This Draft Registration Statement is confidentially submitted to the U.S. Securities and Exchange Commission pursuant to Section 106(a) of the Jumpstart Our Business Startups Act of 2012 on July 13, 2018 and is not being filed publicly under the Securities Act of 1933, as amended.

Registration No. 333-[ ]

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

Form F-1
REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

APTORUM GROUP LIMITED
(Exact Name of Registrant as Specified in its Charter)

Cayman Islands	**2834**	**Not Applicable**
(State or Other Jurisdiction of Incorporation or Organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

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Telephone: +852 2117 6611
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Approximate date of commencement of proposed sale to the public: As soon as practicable after effectiveness of this registration statement.

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

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

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Aggregate Price Per Share	Proposed Maximum Aggregate Offering Price[(1)]	Amount of Registration Fee
Class A Ordinary Shares, par value $1.00 per share[(2)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Underwriters' Warrants[(3)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Class A Ordinary Shares underlying Underwriter's Warrants[(3)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Class A Ordinary Shares underlying the Bond[(4)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Class A Ordinary Shares underlying Placement Agent Warrants[(5)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Class A Ordinary Shares underlying Series A Notes[(6)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Class A Ordinary Shares underlying Placement Agent Warrants[(7)]	[ ]	$ [ ]	$ [ ]	$ [ ]
Total	[ ]	$ [ ]	$ [ ]	$ [ ]

(1) The registration fee is based on an estimate of the Proposed Maximum Aggregate Offering Price of the securities, assuming the sale of the maximum number of shares at the highest expected offering price, and such estimate is solely for the purpose of calculating the registration fee pursuant to Rule 457(o).

(2) In accordance with Rule 416(a), the Registrant is also registering an indeterminate number of additional Class A Ordinary Shares that shall be issuable pursuant to Rule 416 to prevent dilution resulting from share splits, share dividends or similar transactions.

(3) The Registrant will issue to Boustead Securities, LLC ("Boustead"), one of the lead underwriters in this Offering, warrants to purchase a number of Class A Ordinary Shares equal to a specified percentage of the Class A Ordinary Shares (the "Underwriter Warrants") sold in this Offering sourced by the Company, depending on the final amount raised in this Offering. The closing date will be a date mutually acceptable to the Registrant and the Underwriters after the minimum offering has been sold. The exercise price of the Underwriter Warrants is equal to 100% of the offering price of the Class A Ordinary Shares offered hereby. Assuming a maximum placement and an exercise price of $[ ] per share, we would receive, in the aggregate, $[ ] upon exercise of the Underwriter Warrants, of which there can be no guarantee. The Class A Ordinary Shares underlying the Underwriter Warrants are exercisable upon closing of the offering and within a 2.5-year-period, at any time and from time to time, in whole or in part.

(4) Reflects the resale by a Selling Shareholder included herein of its Class A Ordinary Shares underlying a Bond at a conversion price of $[ ] per share that the Registrant issued to such Selling Shareholder in connection with a Bond Offering it consummated on April 25, 2018.

(5) Representing the Class A Ordinary Shares underlying placement agent warrants at an exercise price of $[ ] per share that the Registrant issued to Boustead, one of the placement agents in connection with the Bond Offering.

(6) Reflects the resale by Selling Shareholders included herein of their Class A Ordinary Shares underlying the Series A Notes issued to such Selling Shareholders in a private placement that closed in May 2018.

(7) Representing the Class A Ordinary Shares underlying placement agent warrants at an exercise price of $[ ] per share issued to Boustead, the placement agent in connection with the private placement of the Series A Notes.

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

The information in this prospectus is not complete and may be changed. Neither we nor the Selling Shareholders may sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION
DATED JULY 13, 2018

PRELIMINARY PROSPECTUS

APTORUM GROUP LIMITED

Minimum Offering: $[ ]
Maximum Offering: $[ ]

This is an initial public offering (the "Offering") of securities of Aptorum Group Limited ("Aptorum Group"), a Cayman Islands exempted company with limited liability whose principal place of business is in Hong Kong. We are offering on a best efforts basis, a minimum of $[ ] and a maximum of $[ ] of our Class A Ordinary Shares, par value $1.00 per share (the "Class A Ordinary Shares"). Prior to this Offering, there has been no public market for our Class A Ordinary Shares. We expect the offering price of our Class A Ordinary Shares to be between $[ ] and $[ ] per share. This prospectus also includes the resale of up to [ ] Class A Ordinary Shares (the "Resale Shares"), including: (1) [ ] Class A Ordinary Shares underlying a bond we issued to one investor (See "Prospectus Summary – Recent Financings – The Bond Offering"); (2) [ ] Class A Ordinary Shares underlying the placement agent warrants we issued to a placement agent in connection with the Bond Offering; (3) [ ] Class A Ordinary Shares underlying the Series A convertible note we issued in a private placement, (See "Prospectus Summary – Recent Financings – The Series A Note Offering"); and (4) [ ] Class A Ordinary Shares underlying the placement agent warrants we issued to a placement agent in connection with the Series A Note Offering. The selling shareholders named herein (the "Selling Shareholders") may sell Resale Shares from time to time in the principal market on which the Resale Shares will be traded at the prevailing market price, at prices related to such prevailing market price, in negotiated transactions or a combination of such methods of sale. We will not receive any proceeds from the sales by the Selling Shareholders.

We plan to apply to list our Class A Ordinary Shares on the NASDAQ Global Market under the symbol "[ ]".

We are an "emerging growth company," as defined in the U.S. Jumpstart Our Business Startups Act of 2012 (the "JOBS Act") and will be subject to reduced public company reporting requirements.

Investing in our Class A Ordinary Shares involves a high degree of risk. See "Risk Factors" beginning on page 11 of this prospectus for a discussion of information that should be considered in connection with an investment in our Class A Ordinary Shares.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions[(1)]	$	$
Proceeds to us (before expenses)	$	$
Proceeds to the Selling Shareholders, before expenses[(2)]	$	$

(1) See "Underwriting" for a description of commission payable to the underwriters.
(2) We will not receive any proceeds from the Selling Shareholders' sale of Class A Ordinary Shares.

The underwriters are selling our Class A Ordinary Shares in this Offering on a best efforts basis. The underwriters are not required to sell any specific number or dollar amount of Class A Ordinary Shares but will use their best efforts to sell the Class A Ordinary Shares offered. One of the conditions to our obligation to sell any securities through the underwriters is that, upon the closing of the Offering, the Class A Ordinary Shares would qualify or reasonably expect to be qualified for listing on the NASDAQ Global Market.

The underwriters expect to deliver the Class A Ordinary Shares to purchasers in the Offering on or about [ ], 2018.

The Selling Shareholders will offer their Class A Ordinary Shares through their brokerage firms and there is no termination date of the Selling Shareholders' offering. The Selling Shareholders may sell their Class A Ordinary Shares described in this prospectus in a number of different ways and at varying prices. However, the Selling Shareholders will not be able to sell any of their Class A Ordinary Shares on any trading market until the Company raises the minimum offering amount from the Company's offering and the Company's Class A Ordinary Shares are approved for listing on NASDAQ Global Market, as further discussed herein.

Boustead Securities

China Renaissance

The date of this prospectus is July 13, 2018

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

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

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

All references in this prospectus to "$," "U.S.$," "U.S. dollars," "dollars," "US$," and "USD" mean United States dollars unless otherwise noted. All references to the "PRC" or "China" in this prospectus refer to the People's Republic of China. All references to "Hong Kong" or "H.K." in this prospectus refer to Hong Kong Special Administrative Region of the People's Republic of China. All references to the "United States," "U.S." or "US" refer to the United States of America.

COMMONLY USED DEFINED TERMS

- "Acticule" refers to Acticule Life Sciences Limited, an 80% owned subsidiary of Aptorum Group.
- "Aeneas" refers to AENEAS CAPITAL LIMITED, a wholly-owned subsidiary of Aeneas Group Limited, which is an indirect wholly-owned subsidiary of Jurchen Investment Corporation through Aeneas Limited. Because Mr. Huen, our CEO, holds 100% equity interest in Jurchen Investment Corporation, we refer Aeneas as a fellow subsidiary of Aptorum Group.
- "AGL" refers to Aeneas Group Limited, a wholly-owned subsidiary of Aeneas Limited and we refer AGL as a fellow subsidiary of Aptorum Group.
- "AL" refers to Aeneas Limited, an entity wholly-owned by Jurchen Investment Corporation and we refer AL as a fellow subsidiary of Aptorum Group.
- "AML" refers to Aptorum Medical Limited, a 95% owned-subsidiary of Aptorum Group.
- "AML Clinic" refers to a medical clinic operated by AML under the name of Talem Medical.
- "APD" refers to Aptorum Pharmaceutical Development Limited, a wholly-owned subsidiary of Aptorum Group.
- "Aptorum Group," "Company," "we," and "us" refer to Aptorum Group Limited, a Cayman Islands exempted company with limited liability whose principal place of business is in Hong Kong.
- "Aptorum Non-Therapeutics Group" refers to the Company's non-therapeutics segment that encompasses: (i) the development of surgical robotics and medical devices, which is operated through Signate Life Sciences Limited and (ii) AML Clinic.
- "Aptorum Therapeutics Group" refers to the Company's therapeutics segment that is operated through its wholly-owned subsidiary, Aptorum Therapeutics Limited, a Cayman Islands exempted company with limited liability, whose principal place of business is in Hong Kong and its indirect subsidiary companies, whose principal places of business are in Hong Kong.
- "Best-in-Class" refers to a non-First-in-Class drug that gives better clinical performance than other drugs of the same class.
- "Bond" refers to a $15,000,000 convertible bond the Company issued to Peace Range (as hereinafter defined) in the Bond Offering.
- "Bond Offering" refers to the Company's private offering of the Bond that closed on April 25, 2018.
- "Boustead" refers to Boustead Securities, LLC.
- "CFDA" refers to China Food and Drug Administration.
- "cGCP" refers to Current Good Clinical Practice as adopted by the applicable regulatory authority.
- "cGLP" refers to Current Good Laboratory Practice as adopted by the applicable regulatory authority.
- "cGMP" refers to Current Good Manufacturing Practice as adopted by the applicable regulatory authority.
- "China Renaissance" refers to China Renaissance Securities (HK) Limited.
- "Class A Ordinary Shares" refers to the Company's Class A Ordinary Shares, par value $1.00 per share.
- "CMC" refers to chemical, manufacturing and control.
- "Covar" refers to Covar Pharmaceuticals Incorporated, a contract research organization engaged by the Company.
- "CROs" refers to contract research organizations.
- "EMA" refers to the European Medicines Agency.
- "EMEA" refers to Europe, the Middle East and Africa.
- "EPO" refers to the European Patent Organization and the European Patent Office operated by it.

- “European Patent” refers to patents issuable by the EPO.
- “Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended.
- “FDA” refers to U.S. Food and Drug Administration.
- “FDCA” refers to the U.S. Federal Food, Drug and Cosmetic Act.
- “First-in-Class” refers to a drug that uses a new and unique mechanism of action for treating a medical condition or has mechanism of action that is different from those of existing therapies.
- “HKD” refers to Hong Kong Dollars.
- “Hong Kong” or “H.K.” refers to Hong Kong Special Administrative Region of the People’s Republic of China.
- “Hong Kong Doctors” refers to the doctors in Hong Kong under the employment of AML Clinic.
- “IND” refers to Investigational New Drugs.
- “IP” refers to intellectual property.
- “Jurchen” refers to Jurchen Investment Corporation, a company wholly-owned by our CEO, Ian Huen, and a holding company of Aptorum Group.
- “Major Patent Jurisdictions” refers to the United States, member states of the European Patent Organization and the People’s Republic of China.
- “Member States” refers to member states of the EPO.
- “Nativus” refers to Nativus Life Sciences Limited, a wholly-owned subsidiary of Aptorum Group.
- “NDA” refers to a New Drug Application issued by the FDA.
- “Offering” refers to the initial public offering of Aptorum Group.
- “PRC” and “China” refer to the People’s Republic of China.
- “Restructure” refers to the Company's change from an investment fund with management shares and non-voting participating redeemable preference shares to a holding company with operating subsidiaries, effective as of March 1, 2017.
- “R&D” refers to research and development.
- “R&D Center” refers to an in-house pharmaceutical development center operated by APD.
- “SEC” refers to the U.S. Securities and Exchange Commission.
- “Securities Act” refers to the U.S. Securities Act of 1933, as amended.
- “Selling Shareholders” refers to our pre-existing shareholders who are selling their Class A Ordinary Shares pursuant to the F-1.
- “Series A Notes” refers to Series A convertible notes, at a purchase price of $10,000 per note, sold in the Series A Note Offering.
- “Series A Note Investors” refers to the investors who purchased Series A Notes.
- “Series A Note Offering” refers to the private offering of Series A Notes, pursuant to Regulation S or Regulation D, as promulgated under the Securities Act that closed on May 15, 2018.
- “Signate” refers to Signate Life Sciences Limited, a wholly-owned subsidiary of Aptorum Group.
- “UK” refers to the United Kingdom.
- “Underwriter Warrants” refers to warrants issued to the underwriters of the IPO.
- “United States,” “U.S.” and “US” refer to the United States of America.
- “Videns” refers to Videns Incorporation Limited, a wholly-owned subsidiary of Aptorum Group.
- “$,” “U.S. $,” “U.S. dollars,” “dollars,” “US$” and “USD” refer to the United States dollars.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our Class A Ordinary Shares, you should carefully read the entire prospectus, including our financial statements and the related notes included elsewhere in this prospectus. You should also consider, among other things, the matters described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case appearing elsewhere in this prospectus. Unless otherwise stated, all references to "us," "our," "Aptorum," "we," the "Company," the "group" and similar designations refer to Aptorum Group Limited, a Cayman Islands exempted company with limited liability, and its consolidated subsidiaries on or after March 1, 2017; prior to March 1, 2017, these designations refer to Aptorum Group Limited as a single entity. See Note 1 to our consolidated financial statements as of the ten months ended December 31, 2017 included elsewhere in this prospectus.

Overview

We are a Hong Kong based pharmaceutical company currently in the preclinical stage, dedicated to developing and commercializing a broad pipeline of therapeutic and diagnostic technologies to tackle unmet medical needs. We have obtained exclusive licenses for, our technologies, some of which have received international awards or are being developed based on award-winning concepts and each of which we believe, if successfully developed, could become First-in-Class/Best-in-Class innovations. In addition, we are also developing certain proprietary technologies as product candidates. We are pursuing therapeutic and diagnostic projects (including projects seeking to use extracts or derivatives from natural substances to treat diseases) in neurology, infectious diseases, gastroenterology, oncology and other disease areas. We also have projects focused on surgical robotics. (See "Our Business – Lead Projects and Other Significant Projects – Lead Projects" and "Our Business – Lead Projects and Other Significant Projects – Other Significant Projects") Also, we opened a medical clinic, AML Clinic, in June 2018. Its initial focus is on treatment of chronic diseases resulting from modern sedentary lifestyles and aging population.

Although none of our drug or device candidates has yet been approved for testing in humans, our goal is to develop a broad pipeline of early stage novel therapeutics and diagnostics across a wide range of disease/therapeutic areas. Key components of our strategy for achieving this goal include: (for details of our strategy, see "Our Business – Our Strategy")

- Developing therapeutic and diagnostic innovations across a wide range of disease/therapeutic areas;
- Selectively expanding our pipeline with potential products that may be able to attain orphan drug designation and/or satisfy current unmet medical needs;
- Collaborating with leading academic institutions and CROs;
- Expanding our in-house pharmaceutical development center;
- Leveraging our management's expertise, experience and commercial networks;
- Strategically developing opportunities in Hong Kong to promote access to the PRC market; and
- Obtaining and leveraging government grants to fund project development.

Based on our evaluation of the preclinical test results of each of our drug and device candidates, we have determined to devote a significant percentage of our resources, including a substantial portion of the proceeds of this offering, to three therapeutic projects ("Lead Projects"). The drug candidates being advanced by the Lead Projects are NLS-1, ALS-1 and ALS-4, described in further detail below. If the results of the remaining preclinical studies of these drug candidates are positive, we expect to be able to submit by 2020 or 2021 an Investigational New Drug Application ("IND") for at least one of these candidates to the U.S. Food and Drug Administration ("FDA") or an equivalent application to the regulatory authorities in one or more other jurisdictions such as the China Food and Drug Administration ("CFDA") and/or the European Medicines Agency ("EMA"). Acceptance of these applications by the relevant regulatory authority would enable the Company to begin testing that drug candidate in humans in that jurisdiction. Our ability to obtain any approval of such applications is entirely dependent upon the results of our preclinical studies, none of which have yet been completed.

Our current business consists of "therapeutics" and "non-therapeutics" segments. However, our focus is on the therapeutics segments. Because of the risks, costs and extended development time required for successful drug development, we have determined to pursue projects within our non-therapeutics segments, such as AML Clinic, to provide some interim revenue and medical robots that may be brought to market and generate revenue more quickly. In addition, we may develop formulations of our therapeutic molecules which may qualify as nutraceuticals or some other product category which may be subject to less regulation and which therefore may also offer a faster path to revenue generation.

Therapeutics Segment. In our therapeutics segment ("Aptorum Therapeutics Group"), we are currently seeking to develop various drug molecules (including projects seeking to use extracts or derivatives from natural substances to treat diseases) and certain technologies for the treatment ("therapeutics") and diagnosis ("diagnostics") of human disease conditions in neurology, infectious diseases, gastroenterology, oncology and other disease areas. In addition, we are seeking to identify additional prospects which may qualify for potential orphan drug designation (e.g., rare types of cancer) or which address other current unmet medical needs. Aptorum Therapeutics Group is operated through Aptorum's wholly-owned subsidiary, Aptorum Therapeutics Limited, a Cayman Islands exempted company with limited liability, whose principal place of business is in Hong Kong and its indirect subsidiary companies (who we sometimes refer to herein as project companies), whose principal places of business are also in Hong Kong.

Non-Therapeutics Segment. The non-therapeutics segment ("Aptorum Non-Therapeutics Group") encompasses two businesses: (i) the development of surgical robotics and medical devices and (ii) AML Clinic. The development of surgical robotics and medical devices business is operated through Signate Life Sciences Limited, a subsidiary of Aptorum Therapeutics Limited. The outpatient clinic is operated through our subsidiary, Aptorum Medical Limited. Effective as of March 2018, we leased office space in Central Hong Kong as the home to our medical clinic ("AML Clinic"). AML Clinic has commenced operations under the name of Talem Medical in June 2018. (See "Our Business – Lead Projects and Other Significant Projects – Other Significant Projects – Aptorum Medical Limited - AML Clinic")

The Company has already obtained opportunities resulting in our existing licensing agreements from various contractual relationships that we have entered into, including service/consulting agreements with some of the world's leading specialists and clinicians in our areas of interest, with academic institutions and organizations, and with contract research organizations ("CROs"). We anticipate that these relationships will generate additional licensing opportunities in the future. In addition, we have established and are continuing to expand our in-house research facilities (collectively, the "R&D Center") to develop some of our drug and device candidates internally and to collaborate with third-party researchers.

Prior to March 2017, the Company had pursued passive healthcare related investments in early stage companies primarily in the United States. However, we have since ceased pursuing further passive investment operations and intend to exit all such portfolio investments over an appropriate timeframe to focus resources on our current business.

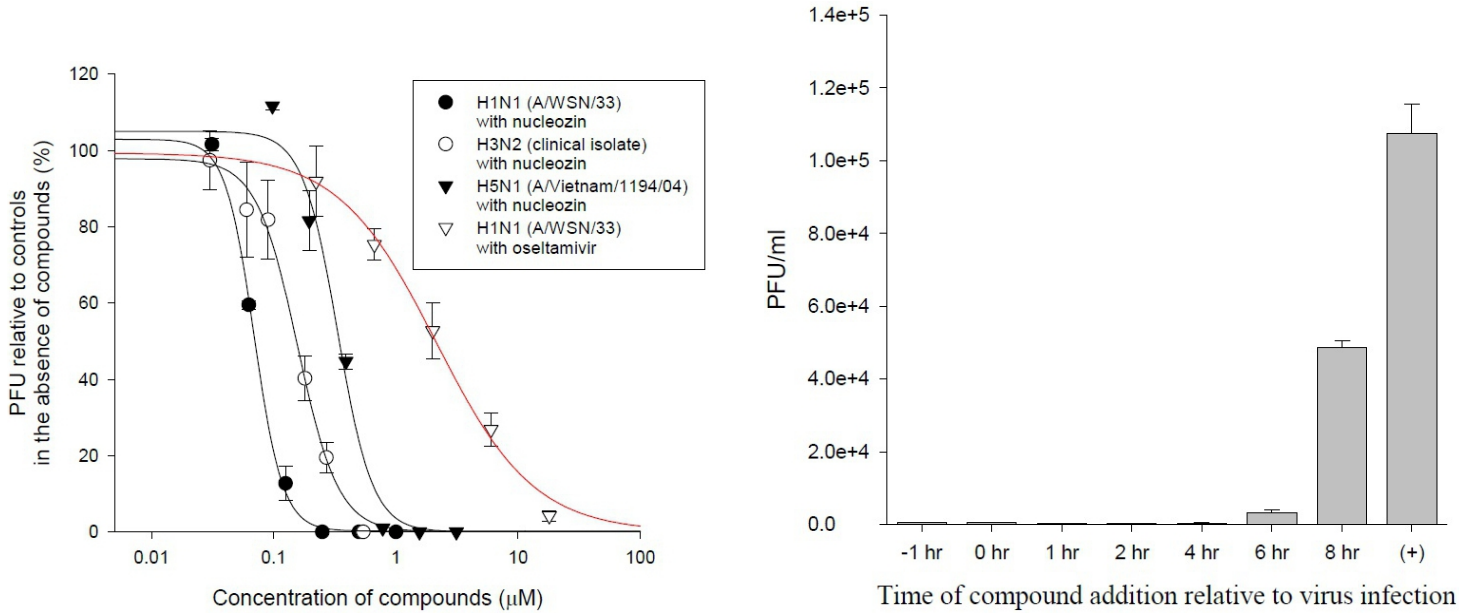
Aptorum's Lead Projects

The following table summarizes our pipeline of Lead Projects:

Pipeline of Drug and Device Candidates								
Projects	Candidate / Modality	Indication	Development Stage				
			Target ID & Selection	Lead Discovery	Lead Optimization	IND-Enabling	Phase 1
ALS-1	Small molecule	For the treatment of viral infections caused by Influenza virus A					
ALS-4	Small molecule	For the treatment of bacterial infections caused by Staphylococcus aureus including MRSA					
NLS-1	Pro-EGCG	For the treatment of Endometriosis					

ALS-1: Small molecule intended for the treatment of viral infections caused by Influenza virus A

ALS-1 is a novel small drug molecule which targets viral nucleoprotein ("NP"). It is our hypothesis that influenza A NP is an essential protein for the proliferation of the influenza virus. ALS-1 targets NP and triggers the aggregation of NP and this prevents the aggregated NP from entering the nucleus. Our preclinical studies of ALS-1 indicate that it inhibits the replication of influenza virus in vitro with a nanomolar EC_{50} and protects mice challenged with lethal doses of avian influenza A H5N1. Meanwhile, ALS-1 is designed to target a broad range of NP variants and may have the potential to overcome drug resistance. Professor Richard Kao (Inventor of ALS-1, Founder and Principal Investigator of Acticule) was the first to identify NP as an effective drug target (Nature Biotechnology. 28:600-605). Since there is no NP inhibitor on the market yet, we believe that ALS-1 has the potential to be a First-in-Class drug for treating viral infections caused by Influenza virus A.



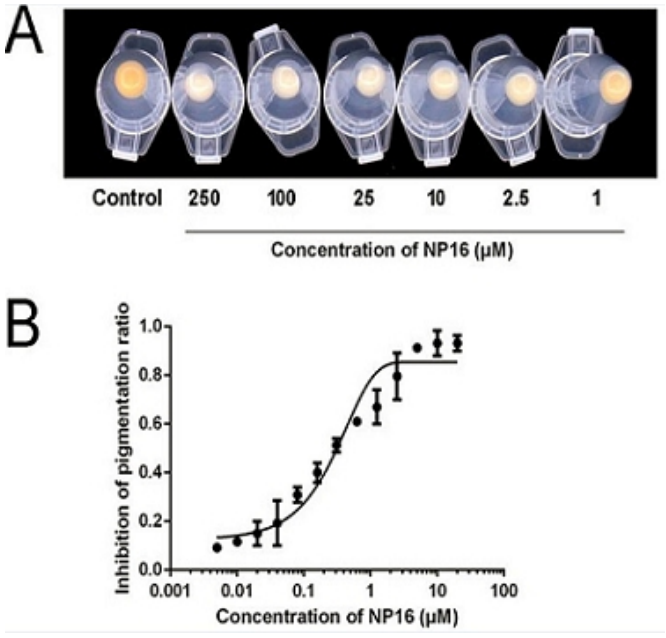
According to data from our preclinical studies, as reflected in the foregoing tables, ALS-1 outperforms oseltamivir (sold under the brand name Tamiflu) in cell-based assays and stops virus replication during the early to late stages of viral infection.

