360.

(2) N/A [intentionally left in blank]

3. Interest settlement method

The borrower shall settle the interest according to the method as set out in subsection (1) below:

(1) Interest is settled quarterly, with the 20th day of the last month of each quarter as the interest settlement date and the 21st day as the interest payment date.

(2) Interest is settled on a monthly basis, with the 20th of each month as the interest settlement date and the 21st as the interest payment date.

If the last repayment date of the loan principal is not on the interest payment date, the last repayment date of the loan principal shall be the interest payment date, and the borrower shall pay off all payable interest.

4. Penalty interest

(1) For loans that are overdue or not used for the purpose specified in the contract, from the date of overdue or misappropriation, penalty interest shall be charged at the penalty interest rate specified in this paragraph for the overdue or misappropriated portion until the principal and interest are repaid.

For loans that are both overdue and misappropriated, penalty interest shall be charged at a higher penalty interest rate.

(2) For the interest and penalty interest that the borrower cannot pay on time, **compound interest shall be charged at the penalty interest rate agreed upon in this paragraph** using the interest settlement method stipulated in paragraph 3 of this article.

(3) Penalty interest rate (Note: Fill in truthfully based on the loan currency and interest rate determination method)

The penalty interest rate for RMB loans,

The penalty interest rate for fixed rate loans

N/A [intentionally left in blank]

The penalty interest rate for floating rate loans

A. The penalty interest rate is reset from the date of overdue or misappropriation in accordance with the repricing period set in paragraph 1 of this article. The penalty interest repricing date is the day of overdue or misappropriation on the corresponding day of the repricing month. If there is no corresponding day in the month, the last day of the month is the penalty interest repricing date.

B. The penalty interest rate for overdue loans shall be 50% higher than the penalty interest rate determined in item C of this paragraph, and the penalty interest rate for misappropriated loans shall be 100% higher than the penalty interest rate determined in item C.

C. The penalty interest base rate within the first repricing period is the loan interest rate actually implemented in the current period that is overdue or misappropriated. The penalty interest base rate for the next repricing period after each full repricing period is repriced in accordance with the method agreed in paragraph of this article on the reset date.

The penalty interest rate for foreign currency loans,

N/A [intentionally left in blank]

5. Others

(1) The “loan interest rate” and “penalty interest rate” under this contract are both inclusive of tax, i.e., the interest charged by the lender to the borrower already includes the value-added tax (VAT) payable in accordance with national laws and regulations.

(2) If there is a significant change in the pricing basis of the floating interest rate under this contract, it shall be handled in accordance with the then effective market rules. If the lender requests the borrower to sign a supplementary contract on relevant matters at that time, the borrower shall cooperate.

(3) The term “pricing benchmark” in this article has the same meaning as the term “benchmark interest rate”.

(4) Under this contract, “TERM SOFR” refers to the TERM SOFR published and managed by the Chicago Mercantile Exchange (or successor manager) as manager; “TIBOR” refers to the TIBOR published and managed by the Japan Bankers Association (or successor manager) as manager; “EURIBOR” refers to the EURIBOR published and managed by the European Money Markets Institute (or successor manager) as manager; “Overnight SOFR” refers to an overnight SOFR published and managed by the Federal Reserve Bank of New York (or successor manager) as manager; “Overnight SONIA” refers to an overnight SONIA published and managed by the Bank of England (or successor manager) as manager; “Overnight TONA” refers to an overnight TONA published and managed by the Bank of Japan (or successor manager) as manager; “Overnight ESTR” refers to an overnight ESTR published and managed by the European Central Bank (or successor manager) as manager, and “Overnight SARON” refers to an overnight SARON published and managed by the SIX Swiss Exchange (or successor manager) as manager.

Article 5 Withdrawal Conditions

The borrower’s withdrawal must meet the following conditions:

1. This contract and its attachments have come into effect;
2. The borrower has provided guarantees as requested by the lender, and the guarantee contract has come into effect and completed the statutory approval, registration, or filing procedures;

3. The borrower has reserved the borrower’s documents, bills, seals, personnel list, signature samples related to the conclusion and performance of this contract with the lender, and filled in the relevant vouchers;
4. The borrower has opened the necessary account for the performance of this contract as requested by the lender;
5. The borrow shall submit a written withdrawal application and relevant loan purpose proof documents to the lender 5 banking days before the withdrawal, and complete the relevant withdrawal procedures;
6. The borrower has submitted a resolution and authorization letter from the board of directors or other authorized departments to the lender agreeing to sign and perform this contract;
7. Other withdrawal conditions stipulated by law and agreed upon by both parties .

If the above withdrawal conditions are not met, the lender has the right to refuse the borrower’s withdrawal application, except when the lender agrees to the loan.

Article 6 Withdrawal Date and Method

1. The borrower shall make withdrawals according to the date and method as set out in subsection (2) below:

- (1) Make a one-time withdrawal on (month) (day) (year).
- (2) Withdraw the loan within 90 days from January 29th, 2024.
- (3) Withdraw in installments according to the following dates:

Withdrawal date	Withdrawal amount
/	/
/	/
/	/

2. The lender has the right to refuse the borrower’s withdrawal application for the portion that has not been withdrawn beyond the above-mentioned date.

3. Loan Commitment Service The lender shall provide commitment services to the borrower during the commitment service period (from the effective date of this loan contract to the withdrawal date specified in this contract) for the current period of available but unused loans (hereinafter referred to as “unused loans”). After consultation and agreement between the borrower and the lender, it is agreed as follows:

- The borrower shall pay a commitment fee for the aforementioned promised services. The specific charging standards and methods will be separately signed in the Commitment Service Agreement during the commitment service period.
- The lender, based on the principle of “fee reduction and concessions”, waives the commitment fee for the above-mentioned promised services, and the assessed amount of exemption is RMB .
- Other: **No commitment fee will be charged.**

Article 7 Payment of Loan Funds

1、 Loan disbursement account

The borrower shall open the following account with the lender as the loan disbursement account, and the disbursement and payment of the loan shall be processed through this account.

Account name: Zai Lab (Shanghai) Co., Ltd.

Account number: 784970025636

2. Payment method for loan funds

(1) The payment method of loan funds shall be executed in accordance with laws and regulations, regulatory provisions, and the provisions of this contract. The payment method of loan funds for a single withdrawal shall be confirmed in the withdrawal application. If the lender believes that the selected payment method of loan funds in the withdrawal application does not meet the requirements, they have the right to change the payment method or stop the distribution and payment of loan funds.

(2) Entrusted payment by the lender refers to the lender paying the loan funds to the borrower's counterparty that meets the purpose specified in this contract based on the borrower's withdrawal application and payment entrustment. According to the relevant regulations of the China Banking Regulatory Commission and the internal management regulations of the lender, loan funds that meet one of the following conditions shall be paid through the lender's entrusted payment method:

A. The lender has established a new credit business relationship with the borrower, and the borrower's credit rating has not met the lender's internal requirements;

B. When applying for withdrawal, the payment recipient is clear (with clear account and account name) and the single withdrawal amount exceeds 1 yuan (excluding, foreign currency is converted based on the exchange rate of the actual withdrawal date 1);

C. Other circumstances stipulated by the lender or agreed upon with the borrower: Adopting entrusted payment method.

(3) The borrower makes independent payments, which means that the lender disburses the loan funds to the borrower's account based on the borrower's withdrawal application, and the borrower makes independent payments to the borrower's counterparty that meets the agreed purpose in the contract. Except for the situation where the lender's entrusted payment method shall be adopted as stipulated in the preceding paragraph, the payment method for other loan funds is the borrower's independent payment.

(4) Changes in payment method. After submitting the withdrawal application, if the borrower's external payment, credit rating, and other conditions change, and the self-paid loan funds meet the conditions stipulated in paragraph 2(2) of this article, the payment method of the loan funds shall be changed. If there is a change in the external payment amount, payment object, loan purpose, etc. under the change of payment method or entrusted

payment method, the borrower shall provide a written explanation of the change application to the lender, resubmit the withdrawal application and relevant transaction materials proving the purpose of the funds.

3. Specific requirements for entrusted payment of loan funds

(1) Payment entrustment. If the borrower meets the conditions for entrusted payment by the lender, the borrower shall have a clear payment entrustment in the withdrawal application, which authorizes and entrusts the lender to directly pay the loan funds to the designated counterparty account of the borrower that meets the purpose specified in this contract after transferring the loan funds to the designated borrower account. The borrower shall also provide the necessary payment information such as the name of the counterparty receiving the payment, the counterparty account, and the payment amount.

(2) Provide transaction information. If it meets the conditions for entrusted payment by the lender, the borrower shall provide the lender with information on its lending account, counterparty account, and materials proving that the current withdrawal meets the purpose specified in the loan contract at each withdrawal. The borrower shall ensure that all information provided to the lender is true, complete, and valid. If the entrusted payment obligations of the lender are not completed in a timely manner because the information provided by the borrower is untrue, inaccurate, or incomplete, the lender shall not be held responsible, and the repayment obligations already incurred by the borrower under this contract shall not be affected.

(3) Performance of lender's entrusted payment obligation

A. If entrusted payment is adopted by the lender, the borrower shall submit the payment entrustment and relevant transaction information, and after the lender's review and approval, the loan funds shall be paid to the borrower's counterparty through the borrower's account.

B. If the lender finds through review that the transaction materials such as proof of use provided by the borrower do not comply with the provisions of this contract or have other defects, the lender has the right to request the borrower to supplement, replace, explain or resubmit the relevant materials. Before the borrower submits the relevant transaction materials deemed eligible by the lender, the lender has the right to refuse the disbursement and payment of the relevant funds.

C. If there is a refund from the bank of the counterparty, resulting in the lender being unable to timely pay the loan funds to its counterparty in accordance with the borrower's payment entrustment, the lender shall not be held responsible, and the borrower's repayment obligations already incurred under this contract shall not be affected. The borrower hereby authorizes the lender to freeze the funds returned by the counterparty's bank. In this case, the borrower shall resubmit the relevant transaction information such as payment entrustment and proof of purpose.

(4) The borrower shall not evade the lender's entrusted payment by breaking it into smaller parts.

4. After the disbursement of loan funds, the borrower shall provide timely records and information on the use of loan funds as requested by the lender. The aforementioned materials to be provided include but are not limited to proof of purpose.

5. In the event of any of the following circumstances, the lender has the right to re-determine the conditions for loan disbursement and payment or suspend the disbursement and payment of loan funds:

- (1) The borrower violates the provisions of this contract and evades the lender's entrusted payment by breaking it into smaller parts;
- (2) The borrower's credit status has declined or its main business profitability is not strong;
- (3) Abnormal use of borrowed funds;
- (4) The borrower failed to provide timely records and information on the use of borrowed funds as requested by the lender;
- (5) The borrower's payment of the loan funds violates this provision.

Article 8 Repayment

1. The borrower designates the following account as the fund withdrawal account, and the borrower's fund withdrawal shall be transferred to that account. The borrower shall provide timely information on the inflow and outflow of funds in the account. The lender has the right to request the borrower to explain the inflow and outflow of large and abnormal funds in the fund withdrawal account and supervise the account.

Account name: Zai Lab (Shanghai) Co., Ltd.

Account number: 784970025636

2. Unless otherwise agreed by both parties, the borrower shall repay the loan under this contract in accordance with the repayment plan as set out in subsection (1) below:

- (1) On the expiration date of the loan term, all loans under this contract shall be repaid.
- (2) Repay the loan under this contract according to the following repayment plan:

Repayment date	Repayment amount
/	/
/	/

- (3) Other repayment plans: /.

If the borrower needs to change the repayment plan mentioned above, they must submit a written application to the lender 30 banking days before the corresponding loan expires. Any change to the repayment plan must be confirmed in writing by both parties.

3. Unless otherwise agreed by both parties, in the event that the borrower simultaneously defaults on the principal and interest of the loan, as well as the cost of realizing the debt, the lender has the right to decide on the order of repayment of the principal or interest, and the cost of realizing the debt. In the case of installment repayment, if there are multiple matured or overdue loans under this contract, the lender has the right to decide

the repayment order of a certain repayment by the borrower. If there are multiple matured loan contracts between the borrower and the lender, the lender has the right to determine the order in which the borrower fulfills each repayment.

4. Unless otherwise agreed by both parties, the borrower may make early repayment, but shall notify the lender in writing 30 banking days in advance. The amount of early repayment is first used to repay the loan due last, and then in reverse order.

For loans with interest calculated using a single compound interest combination, if it involves early repayment or partial early repayment, the interest corresponding to the early repayment principal shall be settled in a lump sum.

The lender has the right to charge a penalty for early repayment based on the standard of for the portion repaid early.

5. The borrower shall repay the loan according to the method as set out in subsection (1) below.

(1) The borrower shall deposit sufficient funds into the following repayment account for repayment no later than 10 banking days before the expiration of each principal and interest payment. The lender has the right to actively deduct funds from this account on each principal and interest payment due date.

Repayment account name: Zai Lab (Shanghai) Co., Ltd.

Account number: 784970025636.

(2) Other repayment methods agreed upon by both parties: .

Article 9 Guarantee

1. The guarantee for the debts under this contract is:

■ The standby letter of credit/financing guarantee No. 265D24BG000159 issued by Bank of China Limited and its branches, with the corresponding guarantee provided by them.

2. If the borrower or guarantor experiences events that the lender deems may affect its ability to perform, or the guarantee contract becomes invalid, revoked or terminated, or the borrower or guarantor's financial condition deteriorates or is involved in major litigation or arbitration cases, or the borrower or guarantor's account is seized, or for other reasons may affect its ability to perform, or the guarantor breaches the guarantee contract or other contracts with the lender. When the collateral depreciates, is damaged, lost, or seized, resulting in a decrease or loss of the collateral value, the lender has the right to demand, and the borrower has the obligation to provide new guarantee, replace the guarantor, etc. for the debts under this contract.

Article 10 Invoice Issuance

1. The borrower may apply to the lender for the issuance of a VAT invoice (VAT special invoice / VAT normal invoice) after the lender confirms receipt of the payment. The lender shall issue a VAT invoice to the borrower upon receipt of the borrower's application for the issuance of a VAT invoice.

2. The borrower can apply for the issuance of VAT invoices at the corresponding business processing agency or other institutions designated by the lender.

3. The borrower needs to confirm that the payer of the payment, the signatory of the contract, and the purchaser listed on the VAT invoice are the same taxpayer. If there is inconsistency, which results in the borrower being unable to record or deduct input tax in accordance with the law, the relevant losses shall be borne by the borrower.
4. If the borrower loses the invoice after obtaining it, the lender does not need to issue a supplementary VAT invoice.
5. If the lender provides a discount to the borrower through negotiation, the amount of the VAT invoice issued shall be based on the discounted price.
6. If the lender provides free services to the borrower, the lender will not provide VAT invoices.
7. The lender shall issue a VAT invoice to the borrower, and the borrower shall promptly verify the invoice information. If the invoice information is incorrect, the borrower shall promptly apply to the lender to reissue the VAT invoice.