The target site on NP where ALS-1 is acting has been identified and mechanisms established. Animal model efficacy has been demonstrated, while chemical structures are being optimized.

ALS-4: Small molecule for the treatment of bacterial infections caused by Staphylococcus aureus including Methicillin-resistant Staphylococcus aureus ("MRSA")

ALS-4 is a small drug molecule which appears to target the products produced by bacterial genes that facilitate the successful colonization and survival of the bacterium in the body or that cause damage to the body's systems. These products of bacterial genes are referred to as "virulence expression". Targeting bacterial virulence is an alternative approach to antimicrobial therapy that offers promising opportunities to overcome the emergence and increasing prevalence of antibiotic-resistant bacteria. The research on ALS-4, as well as for separate drug candidates ALS-2 and ALS-3, has evolved from innovations that were initially developed by Professor Richard Kao, the founder and principal investigator of Acticule, and his research team, whose findings won the first prize Innovation Academy Award at the 4th International Conference on Prevention & Infection Control in Geneva, Switzerland in 2017.

ALS-4 is directed to a novel drug target, an enzyme essential for Staphylococcus aureus (including MRSA) survival in vivo. We believe that the product of this enzyme promotes Staphylococcus aureus (including MRSA) survival by shielding the bacteria from the attack by the immune system. ALS-4 may have particular value if it can be shown to be an effective therapy in situations where a Staphylococcus aureus infection is resistant to available antibiotics (i.e., where the pathogen is MRSA).

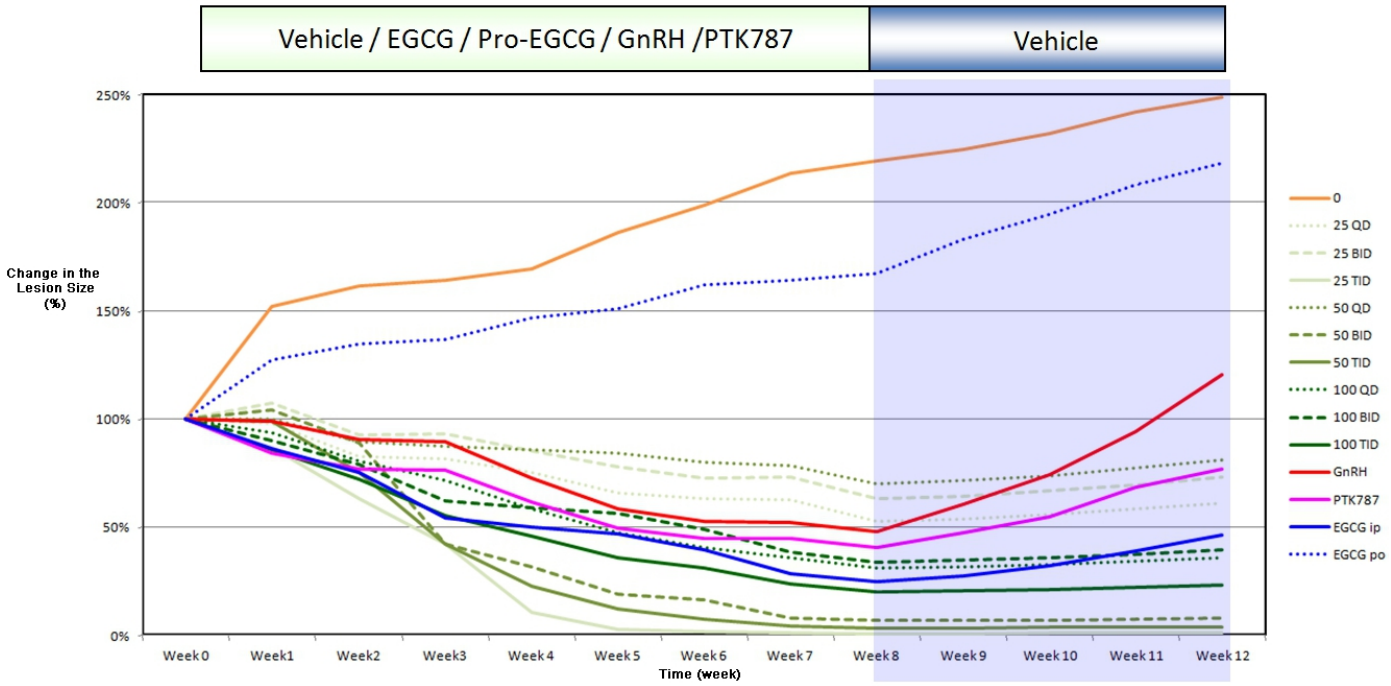


Our test data (as reflected above) indicates that, by blocking the activity of this enzyme, ALS-4 enhances the clearance of MRSA by the immune system. As reflected in the foregoing illustration and table, ALS-4 appears to stop staphyloxanthin (golden-colored pigment) production in MRSA without killing the bacteria but prevents MRSA from escaping from the human immune system.

The target has been identified and mechanism of action has been established. Proof-of-concept in vitro and in vivo studies have been demonstrated and the compound structure is being optimized. A U.S. provisional patent application has been filed for the underlying technology and exclusively licensed to the Company.

NLS-1: Prodrug of Epigallocatechin-3-Gallate ("Pro-EGCG") for the treatment of Endometriosis

NLS-1 is a drug molecule derived from natural products (green tea) which appears to be effective for the treatment of endometriosis, a disease in which the tissue that normally lines the uterus (endometrium) grows outside the uterus. It can grow on the ovaries, fallopian tubes, bowels, or bladder. Rarely, it grows in other parts of the body. Epigallocatechin-3-gallate (EGCG), a naturally occurring molecule extracted from green tea, appears to be efficacious for the treatment of endometriosis in preclinical animal models (Hum Reprod. 2014 29(8):1677; Hum Reprod. 2013 28(1):178; Fertil Steril. 2011 96(4):1021). However, the attractiveness of EGCG as a drug candidate has been diminished by its chemical and metabolic instability (Hum Reprod. 2014 29(8):1677; Angiogenesis. 2013 16(1):59). The Company's drug candidate, NLS-1 or Pro-EGCG, is supposed to overcome these challenges. NLS-1 is an EGCG derivative synthesized by acetylation of the reactive hydroxyl groups, which appears to prevent generation of reactive phenoxide anions and radicals for dimerization and metabolism, thereby overcoming the chemical and metabolic instability of EGCG. Essentially, NLS-1 is a prodrug of EGCG ("Pro-EGCG"), a biologically inactive compound that can be metabolized in the body to produce EGCG.

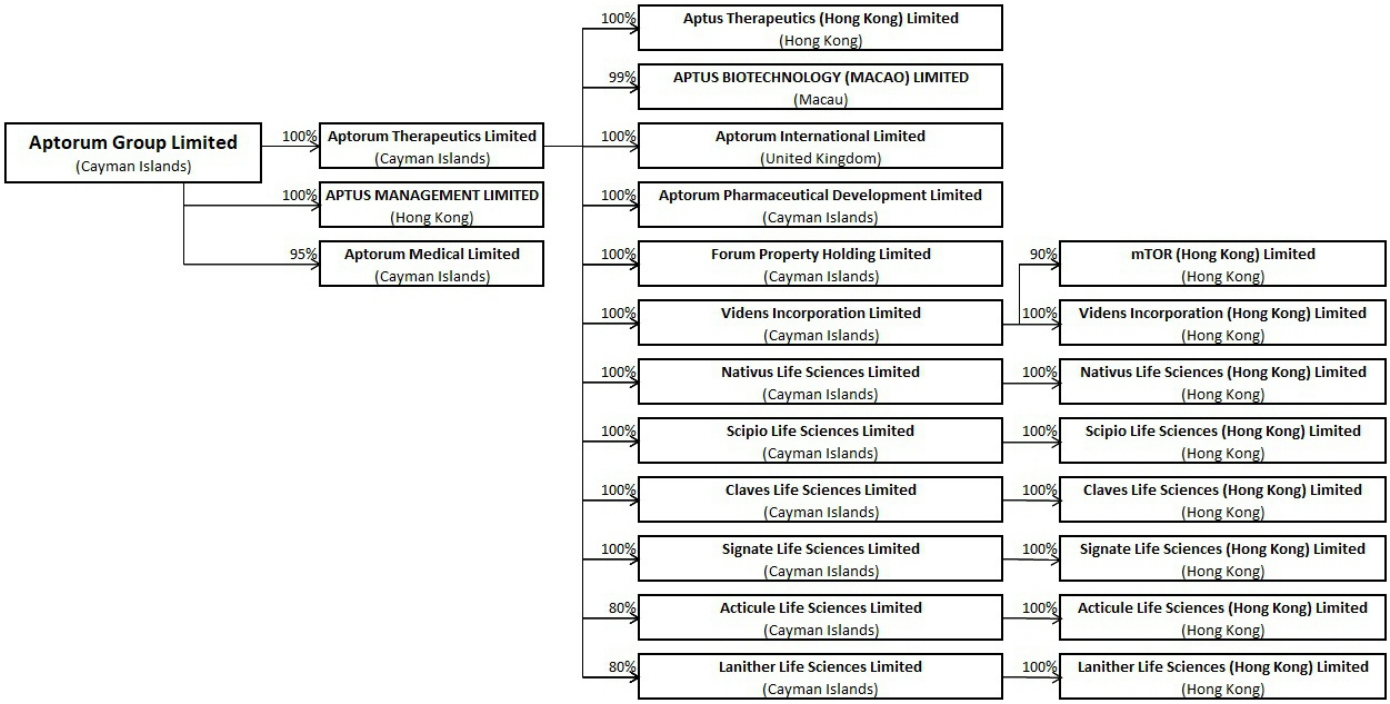


In an animal study as reflected in foregoing chart, oral administration of Pro-EGCG exhibits superior efficacy over other conventional therapeutic agents, such as GnRH analog and other synthetic anti-angiogenesis agents, for the treatment of endometriosis.

Our Structure

The following diagram illustrates our corporate structure as of the date of this prospectus. For more details regarding our corporate history and current structure, please refer to "Corporate History and Background" appearing on page 73 of this prospectus.

Prior to the completion of this Offering, and as long as our officers and directors, either individually or in the aggregate, own at least 50% of the voting power of our Company, we will be a "controlled company" as defined under NASDAQ Marketplace Rules. We have no current intention to rely on the controlled company exemption.



Risks Associated with Our Business

Investing in our Class A Ordinary Shares involves risks. You should carefully consider the risks described in "Risk Factors" beginning on page 11 of this prospectus before making a decision to purchase Class A Ordinary Shares. If any of these risks actually occurs, our business, financial condition or results of operations would likely be materially adversely affected. In such case, the trading price of our Class A Ordinary Shares would likely decline, and you may lose all or part of your investment.

Recent Financings

The Series A Note Offering

On May 15, 2018, we closed a private financing with certain investors (the "Series A Note Investors") who purchased an aggregate of approximately $1,600,400 Series A convertible notes, at a purchase price of $10,000 per note (the "Series A Notes"), pursuant to a note purchase agreement. Some of the Series A Note Investors are either affiliates of the Company or "related persons," as such term is defined in Item 404 of Regulation S-K (See "Transactions with Related Persons" and "Selling Shareholders"). We refer to this private placement transaction as the "Series A Note Offering." The Series A Note Investors entered into a lock-up agreement, pursuant to which they agreed not to sell or otherwise transfer or dispose the Series A Notes or the Class A Ordinary Shares underlying the Series A Notes during the six-month period commencing on the date our Class A Ordinary Shares commence trading on NASDAQ Global Market. The Series A Notes will automatically convert into Class A Ordinary Shares at the closing of the Offering and at the commencement of trading our Class A Ordinary Shares on NASDAQ Global Market at a conversion price equal to a 56% discount to the actual price per Class A Ordinary Share ("Conversion Price") in this Offering. As a result, the investors in this Offering will experience immediate dilution when the Series A Notes are automatically converted. (See "Risk Factors – You will experience immediate and substantial dilution as a result of this Offering and may experience additional dilution in the future")

One of the underwriters in this Offering, Boustead, also served as a placement agent for the Series A Note Offering and received: (i) a cash success fee of $68,516 and (ii) warrants to purchase a number of Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares issuable upon conversion of the Series A Notes, at an exercise price per share equal to the Conversion Price, subject to adjustment (the "Series A Note PA Warrants"). The Series A Note PA Warrants are also exercisable on a cashless basis, at the holder's discretion. Boustead also participated in the Series A Note Offering as an investor with a purchase of Series A Notes in the amount of $150,000.

The issuance and sale of Series A Notes, Series A Note PA Warrants, and the underlying Class A Ordinary Shares to the Series A Note Investors and the placement agent in the Series A Note Offering were made in reliance on an exemption from registration contained in either Regulation D or Regulation S of the Securities Act of 1933, as amended (the "Securities Act"). The securities sold in the Series A Note Offering are not registered by the registration statement of which this prospectus is a part and have not been registered under the Securities Act, and may be offered or sold only pursuant to an effective registration statement or pursuant to an available exemption from the registration requirements of the Securities Act. However, the Series A Note Investors have piggyback registration rights with respect to the Class A Ordinary Shares underlying the Series A Notes that entitle the Series A Note Investors to request their securities be included in a future Securities Act registration statement, after this Offering, subject to certain exceptions and conditions. However, we decided to include the Class A Ordinary Shares underlying the Series A Notes and the Series A Note PA Warrants in this registration statement.

The Bond Offering

On April 6, 2018, we entered into a subscription agreement (the "Bond Subscription Agreement") with Peace Range Limited ("Peace Range"), a company incorporated under the laws of the British Virgin Islands and wholly-owned special purpose vehicle of Adamas Ping An Opportunities Fund L.P. Adamas Ping An Opportunities Fund L.P. is the third fund from Adamas Asset Management (HK) Limited ("Adamas") and the first fund from the joint venture between Adamas and Yun Sheng Capital Company Limited, a subsidiary of Ping An Insurance (Group) Company of China, Limited and is advised by Ping An Capital Company Limited. Pursuant to the Bond Subscription Agreement, we issued Peace Range a $15,000,000 convertible bond (the "Bond" and the "Bond Offering"), minus a structuring fee equal to 2% of the principal amount of the Bond, on April 25, 2018. We also agreed to pay certain expenses, up to an aggregate limit of $250,000, incurred by Peace Range in connection with the Bond Offering. The closing of the transaction contemplated by the Bond Subscription Agreement and the issuance of the Bond are subject to standard closing conditions, which may be satisfied or waived by the impacted party. The Bond earns interest at the rate of 8% per annum, payable semi-annually. The payment of the Bond is guaranteed by our holding company, Jurchen Investment Corporation ("Jurchen"), a company wholly-owned by our CEO, Ian Huen (See "Transactions with Related Persons – Share Transfer: Change in direct substantial shareholders of the Company"), pursuant to a deed of guarantee (the "Guarantee"). In addition, the repayment of the principal of the Bond and interest payables is secured by a fund we set aside in a debt service reserve account, with the funds in the debt service reserve account to be released in an amount pro rata to the principal amount of the Bond being converted. The Bond shall mature on the twelfth calendar month following the issuance date, or with prior written consent of the holders of the Bond, the business day falling six calendar months thereafter. 10% of the principal amount of the Bond shall be automatically converted into our Class A Ordinary Shares upon the closing of this Offering and the rest of the Bond is convertible at the option of the holder commencing on the closing of this Offering until the earlier of the date falling 12 calendar months after the maturity of the Bond and the date falling 12 calendar months after the closing of this Offering. We closed the Bond Offering on April 25, 2018 and issued a Bond to Peace Range pursuant to the Bond Subscription Agreement.

The Bond Subscription Agreement, including the terms and conditions of the Bond, is attached as Exhibit 10.18 to this prospectus. The parties to the Bond Subscription Agreement also entered into a Share Charge and Account Charge to perfect the security interest created under the Bond Subscription Agreement; such agreements are attached as Exhibit 10.19 and 10.18, respectively to this prospectus. (See "Description of Share Capital – Convertible Bond")

One of the underwriters in this Offering, Boustead, also served as a placement agent for the Bond Offering and received (i) a cash success fee of $600,000 and (ii) warrants to purchase a number of Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares issuable upon conversion of the Bond, at an exercise price equal to a 23% discount to this Offering price, subject to adjustment (the "Bond PA Warrants"). The Bond PA Warrants are exercisable on a cashless basis. China Renaissance Securities (HK) Limited ("China Renaissance") also served as a placement agent for the Bond Offering; for such services, China Renaissance received a cash success fee of $150,000.

As a result, the investors in this Offering will experience immediate dilution when the Bond is automatically converted. (See "Risk Factors – You will experience immediate and substantial dilution as a result of this Offering and may experience additional dilution in the future")

Our Securities

Our authorized share capital is divided into Class A Ordinary Shares and Class B Ordinary Shares prior to the completion of this Offering. Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for voting and conversion rights. In respect of matters requiring a shareholder vote, each Class A Ordinary Share will be entitled to one vote and each Class B Ordinary Share will be entitled to ten votes. Each Class B Ordinary Share is convertible into one Class A Ordinary Share at any time by the holder thereof. Class A Ordinary Shares are not convertible into Class B Ordinary Shares under any circumstances. (See "Description of Share Capital")

Unless the context requires otherwise, all references to the number of Class A Ordinary Shares to be outstanding after this Offering are based on 5,426,381 Class A Ordinary Shares outstanding as of the date of this prospectus, and excludes (a) the issuance of [ ] Class A Ordinary Shares upon the automatic conversion of Series A Notes issued in the Series A Note Offering, (b) up to [ ] Class A Ordinary Shares reserved for issuance upon exercise of the Series A Note PA Warrants, (c) the issuance of [ ] Class A Ordinary Shares upon the automatic conversion of the Bond issued in the Bond Offering, (d) up to [ ] Class A Ordinary Shares reserved for issuance upon optional conversion of Bond issued in the Bond Offering if the holder chooses to convert, (e) up to [ ] Class A Ordinary Shares reserved for issuance upon exercise of the Bond PA Warrants, and (f) [ ] Class A Ordinary Shares reserved for issuance under our 2017 Share Option Plan (the "Option Plan"), which was adopted on October 13, 2017.

Unless otherwise indicated, all information in this prospectus assumes a price to the public in this Offering of $[ ] per share, the midpoint of the price range set forth on the cover page of this prospectus.

Corporate Information

Our principal executive office is located on the 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. Our telephone number is +852 2117 6611.

Our website is www.aptorumgroup.com. **The information on our website is not part of this prospectus.**

Implications of Being an Emerging Growth Company

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

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act");
- the ability to include only two years of audited financial statements in addition to any required interim financial statements and correspondingly reduced disclosure in management's discussion and analysis of financial condition and results of operations in the registration statement for this Offering of which this prospectus forms a part; and
- to the extent that we no longer qualify as a foreign private issuer, (1) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements; and (2) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these exemptions for up to five years or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company upon the earliest to occur of (1) the last day of the fiscal year in which we have more than $1.0 billion in annual revenue; (2) the date we qualify as a "large accelerated filer" with at least $700 million of equity securities held by non-affiliates; (3) the issuance, in any three-year period, by our Company of more than $1.0 billion in non-convertible debt securities; and (4) the last day of the fiscal year ending after the fifth anniversary of this Offering. We may choose to take advantage of some but not all of these exemptions. For example, Section 107 of the JOBS Act provides that an emerging growth company can use the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We are choosing to elect to use the extended transition period for complying with new or revised accounting standards under Section 102(b)(2) of the JOBS Act, which allows us to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

Implications of Being a Foreign Private Issuer

We are also considered a "foreign private issuer". In our capacity as a foreign private issuer, we are exempted from certain rules under the U.S. Securities Exchange Act of 1934, as amended ("Exchange Act"), that impose certain disclosure obligations and procedural requirements for proxy solicitations under Section 14 of the Exchange Act. In addition, our officers, directors and principal shareholders are exempt from the reporting and "short-swing" profit recovery provisions of Section 16 of the Exchange Act and the rules under the Exchange Act with respect to their purchases and sales of our Class A Ordinary Shares. Moreover, we are not required to file periodic reports and financial statements with the U.S. Securities and Exchange Commission ("SEC"), as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. In addition, we are not required to comply with Regulation FD, which restricts the selective disclosure of material information.

We may take advantage of these exemptions until such time as we are no longer a foreign private issuer. We would cease to be a foreign private issuer at such time when more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (1) the majority of our executive officers or directors are U.S. citizens or residents; (2) more than 50% of our assets are located in the United States; or (3) our business is administered principally in the United States.

We have taken advantage of certain reduced reporting and other requirements in this prospectus. Accordingly, the information contained herein may be different than the information you receive from other public companies in which you hold equity securities.

Notes on Prospectus Presentation

Numerical figures included in this prospectus have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in various tables may not be arithmetic aggregations of the figures that precede them. Certain market data and other statistical information contained in this prospectus is based on information from independent industry organizations, publications, surveys and forecasts. Some market data and statistical information contained in this prospectus are also based on management's estimates and calculations, which are derived from our review and interpretation of the independent sources listed above, our internal research and our knowledge of pharmaceutical industry. While we believe such information is reliable, we have not independently verified any third-party information and our internal data has not been verified by any independent source.

Accordingly, actual events or circumstances may differ materially from events and circumstances that are assumed in this information and you are cautioned not to give undue weight to such data.

Offering Summary

Issuer:	**Aptorum Group Limited**
Securities being Offered by us	[ ] Class A Ordinary Shares
Securities being Offered by Selling Shareholders	Up to _____ Class A Ordinary Shares. The Selling Shareholders named herein may sell Resale Shares from time to time in the principal market on which the Resale Shares will be traded at the prevailing market price, at prices related to such prevailing market price, in negotiated transactions or a combination of such methods of sale. We will not receive any proceeds from the sales by the Selling Shareholders. Resale Shares include: (1) [ ] Class A Ordinary Shares underlying the Bond; (2) [ ] Class A Ordinary Shares underlying the Bond PA Warrants; (3) [ ] Class A Ordinary Shares underlying the Series A Notes; and (4) [ ] Class A Ordinary Shares underlying the Series A Note PA Warrants.
Price per Share	[ ]
Class A Ordinary Shares Outstanding before the Offering	5,426,381
Class A Ordinary Shares Outstanding following the consummation of the Offering	[ ]
Amount of the Offering	up to $[ ]
Symbol	We plan to apply to list our Class A Ordinary Shares on the NASDAQ Global Market under the symbol "[ ]"
Transfer Agent	Continental Stock Transfer & Trust Company

Use of Proceeds	We estimate that we will receive net proceeds from this Offering of up to $[ ] million, based on an assumed price to the public in this Offering of $[ ], the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses. We currently intend to use the net proceeds we receive from this Offering for general corporate purposes. See "Use of Proceeds" for additional information.
Risk Factors	Investing in our Class A Ordinary Shares involves a high degree of risk and purchasers of our Class A Ordinary Shares may lose part or all of their investment. See "Risk Factors" for a discussion of factors you should carefully consider before deciding to invest in our Class A Ordinary Shares beginning on Page 11.
Lock-Up	The Series A Note Investors and the Bond holder agreed to a lock-up period of six (6) months and ninety (90) calendar days, respectively from the date our Class A Ordinary Shares commence trading on NASDAQ Global Market. In addition, our directors, executive officers, and substantially all of our existing shareholders are expected to enter into a lock-up agreement with the Underwriters not to sell, transfer or dispose of any Class A Ordinary Shares for a period of 180 days after the date of this prospectus. See "Shares Eligible for Future Sale," "Underwriting" and "Lock-Up Agreements".
Dividend Policy	We have no present plan to declare dividends and plan to retain our earnings to continue to grow our business.

Summary Financial Data

The following summary statements of operations (predecessor basis) for the year ended December 31, 2016 and for the period January 1, 2017 through February 28, 2017, as well as the related consolidated statements of operations and comprehensive loss (successor basis) for the period March 1, 2017 through December 31, 2017, have been derived from our audited financial statements included elsewhere in this prospectus.

Our management believes that the assumptions underlying our financial statements and the above allocations are reasonable. Our financial statements, however, may not necessarily reflect our results of operations, financial position and cash flows as if we had operated as a separate, stand-alone company during the periods presented. You should not view our historical results as an indicator of our future performance.

The following table presents our summary statements of operations (predecessor basis) for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017.

Selected Statements of Operations (Predecessor Basis)
(In U.S. Dollars)

	Year Ended December 31, 2016	January 1, 2017 through February 28, 2017
Investment income:		
Dividend income from unaffiliated issuers	$ 57,642	$ -
Interest income	28,800	3,011
Total investment income	86,442	3,011
Expenses		
General and administrative fees	79,750	17,516
Management fees	641,807	108,958
Legal and professional fees	106,031	98,646
Other operating expenses	50,646	1,907
Total expenses	878,234	227,027
Net investment loss	$ (791,792)	$ (224,016)
Realized and unrealized losses		
Net realized losses on investments in unaffiliated issuers	$ (840,485)	$ (15,327)
Net change in unrealized depreciation on investments	(502,238)	(386,741)
Net realized and unrealized losses	(1,342,723)	(402,068)
Net decrease in net assets resulting from operations	$ (2,134,515)	$ (626,084)

The following table presents our summary consolidated statement of operations and comprehensive loss (successor basis) for the period March 1, 2017 through December 31, 2017.