Article 11 Declaration and Commitment

1. The borrower declares as follows:

- (1) The borrower is registered and validly existing in accordance with the law, and has full civil rights and behavioral capacity required to sign and perform this contract;
- (2) The signing and performance of this contract is based on the borrower's true expression of intention, and it has obtained legal and effective authorization in accordance with its articles of association or other internal management documents, and will not violate any agreements, contracts, and other legal documents that are binding on the borrower. The borrower has obtained or will obtain all necessary approvals, permits, filings or registrations for the signing and performance of this contract;
- (3) All documents, financial statements, vouchers, and other information provided by the borrower to the lender under this contract are true, complete, accurate, and valid;
- (4) The transaction background of the borrower's application to engage in business with the lender is true and legal, and does not involve illegal purposes such as money laundering, terrorist financing, financing for the proliferation of weapons of mass destruction, tax evasion, fraud, etc., and does not violate the sanctions regulations applicable to the United Nations, China, and other countries;
- (5) The borrower has not concealed any events that may affect its and the guarantor's financial condition and performance ability from the lender;
- (6) The borrower and loan project meet the national environmental protection standards, are not among the enterprises and projects pronounced and deemed by the relevant national authorities as having prominent energy consumption and pollution problems without effective rectification, and there is no energy consumption and pollution risk;
- (7) The purpose of the loan and the source of repayment are true and legal;
- (8) Other matters declared by the borrower: / .

2. The borrower undertakes as follows:

(1) According to the requirements of the lender, the borrower shall regularly or promptly submit its financial statements (including but not limited to annual, quarterly, and monthly reports) and other relevant information to the lender. The borrower ensures that it continues to meet the following financial indicators: ;

(2) If the borrower has signed or will sign a counter guarantee agreement or similar agreement with the guarantor of this contract regarding its guarantee obligations, such agreement will not prejudice any rights of the lender under this contract;

(3) The borrower shall accept credit inspections and supervision from the lender, and provide sufficient assistance and cooperation. If the borrower makes independent payments, they shall regularly summarize and report on the payment and use of loan funds as required by the lender. The specific date for summarizing and reporting is: ;

(4) If the borrower undergoes any merger, division, capital reduction, equity transfer, external investment, substantial increase in debt financing, significant asset and debt transfer, or other matters that may have an adverse impact on the borrower's debt repayment ability, the borrower must obtain the written consent of the lender in advance;

If the following situations occur, the borrower shall promptly notify the lender:

- A. Changes in the articles of association, business scope, registered capital, and legal representative of the borrower or guarantor;
- B. Any form of joint venture, foreign joint venture, cooperation, contracted operation, reorganization, restructuring, planned listing or other changes in business operations;
- C. Involved in major litigation or arbitration cases, or property or collateral being seized, impounded, or regulated, or new collateral being established;
- D. Closure, dissolution, liquidation, suspension of business for rectification, revocation, suspension of business license, filing (being filed) for bankruptcy, etc.;
- E. Shareholders, directors, and current senior management personnel are suspected of major cases or economic disputes;
- F. The borrower's breach of contract under other contracts occurs;
- G. Encountering operational difficulties and deteriorating financial conditions;

(5) The repayment order of the borrower's debts to the lender shall take priority over the borrowing of the borrower's shareholders, and shall not be inferior to similar debts of other creditors;

(6) When the net profit after tax for the relevant accounting year is zero or negative, or the net profit after tax is insufficient to make up for the accumulated losses in previous accounting years, or the net profit before tax is not used to pay off the principal, interest, and expenses that the borrower shall pay off in that accounting year, or the net profit before tax is insufficient to pay off the next period principal, interest, and expenses, the borrower shall not distribute dividends or bonuses to shareholders in any form;

(7) The borrower does not dispose of its own assets in a way that reduces its solvency, and promises that the total amount of its external guarantees shall not be higher than one time of its own net assets, and the total amount of external guarantees and the number of individual guarantees shall not exceed the limit specified in its company's articles of association;

(8) Except for the purposes specified in this contract or with the consent of the lender, the borrower shall not transfer the loan funds under this contract to an account under the same name or of a related party.

For the transfer of funds from the borrower's account with the same name or from a related party's account, the borrower shall provide corresponding supporting documents;

(9) The loan conditions provided by the borrower to the lender under this contract, including guarantee conditions, loan interest rate pricing, debt repayment order, etc., shall not be lower than the conditions currently or in the future given to any other financial institution;

(10) The borrower shall timely go to the State Administration of Foreign Exchange to handle the registration of foreign exchange loans, approval of principal and interest repayment, and other procedures;

(11) The lender has the right to recover the loan in advance based on the borrower's fund recovery situation;

(12) Cooperate with the lender to conduct due diligence work, provide and update information on the institution and its beneficial owners, and provide background information on the transaction;

(13) Other commitments made by the borrower: .

① All working capital loans are entrusted for payment, and the borrower provides real usage and trade background information for the lender to review. The credit is used according to actual needs to ensure compliance with the credit purpose;

② The credit funds shall not be used for related party transactions, and the credit is limited to the use of the borrower's individual company in Shanghai;

③ The sales proceeds corresponding to the borrower's credit shall be directly withdrawn to the lender to ensure that the settlement share matches the credit share;

④ During the credit period of the lender, the borrower's equity changes/new credit from other banks/external guarantees/external investments must be notified to the lender in advance. The shareholder loan shall not be returned until the borrower's loan is repaid;

⑤ The borrower's credit balance with the lender shall not exceed the borrower's available external debt limit.

Article 12 Disclosure of Related Party Transactions within the Borrower's Group

Both parties agree to apply the terms of section 2 below:

1. The borrower is not a group customer determined by the lender in accordance with the Guidelines for the Risk Management by Commercial Banks for Granting Credit to Consumer Groups (referred to as the "Guidelines").

2. The borrower is a group customer determined by the lender in accordance with the Guidelines for the Risk Management by Commercial Banks for Granting Credit to Consumer Groups (referred to as the “Guidelines”). The borrower shall promptly report the details of any related-party transactions of more than 10% net asset to the lender, including the relationship of the parties, transaction items and nature, transaction amounts or corresponding proportions, pricing policies (including transactions with no amount or only symbolic amounts).

In any of the following circumstances, the lender has the right to stop extending the loan or cancel the loan which has not yet been drawn by the borrower, and the right to recover part or all of the loan in advance: The borrower uses false contracts with related parties to obtain funds or credit from banks by discounting or pledging accounts receivable, notes receivable, and other debt without actual transactions; the borrower undergoes major mergers, acquisitions, and reorganizations that the lender believes may affect loan security; the borrower intentionally evades bank claims through related-party transactions; other circumstances stipulated in Article 18 of the Guidelines.

Article 13 Default Events and Handling

One of the following events shall constitute or be deemed as a breach of contract by the borrower under this contract:

1. The borrower fails to fulfill its payment and repayment obligations to the lender in accordance with the provisions of this contract;
2. The borrower fails to use the loan funds in accordance with the provisions of this contract or fails to use the obtained funds for the purposes specified in this contract, or the borrower may use the loan funds to transfer loans or purchase other financial products for arbitrage, or the borrower illegally adds implicit local government debt;
3. The statements made by the borrower in this contract are untrue or violate the commitments made in this contract;
4. In the event of the occurrence of situations as stipulated in Article 11, Section 2(4) of this contract, the lender believes that it may affect the financial condition and performance ability of the borrower or guarantor, and the borrower fails to provide new guarantee or replace the guarantor in accordance with the provisions of this contract;
5. The borrower’s credit condition has declined, or the borrower’s financial indicators such as profitability, debt repayment ability, operational ability, and cash flow have deteriorated beyond the level stipulated in this contract or other financial agreements;
6. The borrower breaches other contracts with the lender or other institutions of Bank of China Limited; a default event occurs under the credit contract between the borrower and other financial institutions;

7. The guarantor violates the provisions of the guarantee contract, or breaches any other contract with the lender or other institutions of Bank of China Limited;
8. The borrower terminates its business or undergoes dissolution, revocation, or bankruptcy events;
9. The borrower is involved in or may be involved in major economic disputes, litigation, arbitration, or if its assets are seized, impounded, or enforced, or if it is investigated and punished by judicial or tax, industry and commerce administrative authorities in accordance with the law, which has already or may affect its performance of obligations under this contract;
10. The borrower's main investors or key management personnel have undergone abnormal changes, disappeared, or have been investigated or restricted in personal freedom by judicial authorities in accordance with the law, which has already or may affect its performance of obligations under this contract;
11. When the lender reviews the financial condition and performance ability of the borrower annually (i.e., every full year from the effective date of this contract), it finds that there are situations that may affect the financial condition and performance ability of the borrower or guarantor;
12. If there is a large or abnormal inflow or outflow of funds in the designated fund withdrawal account, and the borrower cannot provide any explanatory materials approved by the lender;
13. The borrower refuses to cooperate with the lender in conducting due diligence, and the borrower or its transaction/counterparty is suspected of money laundering, terrorist financing, nuclear weapon proliferation, violation of applicable sanctions, or other illegal and irregular activities, or the borrower or guarantor is included in the United Nations, China, and other applicable sanctions list or scope;
14. The borrower violates other provisions regarding the rights and obligations of the parties in this contract.

When a default event as stipulated in the preceding paragraph occurs, the lender has the right to take the following measures separately or simultaneously depending on the specific situation:

1. Require the borrower and guarantor to rectify its breach of contract within a specified period of time;
2. Reduce, suspend or cancel, or terminate the credit limit to the borrower in whole or in part;
3. Suspend or terminate the acceptance of the borrower's withdrawal and other business applications under this contract or other contracts between the borrower and the lender in whole or in part. Suspend or cancel all or part of loans that have not been disbursed or trade financing that has not been processed, terminate disbursement, payment, and processing;
4. Announce that all or part of the outstanding principal and interest of the loan/trade financing funds and other payable amounts under this contract and other contracts between the borrower and the lender shall become immediately due;
5. Terminate or rescind this contract, and terminate or rescind all or part of any other contracts between the borrower and the lender;

6. Request the borrower to compensate for any losses incurred to the lender due to its breach of contract, including but not limited to litigation costs, lawyer fees, notarization fees, enforcement fees, and other related expenses incurred in realizing the creditor's rights;
7. Deduct the funds of the borrower from the accounts opened by the lender and other institutions of Bank of China Limited to settle all or part of the borrower's debt to the lender under this contract. The outstanding amount in the account is considered to be due early. If the account currency is different from the pricing currency of the lender's business, the conversion shall be based on the foreign exchange rate applicable to the lender at the time of deduction;
8. Exercise security interests;
9. Require the guarantor to assume the guarantee responsibility;
10. Other measures deemed necessary and possible by the lender.

Article 14 Reservation of Rights

If one party fails to exercise part or all of its rights under this contract, or fails to request the other party to perform or assume part or all of its obligations or liabilities, it shall not constitute a waiver of that right or an exemption of that obligation or liability.

Any tolerance, extension or postponement of the exercise of rights under this contract by one party shall not affect any rights it enjoys under this contract, laws and regulations, nor shall it be deemed as a waiver of such rights.

Article 15 Change, Modification and Termination

This contract may be changed or modified in writing by mutual agreement of both parties, and any change or modification shall constitute an integral and inseparable part of this contract.

Unless otherwise provided by laws and regulations or agreed by the parties, this contract shall not be terminated until all rights and obligations under it have been fully fulfilled.

Unless otherwise provided by laws and regulations or agreed by the parties, the invalidity of any provision of this contract shall not affect the legal validity of other provisions.

Article 16 Application of Law and Dispute Resolution

This contract is governed by the laws of the People's Republic of China.

After the effective date of this contract, all disputes arising from the conclusion and performance of this contract or related to this contract may be resolved through negotiation between the two parties. **If the negotiation fails, either party may adopt the method as set out in section 2 below to resolve the issue:**

1. Arbitration. Submit to
 - China International Economic and Trade Arbitration Commission

- Beijing Arbitration Commission (Beijing International Arbitration Center)
- Arbitration Commission

Arbitration shall be conducted at (place of arbitration) in accordance with the arbitration rules in effect at the time of arbitration application submission. The arbitration award shall be final and binding on all parties.

2. Litigation. The parties may negotiate and choose a court in China to resolve the dispute through litigation.

■ File a lawsuit to the people's court of the domicile of the lender or other institutions of Bank of China Limited that exercise its rights and obligations in accordance with this contract or individual agreements in accordance with the law.

File a lawsuit to the China International Commercial Court of the Supreme People's Court in accordance with the law (for international commercial disputes with an amount of RMB 300 million or more).

File a lawsuit to the people's court with jurisdiction in accordance with the law.

During the dispute resolution period, if the dispute does not affect the performance of other provisions of this contract, such other provisions shall continue to be fulfilled.

Article 17 Attachments

The following attachments and other attachments jointly confirmed by both parties constitute an integral part of this contract and have the same legal effect as this contract.

1. Withdrawal application form (format);
2. ...

Article 18 Other Agreements

1. Without the written consent of the lender, the borrower shall not transfer any rights or obligations under this contract to a third party.

2. If the lender needs to entrust other institutions of Bank of China Limited to fulfill the rights and obligations under this contract due to business needs, or transfer the borrowing business under this contract to other institutions of Bank of China Limited to undertake and manage, the borrower shall agree. Other institutions of Bank of China Limited authorized by the lender, or other institutions of Bank of China Limited undertaking loan business under this contract, have the right to exercise all rights under this contract, and have the right to file a lawsuit, submit to an arbitration institution or apply for compulsory enforcement in the name of the institution for disputes under this contract.

3. Without affecting any other provisions of this contract, this contract shall be legally binding on both parties and their respective successors and assignees in accordance with the law.

4. Unless otherwise agreed, the residential addresses of both parties specified in this contract shall be the contact addresses and the valid delivery address confirmed by both parties. The scope of delivery address covers

various notices, contracts, and other documents during the performance of the contract by both parties, as well as the delivery of relevant documents and legal documents in case of disputes arising from this contract. It also includes the first instance, second instance, retrial, and enforcement procedures after the dispute enters arbitration and civil litigation.

If there is a change in the above addresses, the party making the change will notify the other party in writing of the updated address 10 working days in advance. In arbitration and civil litigation proceedings, when either party changes its address, it shall fulfill its obligation to serve a notice of address change to the arbitration institution or court. If one party fails to fulfill the notification obligation in the aforementioned manner, the delivery address confirmed in this contract shall still be deemed as a valid delivery address.

If a legal document is not actually received by one party due to inaccurate delivery address provided or confirmed by one party, failure to timely inform the other party and the court, or refusal to sign for the designated recipient after the delivery address is changed, etc., the date of return of the document shall be deemed as the date of delivery. For direct delivery, the date when the courier records the situation on the delivery receipt on the spot shall be deemed as the date of delivery.

5. The transactions under this contract are based on their respective independent interests. If in accordance with relevant laws, regulations, and regulatory requirements, other parties in the transaction constitute related parties or persons of the lender, no party shall seek to use such relationships to affect the fairness of the transaction.

6. The titles and business names in this contract are for the convenience of reference only and shall not be used to interpret the content of the terms and the rights and obligations of the parties.

7. The lender has the right to provide information related to this contract and other relevant information of the borrower to the financial credit information basic database and other legally established credit information databases in accordance with relevant laws, regulations, and regulatory provisions, for the appropriate qualified institutions or individuals to inquire and use in accordance with the law. The lender also has the right to query the borrower's relevant information through the financial credit information database and other legally established credit information databases for the purpose of entering into and performing this contract.

8. If the withdrawal date or repayment date falls on a statutory holiday, it shall be postponed to the first working day after the holiday.

9. If the lender is unable to perform this contract or fulfill its obligations in accordance with the provisions of this contract due to changes in laws, regulations, regulatory provisions or regulatory requirements, the lender has the right to terminate or modify the performance of this contract in accordance with changes in laws, regulations, regulatory provisions or regulatory requirements. If this contract is terminated or changed due to such reasons,

which makes it impossible for the lender to perform or perform in accordance with the provisions of this contract, the lender shall be exempted from liability.

10. The borrower may consult and complain about this contract and its business and fees through the contact phone number of the lender listed in this contract.

Article 19 Effectiveness of the Contract

This contract shall come into effect from the date when it is signed and stamped with the official seal/contract special seal by the legal representatives (person in charge) or authorized signatories of both parties.

This contract is made in duplicate, one copy for each party and each copy bearing the same legal effect.

Borrower: Zai Lab (Shanghai) Co., Ltd. Lender: Bank of China Limited Shanghai Pudong Development Zone Sub-branch

(company chop) (contract chop)

Authorized signatory: YING DU Authorized signatory: Qi Chuang

(name chop) /s/ Qi Chuang

February 7, 2024 February 7, 2024

Exhibit 10.3

No.: ZB971620240000004



Maximum-Amount Guarantee Contract

Contract Version No.: SPDB202112

Maximum-Amount Guarantee Contract

Creditor: Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-branch

Guarantor: ZAI LAB LIMITED

WHEREAS:

To ensure that the debtor fully and promptly performs its various obligations under the master contract and to secure the realization of the creditor's rights, the guarantor listed above (hereinafter collectively referred to as the "guarantor") voluntarily assumes the guarantee liability in accordance with this contract and enters into the following agreement.

Article 1 Guarantee Liability

1.1 Guarantee manner

The guarantee manner hereunder is joint and several liability guarantee.

The guarantor confirms that when the debtor fails to perform its debts in accordance with the stipulations of the master contract, regardless of whether the creditor has other guarantee rights (including but not limited to guarantees, mortgages, pledges, and other guarantee manners) in the creditor's rights under the master contract, the creditor has the right to request any guarantor hereunder to assume the guarantee liability first within the guarantee scope stipulated herein without requiring other guarantors to perform the guarantee liability first.

1.2 Guarantee scope

In addition to the main creditor's rights stated in this contract, the scope of guarantee hereunder also covers the interest arising therefrom (the interest referred to in this contract includes interest, penalty interest, and compound interest), liquidated damages, damages, handling fees, and other expenses incurred for the signing or performance of this contract as well as the expenses incurred by the creditor to realize the guarantee rights and creditor's rights (including but not limited to litigation fees, attorney's fees, travel expenses, etc.) and the security deposit required by the creditor to be made up by the debtor in accordance with the master contract.

1.3 Guarantee period

The guarantee period is calculated separately for each creditor's right held by the creditor toward the debtor and starts from the date of the expiration of the debt performance period of each creditor's right contract to three years after the date of the expiration of the debt performance period stipulated in the said creditor's right contract.

The guarantor bears the guarantee liability for the repayment obligations performed by phase under each individual contract during the period of occurrence of the creditor's rights. The guarantee period shall start from the date of the expiration of each debt performance period to three years after the date of the expiration of the last repayment period of the said individual contract.

The terms "due" and "expiration" in this contract include situations where the creditor declares that the main creditor's rights are due early.

Where the main creditor's rights declared to be due early are all or part of the creditor's rights during the determination period of the creditor's rights, the early maturity date declared shall be the maturity date of all or part of the creditor's rights, with the determination period of the creditor's rights becoming due simultaneously. The declaration by the creditor covers any claim made by the creditor to a competent authority by a complaint or application or other document.

Where the creditor and the debtor reach an extension agreement on the main debt performance period, the guarantee period will end three years after the date of the expiration of the debt performance period newly stipulated in the extension agreement.

1.4 Changes to the master contract

The guarantor hereby confirms that any grace given by the creditor to the debtor or any modification or change of any provision of the master contract between the creditor and the debtor does not require the consent of the guarantor but requires notification to the guarantor if it does not increase the liability of the guarantor. The rights and interests of the creditor hereunder will not be affected by such change and the guarantor's guarantee liability will not be reduced accordingly.

Notwithstanding the foregoing, where the creditor provides the debtor with the service of issuing the letters of credit, letters of guarantee, or standby letters of credit, any amendment to the master contract (including the letter of credit, letter of guarantee, or standby letter of credit issued by the creditor to the debtor) by the creditor and the debtor does not require the consent of the guarantor but requires notification to the guarantor if it does not increase the liability of the guarantor, and such amendment shall be deemed to have obtained the prior consent of the guarantor and the guarantor's guarantee liability will not be reduced accordingly.

Article 2 Representations and Warranties

2.1 Representations and warranties of the guarantor

The guarantor makes the following representations and warranties to the creditor:

- (1) It is a civil subject with full capacity for civil rights and civil conduct as well as the right to sign this contract and it has obtained all authorizations and approvals that are required for the signing of this contract and the performance of its obligations hereunder.
- (2) The signing and performance of this contract do not violate the laws, articles of association, relevant documents of competent authorities, judgments, and awards that are binding on the guarantor or conflict with any contracts or agreements it has signed or any other obligations it has assumed.
- (3) All materials and information provided by it are in compliance with applicable legal requirements and are true, valid, accurate, complete, and free of any concealment.
- (4) The financial information provided by it truthfully, completely, and fairly reflects the financial condition of the guarantor. There have been no material adverse changes in the guarantor's operating condition or financial condition since the issuance of the most recent audited financial statement.
- (5) It will complete the filing, registration, or other procedures required for this contract.
- (6) **It is aware of and acknowledges the financing variety and purpose under the master contract (the guarantor confirms that it will actively learn about the contents of the master contract through the debtor or creditor. Where the financing purpose under the master contract is to repay a former loan with a new loan, the guarantor confirms that the new loan is still a creditor's right guaranteed hereunder and it is not necessary to obtain the guarantor's further consent when the new loan occurs)**

- (7) To the knowledge of the guarantor, here are no circumstances or events that would or could have a significant adverse impact on the guarantor's ability to perform.

Article 3 Covenants

3.1 Guarantor's commitments

- (1) The guarantor undertakes not to take the following actions without the written consent of the creditor:
- a. Transfer (including in the form of sale, gift, debt, exchange, etc.), mortgage, pledge, or otherwise dispose of all or most of its material assets;
 - b. Make significant changes in its business system or form of property ownership organization, including but not limited to restructuring, equity transfer, change in actual controller or major shareholder, consolidation (merger), splitting, and capital reduction;
 - c. Carry out or apply for bankruptcy, restructuring, dissolution, business closure, or being revoked or abnormally suspended by the superior competent authority;
 - d. Sign a contract/agreement that has a significant adverse impact on the ability of the guarantor to perform its obligations hereunder or assume relevant obligations with such an impact.
- (2) The guarantor undertakes to notify the creditor immediately within five (5) bank business days upon occurrence of the following events:
- a. Because of the occurrence of relevant events, the representations and warranties made by the guarantor in this contract become untrue, inaccurate, incomplete, illegal, or invalid;
 - b. The guarantor or its controlling shareholder, actual controller, affiliated persons, or legal representative is involved in litigation or arbitration or its assets are detained, seized, frozen, or subject to enforcement or other measures with the same effect are taken;
 - c. Changes are made to the legal representative of the guarantor or its authorized agent, person-in-charge, main financial person-in-charge, mailing address, business name, office address, or other matters or the guarantor changes its domicile, regular place of residence, and work unit, departs from its city of residence for a long time, changes its name, or experiences adverse change in income level;
 - d. Application for reorganization or bankruptcy by other creditors or revocation by a superior authority.
- (3) The guarantor undertakes to cooperate in providing the corresponding financial information in the signing and performance of this contract at the request of the creditor.
- (4) The guarantor undertakes that when the debtor fails to make up the security deposit (including making up the security deposit in advance) in accordance with the requirements of the creditor under the master contract, the guarantor shall bear joint and several responsibilities for making up the security deposit (the said security deposit shall also serve as a pledge for the main creditor's rights, but signing a separate security pledge contract is not necessary). The guarantor's making up the security deposit will not exempt it from the guarantee liability it shall assume in accordance with this contract. Any losses (including interest losses) incurred by the guarantor in making up the security deposit in accordance with this contract shall be borne by the guarantor.
- (5) The guarantor confirms that the guarantor may not exercise the right of recourse and related rights (including but not limited to offsetting any debts owed to the debtor) against the debtor

as a result of the assumption of the guarantee liability of this contract until all the creditor's rights under the creditor's master contract have been fully settled.

- (6) Where the debtor repays all or part of the debts in advance or the debtor makes an individual settlement to the creditor, the guarantor shall continue to bear joint and several guarantee liability for the creditor's rights against the debtor formed after such early repayment or individual settlement is revoked.
- (7) The guarantor acknowledges that the guarantor's guarantee responsibility will not be released even if the creditor waives or changes the mortgage or pledge provided by the debtor itself or changes the sequence of the mortgage or pledge provided by the debtor itself.

3.2 Deduction agreement

- (1) **When the guarantor has a debt due or shall make up for the security deposit, the creditor has the right to deduct the funds directly from any account opened by the guarantor with Shanghai Pudong Development Bank Co., Ltd., to settle the due debt or to make up for the security deposit.**
- (2) **The creditor has the right to use the money obtained therefrom to pay off the principal, interest, or other expenses. At the same time, if multiple debts are due but unpaid, the creditor will determine the sequence of the settlement thereof.**

3.3 Exchange rate conversion

Where exchange rate conversion is involved hereunder, conversion shall be based on the foreign exchange price determined by the creditor, with the relevant exchange rate risks and losses being borne by the guarantor.

3.4 Certificate of creditor's rights

The valid certificate of the creditor's rights guaranteed by the guarantor shall be the accounting voucher or other valid supporting materials issued and recorded by the creditor in accordance with its own business regulations.

3.5 Authorization to use and disclose information

- (1) **The guarantor agrees and irrevocably authorizes that: Following the requirements of the Credit Reporting Regulations and other credit reporting laws and regulations as well as regulatory requirements and the collection demands of the basic financial credit information database established by the state, the creditor has the right to provide the basic financial credit information database established by the state, for inquiry and use by qualified units, with all the information on the contracts/agreements/commitments signed by the guarantor and the creditor, including relevant performance information of all such contracts/agreements/commitments, as well as the basic enterprise information and other information provided by the guarantor; at the same time, the creditor also has the right to inquire and use the credit information of the guarantor that has been entered into the basic financial credit information database established by the state. This authorization covers all links of the creditor's necessary business management of the business under this contract and the master contract before and after the signing of this contract, with the validity expiring along with the actual termination of this contract.**
- (2) **The guarantor agrees and irrevocably authorizes that: 1) When the debtor fails to repay the financing principal and interest on time under the master contract, the creditor has the right to provide the financing information and guarantee information under the master contract to a collection agency for the purpose of collecting the debtor's arrears; 2) the creditor has the right to transfer the rights or obligations under the master contract and this contract to any third party and to disclose any information related to the master contract and this contract (including any information provided by the debtor and the guarantor to the creditor for the purpose of the master contract and this contract) to transferees (including intended transferees), law firms, asset assessment**

agencies, accounting firms, and other third-party cooperating agencies. 3) The creditor may also disclose the guarantee information hereunder to its headquarters, branches, affiliates, and other intermediaries as well as the personnel employed by them. At the same time, the disclosures made by the creditor in accordance with the requirements of any laws and regulations and the requirements of regulatory authorities, government agencies, or judicial agencies are also within the permitted scope.

3.6 Notices and service

- (1) The creditor confirms that the address listed on the signature page of this contract is its valid address for service. The guarantor shall directly serve or mail notices served to the creditor hereunder to the address listed on the signature page of this contract until the creditor announces the change of such address. The guarantor agrees that all notices it sends to the creditor shall be deemed to have been served when actually received by the creditor.
- (2) **The guarantor confirms that the address listed on the signature page of this contract and the service information such as fax and email addresses are valid mailing or electronic addresses for service. Various non-litigation notices and other documents hereunder as well as legal documents such as letters, summonses, and notices issued to it during any litigation (including any litigation procedures and enforcement procedures such as first instance, second instance, and retrial) arising from this contract will be deemed served as long as they are sent by mail or electronic service methods such as fax and email to the mailing or electronic addresses for service listed on the signature page of this contract. The specific service date shall be subject to the provisions on service date in the Civil Procedure Law. Any change of the aforementioned mailing or electronic address for service without prior notice to the creditor will not have legal effect, in which case the address for service confirmed in this contract shall still be deemed as the valid address for service.**

Article 4 Defaults and Responses

4.1 Defaults

Any of the following conditions will constitute a default by the guarantor against the creditor:

- (1) Any representations or warranties made by the guarantor in this contract are untrue, inaccurate, misleading, invalidated, or violated.
- (2) The guarantor violates any of the covenants stipulated in Article 3 of this contract or other obligations stipulated herein.
- (3) The guarantor suspends business, ceases production, closes business, makes rectification, carries out restructuring, reaches an impasse, conducts liquidation, or is taken over, escrowed, or dissolved, its business license is revoked or canceled, or it goes bankrupt.
- (4) The financial condition of the guarantor deteriorates, its operation becomes severely difficult, or an event or circumstance occurs that adversely affects its normal operations, financial condition, or solvency.
- (5) The guarantor or its controlling shareholder, actual controller, affiliated persons, or legal representative is involved in major litigation or arbitration or its major assets are detained, seized, frozen, or subject to enforcement or other measures with the same effect are taken, causing an adverse impact on the guarantor's solvency.
- (6) The guarantor is a natural person who dies or is declared dead or transfers assets or attempts to transfer assets under the pretense of marriage.
- (7) Other circumstances occur which the creditor reasonably judges may cause or have caused a significant impact on the performance ability of the guarantor hereunder.