Selected Consolidated Statement of Operations and Comprehensive Loss (Successor Basis)
(In U.S. Dollars, except number of shares)

Expenses:	
Research and development expenses	$ 2,501,420
General and administrative fees	1,480,093
Legal and professional fees	1,395,490
Amortization and depreciation	58,903
Other operating expenses	257,177
Total expenses	5,693,083
Other income:	
Gain on investments in marketable securities, net	3,912,500
Loss on investments in derivatives, net	(827,501)
Interest income	44,269
Dividend income	2,308
Total other income, net	3,131,576
Net loss	(2,561,507)
Less: net loss attributable to non-controlling interests	(14,045)
Net loss attributable to Aptorum Group Limited	$ (2,547,462)
Net loss per share – basic and diluted*	$ (0.09)
Weighted-average shares outstanding – basic and diluted	26,963,435
Net loss	$ (2,561,507)
Other comprehensive loss	
Unrealized loss on investments in available-for-sale securities	(367,782)
Other comprehensive loss	(367,782)
Comprehensive loss	(2,929,289)
Less: comprehensive loss attributable to non-controlling interests	(14,045)
Comprehensive loss attributable to the shareholders of Aptorum Group Limited	$ (2,915,244)

* The shares and per share data are presented at a weighted average basis to reflect the nominal share issuance.

The following table presents our summary consolidated balance sheet (successor basis) as of December 31, 2017.

	As of December 31, 2017
Cash and restricted cash	$ 16,725,807
Total current assets	20,283,399
Total assets	31,559,982
Total liabilities	1,330,734
Total equity attributable to the shareholders of Aptorum Group Limited	30,243,293
Non-controlling interests	(14,045)
Total equity	30,229,248
Total liabilities and equity	$ 31,559,982

RISK FACTORS

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

Risks Related to Our Financial Position and Need for Additional Capital

We are a Hong Kong based pharmaceutical company, currently in the preclinical stage with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

As of March 1, 2017, Aptorum Group Limited was restructured into its current form as an operating company (the "Restructure"). Prior to that, Aptorum Group Limited was formerly known as APTUS Holdings Limited and STRIKER ASIA OPPORTUNITIES FUND CORPORATION, which was set up on September 13, 2010, and invested primarily in U.S.-based life sciences companies on a portfolio investment basis.

We have not yet demonstrated the ability to initiate or successfully complete large-scale and pivotal clinical trials, obtain regulatory approvals, manufacture drugs at commercial scales, or arrange for others to do so on our behalf, or conduct sales and marketing activities necessary for successful commercialization. We have not yet obtained regulatory approval for, or demonstrated an ability to commercialize any of our drug candidates. We have no products approved for commercial sale and have not generated any revenue from product sales. Consequently, any forecasts or assumptions regarding our future success or viability may not be as accurate as they could be if we had a longer operating history.

For example, one of our major focuses is the discovery and development of innovative imaging agents for diagnosing early stage Alzheimer's disease and related neurodegenerative diseases. Our limited operating history, particularly in light of the rapidly evolving Alzheimer's research and treatment field, may make it difficult to evaluate our current business and prospects for future performance. Our short history subjects any assessment of our future performance to significant uncertainty. We will encounter risks and difficulties that are frequently experienced by early stage companies in rapidly evolving fields, as we seek to transition into a company which is capable of supporting commercial activities. In addition, as a new business, we may be more likely to encounter unforeseen expenses, difficulties, complications and delays due to our limited experience. If we do not address these risks and difficulties successfully, our business will be adversely affected.

We currently do not generate revenue from product sales and may never become profitable; unless we can raise more capital through additional financings, of which there can be no guarantee, our principal source of revenue will be from AML Clinic, which may not be substantial.

Our ability to generate revenue and become profitable depends upon our ability to successfully complete the development of, and obtain the necessary regulatory approvals for, the drug candidates in our Lead Projects and any future drug candidates we may develop, as we do not currently have any drugs that are available for commercial sale. We expect to continue to incur losses before commercialization of our drug candidates and any future drug candidates. None of our drug candidates has been approved for marketing in the U.S., Europe, the PRC or any other jurisdictions and may never receive such approval. Our ability to generate revenue and achieve profitability is dependent on our ability to complete the development of our drug candidates and any future drug candidates we develop in the pipeline, obtain necessary regulatory approvals, and have our drugs products in the pipeline manufactured and successfully marketed, of which there can be no guarantee. Although AML Clinic commenced operations in June 2018 and we expect to receive some revenue from such operations, even at full capacity, AML Clinic may not bring enough revenue to support our operation and R&D. Thus, we may not be able to generate a profit until our drug candidates become profitable.

Even if we receive regulatory approval and marketing authorization for one or more of our drug candidates or one or more of any future drug candidates for commercial sale, a potential product may not generate revenue at all unless we are successful in:

- developing a sustainable and scalable manufacturing process for our drug candidates and any approved products, including establishing and maintaining commercially viable supply relationships with third parties;
- launching and commercializing drug candidates following regulatory approvals and marketing authorizations, either directly or with a collaborator or distributor;
- obtaining market acceptance of our drug candidates as viable treatment options;

- addressing any competing technological and market developments;
- negotiating and maintaining favorable terms in any collaboration, licensing or other arrangement into which we may enter to commercialize drug candidates for which we have obtained required approvals and marketing authorizations; and
- maintaining, protecting and expanding our portfolio of IP rights, including patents, trade secrets and know-how.

In addition, our ability to achieve and maintain profitability depends on timing and the amount of expenses we will incur. Our expenses could increase materially if we are required by the FDA, CFDA, EMA or other comparable regulatory authorities to perform studies in addition to those that we currently have anticipated. Even if our drug candidates are approved for commercial sale, we anticipate incurring significant costs associated with the commercial launch of these products.

Our ability to become and remain profitable depends on our ability to generate revenue. Even if we are able to generate revenues from AML Clinic or the sale or sublicense of any products we may develop or license, we may not become profitable on a sustainable basis or at all. Our failure to become and remain profitable would decrease the value of our Company and adversely affect the market price of our Class A Ordinary Shares, which could impair our ability to raise capital, expand our business or continue our operations, and may cause you to lose all or part of your investment.

AML Clinic's operations may be our principal source of revenue for the foreseeable future and most likely, without additional financing, such revenue will not be sufficient for us to carry out all of our plans.

As stated above, we have not generated any revenue and do not foresee generating any revenue from our drug candidates in the near future. As stated elsewhere in this prospectus, effective as of March 2018, we leased the property in Central Hong Kong that is the home to AML Clinic, which commenced operations in June 2018.

Until our therapeutic candidates produce revenue, our principal source of revenue shall be from AML Clinic, but we cannot guarantee that it will provide the expected revenue, and even if expected revenue is realized, it will not be sufficient by itself to fund our other operations. Based on the above, we will need to seek additional financing to carry out our business and meet our goals.

We expect to incur net losses in each period for the foreseeable future primarily due to ongoing research and development costs.

Product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a drug or device candidate will fail to gain regulatory approval and/or achieve commercial viability and acceptance by patients, doctors and payors.

We have devoted most of our financial resources to research and development, including licensing fees, sponsored research expenses and our preclinical studies and CMC costs. We have not obtained marketing approvals or generated any revenue from product sales to date, and we continue to incur significant development and other expenses related to our ongoing operations. As a result, we are not profitable and have incurred losses in each period since our inception. For the ten months ended December 31, 2017, we reported a consolidated net loss of $2.56 million. For the two-months ended February 28, 2017, we reported a net loss of $0.63 million based on entity level. For the twelve months ended December 31, 2016, we reported a net loss of $2.13 million. Substantially all of our operating expenses in 2017 and 2016 were related to ongoing administrative costs and research and development costs. In relation to fiscal 2018 and onwards, we expect Aptorum Group to continue to incur net operating losses from costs incurred in connection with our research and development programs and from general and administrative costs associated with our operations.

We expect to continue to incur losses in the foreseeable future, and we expect these losses to increase as we continue the development of and request for regulatory approvals for our drug and device candidates (in particular, for our drug candidates), and begin to commercialize the approved drugs, if any. Typically, it takes almost ten years to develop a new drug from "discovery to commercialization." We may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may increase our expenses and adversely affect our ability to generate revenue. The size of our future net losses will depend, in part, on the rate of future growth of our expenses, our ability to generate revenues and the timing and amount of milestones and other required payments in connection with our potential future arrangements with others. If any of our drug or device candidates fail in clinical trials or do not gain regulatory approval, or if approved, fail to achieve market acceptance, we may never become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our shareholders' equity and working capital.

We expect our R&D expenses to continue to be significant in connection with our continued investment in our ongoing and preclinical development and studies for our current drug and device candidates and any future drug candidates we may develop. Furthermore, if we obtain regulatory approval for our drug and device candidates, we expect to incur increased sales and marketing expenses. In addition, once we are a public company, we will incur additional costs associated with operating as a public company. As a result, we expect to continue to incur significant and increasing operating losses and negative cash flows for the foreseeable future. Such losses have had and will continue to have a material adverse effect on our shareholders' equity, financial position, cash flows and working capital.

We need to obtain additional financing to fund our future operations. If we are unable to obtain such financing, we may be unable to complete the development and commercialization of our current or future drug candidates.

According to a 2014 Pew Trust article (http://www.pewtrusts.org/en/research-and-analysis/articles/2014/03/12/from-lab-bench-to-bedside-a-backgrounder-on-drug-development), "Moving a potential therapy from concept to market can take between 10 and 15 years and cost developers as much as $1 billion." Furthermore, a 2018 news release from the FDA (https://www.fdanews.com/articles/185475-new-big-data-study-from-mit-puts-clinical-trial-success-rate-at-14-percent) reported an MIT study concluding that, in the United States, one-in-seven (approximately 14 percent) of all drugs that enter clinical trials after approval of an IND filing eventually win marketing approval from the FDA.

We have financed our operations with a combination of existing equity from shareholders, equity and debt offerings, as well as public grants. Until December 31, 2017, we raised approximately $8.6 million in equity financing, bringing the total equity invested in the Group to $30.2 million as of December 31, 2017. As of the date hereof, we have not received any upfront payment or milestone payment from third parties who may sublicense our drug candidates. Our drug candidates will require the completion of regulatory review, significant marketing efforts and substantial investment before they can provide us with any revenue from product sales or licensing.

Our operations have consumed substantial amounts of cash since inception. The net cash used for our operating activities was $5.78 million, $0.27 million and $2.81 million for the ten months ended December 31, 2017, the two months ended February 28, 2017 and the year ended December 31, 2016, respectively. We expect to continue to spend substantial amounts on discovering new drug candidates, licensing assets, advancing the development of our drug candidates, completion of clinical supply manufacturing and manufacturing activities at commercial scales, and launching and commercializing any drug candidates for which we receive regulatory approval, including building our own commercial organizations to address certain markets. We need to obtain additional financing to fund our future operations, including completing the development and commercialization of the drug candidates in our Lead Projects: NLS-1, ALS-1 and ALS-4. We need to obtain additional financing to conduct additional preclinical studies and clinical trials for the approval of our drug candidates, and completing the development of any additional drug candidates we discover and/or license. Moreover, our fixed expenses such as rents, interest expenses and other contractual commitments are substantial and are expected to increase in the future.

Our future funding requirements will depend on many factors, including but not limited to:

- the progress, timing, scope and costs of our future preclinical development and clinical trials, including the ability to timely enroll patients in clinical trials;
- the outcome, timing and cost of regulatory approvals by the FDA, CFDA, EMA and comparable regulatory authorities, including any additional studies we may be required to perform;
- the cost of commercialization of our drug candidates;
- the cost and timing of completion of clinical supply and our outsourced manufacturing activities at commercial scales;
- our ability to successfully incubate and commercialize our drug candidates;
- the amount of profit we earn from drug candidates that we succeed in commercializing, if any, including the sales prices for such potential products and the availability of adequate third-party reimbursement;
- the amount and timing of the milestone and royalty payments we may receive from collaborators under licensing or sublicensing arrangements we may enter into in the future, if any;
- the cost of filing, prosecuting, defending and enforcing any patent claims and other IP rights, including those which we have licensed from other parties;
- the expenses associated with any potential future collaborations, licensing or other arrangements that we may establish;
- cash requirements of any future acquisitions and the development of other drug candidates;

- the costs of operating as a public company;
- the time and cost necessary to respond to technological and market developments; and
- the number and characteristics of drug candidates that we may develop and expenses associated with such developments.

We may finance our future cash needs through public or private equity offerings and debt financings, as well as asset licenses or sales or business combination or other restructuring transactions that generate cash for operations.

Although we believe that the net proceeds from this Offering, together with cash on hand and the proceeds of our recent Note and Bond offerings, will be sufficient for us to continue to operate for the next 12 months, we may utilize our capital resources sooner than we expect. However, such capital will not be sufficient to enable us to complete the preclinical development or commercial launch of our current drug candidates. In addition, development of other drug candidates will require substantial additional funds. Accordingly, we will require further funding which may not be available to us on reasonable terms, or at all. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or completely abandon our research and development programs or future commercialization efforts. Our inability to obtain additional funding when we needed could seriously harm our business.

We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we must focus our licensing, research and development programs on specific drug candidates that we identify as more likely in the current environment to achieve success. As a result, we may be forced to forego or delay pursuit of opportunities with other drug candidates or for other indications or services that may later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. In addition, if we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through collaboration, licensing or other royalty arrangements when it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate.

Risks Related to the Preclinical and Clinical Development of Our Drug Candidates

We depend substantially on the success of the drug candidates being researched as our current Lead Projects, which are in the preclinical stage of development. The preclinical development, IND-enabling, and clinical trials of our drug candidates may not be successful. If we are unable to license or sublicense, sell or otherwise commercialize our drug candidates, or experience significant delays in doing so, our business will be materially harmed.

Our business and the ability to generate revenue related to product sales, if ever achieved, will depend on the successful development, regulatory approval and licensing or sublicensing or other commercialization of our drug candidates or any other drug candidates we may develop. We have invested a significant amount of financial resources in the development of our drug candidates and we expect to invest in other drug candidates. The success of our drug candidates and any other potential drug candidates will depend on many factors, including but not limited to:

- successful enrollment in, and completion of, studies in animals and clinical trials;
- other parties' ability in conducting our clinical trials safely, efficiently and according to the agreed protocol;
- receipt of regulatory approvals from the FDA, CFDA, EMA and other comparable regulatory authorities for our drug candidates;
- our ability to establish commercial manufacturing capabilities by making arrangements with third-party manufacturers;
- reliance on other parties to conduct our clinical trials swiftly and effectively;
- launch of commercial sales of our drug candidates, if and when approved;
- obtaining and maintaining patents, trade secrets and other IP protection and regulatory exclusivity, as well as protecting our rights in our own IP;
- ensuring that we do not infringe, misappropriate or otherwise violate patents, trade secrets or other IP rights of other parties;
- obtaining acceptance of our drug candidates by doctors and patients;

- obtaining reimbursement from third-party payors for our drug candidates, if and when approved;
- our ability to compete with other drug candidates and drugs; and
- maintenance of an acceptable safety profile for our drug candidates following regulatory approval, if and when received.

We may not achieve regulatory approval and commercialization in a timely manner or at all. Significant delays in obtaining approval for and/or to successfully commercialize our drug candidates would materially harm our business and we may not be able to generate sufficient revenues and cash flows to continue our operations.

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

Although we intend to explore other therapeutic opportunities in addition to the drug candidates that we are currently developing, we may fail to identify other drug candidates for a number of reasons. For example, our research methodology may be unsuccessful in identifying potential drug candidates or those we identify may be shown to have harmful side effects or other undesirable characteristics that make them unmarketable or unlikely to receive regulatory approval.

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

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

Because we have limited financial and managerial resources, we have chosen to focus at present on our three Lead Projects, which may ultimately prove to be unsuccessful. As a result of this focus, we may forego or delay pursuit of opportunities with other drug candidates, or for other indications that later prove to have greater commercial potential or a greater likelihood of success. Even if we determine to pursue alternative therapeutic or diagnostic drug candidates, these other drug candidates or other potential programs may ultimately prove to be unsuccessful. In short, our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities.

Accordingly, there can be no assurance that we will ever be able to develop suitable potential drug candidates through internal research programs. This could materially adversely affect our future growth and prospects.

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

While we have not commenced any clinical trials and do not expect to start our first clinical trials until at least 2020 or 2021, assuming we obtain approval to do so from at least one regulatory authority, of which there can be no assurance, timely completion of clinical trials in accordance with their protocols depends, among other things, on our ability to enroll a sufficient number of patients who meet the trial criteria and remain in the trial until its conclusion. We may experience difficulties enrolling and retaining appropriate patients in our clinical trials for a variety of reasons, including but not limited to:

- the size and nature of the patient population;
- patient eligibility criteria defined in the clinical protocol;
- the size of study population required for statistical analysis of the trial’s primary endpoints;
- the proximity of patients to trial sites;
- the design of the trial and changes to the design of the trial;

- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- competing clinical trials for similar therapies or other new therapeutics exist and will reduce the number and types of patients available to us;
- clinicians' and patients' perceptions as to the potential advantages and side effects of the drug candidate being studied in relation to other available therapies, including any new drugs or treatments that may be approved for the indications we are investigating;
- our ability to obtain and maintain patient consents;
- patients enrolled in clinical trials may not complete a clinical trial; and
- the availability of approved therapies that are similar to our drug candidates.

Even if we are able to enroll a sufficient number of patients in our clinical trials, delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these trials and adversely affect our ability to advance the development of our drug candidates.

Clinical drug development involves a lengthy and expensive process and could fail at any stage of the process. We have limited experience in conducting clinical trials and results of earlier studies and trials may not be reproduced in future clinical trials.

For our drug candidates, clinical testing is expensive and can take many years to complete, while failure can occur at any time during the clinical trial process. The results of studies in animals and early clinical trials of our drug candidates may not predict the results of later-stage clinical trials. Drug candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through studies in animals and initial clinical trials. In some instances, there can be significant variability in safety and/or efficacy results between different trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations (including genetic differences), patient adherence to the dosing regimen and the patient dropout rate. Results in later trials may also differ from earlier trials due to a larger number of clinical trial sites and additional countries and languages involved in such trials. In addition, the design of a clinical trial can determine whether its results will support approval of a drug candidate, and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced and significant expense has been incurred.

A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in advanced clinical trials due to lack of demonstrated efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. Clinical trials of potential products often reveal that it is not practical or feasible to continue development efforts. Furthermore, if the trials we conduct fail to meet their primary statistical and clinical endpoints, they will not support the approval from the FDA, CFDA, EMA or other comparable regulatory authorities for our drug candidates. If this occurs, we would need to replace the failed study with new trials, which would require significant additional expense, cause substantial delays in commercialization and materially adversely affect our business, financial condition, cash flows and results of operations. (See "We are subject to risks related to the carrying out and outcome of clinical trials of medical devices")

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

Before applying for and obtaining regulatory approval for the sale of any of our drug candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and may fail. A failure of one or more of our clinical trials can occur at any stage of testing and successful interim results of a clinical trial do not necessarily predict successful final results.

We and our CROs are required to comply with current Good Clinical Practices ("cGCP") requirements, which are regulations and guidelines enforced by the FDA, CFDA, EMA and other comparable regulatory authorities for all drugs in clinical development. Regulatory authorities enforce these cGCP through periodic inspections of trial sponsors, principal investigators and trial sites. Compliance with cGCP can be costly and if we or any of our CROs fail to comply with applicable cGCP, the clinical data generated in our clinical trials may be deemed unreliable and the FDA, CFDA, EMA or comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications.

We may experience numerous unexpected events during, or as a result of, clinical trials that could delay or prevent our ability to receive regulatory approval or commercialize our drug candidates, including but not limited to:

- regulators, institutional review boards ("IRBs") or ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- clinical trials of our drug candidates may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon drug development programs;
- the number of patients required for clinical trials of our drug candidates may be larger than we anticipate, enrollment may be insufficient or slower than we anticipate or patients may drop out at a higher rate than we anticipate;
- our contractors and investigators may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials of our drug candidates for various reasons, including a lack of clinical response or a determination that participants are being exposed to unacceptable health risks;
- regulators, IRBs or ethics committees may require that we or our investigators suspend or terminate clinical research for various reasons, including non-compliance with regulatory requirements;
- the cost of clinical trials of our drug candidates may be greater than we anticipate;
- the supply or quality of our drug candidates or other materials necessary to conduct clinical trials of our drug candidates may be insufficient or inadequate; and
- our drug candidates may cause adverse events, have undesirable side effects or other unexpected characteristics, causing us, our investigators, or regulators to suspend or terminate the trials.

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

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

Delays in testing or approvals may result in increases in our drug development costs. We do not know whether any clinical trials will begin as planned, will need to be restructured, or will be completed on schedule, or at all. Clinical trials may produce negative or inconclusive results. Moreover, these trials may be delayed or proceed less quickly than intended. Delays in completing our clinical trials will increase our costs, slow down our drug candidate development and approval process, and jeopardize our ability to commence product sales and generate revenues and we may not have sufficient funding to complete the testing and approval process. Any of these events may significantly harm our business, financial condition and prospects, lead to the denial of regulatory approval of our drug candidates or allow our competitors to bring drugs to market before we do, impairing our ability to commercialize our drugs if and when approved.

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

We may in the future conduct clinical trials for our drug candidates in sites outside the U.S. and the FDA may not accept data from trials conducted in such locations.

We may in the future conduct certain of our clinical trials outside the U.S. Although the FDA may accept data from clinical trials conducted outside the U.S. for our New Drug Application ("NDA"), acceptance of this data is subject to certain conditions imposed by the FDA. There can be no assurance the FDA will accept data from any of the clinical trials we conduct outside the U.S. If the FDA does not accept the data from any of our clinical trials conducted outside the U.S., it would likely result in the need for additional clinical trials in the U.S., which would be costly and time-consuming and could delay or prevent the commercialization of any of our drug candidates.

Risks Related to Obtaining Regulatory Approval for Our Drug Candidates

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

We cannot commercialize drug candidates without first obtaining regulatory approval to market each drug from the FDA, CFDA, EMA or comparable regulatory authorities. Before obtaining regulatory approvals for the commercial sale of any drug candidate for a target indication, we must demonstrate in studies in animals and well-controlled clinical trials, and, with respect to approval in the United States and other regulatory agencies, to the satisfaction of the FDA, CFDA, EMA or comparable regulatory authorities, that the drug candidate is safe and effective for use for that target indication and that the manufacturing facilities, processes and controls are adequate.

The time required to obtain approval from the FDA, CFDA, EMA and other comparable regulatory authorities is unpredictable but typically takes many years following the commencement of studies in animals and clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities.

In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval can differ among regulatory authorities and may change during the course of the development of a drug candidate. We have not obtained regulatory approval for any drug candidate. It is possible that neither our existing drug candidates nor any drug candidates we may discover or acquire for development in the future will ever obtain regulatory approval. Even if we obtain regulatory approval in one jurisdiction, we may not obtain it in other jurisdictions.

Our drug candidates could fail to receive regulatory approval from any of the FDA, CFDA, EMA or other comparable regulatory authorities for many reasons, including but not limited to:

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

Any of the FDA, CFDA, EMA or other comparable regulatory authorities may require more information, including additional preclinical studies or clinical data, to support approval, which may delay or prevent approval and our commercialization plans, or we may decide to abandon the development program. If we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request. Regulatory authorities also may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a drug candidate with a label that is not desirable for the successful commercialization of that drug candidate. In addition, if our drug candidate produces undesirable side effects or involves other safety issues, the FDA may require the establishment of a Risk Evaluation Mitigation Strategy ("REMS"), or CFDA, EMA or other comparable regulatory authorities may require the establishment of a similar strategy. Such a strategy may, for instance, restrict distribution of our drug candidates, require patient or physician education, or impose other burdensome implementation requirements on us.

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

We currently do not have any drug candidates that have gained approval for sale by the FDA, CFDA or EMA or other regulatory authorities in any other country, and we cannot guarantee that we will ever have marketable drugs. Our business is substantially dependent on our ability to complete the development of, obtain marketing approval for and successfully commercialize drug candidates in a timely manner. We cannot commercialize drug candidates without first obtaining marketing approval from the FDA, CFDA, EMA and comparable regulatory authorities. In the U.S., we hope to file INDs for the drug candidates from our Lead Projects and, subject to the approval of IND, Phase 1 clinical trials in humans. Even if we are permitted to commence such clinical trials, they may not be successful and regulators may not agree with our conclusions regarding the data generated by our clinical trials.