4.2 Responses to defaults

In the event of any of the defaults mentioned in the above paragraph or where the laws provides that the creditor may exercise the guarantee rights hereunder, the creditor has the right to declare that the main creditor's rights and/or the determination period of the creditor's rights is due early and/or request the guarantor to assume the guarantee liability in accordance with the law or make up the security deposit as stipulated herein.

Article 5 Miscellaneous

5.1 Applicable laws

This contract shall be governed by and construed in accordance with the laws of the People's Republic of China (for the purpose of this contract, the laws of Hong Kong Special Administrative Region, Macau Special Administrative Region, and Taiwan are not included herein).

5.2 Resolution of disputes

All disputes regarding this contract shall be resolved through friendly negotiation; where negotiation fails, a lawsuit shall be filed with the People's Court with jurisdiction over the domicile of the creditor. During the dispute, the parties hereto shall continue to perform the undisputed terms.

5.3 Effectiveness, change, and dissolution

- (1) This contract will take effect after being signed (or affixed with the seal) and affixed with the official seal by the legal representative of the guarantor or its authorized agent and being signed (or affixed with the seal) and affixed with the official seal (or special seal for contracts) by the legal representative/person-in-charge of the creditor or its authorized agent, and will end after all debts hereunder are paid off (if the guarantor is a natural person, only a signature is required; if the guarantor is an overseas company, it must be signed (or affixed with the seal) and affixed with the official seal (if applicable) by the guarantor's legal representative or person with the authority to sign).
- (2) The invalidity, cancellation, or unenforceability of any clause of this contract will not affect the validity and enforceability of other contract clauses.
- (3) After this contract takes effect, neither party to this contract may arbitrarily change or prematurely dissolve this contract. If this contract needs to be changed or rescinded, the parties to the contract shall negotiate and reach a written agreement.

5.4 Miscellaneous

- (1) For the purpose of this contract, when this contract refers to "laws," it shall refer to laws, regulations, rules, local regulations, judicial interpretations, and any other applicable provisions.
- (2) For the purpose of this contract, the documents mentioned in this contract such as "contract" and "master contract" include subsequent amendments, changes, or supplements to such documents; the entities of all parties mentioned in this contract, including but not limited to the guarantor, the creditor, and the debtor, all include such entities themselves and their subsequent legal successors or inheritors.
- (3) For the purpose of this contract, the "financing" mentioned herein, unless otherwise agreed by the parties to this contract, refers to the financial credit or credit support provided by the creditor to the debtor through various types of banking business including but not limited to loans, bank acceptance drafts, letters of guarantee, letters of credit, and standby letters of credit.

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- (4) The appendices to this contract are part of this contract and have the same legal effect as the main text of this contract.
- (5) Where matters not covered in this contract need to be supplemented, both parties may agree and record them in Article 6 of this contract or may reach a separate written agreement as an appendix to this contract.
- (6) Unless otherwise specified in this contract, the relevant terms and expressions in this contract have the same meaning as those in the master contract.

Article 6 Contract Element Clauses

6.1 The master contract guaranteed by this contract:

A series of contracts signed by the debtor and creditor to handle various types of financing businesses in accordance with the stipulations of Article 6.3 of this contract, and _____ / _____ (contract name and number) signed by the debtor and creditor.

6.2 The debtor under the master contract:

Zai Lab (Shanghai) Co., Ltd.

6.3 Guaranteed creditor's rights:

The guaranteed main creditor's rights under this contract are the creditor's rights incurred by the creditor when handling various financing businesses with the debtor during the period from February 6, 2024, to February 5, 2027 (the aforementioned period is the determination period for determining the maximum-amount guaranteed creditor's rights, that is, "**the determination period of the creditor's rights**"), as well as the prior creditor's rights agreed by both parties (if any). The balance of the principal of the aforementioned main creditor's rights shall not exceed an amount equivalent to RMB (currency) Three Hundred Million yuan (in words) within the determination period of the creditor's rights.

The maximum amount of creditor's rights guaranteed hereunder covers all the creditor's rights, including the maximum balance of the principal of the main creditor's rights aforementioned and the interest generated from the main creditor's rights stipulated in Article 1.2 of this contract (interest referred to in this contract includes interest, penalty interest, and compound interest), liquidated damages, damages, handling fees, and other expenses incurred for the signing or performance of this contract as well as the expenses incurred to realize the guarantee rights and creditor's rights (including but not limited to litigation fees, attorney's fees, travel expenses, etc.). **The guarantor confirms that the guarantee liability of the guarantor hereunder shall be based on the maximum amount of the creditor's rights**

determined according to the guarantee scope stipulated herein and is not limited to the maximum balance of the principal of the main creditor's rights.

Other stipulations on the maximum amount of creditor's rights guaranteed hereunder: /.

6.4 Text

The original of this contract is executed in triplicate, with the creditor holding two copies, the guarantor holding one copy, and / holding zero copies, all having the same legal effect.

6.5 Other matters stipulated by the parties (if any)

/

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(This page is a signature page, no body text)

This contract is signed by the following parties. The guarantor confirms that at the time of signing this contract, the parties hereto have explained and discussed all

the clauses in detail, have no doubts about all the clauses hereof, and have an accurate understanding of the legal meaning of the rights and obligations of both

parties and the liability limitation or exemption clauses hereof.

Creditor (Official Seal or Special Seal for Contracts):

Legal Representative/Person-in-Charge or Authorized Agent (Signature or Seal):
Shanghai Pudong Development Bank Co., Ltd. Zhangjiang Hi-Tech Park Sub-branch
(contract chop) Tian Ye
(name chop) Date of Signing: February 6, 2024

Principal Place of Business: No. 56 Boyun Road, Shanghai
Postal Code: 201203
Phone: [***]
Contact Person: Zhan Yi

Guarantor (Official Seal):

Legal Representative/Guarantor or Authorized Agent (Signature or Seal):
/s/ Xiaopeng Feng
For and on behalf of Zai Lab Limited

Domicile: Building 1, No. 4560 Jinke Road
Postal Code: 201203
Phone: [***]
Fax: /
Email Address: [***]
Contact Person: Jin Caixuan

ID Type/No. (to be filled in by a natural person guarantor):
Date of Signing: February 6, 2024

Guarantor (Official Seal):

Legal Representative/Guarantor or Authorized Agent (Signature or Seal):

Domicile:

Postal Code:
Phone:
Fax:
Email Address:
Contact Person:

ID Type/No. (to be filled in by a natural person guarantor):
Date of Signing: (Month) (Day), (Year)

Maximum Credit Contract

(Version 2015011)

No.: NBCB7501MS21712

Party A (Creditor): Bank of Ningbo Co. Suzhou Branch

Party B (Debtor): Zai Lab (Suzhou) Co., Ltd.

Party C (Guarantor): Zai Lab (Suzhou) Co., Ltd.

In order to clarify the rights and obligations of all parties, in accordance with the provisions of the Contract Law, the Guarantee Law, etc., all parties have reached a consensus through equal negotiation and entered into this contract.

I. The maximum credit limit under this contract is equivalent to RMB (in words) Two Hundred and Thirty million Two Hundred and Sixty Thousand Yuan. This amount is the maximum limit for all business transactions specified in Article 3 of this contract that occur during the period specified in Article 2 of this contract, and can be used for turnover.

The parties agree that Party A has the right to adjust Party B's maximum credit limit, credit card limit (including temporary adjustments), personalized repayment plan, business term, etc., based on Party B's credit status, guarantee status, and Party A's financial situation. **Party A does not need to obtain Party B's consent or provide explanations to Party B and Party C. Once such adjustment decision is made, it shall take effect immediately, and Party C undertakes to continue to bear joint and several guarantee liability in accordance with the provisions of this contract.**

The maximum credit limit stated in this contract only applies to the business under this contract. Party B may simultaneously enter into multiple Maximum Credit Contracts and other single or maximum business contracts with Party A, each of which is independent of each other.

II. The occurrence date of all business under this contract must be within the period from January 8, 2024 to September 27, 2029.

III. The business under this contract is the content described in item 1 below:

1. Self-operated business: Including but not limited to RMB/foreign currency loans, bank/commercial acceptance draft discounting, bank acceptance draft acceptance, bank guarantee letter (guarantee), standby letter of credit, account overdraft, export package loan, import letter of credit, shipping guarantee, import refinancing, import bill advance, export bill advance (including export commercial invoice financing), forfaiting, export factoring, invoice discounting, loan commitment, borrowing and repurchase entrusted loans, non-standard channel financing business, credit card credit business (including credit card consumption, withdrawal, credit card consumption installment, credit card cash installment, etc.), financial derivative product transactions, ___/___ and other domestic and foreign currency on and off balance sheet credit business varieties (including contingent debt business), etc.

2. Entrusted debt investment business.

3. / / .

If engaging in entrusted debt investment business, Party A (substantive trustee) authorizes / / (nominal trustee) to sign the relevant Entrusted Debt Investment Agreement, fulfill all rights and obligations related to the trustee under the Entrusted Debt Investment Agreement, and these rights and obligations shall ultimately be borne by Party A (i.e. substantive trustee).

IV. When handling each specific business, both Party A and Party B shall sign a separate specific business master contract. **The amount, term, actual start and maturity date, interest rate, etc. of each specific business shall be subject to the corresponding main contract and promissory note (if any), credit card application form signed when applying for credit card, usage contract, customer instructions, etc.**

V. If there is any dispute between the parties, it shall be resolved through negotiation. If it fails, a lawsuit shall be filed with the people's court in the location where Party A is located.

VI. The electronic stamp affixed to this contract has the same legal effect as the physical stamp affixed.

VII. Supplementary terms: / /

 . (The remaining part of this page is intentionally left blank)

The following is the signature page of Party B/Party C for the Maximum Credit Contract (Contract No. NBCB7501MS21712) signed

between Zai Lab (Suzhou) Co., Ltd. (Party B), Zai Lab (Suzhou) Co., Ltd. (Party C), and Bank of Ningbo Co. Suzhou Branch (Party A).

Party B (stamp): Party C (stamp):
Zai Lab (Suzhou) Co., Ltd. Zai Lab (Suzhou) Co., Ltd.
(company chop) (company chop)

JAMES SHUIZHONG YAN JAMES SHUIZHONG YAN
(name chop) (name chop)

Signing date: February 6, 2024

The following is the signature page of Party A for the Maximum Credit Contract (Contract No.: NBCB7501MS21712) signed between Zai Lab (Suzhou) Co., Ltd. (Party B), Zai Lab (Suzhou) Co., Ltd. (Party C), and Bank of Ningbo Co. Suzhou Branch (Party A).

Party A (stamp):
Bank of Ningbo Co. Suzhou Branch
(contract chop)

Lin Ping
(name chop)

Signing date: February 6, 2024

Electronic Commercial Draft Discounting Master Agreement Standard Terms

Please refer to the supplementary terms for the names of Party A and Party B, as well as other relevant information.

Upon the application of Party A, Party B agrees to cooperate with Party A on electronic commercial draft discounting. Both parties have reached an agreement on the following terms through full negotiation in accordance with the relevant provisions of the Negotiable Instruments Law of the People's Republic of China, the Payment and Settlement Measures of the People's Bank of China, and the Measures for the Administration of Electronic Commercial Draft Business, and hereby enter into this agreement.

Article 1 Definition

1. An electronic commercial draft is a commercial draft in electronic form, which is made by the issuer in the form of data message and by which a trusted payer pays unconditionally a fixed amount to the beneficiary or to the draft holder on a designated date. Electronic commercial drafts are divided into electronic bank acceptance drafts, electronic finance company acceptance drafts, and electronic commercial acceptance drafts.

2. Discounting refers to the act of Party A endorsing and transferring the rights of the draft to Party B before the maturity date, and Party B paying the agreed amount to Party A after deducting a certain amount of interest.

3. The electronic commercial draft discounting business under this agreement includes the "Ultrafast E-Discounting" business. "Ultrafast E-Discounting" refers to the electronic bank acceptance drafts and financial company acceptance draft discounting services Bank of Ningbo provides to the legal entities and their branches registered on internet platforms or those recommended by platforms.

4. The discount date, also known as the discount value date, refers to the date on which Party B transfers the actual payment amount to Party A's designated account.

Discounted interest = face value of draft × interest calculation days × discounted annual interest rate ÷ 360 days

Actual discount amount paid = face value of draft - discount interest

The discount interest days are calculated from the discount date (inclusive) to the interest end date (not inclusive).

Unless otherwise agreed by both parties, if the draft maturity date is a working day, it shall be the interest end date; if the draft maturity date falls on a statutory holiday, the first working day after the statutory holiday shall be the interest end date.

Article 2 Discount Conditions

Party A shall initiate a discount application for the electronic commercial drafts it holds with Party B through electronic channels such as online banking of Bank of Ningbo or other banks, through the draft market infrastructure recognized by the People's Bank of China. This means that Party A agrees to conduct a discount transaction with Party B in accordance with the transaction elements submitted in the discount application. Party B will review the discount application initiated by Party A in accordance with the laws, regulations, and internal requirements. After approving Party A's discount application, Party B shall conduct discounting on the electronic commercial drafts in the application. If the review is not successful, Party B will refuse to handle the discounting for Party A, who fully agrees to the decision and has no objection to this.

Article 3 Party A undertakes and agrees

1. Party A hereby undertakes and guarantees that the electronic commercial drafts in its application for discounting meets all the following conditions:

(1) Party A promises that the issuance, acquisition, and transfer of the electronic commercial drafts are legal, compliant, and valid, with a genuine transaction relationship and debt relationship, except for those obtained free

of charge in accordance with the law due to taxation, inheritance, and gift giving;

(2) The electronic signature and recorded items on the electronic commercial drafts are complete, true, legal, valid, and clear and explicit. All endorsements of the electronic commercial drafts are continuous, true, and legal, without the words “not transferable”, “not endorsable”, “not pledgeable” or other words that prohibit or restrict the rights of Bank of Ningbo;

(3) Party A undertakes to be responsible for the legality of the electronic commercial drafts it holds for discounting, and the acquisition of the commercial drafts is without malicious intent or gross negligence;

(4) The electronic commercial drafts have not yet matured;

(5) The electronic commercial drafts have not been involved and will not be involved in public notice procedures, preservation measures, or other litigation/arbitration procedures in the future;

(6) The electronic commercial drafts do not involve any circumstances that prohibit, restrict or adversely affect the exercise of draft rights by Bank of Ningbo.

2. Party A hereby undertakes and guarantees that its discount application to Bank of Ningbo under this agreement meets all the following conditions:

(1) Party A is an individual industrial and commercial household, legal person and its branches, as well as an unincorporated organization established in accordance with the law within the territory of the People’s Republic of China. Party A’s application for discounting electronic commercial drafts under this agreement does not violate the provisions of laws and regulations and its company articles of association, nor does it violate any legally binding agreement or contract on Party A.

(2) Party A has completed all the necessary authorizations and approvals for signing this contract. Signing this contract represents the true intention of Party A and will not result in a violation of any agreements or commitments it has signed with any third party. The signing and performance of this agreement shall not violate its articles of association or any legally binding agreements or documents. The signing and performance of this agreement by Party A has obtained the necessary and legal internal and external approvals

and authorizations. Party A engages in industries that are not prohibited or restricted by policies, and promises to strictly abide by such laws, regulations, and rules after signing this contract.

(3) Party A is the legal and legitimate holder of the electronic commercial drafts and has the right to apply for electronic commercial draft discounting from Party B as a discounting applicant. Once the drafts are discounted, Party B has all the rights to the electronic commercial drafts.

(4) Party A has a genuine and legal transaction relationship and debt relationship with its direct predecessor or drawer. Based on this transaction relationship, Party A has lawfully obtained the electronic commercial drafts in the discount application under this agreement from its direct predecessor or drawer, and has paid the corresponding consideration when obtaining the drafts. Party A promises that the electronic commercial drafts in the discounting application and the materials submitted to Party B under the discounted commercial drafts to reflect the true transaction relationship and debt relationship are true, legal, and valid.

(5) There are no negative records in Party A's business information, and its legal representative has not been included in the list of dishonest persons subject to enforcement.

(6) The use of funds obtained from discounting electronic commercial drafts by Party A is legitimate and in compliance with regulatory regulations.

3. The authorization and commitment of Party A regarding the "Ultrafast E-Discounting" service:

If Party A enables the "Ultrafast E-Discounting" service, Party A agrees and authorizes the internet platform to provide its information (including but not limited to enterprise name, province and city, unified social credit code, annual sales revenue, contact person name, contact phone number, annual discount amount, image of business license, image of legal person's ID, etc.) to Bank of Ningbo and its various branches. Meanwhile, Bank of Ningbo and its branches are authorized to provide this unit's "Ultrafast E-Discounting" information in your bank (including but not limited to draft number, face amount, draft maturity date, discount date, discount interest rate, discount actual payment

amount, interest calculation period, acceptance bank name, etc.) to the internet platform. If Party A is an individual industrial and commercial household or an unincorporated organization, this clause shall not apply. The specific name of the internet platform can be found in the supplementary terms.

Article 4 Rights and Obligations of Party A and Party B

1. During the term of this agreement, Party B has the right to know the business activities of Party A. Party B has the right to request Party A to provide information related to discounting. Party A shall promptly provide Party B with the information on the purpose of discounting funds and true transaction background information as requested by Party B. Party B shall enter the business premises of Party A to investigate, review, and inspect the use of credit, as well as the assets, financial status, and business situation of Party A. Party A shall cooperate, and Party B shall have the right to supervise Party A to use the discounted funds for the purposes specified in this contract.

2. Party A promises to strengthen environmental risk management in the process of operation and management, and voluntarily accepts the supervision of Party B or the entrusted party on the environmental risk situation of Party A. When an environmental risk event occurs during the operation of Party A, Party A shall proactively inform Party B, and Party B has the right to request Party A to provide relevant materials such as environmental risk reports if it deems necessary.

3. Party B shall bear the obligation of confidentiality for the information provided by Party A, except as otherwise provided by laws, regulations, regulatory authorities, or agreed by both parties, or where the information provided by Party A does not constitute confidential information.

4. When discounting each electronic commercial draft under this cooperation agreement, there is no need to sign contracts one by one.

Article 5 Breach of Contract Clause

1. After discounting electronic commercial drafts, any of the following events can constitute a breach of contract as referred to in this clause. Party B has the right to independently judge and claim the rights of the draft from Party A and/or other draft debtors, recover the draft payment and related

expenses. Party B has the right to charge the overdue penalty interest to Party A for the portion that has not been paid upon maturity in accordance with the provisions of the overdue loan. Please refer to the supplementary terms for the specific proportion of overdue penalty interest to be charged.

(1) The discounted commercial drafts cannot be fully recovered on time, including but not limited to the following situations:

- ① The discounted electronic commercial draft has been refused payment by the acceptor upon maturity;
- ② The discounted electronic commercial draft has been seized, frozen, or protected by litigation in accordance with the law;
- ③ There are disputes over the ownership of discounted electronic commercial draft, resulting in Party B being unable to receive the payment on time;

④ After the discounted electronic commercial draft expires, Party B has not yet received the payment for the draft;

(2) Party A violates any statements, warranties, and commitments made;

(3) Party A violates any obligations it shall fulfill as stipulated in this contract;

(4) Party A conceals true and important information (such as business or financial status, providing false information or circumstances, etc.);

(5) Party A or guarantor evades bank claims through related party transactions or other means;

(6) Party A or guarantor is negligent in managing and recovering due debts, or disposes of its main property at an unreasonable low price or in other inappropriate ways to transfer property or evade debts;

(7) Party A utilizes false contracts and arrangements with any third party, including but not limited to discounting or pledging debts such as accounts receivable without real trade background, to obtain funds or credit from Party B or other banks;

(8) Party A or guarantor violates the obligations agreed upon with Party B or a third party, or the obligations stipulated by laws and regulations, or is involved in disputes or lawsuits, or any of its assets are subject to preservation measures such as seizure, freezing, or withholding;

(9) Party A or guarantor has died, ceased production, closed down, cancelled registration, been suspended for rectification, suspended business execution or revoked, liquidated, reorganized, taken over, declared bankrupt, or dissolved;

(10) The controlling shareholder of Party A or the guarantor transfers the shares they hold, or there is a major event involving the controlling shareholder, actual controller, legal representative, or senior management personnel of Party A or the guarantor;

(11) Party A, the legal representative or main person in charge of Party A or the guarantor has made significant business errors, or has been subject to administrative or criminal sanctions, or has been investigated by relevant departments, or other situations that may affect their business or guarantee capabilities;

(12) Party A or guarantor's credit condition has declined, their business activities have encountered difficulties, their financial condition has deteriorated, or they have exceeded the financial indicators set by Party B or agreed upon by both parties;

(13) If Party A disposes of any assets (including but not limited to gift, transfer, assign, or sell at a low price) before paying off the draft payment, which may or has already affected its ability to repay its debts to Party B;

(14) If the guarantee contract under this contract becomes invalid, the guarantor's guarantee ability decreases, or the value of the collateral decreases, which affects the security of the creditor's rights under this contract;

(15) The guarantor violates the provisions of the guarantee contract;

(16) If any of the events listed in items (2), (4), (8), (9), and (11) of this paragraph occur to the affiliated parties, actual controllers, issuers, or acceptors of Party A, as well as other changes that are not conducive to the realization of Party B's creditor's rights, and Party A fails to provide another guarantee recognized by Party B as required by Party B;

(17) Any other events that, in the judgment of Party B, have an adverse impact on Party A's performance of repayment obligations under this contract, in addition to the aforementioned events.

Party B has complete independence to judge whether the above situation occurs.

2. When any breach of contract occurs, Party B has the right to take the following measures:

(1) Stop discounting payments;

(2) Party B has the right to recognize that all the credits it extends to Party A to become due prematurely, including but not limited to loans, discounting, bank acceptance drafts, international trade financing, bank guarantees, etc., and demand that Party A repay all outstanding debts, including but not limited to the principal and interest of the discounting amount (including overdue penalty interest), as well as all expenses incurred by Party B to realize the creditor's rights under this agreement. Party A agrees and authorizes Party B to deduct the corresponding amount from all accounts opened by the first party in Bank of Ningbo and its branches for repayment and notify Party A;

(3) Requesting Party A to provide guarantee measures recognized by Party B;

(4) Exercise the right to guarantee, require the guarantor to fulfill the guarantee responsibility, or realize the creditor's rights by disposing of the collateral and/or pledge;

(5) Party B shall, in accordance with the law, assert the right of subrogation against the debtor of Party A, or request the court to revoke the act of Party A waiving its due creditor's rights, transferring property for free, or transferring property at an obviously unreasonable low price. Party A shall provide all the necessary cooperation and assistance as requested by Party B;

(6) Take other remedial measures as stipulated by laws, regulations, and contractual agreements.

Article 6 Service

Party A confirms that the address and contact information specified in the supplementary terms of this contract shall be the address and contact information for service for notices served by Party B and legal documents related to debt collection, litigation (arbitration), and such address and contact information shall apply to all procedures and stages of the disputes including

but not limited to collection, arbitration, mediation, first instance, second instance, retrial, execution, supervision, public notice and special procedures.

The process server (including but not limited to Party B, trial courts, arbitration institutions, etc.) may send notices or legal documents in one or more of the following ways. If multiple methods are used for serving, the service time shall be based on the earliest service:

(1) If served by mail or express delivery, it shall be deemed served 5 days after the process server sends the mail or express delivery, regardless of whether it is signed for, rejected or returned.

(2) Personal service can either be verbal notice or transfer of written materials or legal documents recording the notice by the process sender to the person being served. If there is a service receipt, the date on which the situation is recorded shall be the service date. If the service is refused upon personal service, the process server may take photos or videos to record the service, and retain the notice and legal documents, which shall be deemed as served. If it is collected by others, the date of collection by others shall be deemed as the service date.

(3) Electronic service, including but not limited to modern communication methods such as SMS, fax, email, instant messaging tools (such as WeChat, QQ, etc.) through the mobile phone number, fax number or email address specified in this contract, shall be deemed served as long as the process server has sent the relevant notices and legal documents to the address specified in the supplementary terms.

(4) All parties agree that online litigation activities such as service, investigation, mediation, trial, and execution can be carried out through electronic litigation platforms such as mobile micro courts.

Party A guarantees that the address and contact information provided to Party B are accurate and valid. If there is any change, Party A will promptly notify the process server to make the change. If the incorrect contact information is provided or the changed contact information is not communicated in a timely manner, resulting in the failure to receive the notice or legal document, as long as the process server has already sent the notice or legal document in any of the above agreed ways, it shall be deemed

served, and Party A shall bear any adverse consequences that may arise from this.

If there is a transfer of creditor's rights, the above notice service terms can also apply to notices sent by the assignee of the creditor's rights as the delivery party.

If Party A fails to repay the loan on time or engages in other illegal activities, and Party B entrusts a mediation institution to mediate, file a lawsuit or apply for arbitration, Party A authorizes and agrees that the mediation institution, people's court, or arbitration institution may, in accordance with the law, retrieve other phone numbers under the name of each communication operator from the mediation institution, people's court or arbitration institution in order to obtain contact, provided that Party B still cannot obtain their phone number, and agree that the repaired contact information is one of the addresses for serving documents via SMS or phone.

Article 7 Supplementary Provisions

1. The electronic commercial draft data messages received, stored, and sent by Party B and the draft market infrastructure recognized by the People's Bank of China related to this agreement, as well as the discount vouchers provided by Party B's business system, are all integral parts of this agreement and have equal legal effect.

2. The application and processing of each electronic commercial draft discount under this agreement shall be based on the electronic commercial draft data messages received, stored, and sent in the draft market infrastructure recognized by Party B and the People's Bank of China, as well as the discount vouchers provided by Party B's business system. Party A confirms the accuracy, authenticity, and legality of the electronic commercial draft data messages received, stored, and sent in the draft market infrastructure recognized by Party B and the People's Bank of China, as well as the discount vouchers provided by Party B's business system, and will not raise any objections.

3. Party B has the right to designate Bank of Ningbo and any of its branches as the actual discounter/handling bank for Party A to handle the specific discounting business. Regardless of whether the actual

discountor/handling bank of the discount business is Party B or not, all payment obligations under the discount business shall be fulfilled by Party A to Party B, and all rights shall be enjoyed by Party B. If Party A fails to repay the principal, interest, and all payable expenses to Party B in accordance with the provisions of this agreement, or fails to fulfill other obligations, Party B, as a creditor, has the right to directly claim the debt from Party A and/or the guarantor in accordance with the law.

4. This contract is governed by the laws of the People's Republic of China.

5. Any disputes arising during the performance of this contract shall be resolved through consultation between both parties. **If no agreement can be reached through negotiation, both parties agree that the plaintiff shall choose one of the following addresses in the People's Court with jurisdiction to file a lawsuit: a. The domicile of Party B and its branch offices, and the location of their office; b. The domicile of the assignee of the creditor's rights (if any); c. The place of contract signing; d. Place of Contract Performance. The parties to the contract agree that the hearing can be held with the aid of audio-visual transmission technology according to the situation of the competent court. Please refer to the supplementary terms for the place of signing of the contract.**

6. In case of disputes arising from the performance of this contract, if the parties fail to reach an agreement through negotiation and file a lawsuit with the people's court in accordance with the law, the value of claim shall be within the maximum limit allowed by laws, regulations, judicial interpretations, or local courts. All parties agree that the respondent court shall apply the small claims procedure for trial, and the time limit for providing evidence and defense shall not exceed seven days (which can be calculated simultaneously). Small claims procedure is the final instance of first instance, and no party is allowed to file an appeal.

In case of disputes arising from the performance of this agreement, if the parties fail to reach an agreement through negotiation and file a lawsuit with the people's court in accordance with the law, all parties agree that the court that accepts the case lawsuit shall merge this case with other similar cases for

trial and agree to conduct a written trial. All parties are aware and agree to submit personal information related to the case to the court during the merged hearing process, and express it in the relevant legal documents. All parties agree and promise to waive the defense of personal information protection issues arising from the merged hearing. All parties undertake to keep confidential the information of other parties known during the merged hearing process.

Article 8 Reminder and Declaration

1. This contract shall take effect once stamped by both parties. The electronic stamp affixed by Party B shall have the same legal effect as the physical stamp affixed. The specific discount business for each electronic commercial draft shall be based on the discount voucher provided by Party B. The validity period of this agreement shall be one year from the effective date. If no written objection is raised by both parties one month before the expiration of the validity period, the validity period shall be automatically extended for one year, and so on.

2. Both parties have the right to request the rescission of this agreement at any time, but must give written notice to the other party five working days in advance. The agreement shall be rescinded from the date specified in the written notice.

3. The standard terms of this agreement, the supplementary terms of this agreement, the discount vouchers provided by Party B's business system, the electronic commercial draft data messages received, stored and sent by Party B and the People's Bank of China recognized commercial bill related systems, Party A's commitments, certificates, statements, etc. constitute a complete agreement. The above contract components are entered into electronically and in other ways recognized by Party B.

Party A is fully aware of and has fully understood the meaning and corresponding legal consequences of the terms of this agreement. At the same time, Party A hereby declares that: It has paid special attention to the obligations and terms unfavorable to itself and confirm its acceptance.

Supplementary Terms of Electronic Commercial Draft Discounting Master Agreement

Party A: Zai Lab (Suzhou) Co., Ltd.

Party B: Bank of Ningbo Co. Suzhou Branch

Article 1 Party B has the right to charge an additional penalty interest of fifty percent (in words) on the unpaid portion at the discount rate.