We may be unable to complete development of our drug candidates or initiate or complete development of any future drug candidates we may develop on our projected schedule. While we believe that the net proceeds of this Offering, together with existing cash, will likely enable us to complete the preclinical development of at least one of our current Lead Projects, even assuming we can complete such preclinical studies for any drug candidate by 2021, the full clinical development, manufacturing and launch of that drug candidate, will take significant additional time and likely require funding beyond the proceeds of this Offering. In addition, if regulatory authorities require additional time or studies to assess the safety or efficacy of our drug candidates, we may not have or be able to obtain adequate funding to complete the necessary steps for approval for our drug candidates or any future drug candidates.

Preclinical studies in animals and clinical trials in humans to demonstrate the safety and efficacy of our drug candidates are time-consuming, expensive and take several years or more to complete. Delays in preclinical or clinical trials, regulatory approvals or rejections of applications for regulatory approval in the U.S., Europe, the PRC or other markets may result from many factors, including but not limited to:

- our inability to obtain sufficient funds required to conduct or continue a trial, including lack of funding due to unforeseen costs or other business decisions;
- regulatory reports for additional analysts, reports, data, preclinical studies and clinical trials;
- failure to reach agreement with, or inability to comply with conditions imposed by the FDA, CFDA, EMA or other regulators regarding the scope or design of our clinical trials;
- regulatory questions regarding interpretations of data and results and the emergence of new information regarding our drug candidates or other products;
- delay or failure in obtaining authorization to commence a clinical trial or inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical trial;
- withdrawal of clinical trial sites from our clinical trials as a result of changing standards of care or the ineligibility of a site to participate in our clinical trials;
- unfavorable or inconclusive results of clinical trials and supportive non-clinical studies, including unfavorable results regarding effectiveness of drug candidates during clinical trials;
- difficulty in maintaining contact with patients during or after treatment, resulting in incomplete data;
- our inability to obtain approval from IRBs or ethics committees to conduct clinical trials at their respective sites;
- our inability to enroll and retain a sufficient number of patients who meet the inclusion and exclusion criteria in a clinical trial;
- our inability to conduct a clinical trial in accordance with regulatory requirements or our clinical protocols;
- clinical sites and investigators deviating from trial protocol, failing to conduct the trial in accordance with regulatory requirements, withdrawing from or dropping out of a trial, or becoming ineligible to participate in a trial;
- failure of our clinical trial managers to satisfy their contractual duties or meet expected deadlines;
- manufacturing issues, including problems with manufacturing or timely obtaining from third parties sufficient quantities of a drug candidate for use in a clinical trial;
- ambiguous or negative interim results, or results that are inconsistent with earlier results;

- feedback from the FDA, CFDA, EMA, an IRB, data safety monitoring boards, or comparable entities, or results from earlier stage or concurrent studies in animals and clinical trials, regarding our drug candidates, including which might require modification of a trial protocol;

- unacceptable risk-benefit profile or unforeseen safety issues or adverse side effects; and

- a decision by the FDA, CFDA, EMA, an IRB, comparable entities, or the Company, or recommendation by a data safety monitoring board or comparable regulatory entity, to suspend or terminate clinical trials at any time for safety issues or for any other reason.

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

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

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

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

Undesirable adverse events caused by our drug candidates or any future drug candidates we may develop could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, CFDA, EMA or other comparable regulatory authorities. Results of our potential clinical trials could reveal a high and unacceptable severity or prevalence of adverse effects. In such event, our trials could be suspended or terminated and the FDA, CFDA, EMA or other comparable regulatory authorities could order us to cease further development of, or deny approval of, our drug candidates for any or all targeted indications. Drug-related adverse events could also affect patient recruitment or the ability of enrolled subjects to complete the trial, could result in potential product liability claims and may harm our reputation, business, financial condition and business prospects significantly.

Additionally, if any of our current or future drug candidates receives regulatory approval, and we or others later identify undesirable side effects caused by such drugs, a number of potentially significant negative consequences could result, including but not limited to:

- suspending the marketing of the drug;

- having regulatory authorities withdraw approvals of the drug;

- adding warnings on the label;

- developing a REMS for the drug or, if a REMS is already in place, incorporating additional requirements under the REMS, or to develop a similar strategy as required by a comparable regulatory authority;

- conducting post-market studies;

- being sued and held liable for harm caused to subjects or patients; and

- damage to our reputation.

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

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

If our drug candidates or any future drug candidates we develop are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies, and submission of safety, efficacy, and other post-market information, including both federal and state requirements in the United States and requirements of comparable regulatory authorities outside of the United States.

Manufacturers and manufacturers' facilities are required to comply with extensive requirements from the FDA, CFDA, EMA and comparable regulatory authorities, including, in the United States, ensuring that quality control and manufacturing procedures conform to cGMP regulations. As such, our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA, other marketing application, and previous responses to inspection observations. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Any regulatory approvals that we receive for our drug candidates may be subject to limitations on the approved indicated uses for which the drug may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials and surveillance to monitor the safety and efficacy of the drug candidate. The regulatory authorities may also require risk management plans or programs as a condition of approval of our drug candidates (such as REMS of the FDA and risk-management plan of the EMA), which could entail requirements for long-term patient follow-up, a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA, CFDA, EMA or a comparable regulatory authority approves our drug candidates, we will have to comply with requirements including, for example, submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGCP and cGMP, for any clinical trials that we conduct post-approval.

The FDA may impose consent decrees or withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug reaches the market. Later discovery of previously unknown problems with our drug candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical studies to assess new safety risks; or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of our drug candidates, withdrawal of the product from the market, or voluntary or mandatory product recalls;
- fines, untitled or warning letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of license approvals;
- product seizure or detention, or refusal to permit the import or export of our drug candidates; and
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Companies may promote drugs only for the approved indications and in accordance with the provisions of the approved label and may not promote drugs for any off-label use, such as uses that are not described in the product's labeling and that differ from those approved by the regulatory authorities. However, physicians may prescribe drug products for off-label uses and such off-label uses are common across some medical specialties. Thus, they may, unbeknownst to us, use our product for an "off label" indication for a specific treatment recipient. The FDA, CFDA, EMA and other regulatory authorities actively enforce the laws and regulations prohibiting the promotion of off-label uses, and if we are found to be out of compliance with the requirements and restrictions imposed on us under those laws and restrictions, we may be subject to significant liability, including civil and administrative remedies as well as criminal sanctions, and the off-label use of our products may increase the risk of product liability claims. In addition, management's attention could be diverted from our business operations and our reputation could be damaged.

The policies of the FDA, CFDA, EMA and other regulatory authorities may change and we cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any regulatory approval that we may have obtained and we may not achieve or sustain profitability.

We may be subject to government regulations for dietary supplements

The Company may develop some of the molecules under development in formulations intended as dietary supplements. The FDA regulates dietary supplements and drugs under different regulatory schemes, and the Company's dietary supplement formulations will also be subject to other government regulation, including regulation by the Centers for Medicare & Medicaid Services, or CMS, other divisions of the U.S. Department of Health and Human Services, state and local governments and the foreign equivalents of the FDA and these other agencies.

For example, the FDA regulates the research, development, preclinical and clinical testing, safety, effectiveness, record keeping, reporting, labeling, storage processing, formulation, safety, manufacturing, packaging, labeling, advertising and distribution import and export of pharmaceutical products under various regulatory provisions. If any dietary supplements we develop are tested or marketed abroad, they will also be subject to extensive regulation by foreign governments, whether or not we have obtained FDA approval for a given product and its uses. Such foreign regulation may be equally or more demanding than corresponding U.S. regulation.

In addition, the regulatory policies of the agencies in the U.S. or other countries may change and additional government regulations may be issued that could prevent, limit, or delay regulatory approval of our dietary supplement candidates, or impose more stringent product labeling and post-marketing testing and other requirements.

Risks Related to Commercialization of Our Drug Candidates

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

After we complete clinical trials and receive regulatory approval for any of our drug candidates, which may not happen for some time, we recognize that such candidate(s) may ultimately fail to gain sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. We may not be able to achieve or maintain market acceptance of our products over time if new products or technology are introduced that are more favorably received than our products, are more cost effective or render our drug obsolete. We will face competition with respect to our drug candidates from other pharmaceutical companies developing products in the same disease/therapeutic area and specialty pharmaceutical and biotechnology companies worldwide. Many of the companies against which we may be competing have significantly greater financial resources and expertise in research and development, manufacturing, animal testing, conducting clinical trials, obtaining regulatory approvals and marketing approval for drugs than we do. Physicians, patients and third-party payors may prefer other novel products to ours, which means that we may not generate significant sales revenues for that product and that product may not become profitable. The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including but not limited to:

- clinical indications for which our drug candidates are approved;
- physicians, hospitals, and patients considering our drug candidates as a safe and effective treatment;
- the potential and perceived advantages of our drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of the FDA, CFDA, EMA or other comparable regulatory authorities;
- limitations or warnings contained in the labeling approved by the FDA, CFDA, EMA or other comparable regulatory authorities;
- the timing of market introduction of our drug candidates as well as competitive drugs;
- the cost of treatment in relation to alternative treatments and their relative benefits;
- the availability of adequate coverage, reimbursement and pricing by third-party payors and government authorities;
- lack of experience and financial and other limitations on our ability to create and sustain effective sales and marketing efforts or ineffectiveness of our sales and marketing partners; and
- changes in legislative and regulatory requirements that could prevent or delay regulatory approval of our drug candidates, restrict or regulate post-approval activities and affect our ability to profitably sell any drug candidates for which we obtain regulatory approval.

Risks Related to Our IP

A significant portion of our IP portfolio currently comprises pending patent applications and provisional patents that have not yet been issued as granted patents and if the pending patent applications and provisional patents covering our product candidates fail to be issued, our business will be adversely affected. If we or our licensors are unable to obtain and maintain patent protection for our technology and drugs, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be adversely affected.

Our success depends largely on our ability to obtain and maintain patent protection and other forms of IP rights for the composition of matter, method of use and/or method of manufacture for each of our drug candidates. Failure to obtain, maintain protection, enforce or extend adequate patent and other IP rights could materially adversely affect our ability to develop and market one or more of our drug candidates. We also rely on trade secrets and know-how to develop and maintain our proprietary and IP position for each of our drug candidates. Any failure to protect our trade secrets and know-how with respect to any specific drug and device candidate could adversely affect the market potential of that potential product.

As of the date of the prospectus, the Company has, through its licenses, obtained rights to patents and patent applications covering some or all its drug and device candidates that have been filed in major jurisdictions such as the United States, member states of the European Patent Organization (the "EPO," member states, the "Member States" and patents issuable by the EPO, "European Patent") and the PRC (collectively, "Major Patent Jurisdictions"), as well as in other countries. As of the date hereof, we are the exclusive licensee of 12 U.S. patents and 4 pending U.S. non-provisional applications, 1 U.S. provisional application, as well as corresponding patents and patent applications internationally. In addition, we are the exclusive licensee of 3 international patent applications under the Patent Cooperation Treaty (the "PCT") which we plan to file nationally in the U.S., PRC and other jurisdictions before the expiration of the time limits for entry of national stage application. To the extent we do not seek or obtain patent protection in a particular jurisdiction, we may not have commercial incentive to seek marketing authorization in such jurisdiction. Nonetheless, other parties might enter those markets with generic versions or copies of our products and received regulatory approval without having significantly invested in their own research and development costs compared to the Company's investment.

With respect to issued patents in certain jurisdictions, for example the U.S. and under the EPO, we may be entitled to obtain a patent term extension to extend the patent expiration date provided we meet the applicable requirements for obtaining such patent term extensions. We have sought to support our proprietary position by working with our licensors in filing patent applications in the names of the licensors in the United States and through the PCT, related to the Lead Projects and certain other drug candidates. In the future, we intend to file patent applications on supplemental or improvement IP derived from the licensed technologies, where those IP would be solely or jointly owned by the Company pursuant to the terms of respective license agreements. Filing patents covering multiple technologies in multiple countries is time-consuming and expensive, and we may not have the resources file and prosecute all necessary or desirable patent applications in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

We cannot be certain that patents will be issued or granted with respect to patent applications that are currently pending, or that issued or granted patents will not later be found to be invalid or unenforceable.

The patent position of biotechnology and pharmaceutical companies is generally uncertain because it involves complex legal and factual considerations. The standards applied by the EPO, the U.S. Patent and Trademark Office, or USPTO, and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in biotechnology and pharmaceutical patents. Consequently, patents may not issue from our pending patent applications or provisional patents, and even if they do issue, such patents may not issue in a form that effectively prevents others from commercializing competing products. As such, we do not know the degree of future protection that we will have on our proprietary products and technology.

Additionally, the issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Even if patents do successfully issue and even if such patents cover our drug candidates, other parties may initiate, for patents filed before March 16, 2013 (i.e., the enactment of the America Invents Act), interference or re-examination proceedings, for patents filed on or after March 16, 2013, post-grant review, *inter partes* review, nullification or derivation proceedings, in court or before patent offices, or similar proceedings challenging the validity, enforceability or scope of such patents, which may result in the patent claims being narrowed or invalidated. Successful defense of its patents can constitute a material factor in a company's expenses. According to an August 2017 article published by Bloomberg News (https://www.bna.com/cost-patent-infringement-n73014463011/), depending on the value at stake, the American Intellectual Property Law Association's "2017 Report of the Economic Survey" reported the average cost of a patent litigation in 2017 to be $1.7 million.

In addition, the fact that the Company has exclusive rights to prevent others from using a patented invention does not necessarily mean that the Company itself will have the unrestricted right to use that invention. Other parties may obtain ownership or licenses to patents or other IP rights that cover the manufacture, use or sale of our current or future products (or elements thereof). This may enable such other parties to enforce their patents or IP rights against us, and may, as a result, affect the commercialization of our products or exploitation of our own technology. We endeavor to identify early patents and patent applications which may block development of a product or technology and minimize this risk by conducting prior art searches before and during the projects. However, relevant documents may be overlooked, yet-to-be published or missed, which may in turn impact on the freedom to commercialize the relevant asset. In such cases, we may not be in a position to develop or commercialize products or drug candidates unless we successfully pursue litigation to nullify or invalidate the other IP rights concerned, or enter into a license agreement with the IP right holder, if available on commercially reasonable terms.

If we are unable to obtain and maintain the appropriate scope for our patents, our competitors could develop and commercialize technology and drugs similar or identical to ours, and our ability to successfully commercialize our technology and drugs may be adversely affected.

We may not obtain sufficient claim scope in those patents to prevent another party from competing successfully with our drug and device candidates. Even if our patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. Our competitors may be able to circumvent our patents by developing similar or alternative technology or drug and device candidates in a non-infringing manner. The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our patents may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent us from stopping others from using or commercializing similar or identical technology and drug and device candidates, or limit the duration of the patent protection of our technology and drug and device candidates. Given the amount of time required for the development, testing and regulatory review of new drug and device candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug and device candidates similar or identical to ours.

Further, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' or collaboration partners' patent rights are highly uncertain. Our and our licensors' pending and future patent applications may not result in patents being issued which protect our technology or products, in whole or in part, or which effectively prevent others from commercializing competitive technologies and products.

We may not be able to protect and enforce our IP rights throughout the world.

Our commercial success will depend, in part, on our ability to maintain IP protection for our drug candidates in which we seek to develop and commercialize. While we rely primarily upon a combination of patents, trademarks, trade secrets and other contractual obligations to protect the IP related to our brands, products and other proprietary technologies, these legal means may afford only limited protection.

Filing and prosecuting patents on drug candidates and defending the validity of the same (if challenged) in all countries throughout the world could be prohibitively expensive for us, and our IP rights in countries outside the Major Patent Jurisdictions can be less extensive than those in the Major Patent Jurisdictions. In addition, the laws of some countries in the rest of the world such as India do not protect IP rights to the same extent as laws in the Major Patent Jurisdictions. Consequently, we may not be able to prevent other parties from practicing our inventions in the rest of the world. Competitors may use our technology in jurisdictions where we have not or not yet obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to non-U.S. jurisdictions where we have patent protection.

Our, our licensors' or collaboration partners' patent applications cannot be enforced against other parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover the technology. In addition, patents and other IP rights also will not protect our technology, drug candidates if another party, including our competitors, design around our protected technology, drug candidates without infringing, misappropriating or otherwise violating our patents or other IP rights.

Moreover, currently and as our R&D continues to progress, some of our patents and patent applications are or may be co-owned with another party. Some of our licenses already provide that future-developed technologies (and any resulting patents) will be co-owned with the licensors and other patents for technologies we may acquire or develop with other parties may also be jointly owned. If we are unable to obtain an exclusive license to any such co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other persons, including our competitors, and our competitors could market competing products and technology, and we will be unable to transfer or grant exclusive rights to potential purchasers or development partners of such co-owned technologies. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against other parties, and such cooperation may not be provided to us. Any of the foregoing could limit the revenue we might generate from our patents or patent applications and thus have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Because patent applications are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we or our licensors or collaborators were or will be the first to file any patent application related to a drug or device candidate. Furthermore, in the United States, if patent applications of other parties have an effective filing date before March 16, 2013, an interference proceeding can be initiated by such other party to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. If patent applications of other parties have an effective filing date on or after March 16, 2013, in the United States a derivation proceeding can be initiated by such other parties to determine whether our invention was derived from theirs.

Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing our invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license. In addition, we may be subject to other challenges regarding our exclusive ownership of our IP. If another party were successful in challenging our exclusive ownership of any of our IP, we may lose our right to use such IP, such other party may be able to license such IP to other parties, including our competitors, and our competitors could market competing products and technology. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Many companies have encountered significant problems in protecting and defending IP rights in jurisdictions outside Major Patent Jurisdictions. The legal systems of some countries do not favor the enforcement of patents, trade secrets and other IP, which could make it difficult in those jurisdictions for us to stop the infringement or misappropriation of our patents or other IP rights, or the marketing of competing drugs in violation of our proprietary rights generally.

To date, we have not sought to enforce any issued patents in any jurisdictions. Proceedings to enforce our patent and other IP rights in any jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business.

Furthermore, such proceedings could put our patents at risk of being invalidated, held unenforceable, or interpreted narrowly, could put our patent applications at risk of not issuing, and could provoke other parties to assert claims of infringement or misappropriation against us. We may not prevail in any lawsuits that we initiate in jurisdictions where opposition proceedings are available and the damages or other remedies awarded, if any, may not be commercially meaningful. The requirements for patentability may differ in certain countries, particularly developing countries. Certain countries in Europe, the PRC, and developing countries including India, have compulsory licensing laws under which a patent owner may be compelled to grant licenses to other parties. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to another party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our IP rights around the world may be inadequate to obtain a significant commercial advantage from the IP that we develop.

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

Competitors may infringe our patent rights or misappropriate or otherwise violate our IP rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our IP rights, to protect our trade secrets or determine the validity and scope of our own IP rights or the proprietary rights of others. This can be expensive and time-consuming. Any claim that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their IP rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their IP rights than we can. Accordingly, despite our efforts, we may not be able to prevent other parties from infringing upon or misappropriating our IP. Litigation could result in substantial costs and diversion of management resources, which could harm our business and financial results. In addition, in an infringement proceeding, a court may decide that patent rights or other IP rights owned by us are invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patent rights or other IP rights do not cover the technology in question. An adverse result in any litigation proceeding could put our patent, as well as any patents that may issue in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with IP litigation, there is risk that some of our confidential information could be compromised by disclosure during this type of litigation.

If we initiate legal proceedings against another party to enforce our patent, or any patents that may be issued in the future from our patent applications, that relates to one of our drug and device candidates, the defendant could counterclaim that such patent rights are invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace, and there are numerous grounds upon which another party can assert invalidity or unenforceability of a patent. Parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include ex parte re-examination, *inter partes* review, post-grant review, derivation and equivalent proceedings in non-U.S. jurisdictions, such as opposition proceedings. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our drug and device candidates. With respect to the validity of our patents, for example, there may be invalidating prior art of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our drug and device candidates. Such a loss of patent protection could have a material adverse impact on our business.

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

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

Although we are not currently experiencing any claims challenging the inventorship of our patents or ownership of our IP, we may in the future be subject to claims that former employees, collaborators or other parties have an interest in our patents or other IP as inventors or co-inventors. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our drug and device candidates and who have not clearly contracted to transfer or assign any rights they may have to the Company. In addition, for our licensed patents, although a majority of our licensors have procured assignment forms and records from inventors to affirm their ownership in the licensed IP, another party or former employee or collaborator of our licensors not named in the patents may challenge the inventorship of claim an ownership interest in one or more of our or our licensors' patents. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose rights such as exclusive ownership of, or right to use, our patent rights or other IP. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

If we are sued for infringing IP rights of other parties, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our drug candidates, the outcome of which would be uncertain and could have a material adverse effect on the success of our business.

Our commercial success depends in part on our avoiding infringement of the patents and other IP rights of other parties. There is a substantial amount of litigation involving patent and other IP rights in the biotechnology and pharmaceutical industries. Numerous issued patents, provisional patents and pending patent applications, which are owned by other parties, exist in the fields in which we are developing drug candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our drug candidates may give rise to claims of infringement of the patent rights of others.

Other parties may assert that we are employing their proprietary technology without authorization. There may be other patents of which we are currently unaware with claims to materials, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our drug candidates. Because patent applications can take many years to issue, there may be currently pending patent applications or provisional patents which may later result in issued patents that our drug candidates may infringe. In addition, other parties may obtain patents in the future and claim that use of our technology infringes upon these patents. If any other patents were held by a court of competent jurisdiction to cover the manufacturing process of any of our drug candidates, any molecules formed during the manufacturing process or any final drug itself, the holders of any such patents may be able to prevent us from commercializing such drug candidate unless we obtain a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any other patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the applicable drug candidate unless we obtain a license, limit our uses, or until such patent expires, or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all.

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

Even if resolved in our favor, litigation or other legal proceedings relating to IP claims may cause us to incur significant expenses, and could distract our technical personnel, management personnel, or both from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of our Class A Ordinary Shares. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

There may be patent applications pending of which we are not aware, but which cover similar products to the ones we are attempting to license or develop, which may result in lost time and money, as well as litigation.

It is possible that we have failed to identify relevant outstanding patents or applications. For example, U.S. applications filed before November 29, 2000 and certain U.S. applications filed after that date that will not be filed outside the United States remain confidential until patents are issued. Patent applications filed in the United States after November 29, 2000 and generally filed elsewhere are published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our products could have been filed by others without our knowledge. Additionally, pending patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our products or the use of our products. Holders of any such unanticipated patents or patent applications may actively bring infringement claims against us, with the same potential litigation consequences as alluded to elsewhere in this Prospectus. Any of these events could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

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

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

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

In most countries in which we file, including the United States, the term of an issued patent is generally 20 years from the earliest claimed filing date of a non-provisional patent application in the applicable country. Although various extensions may be available, the life of a patent and the protection it affords is limited. For example, depending upon the timing, duration and specifics of the FDA regulatory approval for our drug candidates, one or more of our U.S. patents, if issued, might be eligible for limited patent term restoration under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments. The Hatch-Waxman Amendments permit a patent term extension of up to five years as compensation for patent term lost during drug development and the FDA regulatory review process. Patent term extensions, however, cannot extend the remaining term of a patent beyond a total of 14 years from the date of drug approval by the FDA, and only one patent can be extended for a particular drug. The application for patent term extension is subject to approval by the USPTO, in conjunction with the FDA. We may not be granted an extension because of, for example, failing to apply within applicable deadlines, failing to apply prior to expiration of relevant patents or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain a patent term extension for a given patent or the term of any such extension is less than we request, the period during which we will have the right to exclusively market our drug will be that of the originally issued patents themselves.

Even if patents covering one of our drug candidates are obtained, thereby giving us a period of exclusivity for manufacturing and marketing that drug, we will not be able to assert such patent rights upon the expiration of the issued patents against potential competitors who may begin marketing generic copies of our medications, and our business and results of operations may be adversely affected.

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

The United States has recently enacted and is currently implementing wide-ranging patent reform legislation. Recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents once obtained, if any. Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents in the United States could change in unpredictable ways that would weaken our ability to obtain new patents, or to enforce our existing patents and patents that we might obtain in the future. For example, in a recent case, *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that certain claims to naturally-occurring substances are not patentable. Although we do not believe that any of the patents owned or licensed by us will be found invalid based on this decision, future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patent rights. There could be similar changes in the laws of foreign jurisdictions that may impact the value of our patent rights or our other IP rights.