Article 2 Party A agrees/does not agree to enable "Ultrafast E-Discounting". If Party A agrees to enable the "Ultrafast E-Discounting" service, Party A is aware and acknowledges that the internet platform referred to in Article 3(3) of this agreement is /.

Article 3 Place of signing of the contract: No. 749, Ganjiang East Road, Gusu District, Suzhou City.

Article 4 Party A's address for service and contact information:

Postal and express delivery address for service: Building 8, Biotech Industrial Park, No. 218, Sangtian Street, Suzhou Industrial Park

Recipient (or agent): Wei Xiao

Job title: Head of Finance

ID number: __[***]__

Contact phone number: __[***]__

Fax receiving number: _/

Mobile SMS receiving number: __[***]__

Email: /

If Party A has not provided its address to Party B, or if the provided address is not detailed enough (such as not accurate to the door number), Party A agrees to use its registered address as a mailing or express delivery address. If Party A does not provide a clear email address, it agrees to use the email registered with the mobile operator as the address for service. Party A shall ensure that the email address registered with the mobile operator functions normally from the date of signing this contract.

The standard terms of this agreement and its supplementary terms constitute a complete contract.

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PURSUANT TO ITEM 601(b)(10)(iv) OF REGULATION S-K, THIS EXHIBIT OMITTS CERTAIN INFORMATION, IDENTIFIED BY [*], THAT IS NOT MATERIAL AND THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

The following is the signature page of Party A for the standard terms and supplementary terms of the Electronic Commercial Draft Discounting Master Agreement signed between Zai Lab (Suzhou) Co., Ltd. (Party A) and Bank of Ningbo Co. Suzhou Branch (Party B).

Party A (official stamp):
Zai Lab (Suzhou) Co., Ltd.
(company chop)

JAMES SHUIZHONG YAN
(name chop)

Signing date: February 6, 2024

PURSUANT TO ITEM 601(b)(10)(iv) OF REGULATION S-K, THIS EXHIBIT OMITTS CERTAIN INFORMATION, IDENTIFIED BY [*], THAT IS NOT MATERIAL AND THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

The following is the signature page of Party B for the standard terms and supplementary terms of the Electronic Commercial Draft Discounting Master Agreement signed between Zai Lab (Suzhou) Co., Ltd. (Party A) and Bank of Ningbo Co. Suzhou Branch (Party B).

Party B (stamp):
Bank of Ningbo Co. Suzhou Branch
(contract chop)

Lin Ping
(name chop)

Signing date: February 6, 2024

Online Working Capital Loan Master Agreement

Bank of Ningbo

Online Working Capital Loan Master Agreement Standard Terms

No.: 07500LK24CC1Gck

Please refer to the supplementary terms for the names of the lender and borrower

In accordance with relevant national laws, regulations, and rules, and through mutual consultation and agreement between the borrower and lender, this agreement is hereby entered into for mutual compliance. The online working capital loan in this agreement refers to the business in which the lender and the borrower sign a master loan agreement, which specifies a validity period within which the borrower can apply for loans through the lender's online banking and other electronic channels through self-service.

Article 1 Credit Matters

1.1 The borrower initiates a loan application through electronic channels such as the lender's online banking, and the lender agrees to issue a loan to the borrower based on the borrower's application after review.

1.2 The loan amount, purpose, value date, maturity date, interest rate, interest rate adjustment method, and repayment method for each online working capital loan under this agreement shall be subject to the records in the promissory note issued by the lender on electronic channels such as online banking. The borrower has no objection to this. The above-mentioned promissory notes are an integral part of this agreement and cannot be separated.

1.3 The type of loan for offline and online loans under this agreement is a working capital loan. **Without the written consent of the lender, the borrower shall not change the loan purpose specified in the promissory note.**

1.4 The value date for each online working capital loan under this agreement must be within the validity period of this agreement.

1.5 In the performance of the agreement, if a certain value date or maturity date is a non-bank working day, it shall be postponed to the next bank working day.

1.6 Interest rates and adjustment methods

1.6.1 The RMB loan interest rate is determined based on the loan prime rate (LPR) by adding or subtracting basis points, and the annual interest rate is calculated using the following formula: Daily interest rate = annual interest rate/360. The specific loan interest rate shall be based on the promissory note recorded at the time of each loan disbursement. The interest rate and calculation

rules for foreign currency loans shall be subject to the promissory note records and relevant supplementary agreements (if any) at the time of each loan disbursement.

1.6.2 Loan interest shall be calculated based on the actual number of days since the loan is transferred to the borrower's designated account.

1.6.3 Before the disbursement of the loan, if the LPR is adjusted and applied to the loan under this agreement, the new LPR shall be applied and the new loan interest rate shall be re-determined and executed according to the basis points addition or subtraction stipulated in Article 1.6.1 of this agreement.

1.6.4 After the loan is disbursed, if the LPR is adjusted and applied to the loan under this agreement, the adjustment method of the loan interest rate shall be based on the corresponding promissory note. The specific situation is as follows:

(1) Adjustment on January 1st of the following year: Starting from January 1st of the following year after the date of each LPR adjustment, the adjusted LPR will be applied (if the LPR has been adjusted twice or more within a calendar year). Determine and implement the new loan interest rate based on the last adjusted LPR within the calendar year and the corresponding basis points for addition and subtraction;

(2) Adjustment on a monthly/quarterly/semi-annual/annual basis: Adjustment on a monthly/quarterly/semi-annual/annual basis refers to the adjustment of the corresponding day of each month/quarter/half-year/year (if there is no corresponding day, it is the last day of that month/quarter/half-year/year), and the LPR at the time of the adjustment (if the LPR is adjusted twice or more within the period specified in this clause). Determine and implement the new loan interest rate based on the last adjusted LPR during the period and the corresponding basis points for addition and subtraction. (The terms "month/quarter/half-year/year" in this clause are collectively referred to as "periods".)

(3) Fixed interest rate: Continue to execute the original interest rate recorded in the corresponding promissory note, regardless of the interest in the periods;

(4) Immediate adjustment: Starting from the day of each LPR adjustment, the new loan interest rate will be determined based on the adjusted LPR and corresponding basis points, and the interest will be calculated based on the interest rate applicable in the specific period.

1.6.5 The lender may adjust the loan interest rate in a timely manner based on changes in external market interest rates and actual business needs.

1.7 Repayment method

The repayment of principal and interest adopted in this contract shall be based on the corresponding promissory note, and the specific situation is as follows:

(1) Adopting equal principal and interest repayment on schedule

① If the repayment date of each installment is the corresponding day of the entire period from the date of loan disbursement (if there is no corresponding day, the repayment date is the last day of the ending month), from the month of loan disbursement, the loan principal and interest shall be repaid in equal amounts for each installment. The calculation formula is:

Equal repayment of principal and interest per installment = loan principal balance \times interest rate of the period \times (1 + loan interest rate of the period)^{number of repayment periods} \div [(1 + loan interest rate of the period)^{number of repayment periods} - 1]

② If the repayment date of each installment is not the corresponding day of the entire loan disbursement date, the calculation formula for the repayment principal and interest of each installment except for the first and last installments is the same as above. The calculation formula for the repayment principal and interest of the first and last installments is:

First repayment of loan principal = balance of loan principal \times interest rate of the period \times (1 + loan interest rate of the period)^{number of repayment periods} \div [(1 + loan interest rate of the period)^{number of repayment periods} - 1] - loan principal balance \times interest rate of the period

First interest repayment = loan principal balance \times actual number of days in the first period \times daily interest rate

First principal and interest repayment amount = first principal repayment + first interest repayment

Final principal repayment = loan principal balance

Final interest repayment = loan principal balance \times actual number of days in the final period \times daily interest rate

Final principal and interest repayment amount = final principal repayment + final interest repayment

(2) Adopting equal principal repayment on schedule

① If each repayment date is the corresponding day of the entire loan period from the date of loan disbursement (if there is no corresponding day, the repayment date is the last day of the final month), the loan principal shall be repaid in equal installments from the month of loan disbursement, and the loan interest shall decrease gradually with the principal. The calculation formula is:

Principal repayment per installment = loan principal ÷ total number of installments

Interest on each installment of the loan = (loan principal - cumulative repaid principal) × interest rate of the period

The amount of principal and interest to be repaid in each installment = principal to be repaid in each installment + interest to be repaid in each installment

② If the repayment date of each installment is not the corresponding day of the entire loan disbursement date, the calculation formula for the repayment principal and interest of all other installments except for the first and last installments is the same as above. The calculation formula for the repayment principal and interest of the first and last installments is:

First principal repayment = loan principal ÷ total number of installments

First interest repayment = loan principal balance × actual number of days in the first period × daily interest rate

First principal and interest repayment amount = first principal repayment + first interest repayment

Final principal repayment = loan principal balance

Final interest repayment = loan principal balance × actual number of days in the final period × daily interest rate

Final principal and interest repayment amount = final principal repayment + final interest repayment

(3) If interest is settled on a monthly/quarterly/semi-annual/annual basis and principal is repaid in installments, the interest settlement date shall be the 20th day of the end of each month/quarter-end month/half-year-end month/year-end month, and the interest payment date shall be the calendar day following the interest settlement date. The loan principal shall be repaid in installments. The number of repayment installments, repayment amount for each installment, and repayment date of the loan principal shall be subject to the attached promissory note;

(4) If interest is settled on a monthly/quarterly/semi-annual/annual basis and the principal and interest are repaid upon maturity, the interest settlement date shall be the 20th day of the end of each month/quarter-end month/half-year-end month/year-end month, and the interest payment date shall be the calendar day following the interest settlement date. The principal and interest of the loan shall be repaid upon maturity;

(5) For loans that adopt a one-time repayment of principal and interest upon maturity, the principal and interest shall be repaid in full at the maturity of the loan, and the interest shall be settled together with the principal.

1.8 Withdrawal Conditions

Unless waived in whole or in part by the lender, the borrower shall meet the following conditions before each withdrawal; otherwise, the lender has the right to refuse the borrower's withdrawal application:

1.8.1 The borrower shall continue to be legal and valid, and shall continue to comply with its commitments under this agreement;

1.8.2 This agreement has come into effect and the guarantee agreement under this agreement is legally established and has come into effect;

1.8.3 The obligations under this agreement have been fully fulfilled and there has not been any breach of contract as stipulated in this agreement;

1.8.4 Other relevant materials for loan processing have been provided as requested by the lender.

1.9 Payment of loan funds

1.9.1 The payment methods for loan funds under this agreement include the following two payment methods:

(1) Entrusted payment by the lender refers to the lender paying the loan funds to the borrower's counterparty that meets the purpose specified in this contract based on the borrower's withdrawal application and payment entrustment;

(2) The borrower makes independent payment, which means that the lender disburses the loan funds to the borrower's account based on the borrower's withdrawal application, and the borrower makes independent payment to the borrower's trading partners who meet the agreed purpose in the agreement;

The lender may independently decide the payment method for the loan under this agreement based on the relevant information provided by the borrower, in combination with relevant laws, regulations, and lender policies.

1.9.2 The borrower agrees that in the case of entrusted payment, the lender shall first transfer the loan to the borrower's account, and then directly transfer it to the borrower's trading partner account from the borrower's account.

During the period when the loan funds remain in the borrower's account, the borrower shall not withdraw them, and if compulsory measures are taken during this period, including but not limited to freezing, deduction, etc., the borrower shall bear the responsibility, which is not related to the lender. The borrower shall still be responsible for repayment.

1.9.3 Regardless of whether the lender is entrusted to make payment or the borrower makes payment independently, once the loan funds are transferred to the borrower's account according to the borrower's application or commission, it shall be deemed that the borrower has successfully withdrawn funds under this agreement, and the lender's obligation to lend has been fulfilled. The borrower shall repay the loan in accordance with the loan agreement.

1.9.4 If the borrower adopts the entrusted payment method of the lender, the borrower shall provide corresponding business agreements and other supporting materials related to the loan purpose, as well as payment entrustment letters and other materials as requested by the lender. The lender shall fulfill the loan obligation after apparent review and approval. Otherwise, the lender has the right to refuse the loan. If the borrower makes independent payments, the borrower shall report the payment status of the loan funds as required by the lender every three months after the loan, provide loan fund usage records and materials that meet the lender's requirements, and provide corresponding account information, payment vouchers and other materials to the lender for inspection. Otherwise, the lender has the right to exercise any one or more of the lender's rights as stipulated in Article 2.3 of this agreement.

1.9.5 Under the condition of independently payments, the lender agrees that the borrower may choose to go to the lender's counter, use online banking (if applicable), or complete the loan withdrawal procedures in a manner agreed upon by other lenders. The borrower agrees to process the loan withdrawal in accordance with the relevant regulations of the lender, and confirms all loans processed through counters, online banking, or other methods agreed upon by the lender.

1.10 Fund recovery account: The borrower shall open a dedicated account for fund recovery at the lender or any branch of Bank of Ningbo, and promptly provide the lender with information on the inflow and outflow of funds in the account. The specific fund recovery account shall be consistent with the repayment account. The lender has the right to recover the loan in advance based on the borrower's fund recovery situation.

1.11 Repayment account: The borrower shall open a repayment account with the lender or any branch of Bank of Ningbo, and deposit the full amount of principal and interest repayment into the repayment account before each repayment date, and authorize the lender to deduct from the repayment account. The specific repayment account shall be subject to the repayment account specified in the promissory note. If the borrower has outstanding loan principal, interest or other expenses, they shall promptly deposit them into the repayment account and authorize the lender to deduct them at any time. If there is a change in the LPR,

the borrower shall timely and fully deposit the repayment of principal and interest. Otherwise, all consequences arising from this, including but not limited to the imposition of penalty interest and adverse effects on the borrower's credit record, shall be borne by the borrower themselves and have no involvement with the lender. If the repayment account is reported lost, frozen, suspended, or settled, or if the borrower needs to change the repayment account, the borrower shall go to the lender to handle the procedures for changing the repayment account. Before the change procedures take effect, if the original repayment account can no longer transfer funds, the borrower shall go to the counter to process the repayment. If the borrower fails to handle the procedures for changing the repayment account in a timely manner or fails to go to the counter for repayment in a timely manner, resulting in the failure to repay the due loan principal, interest, and other expenses on time and in full, the borrower shall bear the liability for breach of contract.

1.12 In this agreement, "period" refers to a month or an integer multiple of a month, and the corresponding "interest rate of the period" is an integer multiple of the annual interest rate / 12 × month(s). "Quarter-end month" refers to March, June, September, or December; "half-year end month" refers to June or December; "year-end month" refers to December.

1.13 After the lender and borrower sign this agreement, there is no need to sign a working capital loan agreement for each transaction when handling the online lending business.

Article 2 Rights and Obligations of the Lender

2.1 The lender has the right to recover or recover in advance the loan principal, interest, compound interest, penalty interest, and other debts in accordance with this agreement and the corresponding promissory notes.