In addition, recent patent reform legislation in the U.S., including the Leahy-Smith America Invents Act, or the America Invents Act, could increase those uncertainties and costs. The America Invents Act was signed into law on September 16, 2011, and many of the substantive changes became effective on March 16, 2013. The America Invents Act reforms U.S. patent law in part by changing the U.S. patent system from a “first to invent” system to a “first inventor to file” system, expanding the definition of prior art, and developing a post-grant review system, thus changing the U.S. patent law in a way that may weaken our ability to obtain patent protection in the U.S. for those applications filed after March 16, 2013. Further, the America Invents Act created new procedures to challenge the validity of issued patents in the U.S., including post-grant review and *inter* partes review proceedings, which some other parties have been using to cause the cancellation of selected or all claims of issued patents of competitors. For a patent with an effective filing date of March 16, 2013 or later, a petition for post-grant review can be filed by another party in a nine-month window from issuance of the patent. A petition for *inter partes* review can be filed immediately following the issuance of a patent if the patent has an effective filing date prior to March 16, 2013. A petition for *inter partes* review can be filed after the nine-month-period for filing a post-grant review petition has expired for a patent with an effective filing date of March 16, 2013 or later. Post-grant review proceedings can be brought on any ground of invalidity, whereas *inter partes* review proceedings can only raise an invalidity challenge based on published prior art and patents. These adversarial actions at the USPTO review patent claims without the presumption of validity afforded to U.S. patents in lawsuits in U.S. federal courts, and use a lower burden of proof than used in litigation in U.S. federal courts. Therefore, it is generally considered easier for a competitor or other party to have a U.S. patent invalidated in a USPTO post-grant review or *inter partes* review proceeding than invalidated in a litigation in a U.S. federal court. If any of our patents are challenged by another party in such a USPTO proceeding, there is no guarantee that we or our licensors or collaborators will be successful in defending the patent, which would result in our loss of the challenged patent right.

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

In addition to our issued patents, provisional patents and pending patent applications, we expect to rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and protect our drug and device candidates. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties that have access to them, such as our employees, corporate collaborators, outside scientific collaborators, sponsored researchers, contract manufacturers, consultants, advisors and other parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. However, any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If trade secrets which are material to our business were to be obtained by a competitor, our competitive position would be harmed.

We may be subject to claims that our employees have wrongfully used or disclosed alleged trade secrets of their former employers.

Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees have used or disclosed IP, including trade secrets or other proprietary information, of any such employee's former employer. In addition, while we typically require our employees, consultants and contractors who may be involved in the development of IP to execute agreements assigning such IP to us, we may be unsuccessful in executing such an agreement with each party who in fact develops IP that we regard as our own, which may result in claims by or against us related to the ownership of such IP. We are not aware of any threatened or pending claims that any of our projects involve misappropriated IP or other proprietary information, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable IP rights. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

We may be unable to execute on the optimal development plan for one or more of our existing product candidates if we are unable to obtain or maintain necessary rights for some aspect of the developing technology through acquisitions or licenses.

Our existing programs currently use or may in the future use additional technologies subject to proprietary rights held by others, such as particular compositions or methods of manufacture, treatment or use. The licensing and acquisition of IP rights is a competitive area, and more established companies may pursue strategies to license or acquire such IP rights that we may consider necessary or useful. These established companies may have a competitive advantage over us due to their size, cash resources and greater capabilities in clinical development and commercialization.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire IP rights on terms that would allow us to make an appropriate return on our investment. If we are unable to successfully obtain or maintain licenses or other rights from other parties to use IP of those parties, our business, financial condition and prospects for growth could suffer.

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

Many of our projects (including our Lead Projects) are based on IP which we have licensed from other parties. (See "Our Business – Intellectual Property") Certain of these license agreements impose diligence, development or commercialization obligations on us, such as obligations to pay royalties on net product sales of our drug and device candidates once commercialized by us, to pay a percentage of sublicensing revenues if the licensed product is sublicensed, to make other specified milestone and/or annual payments relating to our drug candidates or to pay license maintenance and other fees, as well as obligations to pursue commercialization with due diligence. Specifically, a number of our license agreements also require us to meet development timelines in order to maintain the related license(s). In spite of our efforts, our licensors might conclude that we have materially breached our obligations under such license agreements and might therefore seek to terminate the license agreements. If one of our licensors, despite our efforts, were to be successful in terminating its agreement with us, we would not be able to continue to develop, manufacture or market any drug candidate under that license agreements, and we could face claims for monetary damages or other penalties under that agreement. Such an occurrence would diminish or eliminate the value of that project to our Company, even if we are able to negotiate new or reinstated agreements, which may have less favorable terms. Depending on the importance of the IP and the related project, any such development could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Moreover, disputes may arise regarding intellectual property subject to a licensing agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In addition, the agreements under which we currently license intellectual property or technology from other parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which (depending on the importance of the IP and the related project) could have a material adverse effect on our business, financial condition, results of operations, and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangement for a project on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected drug or device candidates, which could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

We may not have complete control of the preparation, filing and prosecution of patent applications, or to maintain patents, licensed by us from other parties.

The Company has in-licensed, and expects in the future to in-license patents owned or controlled by others for our use as part of our development plans. We also may out-license or sublicense patents which we own or control in collaborations with others for development and commercialization of our products. In either case, the continuing right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering technology under development is a matter for negotiation and we may not always be the party that obtains such control, in which case we will be reliant on our licensors, collaboration partners or sublicensees for determining strategies with respect to those patents. For our existing licenses, while we have an understanding with most of the licensors who maintain control over patent prosecution and we have jointly appointed and engaged patent agents nominated by us under one or more of our licenses, we cannot guarantee that such licensors or collaborators will always accept prosecution strategies proposed by us and/or our patent agents. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors or collaboration partners fail to establish, maintain or protect such patents and other IP rights, such rights may be reduced or eliminated. If our licensors or joint development partners are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

Risks Related to Our Reliance on Unrelated Parties

We rely on unrelated parties to conduct discovery and further improvement of our innovations and licensed technologies, as well as our preclinical studies and clinical trials. If these unrelated parties do not successfully carry out their contractual duties or meet expected deadlines, we may not be able to obtain regulatory approval for or commercialize our drug candidates, and our business could be substantially harmed.

We have relied upon and plan to continue to rely upon CROs and collaborating institutions to monitor and manage data for our ongoing preclinical studies and programs. We rely on these parties for execution of preclinical studies and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol, legal, and regulatory requirements and scientific standards, and our reliance on the CROs and collaborating institutions does not relieve us of our regulatory responsibilities. If CROs, collaborating institutions or clinical investigators do not successfully carry out their contractual duties or obligations or meet expected deadlines, development of our product candidates could be delayed and our business could be adversely affected.

In addition, our CROs and collaborating institutions, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and waste. In the event of contamination or injury resulting from our use of hazardous materials, we might be held liable for any resulting damages, and any liability could exceed our resources. We could also be subject to civil or criminal fines and penalties, and significant associated costs.

If the Company obtains approval of an IND for one of our drug candidates and moves into human clinical trials requiring significantly larger quantities of the candidate to be tested, we expect to rely on unrelated parties to manufacture supplies of that candidate. If those unrelated parties fail to provide us with sufficient quantities of clinical supply on that candidate or fail to do so at acceptable quality levels or prices, or fail to maintain required cGMP licenses, we may not be able to manufacture that candidate in sufficient quantities to conduct the necessary human trials. Should the failure by the CRO occur in anticipation of or after marketing approval of that candidate, we may be unable to generate as much revenue as rapidly (and such revenue may not be as profitable) as we had anticipated.

The manufacture of many drug products, particularly in commercial quantities, can be complex and may require significant expertise and capital investment, particularly if the development of advanced manufacturing techniques and process controls are required. If we obtain approval of an IND for any of our drug candidates, of which there can be no assurance, we intend to contract with outside contractors to manufacture clinical supplies and process our drug candidates. We have not yet had our drug candidates to be manufactured or processed on a commercial scale and may not be able to do so for any of our drug candidates.

As we expect to engage contract manufacturers, the Company will be exposed to the following risks:

- we might be unable to identify manufacturers on acceptable terms or at all because the FDA, CFDA, EMA or other comparable regulatory authorities must approve any manufacturers we determine to use and any potential manufacturer may be unable to satisfy federal, state or international regulatory standards;

- although we would be choosing manufacturers with the type of experience most suitable for our drug candidates, it is possible that our contract manufacturers may not be able to execute unique manufacturing procedures and other logistical support requirements we have developed and they might require a significant amount of support from us to implement and maintain the infrastructure and processes required to manufacture our particular drug candidates;

- our contract manufacturers might be unable to reproduce the quantity and quality of the drugs we need to meet our clinical and commercial needs within the time frames when we require those drugs;

- our contract manufacturers may breach their contracts with us, including by not performing as agreed or not devoting sufficient resources to our drug candidates, or they may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our products;

- even if initially accepted by regulatory authorities, a manufacturer remains subject to ongoing periodic unannounced inspection by regulatory authorities to ensure strict compliance with cGMP and other government regulations, and our contract manufacturers may fail to comply with these regulations and requirements, resulting in rescission of cGMP licenses and our inability to continue using their services, requiring us to find a replacement manufacturer;

- depending on the terms of our agreement with a manufacturer, we may not own, or may have to share, the IP rights to any improvements made by the manufacturer in the manufacturing process for our drug candidates; and

- our contract manufacturers may have unacceptable or inconsistent product quality success rates and yields.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the FDA, CFDA, EMA or other comparable regulatory authorities, result in higher costs or adversely impact commercialization of our drug candidates.

We are also responsible for quality control by our manufacturers. We intend to rely on those unrelated-party manufactures to perform certain quality assurance tests on our drug candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and the FDA, CFDA, EMA or other comparable regulatory authorities could place significant restrictions on our Company until deficiencies are remedied.

Manufacturers of drug products often encounter difficulties in production, particularly in scaling up or out, validating the production process, and assuring high reliability of the manufacturing process (including the absence of contamination). These problems include logistics and shipping, difficulties with production costs and yields, quality control, including stability of the product, product testing, operator error, availability of qualified personnel, as well as compliance with strictly enforced federal, state and non-U.S. regulations. Furthermore, if contaminants are discovered in our supply of our drug candidates or in the manufacturing facilities, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. It is possible that stability failures or other issues relating to the manufacture of our drug candidates may occur in the future. Additionally, our manufacturers may experience manufacturing difficulties due to resource constraints, or as a result of labor disputes or unstable political environments. If our manufacturers were to encounter any of these difficulties, or otherwise fail to comply with their contractual obligations, our ability to provide our drug candidate to patients in clinical trials would be jeopardized. Any delay or interruption in the manufacturing of clinical trial supplies could delay the completion of clinical trials, increase the costs associated with maintaining clinical trial programs and, depending upon the period of delay, require us to begin new clinical trials with additional costs or terminate clinical trials completely.

Review of changes in the manufacturing process of our drug candidates could cause delays resulting from the need for additional regulatory approvals.

Changes in a process or procedure for manufacturing one of our drug candidates, including a change in the location where the drug candidate is manufactured or a change of a contract manufacturer, could require prior review by the FDA, CFDA, EMA or other comparable regulatory authorities and approval of the manufacturing process and procedures in accordance with the FDA, CFDA or EMA's regulations, or comparable requirements. This review may be costly and time-consuming and could delay or prevent the launch of a product. The new facility will also be subject to pre-approval inspection. In addition, we would have to demonstrate that the product made at the new facility is equivalent to the product made at the former facility by physical and chemical methods, which are costly and time-consuming. It is also possible that the FDA, CFDA, EMA or other comparable regulatory authorities may require clinical testing as a way to prove equivalency, which would result in additional costs and delay.

Risks Related to AML Clinic

Failure to comply with all laws and regulations applicable to the business of AML Clinic could have a material, adverse impact on the Company's business.

Operation of AML Clinic subjects the Company to a variety of Hong Kong laws and regulations specific to companies and professionals in the business of delivering medical care. We and our employees will be subject to licensing and professional qualifications that do not apply to our other businesses. Breach of any of these laws, regulations or licensing requirements could subject the Company to significant fines and other penalties and possibly damage the Company's reputation, which could have a material adverse effect on the Company's business.

Risks Related to Our Device Candidates

We are subject to risks related to obtaining regulatory approval for device candidates.

The Company's device candidates (including those being developed under VLS-3 and SLS-1), are likely to be regulated as medical devices. Medical devices are subject to extensive regulations, supervised by regulatory authorities around the world, including the FDA, CFDA and applicable national authorities in relevant European countries. The regulatory framework related to medical devices covers research, development, design, manufacturing, safety, reporting, testing, labeling, packaging, storage, installation, servicing, marketing, sales and distribution. The Company is and may also be, in addition to these industry-specific regulations, subject to numerous other ongoing regulatory obligations, such as data protection, environmental, health and safety laws and restrictions. The costs of compliance with applicable regulations, requirements or guidelines could be substantial. Furthermore, the regulatory environment has generally become more stringent and extensive over time. Failure to comply with these regulations could result in sanctions including fines, injunctions, civil penalties, denial of applications for marketing approval of the Company's products, delays, suspension or withdrawal of approvals, license revocation, seizures or recalls of products, operating restrictions, partial suspension or total shutdown of production and criminal prosecutions, any of which could significantly increase the Company's costs, delay the development and commercialization of its device candidates.

We are subject to risks related to the carrying out and outcome of clinical trials of medical devices.

The Company may sponsor studies on human participants in clinical studies of its device candidates. Such clinical studies are performed to support regulatory approvals for market access or to generate evidence relating to clinical benefits and cost benefits of using such device candidates. Clinical studies are costly and time consuming and associated with risks such as finding trial sites, recruitment of suitable patients, the actual cost per patient exceeding budget and inadequacies in the execution of the trials. There is also a risk of delays in the performance of clinical studies, which can occur for a variety of reasons. For example, delays in obtaining regulatory approval to commence a trial, reaching agreements on acceptable terms with prospective contract research organizations and clinical investigational sites, obtaining institutional review board approval at each site, difficulties in patient enrolment, patients failing to complete a trial or return for follow-up, adding new sites or obtaining sufficient supplies of products or clinical sites dropping out of a trial. If delays persist, there is a risk that studies eventually are suspended or terminated if the delays occur due to circumstances that a sponsor of a clinical trial has difficulties controlling, or is unable to control, or if the measures required for conducting the studies further are deemed too costly or extensive in relation to the scopes and goals of the studies.

There are many factors which may affect patient enrollment. Amongst these are the size and nature of the patient population, the proximity of patients to clinical sites, the eligibility criteria for the trial, the design of the clinical study and competing clinical studies. Furthermore, clinicians' and patients' perceptions as to the potential advantages of the product being studied in relation to other available therapies, including any new products that may be approved for the indications the company is investigating. Clinical studies may also be suspended or terminated if participating subjects are exposed to unacceptable health risks or undesired side-effects.

Furthermore, there is a risk that clinical studies may not demonstrate the required clinical benefit for the prospective indication the trial is aimed at. Failure in premarketing clinical studies could lead to market clearance or approvals not being obtained which could delay or jeopardize the Company's ability to develop, market and sell the device candidates being studied. At any stage of the development, the Company may discontinue device candidate based on review of available preclinical and clinical data, the estimated costs of continued development, market considerations and other factors. Furthermore, with respect to the clinical studies of device candidates conducted by CROs and others, the Company may have less control over their timing or outcome.

Risks Related to Our Industry, Business and Operation

If we do not comply with laws regulating the protection of the environment and health and human safety, our business could be adversely affected.

Our research, development and clinic operations involve the use of hazardous materials, chemicals and various radioactive compounds/radiation and AML Clinic may create medical waste and radiation. Our R&D Center may maintain quantities of various flammable and toxic chemicals in our facilities that are required for our research, development and manufacturing activities. We are subject to local laws and regulations governing the use, manufacture, storage, handling and disposal of these hazardous materials and of medical waste at the jurisdictions where we operate our clinic and research facilities, which are currently limited to Hong Kong. We believe our procedures for storing, handling and disposing of these materials comply with the relevant guidelines and laws of the jurisdictions in which our facilities are located. Although we believe that our safety procedures for handling and disposing of these materials comply with the standards mandated by applicable regulations, the risk of accidental contamination or injury from these materials cannot be eliminated. If an accident occurs, we could be held liable for resulting damages, which could be substantial. We are also subject to numerous environmental, health and workplace safety laws and regulations, including those governing laboratory procedures, exposure to blood-borne pathogens and the handling of biohazardous materials and medical waste.

Although we maintain workers' compensation insurance to cover us for costs and expenses we may incur due to injuries to our employees resulting from the use of these materials, this insurance may not provide adequate coverage against potential liabilities. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage or disposal of biological, hazardous or radioactive materials. Additional federal, state and local laws and regulations affecting our operations may be adopted in the future. We may incur substantial costs to comply with, and substantial fines or penalties, if we violate any of these laws or regulations.

Our future success depends on our ability to retain our Chief Executive Officer, our scientific and clinical advisors, and other key executives and to attract, retain and motivate qualified personnel.

We are highly dependent on Ian Huen, our Chief Executive Officer, as well as, other principal members of our management teams, scientific teams as well as scientific and clinical advisors. Although we have formal employment agreements, which we refer to as appointment letters, with all of our executive officers, these agreements do not prevent our executives from terminating their employment with us at any time, subject to applicable notice periods. We intend to obtain "key person" insurance for our executives or other employees in the near future. Nevertheless, the loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

To induce valuable employees to remain at our Company, in addition to salary and cash incentives, we plan to provide share incentive grants that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the price of our Class A Ordinary Shares that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Although we have appointment letters with our key employees, any of our employees could resign at any time, with 1-month to 3-months prior written notice or with payment in lieu of notice.

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

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

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

We will need to increase the size and capabilities of our organization, and we may experience difficulties in managing our growth.

As of the date of this prospectus, we have 43 employees, including 41 full-time employees and two part-time employees. Of these, 13 are engaged in full-time research and development and laboratory operations, 24 are engaged in general and administrative functions, four are full-time employees engaged in the clinic operation and two part-time employees are engaged in sponsored research and development, laboratory operations and legal clerical support. As of the date of this prospectus, 42 of our employees are located in Hong Kong and one of our employees is located in the UK. In addition, we have engaged and may continue to engage 26 independent contracted consultants and advisors to assist us with our operations. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we will need to establish and maintain effective disclosure and financial controls and make changes in our corporate governance practices. We will need to add a significant number of additional managerial, operational, sales, marketing, financial and other personnel with the appropriate public company experience and technical knowledge and we may not successfully recruit and maintain such personnel. Future growth will impose significant added responsibilities on members of management, including:

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

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

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants for significant input in selecting and evaluating new products to pursue. These independent organizations, advisors and consultants may not continue to be available to us on a timely basis when needed, and in such case, we may not have the ability to find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities, or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our drug candidates or otherwise advance our business. Furthermore, we may not be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, if at all.

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

We intend to seek additional collaborations, strategic alliances or acquisitions or enter into royalty-seeking or sublicensing arrangements in the future, but we may not realize the benefits of these arrangements.

We intend to form or seek strategic alliances, create joint ventures or collaborations, acquire complimentary products, IP rights, technology or businesses or enter into additional licensing arrangements with unrelated parties that we determine may complement or augment our development and commercialization efforts with respect to our drug and device candidates. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long-term expenditures, issue securities that dilute our existing shareholders, or disrupt our management and business.

We will face significant competition in seeking appropriate strategic partners and the negotiation process is likely to be time-consuming, costly and complex. Moreover, we may not be successful in our efforts to establish a strategic partnership or another alternative arrangement for any of our drug and device candidates because their state of development may be deemed to be too early for collaborative effort and others may not view our drug and device candidates as having the requisite potential to demonstrate safety and efficacy. If and when we enter into an agreement with a collaboration partner or sublicensee for development and commercialization of a drug or device candidate, we can expect to relinquish some or all of the control over the future success of that drug and device candidate to the unrelated-party.

Further, even if we enter into a collaboration involving any of our drug and device candidates, the arrangement will be subject to numerous risks, which may include the following:

- the collaborators will likely have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- the collaborator may ultimately choose not pursue development and commercialization of our drug candidates or may elect not to continue or renew development or commercialization programs, based on clinical trial results, changes in their strategic focus due to the acquisition of competitive drugs, availability of funding, or other external factors, such as a business combination that diverts resources or creates competing priorities;
- the collaborator may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a drug or device candidate, repeat or conduct new clinical trials, or require a new formulation of a drug or device candidate for clinical testing;
- the collaborator could independently develop, or develop with unrelated parties, drugs that compete directly or indirectly with our drugs or drug and device candidates;
- the collaborator with marketing and distribution rights to one or more drugs may not commit sufficient resources to their marketing and distribution;
- the collaborator may not properly maintain or defend our IP rights or may use our IP or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our IP or proprietary information or expose us to potential liability;
- disputes may arise between us and the collaborator that cause the delay or termination of the research, development or commercialization of our drug and device candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- the collaboration may be terminated and, if terminated, may result the Company needing additional capital to pursue further development or commercialization of the applicable drug and device candidates;
- the collaborator may own or co-own IP covering our drugs that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such IP;
- the collaboration may result in increased operating expenses or the assumption of indebtedness or contingent liabilities; and
- the collaboration arrangement may result in the loss of key personnel and uncertainties in our ability to maintain key business relationships.

As a result, if we enter into collaboration agreements and strategic partnerships or license our drugs, we may not be able to realize the benefit of such transactions, which could delay our timelines or otherwise adversely affect our business. Following a strategic transaction or license, we may not achieve the revenue or specific net income that justifies such transaction. If we are unable to reach agreements with a suitable collaborator on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug or device candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense.

If we fail to enter into collaborations, we may seek to fund and undertake development or commercialization activities on our own, but we may not have sufficient funds or expertise to undertake the necessary development and commercialization activities. In such a case, we may not be able to further develop our drug and device candidates or bring them to market and generate product sales revenue, which would harm our business prospects, financial condition and results of operations.

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

We are exposed to the risk of fraud, misconduct or other illegal activity by our employees, independent contractors, consultants, commercial partners and vendors. Misconduct by these parties could include intentional, reckless and negligent conduct that fails to: comply with the laws of the FDA and other similar non-U.S. regulatory authorities; provide true, complete and accurate information to the FDA and other similar non-U.S. regulatory authorities; comply with manufacturing standards we have established; comply with healthcare fraud and abuse laws in the United States and similar non-U.S. fraudulent misconduct laws; or report financial information or data accurately or to disclose unauthorized activities to us. If we obtain the FDA approval for any of our drug and device candidates and begin commercializing those drugs in the United States, our potential exposure under U.S. laws will increase significantly and our costs associated with compliance with such laws are also likely to increase. These laws may impact, among other things, our current activities with principal investigators of our sponsored researches and research patients and our use of information obtained in the course of patient recruitment for clinical trials, as well as proposed and future sales, marketing and education programs. In particular, the promotion, sales and marketing of healthcare items and services, as well as certain business arrangements in the healthcare industry, are subject to extensive laws designed to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, structuring and commission(s), certain customer incentive programs and other business arrangements generally.

It is not always possible to identify and deter misconduct by employees and other parties, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

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

Upon completion of this Offering, we will become subject to the periodic reporting requirements of the Exchange Act. Our disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by us in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC.

We believe that any disclosure controls and procedures, or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected, which would likely cause investors to lose confidence in our reported financial information. This could in turn limit our access to capital markets, harm our results of operations, and lead to a decline in the trading price of our Class A Ordinary Shares. Additionally, ineffective internal control over financial reporting could expose us to increased risk of fraud or misuse of corporate assets and subject us to potential delisting from the stock exchange on which we list, regulatory investigations and civil or criminal sanctions. We may also be required to restate our financial statements from prior periods.

If we fail to establish and maintain proper internal financial reporting controls, our ability to produce accurate financial statements or comply with applicable regulations could be impaired.

Pursuant to Section 404 of the Sarbanes-Oxley Act, we will be required to file a report by our management on our internal control over financial reporting, including an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. The presence of material weaknesses in internal control over financial reporting could result in financial statement errors which, in turn, could lead to errors in our financial reports and/or delays in our financial reporting, which could require us to restate our operating results. In connection with the audit of our statements of net assets (predecessor basis) including the schedule of portfolio investments as of December 31, 2016 and February 28, 2017, and the related statements (predecessor basis) of operations, changes in net assets, and cash flows for the year ended December 31, 2016, the statements (predecessor basis) of operations, changes in net assets, and cash flows for the period January 1, 2017 through February 28, 2017, the consolidated balance sheet (successor basis) as of December 31, 2017, the related consolidated statements (successor basis) of operations and comprehensive loss, stockholders' equity and cash flows for the period March 1, 2017 through December 31, 2017, we and our independent registered public accounting firm identified one material weakness in our internal control over financial reporting, as defined in the standards established by the Public Company Accounting Oversight Board of the United States, as of December 31, 2017. The material weakness identified was the lack of dedicated resources to take responsibility for the finance and accounting functions and the preparation of financial statements in compliance with generally accepted accounting principles in the United States, or U.S. GAAP.

We have already taken some steps and will continue to implement measures to remediate the material weakness identified. However, we cannot assure you that we will be able to continue implementing these measures in the future, or that we will not identify additional material weaknesses or significant deficiencies in the future.

If we are unable to conclude that we have effective internal controls over financial reporting, investors may lose confidence in our operating results, the price of the Class A Ordinary Shares could decline and we may be subject to litigation or regulatory enforcement actions. In addition, if we are unable to meet the requirements of Section 404 of the Sarbanes-Oxley Act, the Class A Ordinary Shares may not be able to remain listed on the NASDAQ Global Market.

We may market our products, if approved, globally; if we do, we will be subject to the risk of doing business internationally.

We operate and expect to operate in various countries, and we may not be able to market our products in, or develop new products successfully for, these markets. We may also encounter other risks of doing business internationally including but not limited to:

- unexpected changes in, or impositions of, legislative or regulatory requirements;
- efforts to develop an international sales, marketing and distribution organization may increase our expenses, divert our management's attention from the acquisition or development of drug candidates or cause us to forgo profitable licensing opportunities in these geographies;
- the occurrence of economic weakness, including inflation or political instability;
- the effects of applicable non-U.S. tax structures and potentially adverse tax consequences;
- differences in protection of our IP rights including patent rights of other parties;
- the burden of complying with a variety of foreign laws including difficulties in effective enforcement of contractual provisions;
- delays resulting from difficulty in obtaining export licenses, tariffs and other barriers and restrictions, potentially longer payment cycles, greater difficulty in accounts receivable collection and potentially adverse tax treatment; and
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad.

In addition, we are subject to general geopolitical risks in foreign countries where we operate, such as political and economic instability and changes in diplomatic and trade relationships, which could affect, among other things, customers' inventory levels and consumer purchasing, which could cause our results to fluctuate and our net sales to decline. The occurrence of any one or more of these risks of doing business internationally, individually or in the aggregate, could materially and adversely affect our business and results of operations.

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

We may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, IP rights, technology or businesses. Any potential acquisition or strategic partnership may entail numerous risks, including, but not limited to:

- increase in operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent liabilities;
- the issuance of our equity securities;
- assimilation of operations, IP and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug and device candidates and regulatory approvals; and
- our inability to generate revenue from acquired technology and/or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

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

We are subject to the FCPA. The FCPA generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. We are also subject to the anti-bribery laws of other jurisdictions, particularly the PRC. As our business expands, the applicability of the FCPA and other anti-bribery laws to our operations will increase. Our procedures and controls to monitor anti-bribery compliance may fail to protect us from reckless or criminal acts committed by our employees or agents. If we, due to either our own deliberate or inadvertent acts or those of others, fail to comply with applicable anti-bribery laws, our reputation could be harmed and we could incur criminal or civil penalties, other sanctions and/or significant expenses, which could have a material adverse effect on our business, including our financial condition, results of operations, cash flows and prospects.

If we commence clinical trials of one of our drug or device candidates, and product liability lawsuits are brought against us, we may incur substantial liabilities and the commercialization of such drug or device candidates may be affected.

If any of our drug or device candidates enter clinical trials, we will face an inherent risk of product liability suits and will face an even greater risk if we obtain approval to commercialize any drugs. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under state consumer protection acts. If we cannot successfully defend ourselves against product liability claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our drugs;
- injury to our reputation;
- withdrawal of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;

- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any drug candidate; and
- a decline in the price of our Class A Ordinary Shares.

We shall seek to obtain the appropriate insurance once our candidates are ready for clinical trial. However, our inability to obtain sufficient product liability insurance at an acceptable cost to protect against potential product liability claims could prevent or inhibit the commercialization of drugs we develop, alone or with collaborators. We currently do not have in place product liability insurance and although we plan to have in place such insurance as and when the products are ready for commercialization, as well as insurance covering clinical trials, the amount of such insurance coverage may not be adequate, we may be unable to maintain such insurance, or we may not be able to obtain additional or replacement insurance at a reasonable cost, if at all. Our insurance policies may also have various exclusions, and we may be subject to a product liability claim for which we have no coverage. We may have to pay any amounts awarded by a court or negotiated in a settlement that exceed our coverage limitations or that are not covered by our insurance, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements with any future corporate collaborators entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise.

Additionally, we may be sued if the products that we commercialize, market or sell cause or are perceived to cause injury or are found to be otherwise unsuitable, and may result in:

- decreased demand for those products;
- damage to our reputation;
- costs incurred related to product recalls;
- limiting our opportunities to enter into future commercial partnership; and
- a decline in the price of our Class A Ordinary Shares.

Our insurance coverage may be inadequate to protect us against losses.

We currently maintain property insurance for our office premises (including one unit of server and accessories). We hold employer's liability insurance generally covering death or work-related injury of employees; we maintain "Office Care Plan Insurance" for those persons working in our offices and "Medical Plan" for our employee. We hold public liability insurance covering certain incidents involving unrelated parties that occur on or in the premises of the Company. We do not yet have directors and officers liability insurance but intend to enter into such policies immediately prior to or after the consummation of this Offering. We do not yet have key-man life insurance on any of our senior management or key personnel, or business interruption insurance but intend to enter into such policies immediately prior to or after the consummation of this Offering. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. If any claims for damage are brought against us, or if we experience any business disruption, litigation or natural disaster, we might incur substantial costs and diversion of resources.

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

Our operations and equity are funded in U.S. dollars and we currently incur the majority of our expenses in U.S. dollars or in H.K. dollars. H.K. dollar is currently pegged to the U.S. dollar; however, we cannot guarantee that such peg will continue to be in place in the future. Our exposure to foreign exchange risk primarily relates to the limited cash denominated in currencies other than the functional currencies of each entity and limited revenue contracts dominated in H.K. dollars in certain PRC operating entities. We do not believe that we currently have any significant direct foreign exchange risk and have not hedged exposures denominated in foreign currencies or any other derivative financial instruments. However, the value of your investment in our Series A Ordinary Shares may be affected by the foreign exchange rate between U.S. dollars and the H.K. dollar because the primary value of our business is effectively denominated in H.K. dollars, in addition to U.S. dollars.

If we are exposed to foreign currency exchange risk as our results of operations, cash flows maybe subject to fluctuations in foreign currency exchange rates. For example, if a significant portion of our clinical trial activities may be conducted outside of the United States, and associated costs may be incurred in the local currency of the country in which the trial is being conducted, which costs could be subject to fluctuations in currency exchange rates. We currently do not engage in hedging transactions to protect against uncertainty in future exchange rates between particular foreign currencies and the U.S. dollar. A decline in the value of the U.S. dollar against currencies in countries in which we conduct clinical trials could have a negative impact on our research and development costs. Foreign currency fluctuations are unpredictable and may adversely affect our financial condition, results of operations and cash flows.

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

We had cash of $16.25 million and $0.30 million as of December 31, 2017 and December 31, 2016, respectively. We may invest our cash in a variety of financial instruments. All of these investments are subject to credit, liquidity, market and interest rate risk. Such risks, including the failure or severe financial distress of the financial institutions that hold our cash, cash equivalents and investments, may result in a loss of liquidity, impairment to our investments, realization of substantial future losses, or a complete loss of the investments in the long-term, which may have a material adverse effect on our business, results of operations, liquidity and financial condition. While we believe our cash position does not expose us to excessive risk, future investments may be subject to adverse changes in market value.

We are exposed to risks associated with our computer hardware, network security and data storage.

Similar to all other computer network users, our computer network system is vulnerable to attack of computer virus, worms, trojan horses, hackers or other similar computer network disruptive problems. Any failure in safeguarding our computer network system from these disruptive problems may cause breakdown of our computer network system and leakage of confidential information of the Company. Any failure in the protection of our computer network system from external threat may disrupt our operation and may damage our reputation for any breach of confidentiality to our customers, which in turn may adversely affect our business operation and performance. In the event that our confidential information is stolen and misused, we may become exposed to potential risks of losses from litigation and possible liability.

In addition, we are highly dependent on our IT infrastructure to store research data and information and manage our business operations. We do not backup all data on a real-time basis and the effectiveness of our business operations may be materially affected by any failure in our IT infrastructure. If our communications and IT systems do not function properly, or if there is any partial or complete failure of our systems, we could suffer financial losses, business disruption or damage to our reputation.

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

Our operations, and those of our research institution collaborators, CROs, suppliers and other contractors and consultants, could be subject to earthquakes, power shortages, telecommunications failures, damage from computer viruses, material computer system failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and other natural or man-made disasters or business interruptions. In addition, we partially rely on our research institution collaborators for conducting research and development of our drug candidates, and they may be affected by government shutdowns or withdrawn funding. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses. We rely on contract manufacturers to produce and process our drug candidates. Our ability to obtain clinical supplies of our drug candidates could be disrupted if the operations of these suppliers are affected by a man-made or natural disaster or other business interruption. A large portion of our contract manufacturer's operations is located in a single facility. Damage or extended periods of interruption to our corporate or our contract manufacturer's development or research facilities due to fire, natural disaster, power loss, communications failure, unauthorized entry or other events could cause us to cease or delay development of some or all of our drug candidates.

Although we do not currently conduct any business in the PRC, we may in the future; in doing so we would be exposed to various risks related to doing business in the PRC.

Although we currently do not conduct any business in the PRC, we are the exclusive licensee to certain PRC patents directed to our drug candidates such as ALS-1, NLS-2 and SPLS-1, and we intend to file application for certain products in the PRC. The pharmaceutical industry in the PRC is subject to comprehensive government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new drugs. (See "Our Business – Government Regulation – PRC Regulation"). In recent years, the regulatory framework in the PRC regarding the pharmaceutical industry has undergone significant changes, and we expect that it will continue to undergo significant changes. Any such changes or amendments may result in increased compliance costs on our business or cause delays in or prevent the successful development or commercialization of our drug candidates in the PRC and reduce the current benefits that we believe are available to us from developing and manufacturing drugs in the PRC. Chinese authorities have become increasingly vigilant in enforcing laws in the pharmaceutical industry and any failure by us or our partners to maintain compliance with applicable laws and regulations or obtain and maintain required licenses and permits may result in the suspension or termination of our business activities in the PRC. We believe our strategy and approach is aligned with the PRC government's policies, but we cannot ensure that our strategy and approach will continue to be aligned.

If in the future, we commence business or operation in the PRC, changes in the political and economic policies of the PRC government may materially and adversely affect our business, financial condition and results of operations and may result in our inability to sustain our growth and expansion strategies. Once we start doing business in the PRC, our financial condition and results of operation in the PRC could be materially and adversely affected by government control over capital investments or changes in tax regulations that are applicable to us, and consequently have a material adverse effect on our businesses, financial condition and results of operations.

The SEC could take the position that we are an "investment company" subject to the extensive requirements of the Investment Company Act of 1940. Such a characterization and the associated compliance requirements could have a material adverse effect on our business, financial condition, and results of operations.

Our business had historically included passive healthcare related investments in early stage companies primarily in the United States. Although we are in the process of liquidating those securities that remain in our portfolio, we still hold some such investments and these are included as assets of our Company on a consolidated basis. As part of the Restructure, we resolved to exit such portfolio investments over an appropriate timeframe and focus our resources on our current business. Since the date of the Restructure, we have not held ourselves out as an investment company and we do not believe we are an "investment company" under the Investment Company Act of 1940. If the SEC or a court, however, were to disagree with us, we could be required to register as an investment company. This would subject us to disclosure and accounting rules geared toward investment companies, rather than operating companies, which may limit our ability to borrow money, issue options, issue multiple classes of stock and debt, and engage in transactions with affiliates, and may require us to undertake significant costs and expenses to meet the disclosure and regulatory requirements to which we would be subject as a registered investment company.

If we are classified as a passive foreign investment company, purchasers of our Class A Ordinary Shares who are United States taxpayers may have adverse United States federal income tax consequences.

A non-U.S. corporation such as ourselves may be classified by the SEC as a passive foreign investment company ("PFIC") for any taxable year if, for such year, either

- At least 75% of our gross income for the year is passive income; or
- The average percentage of our assets (determined at the end of each quarter) during the taxable year which produce passive income or which are held for the production of passive income is at least 50%.

Passive income generally includes dividends, interests, rents and royalties (other than rents or royalties derived from the active conduct of a trade or business) and gains from the disposition of passive assets.

If we are determined by the SEC to be a PFIC for any taxable year (or portion thereof) that is included in the holding period of a U.S. taxpayer who holds our Class A Ordinary Shares, the U.S. taxpayer may be subject to increased U.S. federal income tax liability and may be subject to additional reporting requirements.

Depending on the amount of cash we raise in this Offering, together with any other assets held for the production of passive income, it is possible that, for our 2018 taxable year or for any subsequent year, more than 50% of our assets may be assets which produce passive income. We will make this determination following the end of any particular tax year. For purposes of the PFIC analysis, in general, a non-U.S. corporation is deemed to own its pro rata share of the gross income and assets of any entity in which it is considered to own at least 25% of the equity by value.

More detailed discussion of the application of the PFIC rules to us and the consequences to U.S. taxpayers if we were determined to be a PFIC. (See "Taxation – Material U.S. Federal Income Tax Considerations for U.S. Holders – Passive Foreign Investment Company Rules")

Risks Related to this Offering and our Series A Notes and Bond

If we are unable to comply with the restrictions and covenants in our note purchase agreements or the indenture governing the Series A Notes or the Bond, there could be a default under the terms of these agreements, which could cause repayment of our debt to be accelerated.

If we are unable to comply with the restrictions and covenants in the indenture governing the Series A Notes or Bond, or our current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be.

Furthermore, some of our debt agreements may contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of debt or result in a default under our other debt agreements. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we could obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

The initial public offering price of our Class A Ordinary Shares may not be indicative of the market price of our Class A Ordinary Shares after this Offering. In addition, an active, liquid and orderly trading market for our Class A Ordinary Shares may not develop or be maintained, and our stock price may be volatile.

Prior to this Offering, our Class A Ordinary Shares were not traded on any market. An active, liquid and orderly trading market for our Class A Ordinary Shares may not develop or be maintained after this Offering. Active, liquid and orderly trading markets usually result in less price volatility and more efficiency in carrying out investors' purchase and sale orders. The market price of our Class A Ordinary Shares could vary significantly as a result of a number of factors, some of which are beyond our control. In the event of a drop in the market price of our Class A Ordinary Shares, you could lose a substantial part or all of your investment in our shares. The initial public offering price will be determined by us, based on numerous factors and may not be indicative of the market price of our Class A Ordinary Shares after this Offering. Consequently, you may not be able to sell our Class A Ordinary Shares at prices equal to or greater than the price paid by you in this Offering.

The following factors could affect our share price:

- our operating and financial performance;
- quarterly variations in the rate of growth of our financial indicators, such as net income per share, net income and revenues;
- the public reaction to our press releases, our other public announcements and our filings with the SEC;
- strategic actions by our competitors;
- changes in revenue or earnings estimates, or changes in recommendations or withdrawal of research coverage, by equity research analysts;
- speculation in the press or investment community;
- the failure of research analysts to cover our securities;
- sales of our Class A Ordinary Shares by us or other shareholders, or the perception that such sales may occur;
- changes in accounting principles, policies, guidance, interpretations or standards;
- additions or departures of key management personnel;
- actions by our shareholders;
- domestic and international economic, legal and regulatory factors unrelated to our performance; and
- the realization of any risks describes under this "Risk Factors" section.

The stock markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading price of our Class A Ordinary Shares. Securities class action litigation has often been instituted against companies following periods of volatility in the overall market and in the market price of a company's securities. Such litigation, if instituted against us, could result in very substantial costs, divert our management's attention and resources and harm our business, operating results and financial condition.

The price of the Class A Ordinary Shares and other terms of this Offering have been determined by us along with our underwriters.

If you purchase our Class A Ordinary Shares in this Offering, you will pay a price that was not established in a competitive market. Rather, you will pay a price that was determined by us along with our underwriters. The offering price for our Class A Ordinary Shares may bear no relationship to our assets, book value, historical results of operations or any other established criterion of value. The trading price, if any, of the Class A Ordinary Shares that may prevail in any market that may develop in the future, for which there can be no assurance, may be higher or lower than the price you paid for our Class A Ordinary Shares.

Shares eligible for future sale may adversely affect the market price of our Class A Ordinary Shares if the shares are successfully listed on NASDAQ or other stock markets, as the future sale of a substantial amount of outstanding Class A Ordinary Shares in the public marketplace could reduce the price of our Class A Ordinary Shares.

The market price of our Class A Ordinary Shares could decline as a result of sales of substantial amounts of our Class A Ordinary Shares in the public market, or the perception that these sales could occur. In addition, these factors could make it more difficult for us to raise funds through future offerings of our Class A Ordinary Shares. An aggregate of [ ] Class A Ordinary Shares will be outstanding before the consummation of this Offering, all of which, except those held by management, are or will be freely tradable immediately upon effectiveness of this registration statement. All of the Class A Ordinary Shares sold in the offering will be freely transferable without restriction or further registration under the Securities Act. The remaining Class A Ordinary Shares will be "restricted securities" as defined in Rule 144. These Class A Ordinary Shares may be sold without registration under the Securities Act to the extent permitted by Rule 144 or other exemptions under the Securities Act. (See "Shares Eligible for Future Sale")

A sale or perceived sale of a substantial number of our Ordinary Shares may cause the price of our Class A Ordinary Shares to decline.

All of our executive officers and directors, the Series A Note Investors, the holders of the Bond and warrants, and almost all of our shareholders have agreed not to sell our Class A Ordinary Shares for a period of six months following this Offering, subject to extension under specified circumstances. (See "Shares Eligible for Future Sale – Lock-Up Agreements") Class A Ordinary shares subject to these lock-up agreements will become eligible for sale in the public market upon expiration of these lock-up agreements, subject to limitations imposed by Rule 144 under the Securities Act of 1933, as amended. If our shareholders sell substantial amounts of our Class A Ordinary Shares in the public market, the market price of our Class A Ordinary Shares could fall. Moreover, the perceived risk of this potential dilution could cause shareholders to attempt to sell their shares and investors to short our Class A Ordinary Shares. These sales also may make it more difficult for us to sell equity or equity-related securities in the future at a time and price that we deem reasonable or appropriate.

We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our shares.

We have never paid any cash dividends on our Class A Ordinary Shares and do not anticipate paying any cash dividends on our Class A Ordinary Shares in the foreseeable future, and any return on investment may be limited to the value of our Class A Ordinary Shares. We plan to retain any future earnings to finance growth.

Our dividend policy is subject to the discretion of our Board of Directors and will depend on, among other things, our earnings, financial condition, capital requirements and other factors. There is no assurance that our Board of Directors will declare dividends even if we are profitable. The payment of dividends by entities organized in the PRC is subject to limitations as described herein. Under Cayman Islands law, dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business and the realizable value of assets of our Company will not be less than the sum of our total liabilities, other than deferred taxes as shown on our books of account, and our capital. Pursuant to the enterprise income tax law of the PRC, dividends payable by a foreign investment entity to its foreign investors are subject to a withholding tax of 10%. Similarly, dividends payable by a foreign investment entity to its Hong Kong investor who owns 25% or more of the equity of the foreign investment entity is subject to a withholding tax of 5%. The payment of dividends by entities organized in the PRC is subject to limitations, procedures and formalities. Regulations in the PRC currently permit payment of dividends only out of accumulated profits as determined in accordance with accounting standards and regulations in the PRC. The transfer to this reserve must be made before distribution of any dividend to shareholders.

Certain existing shareholders have substantial influence over our Company and their interests may not be aligned with the interests of our other shareholders and holders of our Series A Notes and the Bond.

We have a dual-class voting structure consisting of Class A Ordinary Shares and Class B Ordinary Shares. Under this structure, holders of Class A Ordinary Shares are entitled to one vote per share, and holders of Class B Ordinary Shares are entitled to ten votes per share. Immediately prior to the Offering, our management team as a group beneficially own over 20 million Class B Ordinary Shares representing over 90% voting power. As a result, until such time as their collective voting power is below 50%, our management team as a group of controlling shareholders have substantial influence over our business, including decisions regarding mergers, consolidations and the sale of all or substantially all of our assets, election of directors and other significant corporate actions. They may take actions that are not in the best interests of us or our other shareholders. This concentration of ownership may discourage, delay or prevent a change in control of our Company, which could deprive our shareholders of an opportunity to receive a premium for their shares as part of a sale of our Company. These actions may be taken even if they are opposed by our other shareholders, including those who hold Class A Ordinary Shares converted from the Series A Notes and the Bond.

You will experience immediate and substantial dilution as a result of this Offering and may experience additional dilution in the future.

You will incur immediate and substantial dilution as a result of this Offering and the automatic conversion of the Series A Notes and the Bond. After giving effect to the sale by us of up to [ ] Class A Ordinary Shares offered in this Offering at an assumed public offering price of $[ ] per share (the mid-point of the range indicated on the front cover of this prospectus), issuance of [ ] Class A Ordinary Shares upon the automatic conversion of the Series A Notes and automatic conversion of the Bond at the closing of this Offering and the commencement of the trading of the Class A Ordinary Shares on NASDAQ Global Market, investors in this Offering can expect an immediate dilution of $[ ] per share, or [ ]% at the assumed public offering price. You may also experience further dilution to the extent that Class A Ordinary Shares are to be issued upon exercise of the Series A Note PA Warrants and the Bond PA Warrants and upon the Bond holder's voluntary conversion of the balance of the Bond. Additionally, in the event that those warrants or options we may grant to our officers, directors and employees are ultimately exercised, you will sustain future dilution. We may also acquire or license other technology or finance strategic alliances by issuing equity, which may result in additional dilution to our shareholders.

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

We may seek additional funding through a combination of equity offerings, debt financings, collaborations, licensing arrangements, strategic alliances and marketing or distribution arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect your rights as a holder of our Class A Ordinary Shares. The incurrence of additional indebtedness or the issuance of certain equity securities could result in increased fixed payment obligations, and could also result in certain additional restrictive covenants, such as limitations on our ability to incur additional debt or issue additional equity, limitations on our ability to acquire or license IP rights and other operating restrictions that could adversely impact our ability to conduct our business. In addition, issuance of additional equity securities, or the possibility of such issuance, may cause the market price of our Class A Ordinary Shares to decline. In the event that we enter into collaborations or licensing arrangements to raise capital, we may be required to accept unfavorable terms, including relinquishing or licensing to another party on unfavorable terms our rights to technology or drug and device candidates that we otherwise would seek to develop or commercialize ourselves or potentially reserve for future potential arrangements when we might be able to achieve more favorable terms.

Resales of our Class A Ordinary Shares in the public market during this Offering by the Selling Shareholders or investors in this Offering may cause the market price of our Class A Ordinary Shares to decline.

Sales of Resale Shares, as well as the issuance of Class A Ordinary Shares in this Offering could result in resales of our Class A Ordinary Shares by our current shareholders concerned about the potential dilution of their holdings. In turn, these resales could have the effect of depressing the market price for our Class A Ordinary Shares.

Since we are a Cayman Islands exempted company, the rights of our shareholders may be more limited than those of shareholders of a company organized in the United States.

Our corporate affairs are governed by our Second Amended and Restated Memorandum and Articles of Association (as may be amended from time to time) ("Memorandum and Articles"), the Companies Law (2018 Revision) of the Cayman Islands (the "Companies Law") and the common law of the Cayman Islands. The rights of shareholders to take action against the directors, actions by minority shareholders and the fiduciary responsibilities of our directors are to a large extent governed by the common law of the Cayman Islands. This common law is derived in part from comparatively limited judicial precedent in the Cayman Islands as well as from English common law, which has persuasive, but not binding, authority on a court in the Cayman Islands. Under the laws of some jurisdictions in the United States, majority and controlling shareholders generally have certain fiduciary responsibilities to the minority shareholders. Shareholder action must be taken in good faith, and actions by controlling shareholders which are obviously unreasonable may be declared null and void. Cayman Islands law protecting the interests of minority shareholders may not be as protective in all circumstances as the law protecting minority shareholders in some U.S. jurisdictions. In addition, the circumstances in which a shareholder of a Cayman Islands company may sue the company derivatively, and the procedures and defenses that may be available to the company, may result in the rights of shareholders of a Cayman Islands company being more limited than those of shareholders of a company organized in the United States. Accordingly, shareholders may have fewer alternatives available to them if they believe that corporate wrongdoing has occurred. The Cayman Islands courts are also unlikely to recognize or enforce judgments from U.S. courts based on certain liability provisions of U.S. securities laws that are penal in nature. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States, although the courts of the Cayman Islands will generally recognize and enforce non-penal judgment of a foreign court of competent jurisdiction without retrial on its merits. This means, even if shareholders were to sue us successfully, they may not be able to recover anything to make up for the losses suffered.

Furthermore, our directors have the power to take certain actions without shareholder approval which would require shareholder approval under the laws of most U.S. jurisdictions. For example, the directors of a Cayman Islands company, without shareholder approval, may implement a sale of any assets, property, part of the business, or securities of the Company.

While Cayman Islands law allows a dissenting shareholder to express the shareholder's view that a court sanctioned reorganization of a Cayman Islands company would not provide fair value for the shareholder's shares, Cayman Islands statutory law does not specifically provide for shareholder appraisal rights on a merger or consolidation of a company. This may make it more difficult for you to assess the value of any consideration you may receive in a merger or consolidation or to require that the acquirer gives you additional consideration if you believe the consideration offered is insufficient. However, Cayman Islands' statutory law does provide a mechanism for a dissenting shareholder in a merger or consolidation to apply to the Grand Court for a determination of the fair value of the dissenter's shares, if it is not possible for the Company and the dissenter to agree a fair price within the time limits prescribed.