2.2 The lender has the right to understand the borrower's production and operation, financial activities, material inventory, and loan usage, and to inspect the use and management of the collateral at any time. The lender requires the borrower to provide truthful and complete financial statements, documents, and information on a monthly basis, and has the right to query, print, save, and use the borrower's basic information and credit reports through the People's Bank of China credit reporting system or other institutions and systems in accordance with relevant regulations.

2.3 During the validity period of this agreement, if the borrower or its affiliates or actual controllers encounter any of the following situations, the lender has the right to recognize all the credits it extends to the borrower to become due prematurely, including but not limited to loans, discounting, bank acceptance drafts, international trade financing, bank guarantees,

etc., and has the right to: (1) Rescind the relevant agreements and agreements signed with the borrower in advance, including but not limited to this agreement; (2) Stop issuing new loans and announce that all loans under this agreement will expire early, and all loan principal, interest, and expenses will be recovered in advance; (3) Directly deduct the corresponding amount from any account of the borrower to repay the loan principal, interest, and expenses, and notify the borrower; (4) Request additional collateral measures recognized by the lender; (5) File a lawsuit to the people's court and take asset preservation measures such as seizure, freezing, and withholding; (6) Other asset preservation measures. At the same time, all branches of Bank of Ningbo also have the aforementioned rights over the borrower.

(1) The borrower has been suspended, closed down, dissolved, taken over, deregistered, declared bankrupt, suspended for rectification, revoked or revoked of business license;

(2) The borrower conceals important facts related to the conclusion of this agreement or provides false information, situations or statements, or the provided information containing false information; or provide false statements, vouchers, documents and other materials to the lender during the validity period of this agreement;

(3) If the borrower fails to repay the loan principal and interest in accordance with this agreement and the corresponding promissory note (including announcement of early maturity; including situations where the loan has been repaid after going overdue);

(4) The borrower fails to use the loan in accordance with this agreement and the corresponding promissory note;

(5) The borrower fails to fulfill the obligations agreed upon with the lender or a third party or the obligations stipulated by laws and regulations;

(6) Disposal (including but not limited to gift, transfer, assign, or sell at a low price) of any assets by the borrower before repaying the lender's debt, which may or has already affected its ability to repay its debts to the lender;

(7) The borrower's credit condition has declined, their business activities have encountered difficulties, their financial condition has deteriorated, or they have exceeded the financial indicators set by the lender or agreed upon by both parties;

(8) The borrower fails to pay the loan funds in the agreed manner;

(9) The borrower is involved in economic disputes or lawsuits, or any of its assets are subject to preservation measures such as seizure, freezing, or withholding;

(10) If the borrower is prosecuted or fined for suspected illegal activities, or if the legal representative or main person in charge of the borrower is detained, arrested, subjected to compulsory measures, prosecuted, sentenced or fined for suspected illegal activities;

(11) The borrower fails to perform any of the obligations stipulated in this agreement and the corresponding promissory note, or violates any of the terms and commitments stipulated in this agreement and the corresponding promissory note;

(12) The guarantee agreement under this agreement becomes invalid; the guarantor's guarantee ability decreases; the value of the collateral decreases; preservation measures such as seizure, freezing, or deduction of the collateral are adopted, affecting the security of the creditor's rights under this agreement;

(13) The guarantor violates the provisions of the guarantee agreement;

(14) The borrower's affiliated parties or actual controllers have experienced the events listed in items (1), (5), (7), (9), and (10) of this clause, as well as other changes that are not conducive to the realization of the lender's creditor rights, and the borrower has failed to provide the lender's recognized guarantee as required by the lender; (the definition of related parties can be found in Accounting Standard for Business Enterprises No. 36 - Disclosure of Related Parties and its modified versions; the definition of actual controller can be found in the Company Law of the People's Republic of China and its modified versions.)

(15) Any other events that, in the judgment of the lender, have an adverse impact on the borrower's repayment obligations under this agreement, in addition to the aforementioned events.

The lender has complete independence to judge whether the above situation occurs.

2.4 During the loan payment process, if the lender, based on its independent judgment, believes that the borrower has one or more of the following situations, the lender has the right to: (1) Change the loan payment method from independent payment to entrusted payment (including partial entrusted payment); (2) Stop the disbursement and payment of loan funds; (3) Negotiate with the borrower to supplement the loan disbursement and payment terms.

(1) The borrower's credit status has declined;

(2) The borrower's main business profitability is not strong;

(3) The borrower's loan fund usage is abnormal.

2.5 If the borrower fails to repay the loan principal, interest, compound interest, penalty interest and other debts due (including early maturity) as agreed, the lender has the right to deduct the corresponding amount from all accounts opened by the borrower with Bank of

Ningbo and its branches for repayment and notify the borrower. When the lender deducts the borrower's outstanding fixed deposit and needs to withdraw it in advance, interest shall be calculated and paid according to the demand deposit interest rate announced on the withdrawal date. If partial advance withdrawal is required, interest shall be calculated and paid based on the current deposit interest rate announced on the withdrawal date, while interest shall be calculated and paid based on the fixed deposit interest rate on the account opening date of the remaining portion upon maturity. The interest loss incurred due to deduction shall be borne by the borrower. The borrower hereby irrevocably authorizes the lender to deduct the above-mentioned amount at any time.

2.6 If the borrower breaches this agreement, evades the lender's supervision, conceals important facts related to this agreement, or provides false information and circumstances or is involved in other illegal activities, the lender has the right to provide the relevant information to the collection agency for collection purposes in accordance with the law, or notify relevant departments or authorities. The borrower irrevocably authorizes the lender to provide the relevant information such as the borrower's name and contact information to the collection agency for the purpose of collection. The collection agency has the obligation to keep the borrower's information confidential and shall not use the borrower's information beyond the collection purpose. Meanwhile, the lender has the right to hold the borrower liable for breach of contract in accordance with laws, regulations, and the provisions of this agreement.

2.7 The lender has the right to participate in activities such as large-scale financing, asset sales, and bankruptcy liquidation of the borrower.

2.8 The borrower and the mortgager (pledger) shall complete legal procedures such as mortgage (pledge) registration and property insurance in accordance with the lender's requirements, and the guarantee and insurance shall remain valid. The lender has the right to request to become the first priority insurance claim holder and obtain copies of relevant insurance agreements or insurance documents. Otherwise, the lender has the right to refuse to provide the loan under this agreement.

2.9 The lender has the right to request the borrower to promptly complete the loan reconciliation work.

2.10 On the premise that the borrower and guarantor fulfill the obligations stipulated in this agreement and the guarantee agreement, the lender shall issue a loan to the borrower in accordance with the provisions of this agreement and the corresponding promissory note. **The lender has the**

right to entrust the head office and other branches of Bank of Ningbo, any payment bank or agent bank of Bank of Ningbo to issue loans to the borrower in accordance with the provisions of this agreement. The borrower has no objection to this and promises that the performance of the head office and other branches, payment banks or agents of Bank of Ningbo shall be deemed as the lender's performance. All payment obligations under this agreement shall be fulfilled by the borrower to the lender, and all rights are enjoyed by the lender. If the borrower defaults, the lender has the right to directly claim creditor's rights against the borrower.

2.11 Any event that poses a threat to the normal operation of the guarantor of the loan under this agreement or has a significant adverse impact on its corresponding guarantee ability for its debts under this agreement, including but not limited to production suspension, business closure, cancellation of registration, revocation of business license, bankruptcy, difficulties in business activities, deterioration of financial condition, legal representative or main person in charge suspected of engaging in illegal activities If it involves litigation activities, major economic disputes, asset preservation measures such as seizure, freezing, or deduction of assets, or if the value of collateral, pledge, or pledge rights used as collateral for loans under this agreement decreases and asset preservation measures such as seizure, freezing, or deduction are taken, and the borrower fails to provide the required collateral as requested by the lender, the lender also has the right to take all the measures stipulated in Article 2.3 of this agreement.

Article 3 Borrower's Commitment and Authorization

3.1 The borrower shall provide genuine, complete, and effective materials to the lender.

3.2 The borrower shall cooperate with the lender to manage loan payments, post loan management, and related inspections.

3.3 The borrower shall not use the loan funds for fixed assets, equity and other investments, and shall not use the loan funds for areas and purposes prohibited by the state from production and operation; it shall not evade the lender's entrusted payment by breaking up the whole into parts.

3.4 The borrower undertakes to fully fulfill all obligations under this agreement.

3.5 The borrower promises to strengthen environmental risk management during the operation and management process, and voluntarily accepts the supervision of the borrower's environmental risk situation by the lender or the entrusted party. When an environmental risk event occurs during the borrower's business process, they must proactively inform the lender. Based on the its

judgment, the lender has the right to request the borrower to provide relevant materials such as environmental risk reports.

3.6 The borrower agrees to irrevocably authorize the lender (including each branch of the lender) to have the right, in accordance with the law, to access credit information service platforms established by national or local governments in accordance with the law, such as financial credit information basic databases, inclusive financial credit information service platforms, or through various risk information sharing systems, risk warning systems, etc., when reviewing the borrower's credit business application and post-loan risk management of credit business information databases for water and electricity usage, as well as other legally established credit information databases or credit reporting agencies, for querying, printing, using, and storing basic information and credit information of the unit. At the same time, the borrower agrees to irrevocably authorize the lender to provide the borrower's basic information and credit information to the above-mentioned platform, system, information database or institution in accordance with the law for the purpose of meeting regulatory reporting requirements. Regardless of whether the business stipulated in this agreement is approved or not, the borrower agrees that the lender shall retain the borrower's credit report and other information, and the lender shall ensure the use of the aforementioned query information within the authorized scope.

Article 4 Rights and Obligations of the Borrower

4.1 The borrower has the right to obtain and use the loan in accordance with this agreement and the corresponding promissory note.

4.2 The borrower shall settle the loan principal, interest, compound interest, penalty interest, as well as reasonable expenses such as litigation fees, preservation fees, execution fees, lawyer fees, travel expenses, etc. in accordance with this agreement and the corresponding promissory notes, and hereby irrevocably authorizes the lender to deduct them in accordance with Article 2.5 of this agreement.

4.3 The borrower can use the loan for the purposes agreed upon in this agreement, without misappropriating or diverting the loan.

4.4 The borrower shall provide the lender with truthful and complete financial statements or other relevant materials and information on a monthly basis, and actively cooperate with the lender's inspection of its production and operation, financial status, material inventory, and loan usage under this agreement.

4.5 If the borrower takes any actions such as shareholding reform, merger, consolidation, separation, capital reduction, external investment, substantial increase in debt financing, application for suspension of business for rectification, application for dissolution, application for bankruptcy, or other actions that may cause changes in the debt relationship under this agreement or affect the realization of the lender's loan rights before the debt repayment under this agreement is completed, the borrower shall notify the lender in writing 30 days before the implementation of the above actions, simultaneously implementing debt repayment responsibilities or early repayment of debts, and obtaining written consent from the lender, or the above actions shall not be taken.

4.6 Any other event that poses a threat to the normal operation of the borrower or has a significant adverse impact on the performance of repayment obligations under this agreement, including but not limited to any of the circumstances stipulated in Article 2.3 of this agreement, shall be communicated in writing to the lender within 3 days of the occurrence of the above situation and repayment measures shall be implemented.

4.7 If the borrower provides guarantee for the debts of others or sets up mortgage or pledge guarantees with their main assets to third parties before the completion of debt repayment under this agreement, which may affect their ability to repay the debts under this agreement, they shall notify the lender in writing in advance and obtain the written consent of the lender.

4.8 The borrower shall not withdraw or transfer funds, dispose of assets at a low price, gift assets, or transfer shares without authorization, in order to evade debts to the lender or weaken their own debt repayment ability.

4.9 If the borrower changes its name, legal representative, legal address, business scope, mailing address, contact phone number, etc., it shall send the lender a written notice and relevant proof of change issued by the competent authorities for industry and commerce within 5 days after the change. Otherwise, all responsibilities and consequences arising from this shall be borne by the borrower.

4.10 If the guarantor of the loan under this agreement ceases production, closes business, cancels registration, has its business license revoked, goes bankrupt, or incurs operational losses, and partially or completely loses the corresponding guarantee ability for the debt under this agreement, or if the value of the collateral, pledged property, or pledge rights used as collateral for the loan under this agreement decreases or there is a ownership dispute, the borrower shall provide other guarantee measures recognized by the lender within 10 days after the occurrence of the above situation.

4.11 The borrower is obliged to cooperate with the lender's loan reconciliation work.

4.12 The borrower shall bear the legal services, insurance, transportation, registration, storage, appraisal, notarization, deposit, guarantee and other expenses related to this agreement and the guarantees under this agreement in accordance with the requirements of laws and regulations.

4.13 Upon receiving the collection letter or collection document delivered directly or by mail from the lender, the borrower shall immediately sign for acceptance and deliver the receipt to the lender either immediately or within 3 days.

4.14 The borrower needs to strengthen environmental and social risk management. If the borrower is involved in significant environmental and social risks, it shall submit an environmental and social risk report. The borrower declares and guarantees that the internal management documents related to environmental and social risks comply with legal and regulatory requirements and are effectively implemented, and there are no major litigation cases related to environmental and social risks. The borrower undertakes to accept the supervision of the lender. If the borrower's statements, guarantees, and commitments related to environmental and social risk management are not fulfilled seriously, or if it is punished by the relevant government departments or strongly questioned by the public and/or media due to poor environmental and social risk management, the lender has the right to revoke the credit commitment already made, suspend the disbursement of the loan until the borrower takes mitigation measures recognized by the lender, recovers the loan issued in advance, exercise relevant mortgage and pledge rights when the loan cannot be repaid.

Article 5 Liability for Breach of Contract

5.1 After this agreement takes effect, both parties shall fulfill the obligations and commitments stipulated in this agreement. If either party fails to fulfill in full or in part the agreed obligations or commitments, it shall bear the corresponding liability of breach of contract and compensate for the losses caused to the other party as a result.

5.2 If the borrower's losses are caused by the lender's breach of contract, the lender shall be responsible for compensation. The scope of compensation is limited to the borrower's direct losses and does not include indirect losses, expected losses, etc.

5.3 If the borrower fails to repay the loan principal as agreed upon loan maturity (including being announced as early maturity), the lender will charge a certain percentage of penalty interest on the overdue loan based on the actual number of overdue days, at the loan interest rate level agreed upon in this agreement. Please refer to the supplementary terms for the specific proportion of overdue penalty interest.

5.4 If the borrower fails to use the loan for the agreed purpose, the lender has the right to charge a certain percentage of misappropriation penalty interest on the loan amount used by the borrower from the date of default, based on the actual number of days of default, at the loan interest rate level specified in this agreement. The specific proportion of misappropriation penalty interest is detailed in the supplementary terms.