Shareholders of Cayman Islands exempted companies, such as our Company, have no general rights under Cayman Islands' law to inspect corporate records and accounts or to obtain copies of lists of shareholders. Our directors have discretion under our Memorandum and Articles to determine whether or not, and under what conditions, our corporate records may be inspected by our shareholders, but are not obliged to make them available to our shareholders. This may make it more difficult for you to obtain the information needed to establish any facts necessary for a shareholder motion or to solicit proxies from other shareholders in connection with a proxy contest.

Lastly, under the law of the Cayman Islands, there is little statutory law for the protection of minority shareholders. The principal protection under statutory law is that shareholders may bring an action to enforce the constituent documents of the corporation, our Memorandum and Articles. Shareholders are entitled to have the affairs of the company conducted in accordance with the general law and the memorandum and articles of association.

There are common law rights for the protection of shareholders that may be invoked, largely dependent on English company law, since the common law of the Cayman Islands for business companies is limited. Under the general rule pursuant to English company law known as the rule in Foss v. Harbottle, a court will generally refuse to interfere with the management of a company at the insistence of a minority of its shareholders who express dissatisfaction with the conduct of the company's affairs by the majority or the board of directors. However, every shareholder is entitled to have the affairs of the company conducted properly according to law and the constituent documents of the company. As such, if those who control the company have persistently disregarded the requirements of company law or the provisions of the company's memorandum and articles of association, then the courts will grant relief. Generally, the areas in which the courts will intervene are the following: (1) an act complained of which is outside the scope of the authorized business or is illegal or not capable of ratification by the majority; (2) acts that constitute fraud on the minority where the wrongdoers control the company; (3) acts that infringe on the personal rights of the shareholders, such as the right to vote; and (4) where the company has not complied with provisions requiring approval of a special or extraordinary majority of shareholders, which are more limited than the rights afforded minority shareholders under the laws of many states in the United States. Our Cayman Islands' counsel has advised us that they are aware of one recent as yet unreported derivative action having been brought in a Cayman Islands' court. Class actions are not recognized in the Cayman Islands, but groups of shareholders with identical interests may bring representative proceedings, which are similar.

As a result, you may be limited in your ability to protect your interests if you are harmed in a manner that would otherwise enable you to sue in a United States federal court. In addition, shareholders of Cayman Islands companies may not have standing to initiate a shareholder derivative action in U.S. federal courts.

As a result of all of the above, shareholders of our Company may have more difficulty in protecting their interests in the face of actions taken by management, members of the board of directors or controlling shareholders than they would have as shareholders of a public U.S. company.

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

We are incorporated in the Cayman Islands and currently conduct substantially all of our operations outside the United States through our subsidiaries. Some of our directors and executive officers reside outside the United States and a substantial portion of their assets are located outside of the United States. As a result, it may be difficult or impossible for you to bring an action against us or against these individuals in the Cayman Islands or in Hong Kong, in the event that you believe that your rights have been infringed under the securities laws of the United States or otherwise. Even if you are successful in bringing an action of this kind, the laws of the Cayman Islands and Hong Kong may render you unable to enforce a judgment against our assets or the assets of our directors and officers. There is no statutory recognition in the Cayman Islands of judgments obtained in the United States or Hong Kong, although the courts of the Cayman Islands will generally recognize and enforce a non-penal judgment of a foreign court of competent jurisdiction without retrial on the merits if such judgment is final, for a liquidated sum, not in the nature of taxes, a fine or penalty, is not inconsistent with a Cayman Islands' judgment in respect of the same matters, and was not obtained in a manner which is contrary to public policy. In addition, a Cayman Islands court may stay proceedings if concurrent proceedings are being brought elsewhere.

You must rely on the judgment of our management as to the use of the net proceeds from this Offering, and such use may not produce income.

A significant portion of the net proceeds of this Offering is allocated for general corporate purposes, including funding research and development, clinical trials, potential investments in and acquisitions of complementary businesses, assets and technology. Although we describe a number of Significant Projects currently under development, including three that we have described as being our Lead Projects, because other opportunities may arise and because of the uncertainties inherent in drug development, our management will have considerable discretion in the application of the net proceeds received by us. You will not have the opportunity, as part of your investment decision, to assess whether proceeds are being used appropriately. The net proceeds may be used for corporate purposes that do not improve our efforts to achieve or maintain profitability. The net proceeds from this Offering may be expended on projects that do not produce income or that lose value.

We are an emerging growth company within the meaning of the Securities Act and will take advantage of certain reduced reporting requirements.

Upon the consummation of this Offering, we will be an "emerging growth company," as defined in the JOBS Act and we may take advantage of certain exemptions from various requirements applicable to other public companies that are not emerging growth companies including, most significantly, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act for so long as we are an emerging growth company. As a result, if we elect not to comply with such auditor attestation requirements, our investors, including the holders of Class A Ordinary Shares converted from the Series A Notes and Bonds, may not have access to certain information they may deem important.

The JOBS Act also provides that an emerging growth company does not need to comply with any new or revised financial accounting standards until such date that a private company is otherwise required to comply with such new or revised accounting standards. The Company has elected to use the extended transition period for complying with new or revised accounting standard under Section 102(b)(2) of the Jobs Act, that allows the Company to delay the adoption of new or revised accounting standards that have different effective dates for public and private companies until those standards apply to private companies.

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

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

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

Pursuant to Section 404 of the Sarbanes-Oxley Act, we will first be required to furnish a report by our management on our internal control over financial reporting for the year ending December 31, 2018. However, while we remain an emerging growth company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 of the Sarbanes-Oxley Act within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404 of the Sarbanes-Oxley Act. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements.

If you are a "Ten Percent Shareholder," you may be subject to adverse U.S. federal income tax consequences if we are classified as a Controlled Foreign Corporation.

Each "Ten Percent Shareholder" (as defined below) in a non-U.S. corporation that is classified as a "controlled foreign corporation," or a CFC, for U.S. federal income tax purposes generally is required to include in income for U.S. federal tax purposes such Ten Percent Shareholder's pro rata share of the CFC's "Subpart F income" and investment of earnings in U.S. property, even if the CFC has made no distributions to its shareholders. A non-U.S. corporation generally will be classified as a CFC for U.S federal income tax purposes if Ten Percent Shareholders own in the aggregate, directly or indirectly, more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a U.S. person (as defined by the Internal Revenue Code of 1986, as amended), who owns or is considered to own 10% or more of the total combined voting power of all classes of stock entitled to vote of such corporation. The determination of CFC status is complex and includes attribution rules, the application of which is not entirely certain. We may currently be a CFC and/or we may be a CFC after the completion of the offering. Holders are urged to consult their own tax advisors with respect to our potential CFC status and the consequences thereof.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- the initiation, timing, progress and results of our preclinical and clinical trials, and our research and development programs;
- our ability to advance our drug candidates into, and successfully complete, clinical trials;
- our ability to identify and develop new drug and device candidates;
- our reliance on the success of our drug candidates currently undergoing preclinical development; in particular, our Lead Project candidates;

- the timing or likelihood of regulatory filings and approvals;
- the commercialization of our drug and device candidates, if approved;
- our ability to develop sales and marketing capabilities;
- the pricing and reimbursement of our drug candidates, if approved;
- the implementation of our business model, strategic plans for our business and technology;
- the scope of protection we are able to establish and maintain for IP rights covering our drug and device candidates and technology;
- our ability to operate our business without infringing the IP rights and proprietary technology of other parties;
- costs associated with defending IP infringement, product liability and other claims;
- regulatory development in the U.S., Europe and PRC and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to enter into strategic arrangements;
- our ability to maintain and establish collaborations or obtain additional grant funding; the rate and degree of market acceptance of our drug and device candidates;
- developments relating to our competitors and industry, including competing therapies;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- our expected use of proceeds of this Offering, the Series A Note Offering and the Bond Offering;
- the future trading price of our Class A Ordinary Shares and impact of securities analysts' reports on these prices; and
- other risks and uncertainties, including those listed under the caption "Risk Factors".

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

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

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

TRADEMARKS, SERVICE MARKS AND TRADENAMES

This prospectus contains trademarks, service marks and trade names of others, which are the property of their respective owners. Solely for convenience, the trademarks, service marks, logos and trade names referred to in this prospectus are included without the ® and ™ symbols. All trademarks, service marks and trade names appearing in this prospectus are, to our knowledge, the property of their respective owners. We do not intend our use or display of other companies' trademarks, service marks, copyrights or trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies or unrelated parties.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this Offering of up to $[ ] million, based on an assumed price to the public in this Offering of $[ ], the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses.

We expect to use the net proceeds from this Offering as follows:

- to fund preclinical and clinical development, including:
  - approximately $5 to $8 million each for the development through Phase I of our Lead Projects; and
  - approximately $2 million for the development of our non-therapeutics projects;
- approximately $2.5 million to set up our self-owned laboratory in Fo Tan, Hong Kong; and
- the remainder to fund Other Significant Projects, general research and development activities, working capital and other general corporate activities.

As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds from this Offering. The amounts and timing of our actual expenditures may vary significantly from our expectations depending upon numerous factors, including the progress of our research, development and commercialization efforts, the progress of our preclinical trials, and our operating costs and capital expenditures. Drug discovery and development in the pharmaceutical industry is characterized by significant risks and uncertainties inherent in the research, clinical development and regulatory approval process. These uncertainties make it difficult for us to estimate the costs to conduct our research and development and complete our preclinical trials. Accordingly, we will retain broad discretion in the allocation of the net proceeds of this Offering, and we reserve the right to change the allocation of use of these proceeds as a result of contingencies such as the progress and results of our preclinical trials and our research and development activities, the results of our commercialization efforts, competitive developments and our manufacturing requirements. In addition, when and if the opportunity arises, we may use a portion of the proceeds to license, acquire or invest in complementary businesses, products, or technologies. In order to license, acquire or invest in complementary businesses, products or technologies, we may need to curtail our development of the Significant Projects described above, or enter into agreements allowing others to obtain rights for further development of one or more of our drug and device candidates earlier than anticipated. We currently have no commitments or agreements to acquire any such businesses, products or technologies, and we cannot determine with certainty which, if any, of the programs above might be affected should we enter into any such commitments.

We will not receive any of the proceeds from the sale of the Class A Ordinary Shares being offered by the Selling Shareholders, although we may receive additional proceeds of up to approximately $[ ] if all of the Series A Note PA Warrants and the Bond PA Warrants are exercised for cash. We will not receive any additional proceeds to the extent that the Series A Note PA Warrants and the Bond PA Warrants are exercised by cashless exercise. We expect to use the proceeds received from the exercise of those warrants, if any, for general working capital purposes. We cannot assure you, however, that any of those warrants will ever be exercised.

Based on our current operational plans and assumptions, we expect that the net proceeds from this Offering, combined with our current operating capital, will not be sufficient to enable us to complete all necessary development or commercially launch our current drug candidates.

DIVIDEND POLICY

We have never declared or paid cash dividends to our shareholders, and we do not intend to pay cash dividends in the foreseeable future. We intend to reinvest any earnings in developing and expanding our business. Any future determination relating to our dividend policy will be at the discretion of our Board of Directors and will depend on a number of factors, including future earnings, our financial condition, operating results, contractual restrictions, capital requirements, business prospects, our strategic goals and plans to expand our business, applicable law and other factors that our Board of Directors may deem relevant.

Under Cayman Islands law, dividends may be declared and paid only out of funds legally available therefor, namely out of either profit or our share premium account, and provided further that a dividend may not be paid if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business.

(See "Risk Factors – We have not paid dividends in the past and do not expect to pay dividends in the future, and any return on investment may be limited to the value of our shares" and "Description of Share Capital – Dividends")

CAPITALIZATION

The following table presents our cash and capitalization as of December 31, 2017:

- on an actual basis;
- on a pro forma basis, to give effect to the issuance to [ ] [ ] Class A Ordinary Shares immediately prior to the consummation of this Offering; (See "Transactions with Related Persons") and
- on a pro forma as-adjusted basis, to give effect and the issuance of [ ] Class A Ordinary Shares in this Offering and the issuance of [ ] Class A Ordinary Shares as a result of the automatic conversion of the Notes issued in the Series A Note Offering, each at an assumed price to the public of $[ ] per share, the midpoint of the price range set forth on the cover page of this prospectus after deducting underwriting discounts and commissions and estimated offering expenses, and the issuance of [ ] Class A Ordinary Shares as a result of the automatic partial conversion of the Bond.

This table should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements, consolidated financial statements and related notes included elsewhere in this prospectus.

	December 31, 2017		
	Actual	As adjusted (Minimum offering amount)	As adjusted (Maximum offering amount)
	US$	US$	US$
Equity			
Class A Ordinary Shares	5,426,381		
Class B Ordinary Shares	22,437,754		
Additional paid-in capital[(1)]	5,294,402		
Accumulated other comprehensive loss	(367,782)		
Accumulated deficit	(2,547,462)		
Non-controlling interests	(14,045)		
Total equity	30,229,248		
Total capitalization			

(1) Pro forma additional paid-in capital reflects the net proceeds we expect to receive, after deducting underwriting fee, underwriters expense allowance and other expenses. We expect to receive net proceeds of (a) approximately $[ ] if minimum offering is raised [BREAKDOWNS]) or (b) approximately $[ ] if maximum offering is raised [BREAKDOWNS]).

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

A $1.00 increase (decrease) in the assumed initial public offering price of $[ ] per Class A Ordinary Share, the midpoint of the estimated price range shown on the cover page of this prospectus, would increase (decrease) the amount of cash and cash equivalents, additional paid-in capital, total (deficit) equity and total capitalization on a pro forma as adjusted basis by approximately $[ ] million, assuming the number of Class A Ordinary Shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase (decrease) of [ ] Class A Ordinary Shares offered by us would increase (decrease) cash and cash equivalents, total (deficit) equity and total capitalization on a pro forma as adjusted basis by approximately $[ ] million, assuming the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

DILUTION

If you invest in the Class A Ordinary Shares in this Offering, your interest will be diluted to the extent of the difference between the initial public offering price per Class A Ordinary Share and the pro forma as adjusted net tangible book value per Class A Ordinary Share immediately after this Offering. Dilution results from the fact that the initial public offering price per Class A Ordinary Share is substantially in excess of the book value per Class A Ordinary Share attributable to the existing shareholders for our presently outstanding Class A Ordinary Share.

As of December 31, 2017, our net tangible book value was approximately $28.76 million, or $5.30 per Class A Ordinary Share. Our net tangible book value represents our total tangible assets less our total liabilities. Our net tangible book value per Class A Ordinary Share is our net tangible book value divided by the number of Class A Ordinary Shares (including the Class A Ordinary Shares to be issued upon conversion of outstanding Class B Ordinary Shares) outstanding as of December 31, 2017.

As of December 31, 2017, our pro forma net tangible book value was approximately $28.76 million, or $1.03 per Class A Ordinary Share. Our pro forma net tangible book value per Class A Ordinary Share is our net tangible book value divided by the number of Class A Ordinary Shares including the Class A Ordinary Shares to be issued upon conversion of outstanding Class B Ordinary Shares) outstanding as of December 31, 2017 after giving effect to the issuance of 22,437,754 Class A Ordinary Shares upon conversion of the Class B Ordinary Shares, which represents [ ]% of our fully-diluted equity capitalization immediately prior to the consummation of this Offering. (See “Transactions with Related Persons”)

After giving effect to (a) the pro forma adjustment described above and (b) our issuance and sale of [ ] Class A Ordinary Shares in this Offering and our issuance and issuance of [ ] Class A Ordinary Shares underlying the Series A Notes sold in the Series A Note Offering at an assumed initial public offering price of $[ ] per Class A Ordinary Share, the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2017 would have been approximately $[ ] million, or $[ ] per Class A Ordinary Share. This amount represents an immediate increase in pro forma net tangible book value of $[ ] per Class A Ordinary Share to the existing shareholders and an immediate dilution in net tangible book value of $[ ] per Class A Ordinary Share to investors purchasing Class A Ordinary Shares in this Offering. We determined dilution by subtracting the pro forma as adjusted net tangible book value per Class A Ordinary Share after this Offering and the Series A Note Offering from the assumed initial public offering price per Class A Ordinary Share.

The following table illustrates such dilution:

A $[ ] increase (decrease) in the assumed initial public offering price of $[ ] per Class A Ordinary Share would increase (decrease) the dilution to new investors by $[ ] per Class A Ordinary Share, assuming the number of Class A Ordinary Shares offered by us, as set forth on the cover page of this prospectus, remains the same but adjusting the number of Class A Ordinary Shares issuable upon the automatic conversion of the Series A Notes sold by us in the Series A Note Offering in accordance with the terms thereof, and after deducting underwriting discounts and commissions and estimated expenses payable by us. Similarly, each increase (decrease) of [ ] Class A Ordinary Shares offered by us would decrease (increase) the dilution to new investors by $[ ] per Class A Ordinary Share, assuming the assumed initial public offering price remains the same and after deducting underwriting discounts and commissions and estimated expenses payable by us.

The following table summarizes, on a pro forma as adjusted basis as of December 31, 2017, the differences between existing shareholders, the investors in the Series A Note Offering and new investors in this Offering with respect to the number of Class A Ordinary Shares purchased from us, the total consideration paid and the average price per Class A Ordinary Share paid before deducting underwriting discounts and commissions and estimated offering expenses payable by us, at an assumed initial public offering price of $[ ] per Class A Ordinary Share, the midpoint of the price range set forth on the cover of this prospectus. The total number of Class A Ordinary Shares does not include Class A Ordinary Shares issuable upon the exercise of the PA Warrants.

The pro forma as adjusted information discussed above is illustrative only. Our net tangible book value following the closing of this Offering and the Series A Note Offering is subject to adjustment based on the actual initial public offering price of the Class A Ordinary Shares and other terms of this Offering determined at pricing.

The above discussion and tables are based on [ ] Class A Ordinary Shares issued and outstanding as of December 31, 2017, which excludes [ ] Class A Ordinary Shares reserved for future issuance under our Option Plan.

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

SELECTED FINANCIAL DATA

The following selected data is derived from our audited consolidated financial statements included elsewhere in this prospectus. You should read this data together with our audited consolidated financial statements and related notes appearing elsewhere in this prospectus and the information under the captions "Capitalization" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of our future results. Our consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP.

Selected statements of operations data (Predecessor basis):	**Year ended December 31, 2016**	**January 1, 2017 through February 28, 2017**
Total investment income	$ 86,442	$ 3,011
Total expense	878,234	227,027
Net investment loss	(791,792)	(224,016)
Net realized and unrealized losses	(1,342,723)	(402,068)
Net decrease in net assets resulting from operations	$ (2,134,515)	$ (626,084)

Selected consolidated statements of operations and comprehensive loss data (Successor basis):	**March 1, 2017 through December 31, 2017**
Total expense	$ 5,693,083
Total other income, net	3,131,576
Net loss	(2,561,507)
Less: net loss attributable to non-controlling interests	(14,045)
Net loss attributable to Aptorum Group Limited	$ (2,547,462)
Net loss per share - basic and diluted	$ (0.09)
Weighted-average shares outstanding - basic and diluted	$ 26,963,435
Comprehensive loss	$ (2,929,289)

Selected statements of net assets data (Predecessor basis):	**December 31, 2016**	**February 28, 2017**
Total assets	$ 25,384,582	$ 24,713,446
Total liabilities	269,836	224,784
Net assets	$ 25,114,746	$ 24,488,662
Net assets value per share	$ 97.85	$ 95.45

Selected consolidated balance sheet data (Successor basis):	December 31, 2017
Total assets	$ 31,559,982
Total liabilities	1,330,734
Non-controlling interests	(14,045)
Total equity attributable to the shareholders of Aptorum Group Limited	$ 30,243,293

Selected statements of cash flows data (Predecessor basis):	Year ended December 31, 2016	January 1, 2017 through February 28, 2017
Net cash used in operating activities	$ (2,807,549)	$ (271,660)
Net cash provided by financing activities	438,298	-
Net decrease in cash	(2,369,251)	(271,660)
Cash at beginning of period	2,670,894	301,643
Cash at end of period	$ 301,643	$ 29,983

Selected consolidated statement of cash flows data (Successor basis):	March 1, 2017 through December 31, 2017
Net cash used in operating activities	$ (5,782,695)
Net cash provided by investing activities	12,802,718
Net cash provided by financing activities	9,082,001
Net increase in cash and restricted cash	16,102,024
Cash and restricted cash at beginning of period	623,783
Cash and restricted cash at end of period	$ 16,725,807

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

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

Overview

We are a Hong Kong based pharmaceutical company currently in the preclinical stage, dedicated to developing and commercializing a broad pipeline of therapeutic and diagnostic technologies to tackle unmet medical needs. We have obtained exclusive licenses for, our technologies, some of which have received international awards or are being developed based on award-winning concepts and each of which we believe, if successfully developed, could become First-in-Class/Best-in-Class innovations. In addition, we are also developing certain proprietary technologies as product candidates. We are pursuing therapeutic and diagnostic projects (including projects seeking to use extracts or derivatives from natural substances to treat diseases) in neurology, infectious diseases, gastroenterology, oncology, and other disease areas. We also have projects focused on surgical robotics. (See "Our Business – Lead Projects and Other Significant Projects – Lead Projects" and "Our Business – Other Significant Projects") Also, we opened a medical clinic, AML Clinic, in June 2018. Its initial focus is on treatment of chronic diseases resulting from modern sedentary lifestyles and aging population.

Although none of our drug or device candidates has yet been approved for testing in humans, our goal is to develop a broad pipeline of early stage novel therapeutics and diagnostics across a wide range of disease/therapeutic areas. Key components of our strategy for achieving this goal include: (for details of our strategy, see "Our Business – Our Strategy")

- Developing therapeutic and diagnostic innovations across a wide range of disease/therapeutic areas;
- Selectively expanding our pipeline with potential products that may be able to attain orphan drug designation and/or satisfy current unmet medical needs;
- Collaborating with leading academic institutions and CROs;
- Expanding our in-house pharmaceutical development center;
- Leveraging our management's expertise, experience and commercial networks;
- Strategically developing opportunities in Hong Kong to promote access to the PRC market; and
- Obtaining and leveraging government grants, to fund project development.

Based on our evaluation of the preclinical test results of each of our drug and device candidates, we have determined to devote a significant percentage of our resources, including a substantial portion of the proceeds of this offering, to three therapeutic projects ("Lead Projects"). The drug candidates being advanced by the Lead Projects are NLS-1, ALS-1 and ALS-4, described in further detail below. If the results of the remaining preclinical studies of these drug candidates are positive, we expect to be able to submit by 2020 or 2021 an Investigational New Drug Application ("IND") for at least one of these candidates to the U.S. Food and Drug Administration ("FDA") or an equivalent application to the regulatory authorities in one or more other jurisdictions such as the China Food and Drug Administration ("CFDA") and/or the European Medicines Agency ("EMA"). Acceptance of these applications by the relevant regulatory authority would enable the Company to begin testing that drug candidate in humans in that jurisdiction. Our ability to obtain any approval of such applications is entirely dependent upon the results of our preclinical studies, none of which have yet been completed.

Our current business consists of "therapeutics" and "non-therapeutics" segments. However, our focus is on the therapeutics segments. Because of the risks, costs and extended development times required for successful drug development, we have determined to pursue projects within our non-therapeutics segments, such as AML Clinic, to provide some interim revenue and medical robots that may be brought to market and generate revenue more quickly. In addition, we may develop formulations of our therapeutic molecules which may qualify as nutraceuticals or some other product category which may be subject to less regulation and which therefore may also offer a faster path to revenue generation.

Therapeutics Segment. In our therapeutics segment ("Aptorum Therapeutics Group"), we are currently seeking to develop various drug molecules (including projects seeking to use extracts or derivatives from natural substances to treat diseases) and certain technologies for the treatment ("therapeutics") and diagnosis ("diagnostics") of human disease conditions in neurology, infectious diseases, gastroenterology, oncology and other disease areas. In addition, we are seeking to identify additional prospects which may qualify for potential orphan drug designation (e.g., rare types of cancer) or which address other current unmet medical needs. Aptorum Therapeutics Group is operated through Aptorum's wholly-owned subsidiary, Aptorum Therapeutics Limited, a Cayman Islands exempted company with limited liability, whose principal place of business is in Hong Kong and its indirect subsidiary companies (who we sometimes refer to herein as project companies), whose principal places of business are also in Hong Kong.