5.5 For any unpaid interest payable by the borrower, the lender has the right to charge compound interest to the borrower. Compound interest shall be charged on the unpaid interest payable by the borrower during the loan period in accordance with the interest rate and settlement method stipulated in this agreement. If the borrower's loan is overdue or not used for the purpose specified in this agreement, the unpaid interest shall be compounded at the total interest rate and interest settlement method of the loan interest rate and penalty interest rate specified in this agreement.

5.6 When the loan interest rate under this agreement is adjusted, the penalty interest rate shall be automatically adjusted in accordance with the percentages agreed in Articles 5.3 and 5.4 of this agreement based on the adjusted loan interest rate, and shall apply simultaneously with the loan interest rate, calculated based on the specific periods.

5.7 If the borrower intentionally conceals important facts related to the conclusion of this agreement or provides false information or circumstances, the lender has the right to charge the borrower a penalty of 10% of the loan balance already issued under this agreement.

5.8 The borrower shall bear the expenses paid by the lender in the process of realizing the creditor's rights, including but not limited to litigation fees, arbitration fees, preservation fees, enforcement fees, lawyer's fees, travel expenses, and other expenses for realizing the creditor's rights.

5.9 If the borrower violates the obligations stipulated in this agreement or the guarantor of the loan under this agreement violates the obligations stipulated in the guarantee agreement, the borrower shall not only bear the liability for breach of contract as stipulated in this agreement, but also have the right to recognize all the credits it extends to the borrower to become due prematurely, including but not limited to loans, discounting, bank acceptance drafts, international trade financing, bank guarantees, etc., and has the right to take all measures stipulated in Article 2.3 of this agreement.

5.10 If there is a mortgage guarantee for the creditor's rights under this agreement, and the relevant mortgage certificates fail to go through the relevant certificate and mortgage registration procedures as required by the lender before the certificate expiration, the lender

has the right to declare that all the credits it extends to the borrower to become due prematurely, and has the right to require the borrower to take remedial measures such as early deposit of full security deposit and additional guarantee.

Article 6 Effectiveness, Modification, Transfer, Rescission and Termination of the Agreement

6.1 This agreement shall take effect once stamped by both parties of the loan. The electronic stamp affixed to this contract has the same legal effect as the physical stamp. The validity period of this agreement shall be one year from the effective date. If no written objection is raised by both parties one month before the expiration of the validity period, the validity period shall be automatically extended for one year, and so on. If there are still outstanding working capital loan under the original agreement, the original agreement shall remain binding on all parties until all businesses under the original agreement are completed. All business that occurs after the effective date of this agreement shall be handled in accordance with the provisions of this agreement.

6.2 With the consent of the lender, the borrower may apply for early repayment, and the lender has the right to charge a corresponding penalty according to a certain percentage of the early repayment amount. The penalty collection percentage is detailed in the supplementary terms.

6.3 If the borrower requests an extension of the loan, they shall submit a written application for extension and a written opinion from the guarantor agreeing to continue the guarantee to the lender 7 days before the loan matures. After the lender reviews and agrees, an extension agreement shall be signed. Only after the extension agreement takes effect can the loan under this agreement be extended accordingly.

6.4 After this agreement takes effect, except as otherwise agreed in this agreement or as required by laws and regulations, neither party shall unilaterally modify or rescind this agreement. If this agreement needs to be changed or rescinded, both parties shall negotiate and reach a written agreement. Until a written agreement is reached, all provisions of this agreement shall remain valid. In case of any change of the agreement, the consent of the customer shall be sought through telephone, SMS, etc., and the announcement shall be made through our bank's WeChat official account or website.

6.5 The lender may transfer its rights under this agreement to a third party without obtaining the borrower's consent. The notice of the transfer of rights by the lender can be made in writing or by publishing an announcement on the lender's official website (<http://www.nccb.com.cn>), partner channel official website, public media, or other forms recognized

by regulatory authorities. The borrower hereby irrevocably authorizes the lender as its agent to sign all necessary agreements and documents with the aforementioned third parties to complete the relevant transfer. The borrower hereby confirms that the agreements and documents signed between the lender and the aforementioned third party constitute valid legal documents between the borrower and the third party, confirming the debt relationship between the borrower and the third party, and have legal binding force on both the borrower and the third party.

The lender shall transfer the loan creditor's rights under this agreement to a third party. If the borrower has the corresponding right of defense or set off against the lender, they shall raise the right of defense or set off within five working days from the date of announcement. Failure to raise the right of defense or set off shall be deemed as recognition of the transfer of the creditor's rights.

6.6 Without the written consent of the lender, the borrower shall not transfer any of its obligations under this agreement to a third party.

Article 7 Application of Law and Dispute Resolution

7.1 The conclusion, validity, interpretation, performance, and dispute resolution of this agreement shall be governed by the laws of the People's Republic of China (excluding the laws of Hong Kong, Macau, and Taiwan for the purpose of this Agreement).

7.2 In case of disputes arising from the performance of this agreement, both parties may resolve them through negotiation. If no agreement can be reached through negotiation, both parties agree that the plaintiff shall choose one of the following addresses for the People's Court with jurisdiction to file a lawsuit: a. The location of the lender and its branch offices, and the location of its office; b. The borrower's place of residence; c. The domicile of the assignee of the creditor's rights (if any); d. The place of signing the agreement; e. The place of performance of the agreement. The parties to the agreement agree that the hearing can be held with the aid of audio-visual transmission technology according to the situation of the competent court. Please refer to the supplementary terms for the place of signing the agreement.

7.3 In case of disputes arising from the performance of this agreement, if the parties fail to reach an agreement through negotiation and file a lawsuit with the people's court in accordance with the law, the value of claim shall be within the maximum limit allowed by laws, regulations, judicial interpretations, or local courts. All parties agree that the respondent court shall apply the small claims procedure for trial, and the time limit for providing evidence and defense shall not

exceed seven days (which can be calculated simultaneously). Small claims procedure is the final instance of first instance, and no party is allowed to file an appeal.

7.4 In case of disputes arising from the performance of this agreement, if the parties fail to reach an agreement through negotiation and file a lawsuit with the people's court in accordance with the law, **all parties agree that the court that accepts the case lawsuit shall merge this case with other similar cases for trial and agree to conduct a written trial.** All parties are aware and agree to submit personal information related to the case to the court during the merged hearing process, and express it in the relevant legal documents. **All parties agree and promise to waive the defense of personal information protection issues arising from the merged hearing. All parties undertake to keep confidential the information of other parties known during the merged hearing process.**

7.5 During the negotiation, litigation or arbitration period, the provisions of this agreement that are not involved in the disputes shall still be fulfilled by all parties, and neither party shall refuse to perform any obligations under this agreement on the grounds that the dispute resolution process is ongoing.

Article 8 Other Matters

8.1 The invalidity or revocation of certain provisions under this Agreement shall not affect the validity of other provisions, which shall remain valid.

8.2 Service

8.2.1 The borrower confirms that the address and contact information specified in the supplementary terms of this agreement shall be the address and contact information for service for notices served by the lender and legal documents related to debt collection, litigation (arbitration), and such address and contact information shall apply to all procedures and stages of the disputes including but not limited to collection, arbitration, mediation, first instance, second instance, retrial, execution, supervision, public notice and special procedures.

The process server (including but not limited to lenders, trial courts, arbitration institutions, etc.) may send notices or legal documents in one or more of the following ways. If multiple methods are used for serving, the service time shall be based on the earliest service:

(1) If served by mail or express delivery, it shall be deemed served 5 days after the process server sends the mail or express delivery, regardless of whether it is signed for, rejected or returned.

(2) Personal service can either be verbal notice or transfer of written materials or legal documents recording the notice by the process sender to the person being served. If there is a

service receipt, the date on which the situation is recorded shall be the service date. If the service is refused upon personal service, the process server may take photos or videos to record the service, and retain the notice and legal documents, which shall be deemed as served. If it is collected by others, the date of collection by others shall be deemed as the service date.

(3) Electronic service, including but not limited to modern communication methods such as SMS, fax, email, instant messaging tools (such as WeChat, QQ, etc.) through the mobile phone number, fax number or email address specified in this agreement, shall be deemed served as long as the process server has sent the relevant notices and legal documents to the address specified in the supplementary terms.

(4) All parties agree that online litigation activities such as service, investigation, mediation, trial, and execution can be carried out through electronic litigation platforms such as mobile micro courts.

The borrower guarantees that the address and contact information provided to the lender are accurate and valid. If there is any change, the borrower will promptly notify the process server of the change. If the incorrect contact information is provided or the changed contact information is not communicated in a timely manner, resulting in the failure to receive the notice or legal document, as long as the process server has already sent the notice or legal document in any of the above agreed ways, it shall be deemed served, and the borrower shall bear any adverse consequences that may arise from this.

If there is a transfer of creditor's rights, the above notice service terms can also apply to notices sent by the assignee of the creditor's rights as the delivery party.

8.2.2 If the borrower fails to repay the loan on time or engages in other illegal activities, and the lender entrusts a mediation institution to mediate, file a lawsuit or apply for arbitration, **the borrower authorizes and agrees that the mediation institution, people's court, or arbitration institution may, in accordance with the law, retrieve other phone numbers under the name of each communication operator from the mediation institution, people's court or arbitration institution in order to obtain contact, provided that the lender still cannot obtain their phone number, and agree that the repaired contact information is one of the addresses for serving documents via SMS or phone.**

8.3 Both parties hereby agree to confirm the legal validity of telephone recordings and faxes, and promise that they can be submitted as evidence to dispute resolution institutions such as courts and arbitration commissions. During the period when the original document is

in transit, the validity of the fax document is equivalent to that of the original document. The fax number specified by the borrower in this agreement shall not be changed arbitrarily. When the fax number is changed, the borrower shall provide a written explanation to the lender. Otherwise, the borrower shall bear all responsibilities arising from this. The borrower shall ensure the fax it sends is consistent with the original; otherwise, the borrower shall bear the corresponding responsibilities.

8.4 The headings of each clause in this agreement are for the convenience of reference only, and no provision of this contract shall be interpreted or understood solely based on the headings.

8.5 Except as stipulated in this agreement or relevant laws and regulations, any act, omission, delay in taking action or any other measures taken by the observant party for the breach or non-performance of any agreement or obligation contained in this agreement at any time shall not be considered as a waiver of any rights enjoyed by the observant party under this agreement, unless the observant party expressly states in writing.

8.6 If either party to this agreement requests notarization of the agreement, the parties shall jointly submit a notarization application to the notary office and clearly grant the agreement the effect of compulsory execution. The notarization fees and relevant expenses shall be borne by the borrower. At the same time, the borrower agrees that this agreement shall have compulsory enforcement effect after being notarized. If the borrower fails to fulfill its obligations under this agreement, the lender may apply for enforcement to the people's court with jurisdiction in accordance with the law.

8.7 If this agreement cannot be fully fulfilled due to changes in regulations, rules, policies, or the introduction of emergency measures, the lender shall not be liable for any responsibility.

8.8 Any matters not covered in this agreement shall be handled in accordance with laws and regulations, the People's Bank of China, the China Banking and Insurance Regulatory Commission, and relevant regulations of the lender.

Article 9 The standard terms of this agreement, the supplementary terms of this agreement, the supplementary agreement to this agreement, the promissory note, the borrower's commitment, proof, and payment entrustment letter shall constitute a complete agreement. The above-mentioned agreement components may be entered into in paper, electronic form, or other methods recognized by the lender.

Article 10 Reminder and Declaration

The lender has drawn the borrower's attention to a comprehensive and accurate understanding of the terms of this agreement. The contracting parties are fully aware of and have fully understood the meaning and corresponding legal consequences of the terms of this agreement.

The borrower is aware that: If the interest rate rises between the value date and the maturity date, choosing a floating rate will increase interest expenses. If the interest rate decreases between the value date and the maturity date, choosing a fixed interest rate will increase interest expenses.

At the same time, the borrower hereby declares that: It has paid special attention to the obligations and terms unfavorable to itself, especially those highlighted in bold, and confirm their acceptance.

(The above is the standard terms section of this agreement, and the following is the supplementary terms section of this agreement)

Supplementary Terms of Online Working Capital Loan Master Agreement

No.: 07500LK24CC1Gck

Lender: Bank of Ningbo Co. Suzhou Branch

Borrower: Zai Lab (Suzhou) Co., Ltd.

Article 1 If the borrower fails to repay the loan principal as agreed, the lender shall charge an additional penalty interest of fifty percent (in words) for overdue payment. If the borrower fails to use the loan for the agreed purpose, the lender shall charge an additional misappropriation penalty interest of eighty percent (in words).

Article 2 With the consent of the lender, the borrower may apply for early repayment, and the lender has the right to charge a corresponding penalty of % of the early repayment amount.

Article 3 Place of signing: No. 749, Ganjiang East Road, Gusu District, Suzhou City.

Article 4 The borrower's address for service and contact information:

Postal and express delivery address for service: Building 8, Biotech Industrial Park, No. 218, Sangtian Street, Suzhou Industrial Park

Recipient (or agent): Wei Xiao Job title: Head of Finance ID number: [***]

Contact phone number: [***]___

Fax receiving number: ___/___

Mobile SMS receiving number: [***]_____

Email address: ___/___

If the borrower's address has not been provided to the lender, or if the provided address is not detailed enough (such as not accurate to the door number), the borrower agrees that its registered address is a mailing or express delivery address. If the borrower does not provide a clear email address, it agrees to use the mobile operator's email as the address for service. The borrower shall ensure that the email address registered with the mobile operator functions normally from the date of signing this contract.

The standard terms and supplementary clauses of this agreement constitute a complete agreement.

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PURSUANT TO ITEM 601(b)(10)(iv) OF REGULATION S-K, THIS EXHIBIT OMITTS CERTAIN INFORMATION, IDENTIFIED BY [*], THAT IS NOT MATERIAL AND THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

The following is the borrower's signature to the standard terms and supplementary terms of the Online Working Capital Loan Master Agreement (Contract No.: 07500LK24CC1Gck) between Zai Lab (Suzhou) Co., Ltd. (Borrower) and Bank of Ningbo Co. Suzhou Branch (Lender).

Borrower (official stamp):
Zai Lab (Suzhou) Co., Ltd.
(company chop)

JAMES SHUIZHONG YAN
(name chop)

Signing date: February 6, 2024

PURSUANT TO ITEM 601(b)(10)(iv) OF REGULATION S-K, THIS EXHIBIT OMITTS CERTAIN INFORMATION, IDENTIFIED BY [*], THAT IS NOT MATERIAL AND THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

The following is the lender's signature to the standard terms and supplementary terms of the Online Working Capital Loan Master Agreement (Contract No.: 07500LK24CC1Gck) between Zai Lab (Suzhou) Co., Ltd. (Borrower) and Bank of Ningbo Co. Suzhou Branch (Lender).

Lender (stamp):

Bank of Ningbo Co. Suzhou Branch
(contract chop)

Lin Ping
(name chop)

Signing date: February 6, 2024