Non-Therapeutics Segment. The non-therapeutics segment ("Aptorum Non-Therapeutics Group") encompasses two businesses: (i) the development of surgical robotics and medical devices and (ii) AML Clinic. The development of surgical robotics and medical devices business is operated through Signate Life Sciences Limited, a subsidiary of Aptorum Therapeutics Limited. The outpatient clinic is operated through our subsidiary, Aptorum Medical Limited. Effective as of March 2018, we leased office space in Central Hong Kong as the home to AML Clinic. AML Clinic has commenced operations under the name of Talem Medical in June 2018. (See "Our Business – Lead Projects and Other Significant Projects – Other Significant Projects – Aptorum Medical Limited - AML Clinic")

The Company has already obtained opportunities resulting in our existing licensing agreements from various contractual relationships that we have entered into including service/consulting agreements with some of the world's leading specialists and clinicians in our areas of interest, with academic institutions and organizations, and with contract research organizations ("CROs"). We anticipate that these relationships will generate additional licensing opportunities in the future. In addition, we have established and are continuing to expand our in-house research facilities (collectively, the "R&D Center") to develop some of our drug and device candidates internally and to collaborate with third-party researchers.

Prior to March 2017, the Company had pursued passive healthcare related investments in early stage companies primarily in the United States. However, we have since ceased pursuing further passive investment operations and intend to exit all such portfolio investments over an appropriate timeframe to focus resources on our current business.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS

Our discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements and financial statements contained elsewhere in this prospectus, which have been prepared in accordance with U.S. GAAP. Our notes to the consolidated financial statements contained elsewhere in this prospectus describe the significant accounting policies essential to our consolidated financial statements. Preparation of our financial statements requires estimates, judgments and assumptions. We believe that the estimates, judgments and assumptions that we have used are appropriate and correct based on information available at the time they were made. These estimates, judgments and assumptions can affect our reported assets and liabilities as of the date of the financial statements, as well as the reported revenues and expenses during the periods presented. If there are material differences between these estimates, judgments and assumptions and actual facts, our financial statements may be affected.

In many cases, the accounting treatment of a particular transaction is specifically dictated by U.S. GAAP and does not require our judgment in its application. There are areas in which our judgment in selecting among available alternatives would not produce a materially different result, but there are some areas in which our judgment in selecting among available alternatives would produce a materially different result. See the notes to the consolidated financial statements and financial statements that contain additional information regarding our accounting policies and other disclosures.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS (PREDECESSOR BASIS)

Basis of presentation

The accompanying financial statements are prepared in accordance with U.S. GAAP. As discussed in Note 2 of our audited financial statements included elsewhere in this prospectus, before March 1, 2017, the Company was an investment company under U.S. GAAP for the purposes of financial reporting. U.S. GAAP for an investment company requires investments to be recorded at estimated fair value and the unrealized gains and/or losses in an investment's fair value are recognized on a current basis in the statements of operations. In addition, the Company did not consolidate its subsidiaries, since they were operating companies and not investment companies. Such entities were fair valued in accordance with ASC Topic 946 ("ASC 946") and ASC Topic 820 ("ASC 820").

As of March 1, 2017, after the change of business purpose, legal form and substantive activities, the Company's status changed to an operating company from an investment company since it no longer met the criteria to qualify as an investment company under the ASC 946. The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other U.S. GAAP topics.

This change in status and the accounting policies affect the comparability of the financial statements. As such, for the year ended December 31, 2016 and for the period January 1, 2017 through February 28, 2017, the statements of net assets, statements of operations, statements of cash flows and statements of changes in net assets have been presented on the predecessor basis of accounting as an investment company, and on the basis of accounting as an operating company from March 1, 2017 through December 31, 2017. The consolidated balance sheet as of December 31, 2017 has been presented on the successor basis.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations as well as income and expenses during the reporting period. Significant accounting estimates reflected in the Company's financial statements include investments at fair value. Actual results could differ from those estimates.

Foreign currency

The Company's functional currency is US dollars ("USD" or "$"), which is the currency of the primary environment in which it operates in Hong Kong. The Company's performance is evaluated in USD. The fees, charges and allocations are calculated in USD. All subscriptions and redemptions are transacted in USD.

All assets and liabilities denominated in foreign currencies are translated into USD amounts at the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into USD amounts on the respective dates of such transactions. The Company does not separately account for that portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses on investments in the statements of operations. Adjustments arising from foreign currency transactions are reflected in the statements of operations.

Fair value measurement

The Company follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy:

Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield-curves, default rates, and similar data.

Level 3 - Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Company's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND ASSUMPTIONS (SUCCESSOR BASIS)

Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. GAAP.

As of March 1, 2017, after the change of business purpose, legal form and substantive activities, the Company's status changed to an operating company from an investment company since it no longer met the criteria to qualify as an investment company under the ASC 946. The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other U.S. GAAP topics.

Principles of consolidation

The consolidated financial statements of the Group are presented on the accrual basis of accounting in accordance with U.S. GAAP and include the accounts of the Company, its direct and indirect wholly and majority owned subsidiaries and a variable interest entity. All material intercompany balances and transactions have been eliminated in preparation of the consolidated financial statements. Non-controlling interests represent the equity interest that is not owned by the Group.

Use of estimates

The preparation of the consolidated financial statements on successor basis in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations as well as income and expenses during the reporting period. Significant accounting estimates reflected in the Group's consolidated financial statements include fair value of investments in securities, the useful lives of intangible assets and equipment, impairment of long-lived assets, collectability of receivables. Actual results could differ from those estimates.

Foreign currency translation and transaction

USD is the reporting currency. The functional currency of subsidiaries in the Cayman Islands is USD, the functional currency of subsidiaries in Hong Kong is Hong Kong Dollars ("HKD") and the functional currency of subsidiaries in Macao is Macanese Pataca ("MOP"). An entity's functional currency is the currency of the primary economic environment in which it operates, normally that is the currency of the environment in which it primarily generates and expends cash. The management considered various indicators, such as cash flows, market expenses, financing and inter-company transactions and arrangements in determining the Group's functional currency.

In the consolidated financial statements, the financial information of the Company and its subsidiaries, which use HKD and MOP as their functional currency, has been translated into USD. Assets and liabilities are translated from each subsidiary's functional currency at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains, and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of other comprehensive income or loss in the statement of shareholders' equity and comprehensive income.

Fair value measurement

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact its business, and it considers assumptions that market participants would use when pricing the asset or liability.

As a basis for considering such assumptions, a three-tier fair value hierarchy prioritizes the inputs utilized in measuring fair value as follows:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.
- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.
- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

Impairment of long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Group measures impairment by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss, which is the excess of carrying amount over the fair value of the assets, using the expected future discounted cash flows.

Revenue recognition

Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

After the Restructure, the Group has yet to generate operating income stream from its pharmaceutical products for the period from March 1, 2017 to December 31, 2017.

Income taxes

The Group accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are determined based on differences between the financial carrying amounts of existing assets and liabilities and their tax bases. Income taxes are provided for in accordance with the laws of the relevant taxing authorities.

A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will either expire before the Group is able to realize their benefits, or that future deductibility is uncertain. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

RESULTS OF OPERATION (PREDECESSOR BASIS)

Explanatory Note

Before March 1, 2017, Aptorum Group Limited was incorporated as an exempted open-ended investment company with limited liability in the Cayman Islands, which would own and oversee the management, operations and investments of its subsidiaries. On February 21, 2017, a special resolution was passed at a directors' meeting, and on March 1, 2017, a resolution also was passed at a shareholders' meeting. According to which, the Company changed from an investment fund with management shares and non-voting participating redeemable preference shares to a holding company with operating subsidiaries (the "Restructure"). After the Restructure, the Company has become a Hong Kong based pharmaceutical company currently in the preclinical stage. The results of operations and cash flows of the Company for the periods ended on or prior to February 28, 2017, and its financial position as of balance sheet date on or prior to February 28, 2017 are referred to as "Predecessor" financial information.

Financial statements and information are presented for the year ended December 31, 2016 (Predecessor), two months ended February 28, 2017 (Predecessor), which may not be comparable with amounts shown in each year/period.

General and administrative fees

For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, the general and administrative fees were $79,750 and $17,516, respectively, which are miscellaneous expenses.

Management fees

AENEAS CAPTIAL LIMITED, formerly known as APTUS CAPITAL LIMITED, a related company of the Group/Company, provided management and administrative services to the Group and incurred pre-determined management fees. For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, AENEAS CAPITAL LIMITED was entitled to receive a management fee which was equal to 2.5% per annum of the net asset value of the Company.

Legal and professional fees

For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, the legal and professional fees were $106,031 and $98,646, respectively.

Amortization and depreciation expenses

Amortization and depreciation expenses mainly represented the amortization of license agreements and the depreciation of equipment. For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, amortization and depreciation expenses were $nil, as the Company was an investment company and did not own any license agreements.

Other operating expenses

For the year ended December 31, 2016, other operating expenses were $50,646. For the period January 1, 2017 to February 28, 2017, other operating expenses were $1,907.

Other income

The Company met the assessment of an investment company under the Financial Accounting Standards Board (the "FASB") Accounting Standards Codification Topic 946 ("ASC 946") and was an investment company under U.S. GAAP for the purposes of financial reporting for year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, which the total income comprising interest income and dividend income were $86,442 and $3,011, respectively.

Realized and unrealized losses on investments and foreign exchange

Realized and unrealized losses on investments and foreign exchange mainly consist of net realized loss on investments in unaffiliated issuers and net unrealized appreciation/depreciation on investments in unaffiliated issuers. For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, the realized and unrealized losses were $1,342,723 and $402,068, respectively.

Net decrease in net assets resulting from operations

For year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017, the net decrease in net assets resulting from operations was $2,134,515 and $626,084, respectively.

RESULTS OF OPERATION (SUCCESSOR BASIS)

Explanatory Note

After the Restructure, the results of operations and cash flows of the Group for period beginning March 1, 2017 and its financial position as of March 1, 2017 and subsequent balance sheet dates are referred to herein as “Successor” consolidated financial information.

Financial statements and information are presented for the ten months ended December 31, 2017 (Successor), which may not be comparable with amounts shown in each year/period.

Research and development expenses

Research and development expenses are comprised of costs incurred in performing research and development activities, including our sponsored research programs with various universities and research institutions and costs in acquiring IP rights which did not meet the criteria of capitalization under U.S. GAAP. For the period March 1, 2017 to December 31, 2017, the research and development expenses were $2,501,420.

General and administrative fees

For the period March 1, 2017 to December 31, 2017, the general and administrative fees were $1,480,093, which mainly consisted of administrative fees of $640,932, payroll expenses of $306,967, traveling expenses of $175,671 and recruitment expenses of $125,535. The increase in general and administration fees was mainly due to the increased headcount in the Group to support the business development and the reclassification of management fees which was separately presented as “Management Fees” before the Restructure. The administrative fees were HKD500,000 (approximately $64,103) per calendar month for the period March 1, 2017 to December 31, 2017.

Management fees

AENEAS CAPITAL LIMITED, formerly known as APTUS CAPITAL LIMITED, a related company of the Group/Company, provided management and administrative services to the Group and incurred pre-determined management fees. For the period March 1, 2017 to December 31, 2017, the administrative fees of $640,932 has been reclassified to general and administrative fees due to the Restructure and since the Company has become a Hong Kong-based pharmaceutical company, so the management fees are no longer determined by net asset value since then.

Legal and professional fees

For the period March 1, 2017 to December 31, 2017, the legal and professional fees were $1,395,490. The increase in legal and professional fees was mainly due to the preparation of IPO and business expansion.

Amortization and depreciation expenses

Amortization and depreciation expenses mainly represented the amortization of license agreements and the depreciation of equipment. For the period March 1, 2017 to December 31, 2017, the amortization and depreciation expenses were $58,903.

Other operating expenses

For the period March 1, 2017 to December 31, 2017, other operating expenses were $257,177, which mainly consisted of event and meeting expenses of $82,027 and commission expenses of $55,726.

Other income

For the period March 1, 2017 to December 31, 2017, other income was $3,131,576, which consisted of interest income of $44,269, dividend income of $2,308, net gain on investments in marketable securities of $3,912,500 and net loss on investments in derivatives of $827,501.

Net loss attributable to Aptorum Group Limited

For the period March 1, 2017 to December 31, 2017, net loss attributable to Aptorum Group Limited (excluding net loss attributable to non-controlling interests) was $2,547,462.

LIQUIDITY AND CAPITAL RESOURCES

We had cash of approximately $16.2 million as of December 31, 2017, as compared to $0.3 million as of December 31, 2016. Our cash consists of cash on hand and bank deposits, which are unrestricted as to withdrawal or use.

The Group believes that available cash should enable the Group to meet present anticipated cash needs for at least the next 12 months after the date that the financial statements are issued, and the Group has prepared the consolidated financial statements on a going concern basis.

CONDENSED SUMMARY OF OUR CASH FLOWS (PREDECESSOR BASIS)

Operating activities

Net cash used in operating activities amounted to $2.8 million for the year ended December 31, 2016. During the year, the Company had net decrease in net assets resulting from operations of $2.1 million. In addition, the Group had unrealized depreciation on investments of $0.5 million, net realized loss on sales of investments in unaffiliated issuers of $0.8 million, capital invested in a subsidiary of $1.0 million, proceeds from sales of investment securities of $4.1 million, and purchases of investment securities of $5.0 million.

Net cash used in operating activities amounted to $0.3 million for the period January 1, 2017 to February 28, 2017. During the period, the Company had net decrease in net assets resulting from operations of $0.6 million and unrealized depreciation on investments of $0.4 million.

Investing activities

No cash flow from investing activities for year ended December 31, 2016 and the period January 1, 2017 to February 28, 2017.

Financing activities

Net cash provided by financing activities amounted to $0.4 million for the year ended December 31, 2016. During the year, the Company had repayment of short term loans of $2.1 million and proceeds from issuance of shares of $2.5 million.

Net cash flow from financing activities was nil for the period January 1, 2017 to February 28, 2017.

CONDENSED SUMMARY OF OUR CASH FLOWS (SUCCESSOR BASIS)

Operating activities

Net cash used in operating activities amounted to $5.8 million for the period March 1, 2017 to December 31, 2017. During the period, the Group had net loss of $2.6 million. Meanwhile, the Group had gain on investment in marketable securities of $3.9 million, loss on investments in derivatives of $0.8 million and an increase of other receivables and prepayments of $0.3 million.

Investing activities

Net cash provided by investing activities amounted to $12.8 million for the period March 1, 2017 to December 31, 2017. During the period, the Group had proceeds from sales of investment securities of $16.0 million, purchase of intangible assets of $1.0 million and purchase of equipment of $2.1 million.

Financing activities

Net cash provided by financing activities amounted to $9.1 million for the period March 1, 2017 to December 31, 2017. During the period, the Group had proceeds from issuance of shares of $8.6 million and proceeds from issuance of convertible promissory notes of $0.5 million.

RECENT ACCOUNTING PRONOUNCEMENTS

See Note 14 to our consolidated financial statements included elsewhere in this prospectus.

RESEARCH AND DEVELOPMENT (SUCCESSOR BASIS)

As of December 31, 2017, the Company has obtained 11 exclusively licensed technologies in neurology, infectious diseases, gastroenterology, oncology, surgical robotics and natural health and is in the process of developing two “in-house” projects in the neurology area. For the period March 1, 2017 to December 31, 2017, the Company incurred $2,501,420 on research and development expenses.

CAPITAL COMMITMENTS

We have entered into agreements with unrelated parties for purchasing office and laboratory equipment. As of December 31, 2017, we had non-cancellable purchase commitments of $1,756,560.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2017, the Company did not have any off-balance sheet debt, nor do we have any transactions, arrangements or relationships with any special purpose entities.

OUR BUSINESS

Overview

We are a Hong Kong based pharmaceutical company currently in the preclinical stage, dedicated to developing and commercializing a broad pipeline of therapeutic and diagnostic technologies to tackle unmet medical needs. We have obtained exclusive licenses for our technologies, some of which have received international awards or are being developed based on award-winning concepts and each of which we believe, if successfully developed, could become First-in-Class/Best-in-Class innovations. In addition, we are also developing certain proprietary technologies as product candidates. We are pursuing therapeutic and diagnostic projects (including projects seeking to use extracts or derivatives from natural substances to treat diseases) in neurology, infectious diseases, gastroenterology, oncology and other disease areas. We also have projects focused on surgical robotics. (See "Our Business – Lead Projects and Other Significant Projects – Lead Projects" and "Our Business – Lead Projects and Other Significant Projects – Other Significant Projects") Also, we opened a medical clinic, AML Clinic, in June 2018. Its initial focus is on treatment of chronic diseases resulting from modern sedentary lifestyles and aging population.

Although none of our drug or device candidates has yet been approved for testing in humans, our goal is to develop a broad pipeline of early stage novel therapeutics and diagnostics across a wide range of disease/therapeutic areas. Key components of our strategy for achieving this goal include: (for details of our strategy, see "Our Business – Our Strategy")

- Developing therapeutic and diagnostic innovations across a wide range of disease/therapeutic areas;
- Selectively expanding our pipeline with potential products that may be able to attain orphan drug designation and/or satisfy current unmet medical needs;
- Collaborating with leading academic institutions and CROs;
- Expanding our in-house pharmaceutical development center;
- Leveraging our management's expertise, experience and commercial networks;
- Strategically developing opportunities in Hong Kong to promote access to the PRC market; and
- Obtaining and leveraging government grants to fund project development.

Based on our evaluation of the preclinical test results of each of our drug and device candidates, we have determined to devote a significant percentage of our resources, including a substantial portion of the proceeds of this offering, to three therapeutic projects ("Lead Projects"). The drug candidates being advanced by the Lead Projects are NLS-1, ALS-1 and ALS-4, described in further detail below. If the results of the remaining preclinical studies of these drug candidates are positive, we expect to be able to submit by 2020 or 2021 an Investigational New Drug Application ("IND") for at least one of these candidates to the U.S. Food and Drug Administration ("FDA") or an equivalent application to the regulatory authorities in one or more other jurisdictions such as the China Food and Drug Administration ("CFDA") and/or the European Medicines Agency ("EMA"). Acceptance of these applications by the relevant regulatory authority would enable the Company to begin testing that drug candidate in humans in that jurisdiction. Our ability to obtain any approval of such applications is entirely dependent upon the results of our preclinical studies, none of which have yet been completed.

Our current business consists of "therapeutics" and "non-therapeutics" segments. However, our focus is on the therapeutics segments. Because of the risks, costs and extended development times required for successful drug development, we have determined to pursue projects within our non-therapeutics segments, such as AML Clinic, to provide some interim revenue and medical robots that may be brought to market and generate revenue more quickly. In addition, we may develop formulations of our therapeutic molecules which may qualify as nutraceuticals or some other product category which may be subject to less regulation and which therefore may also offer a faster path to revenue generation.

Therapeutics Segment. In our therapeutics segment ("Aptorum Therapeutics Group"), we are currently seeking to develop various drug molecules (including projects seeking to use extracts or derivatives from natural substances to treat diseases) and certain technologies for the treatment ("therapeutics") and diagnosis ("diagnostics") of human disease conditions in neurology, infectious diseases, gastroenterology, oncology and other disease areas. In addition, we are seeking to identify additional prospects which may qualify for potential orphan drug designation (e.g., rare types of cancer) or which address other current unmet medical needs. Aptorum Therapeutics Group is operated through Aptorum's wholly-owned subsidiary, Aptorum Therapeutics Limited, a Cayman Islands exempted company with limited liability, whose principal place of business is in Hong Kong and its indirect subsidiary companies (who we sometimes refer to herein as project companies), whose principal places of business are also in Hong Kong.

Non-Therapeutics Segment. The non-therapeutics segment ("Aptorum Non-Therapeutics Group") encompasses two businesses: (i) the development of surgical robotics and medical devices and (ii) AML Clinic. The development of surgical robotics and medical devices business is operated through Signate Life Sciences Limited, a subsidiary of Aptorum Therapeutics Limited. The outpatient clinic is operated through our subsidiary, Aptorum Medical Limited. Effective as of March 2018, we leased office space in Central Hong Kong as the home to AML Clinic. AML Clinic has commenced operations under the name of Talem Medical in June 2018. (See "Our Business – Lead Projects and Other Significant Projects – Other Significant Projects – Aptorum Medical Limited - AML Clinic")

The Company has already obtained opportunities resulting in our existing licensing agreements from various contractual relationships that we have entered into, including service/consulting agreements with some of the world's leading specialists and clinicians in our areas of interest, with academic institutions and organizations, and with CROs. We anticipate that these relationships will generate additional licensing opportunities in the future. In addition, we have established and are continuing to expand our in-house research facilities (collectively, the "R&D Center") to develop some of our drug and device candidates internally and to collaborate with third-party researchers.

Prior to March 2017, the Company had pursued passive healthcare related investments in early stage companies primarily in the United States. However, we have since ceased pursuing further passive investment operations and intend to exit all such portfolio investments over an appropriate timeframe to focus resources on our current business.

Our Strategy

Although we plan to continue the development and improvement of a broad pipeline of novel therapeutics and diagnostics across a wide range of disease/therapeutic areas, over the next 24-36 months we plan to concentrate on development of our Lead Projects, while also allocating some resources to develop SLS-1 and maintaining our AML Clinic.

Assuming that our research continues to generate positive results, we believe that execution of this strategy will position the Company to catalyze the development and improvement of a broad pipeline of early-staged novel therapeutics and diagnostics across a wide range of disease/therapeutic areas. Failure to achieve positive results in at least one of the programs for a Lead Project could have a material adverse effect on the Company's prospects and business.

To achieve this goal, we are implementing the following strategies:

- **Developing therapeutic and diagnostic innovations across a wide range of disease/therapeutic areas.** We are currently developing drug and device candidates in several disease/therapeutic areas. We believe that by diversifying our research efforts, it would increase the likelihood that at least one of our projects will achieve clinical success and therefore add value to the Company. As of December 31, 2017, we have obtained 11 exclusively licenses of technologies across the areas of neurology, infectious diseases, gastroenterology, oncology, surgical robotics and natural health. Our initial focus will be on developing our Lead Projects, but intend to continue developing our other current projects and seeking new licensing opportunities where we determine that the market potential justifies the additional commitment of our limited resources.

- **Selectively expanding our pipeline with potential products that may be able to attain orphan drug designation and/or satisfy current unmet medical needs.** We have selected innovations for development which we believe are of superior scientific quality, whilst taking into account the potential market size and demand for same, for example, taking into consideration whether the relevant product can satisfy significant unmet medical needs. In particular, Aptorum Therapeutics Limited has established a Scientific Assessment Committee, which helped us to select our current projects and which we expect will provide input from a scientific perspective towards any future opportunities for acquiring or licensing life science innovations. We intend to continue expanding our pipeline, and subject to our financial and other resource limitations, exploring acquisitions or licenses of additional products which may be able to attain orphan drug designations (e.g., rare types of cancer) or satisfy significant unmet medical needs and that show strong preclinical and/or early clinical data to provide promising opportunities for clinical and commercial success.

- **Collaborating with leading academic institutions and CROs.** In building and developing our product portfolio, we believe that accessing external innovation, expertise and technology through collaboration with leading academic institutions and CROs is a vital and cost-efficient strategy. We have established strong relationships with leading academic institutions around the world and expect to continue to strengthen our collaborations by, for example, seeking to provide their affiliated Principal Investigators resources through sponsorship to conduct further research in specialty fields of interest and association with personnel connected to our current project companies, in exchange for obtaining for the Company the first right to negotiate for an exclusive license to any resulting innovations. In addition, we have entered and will continue to actively source arrangements with pharmaceutical companies, in most cases in roles as contract research organizations, to streamline the development of our projects. This may include outsourcing part of the preclinical, clinical studies and clinical supplies manufacturing to externally accredited cGLP, cGMP and cGCP standard contract research organizations or laboratories in order to attain the required studies for submission to the regulatory authorities as part of the clinical development plan. (See "Arrangements with Other Parties")

- **Expanding the R&D Center to accelerate project development.** We believe collaborations between the R&D Center operated by APD and the scientists engaged in work for our project companies will enhance clinical and commercial potential of the projects. In addition, APD will assist the project companies by engaging external pharmaceutical companies and/or contract research organizations to outsource any part of the preclinical or clinical development work that cannot be performed by the R&D Center in order to obtain the resources necessary for our development process.

- **Leveraging our management's expertise, experience and commercial networks.** We believe the combination of our management's expertise and experience, with their academic and commercial networks make us an effective platform for advancing healthcare innovations towards clinical studies and commercialization in key global markets. We have assembled a management team with global experience and an extensive record of accomplishments in medical administrations and identification, acquisition, development and global registration of pharmaceutical and biopharmaceutical drug and device candidates through commercial launches. We also employ key management personnel with banking and financial experience, which enhances our capability to establish the most efficient financial structure for the development of our programs.

- **Strategically developing opportunities in Hong Kong to provide access to the PRC market.** The PRC is the world's second largest healthcare market and we plan to market our products there in the future as part of our overall growth strategy. In October 2017, the PRC government announced that the country is planning to accept trial data gathered overseas to speed up drug approvals, which is a potential boon for foreign pharmaceutical companies. We believe strategically locating our principal businesses in Hong Kong, as a Special Administrative Region of the PRC, may provide us distinctive advantages in accessing the PRC healthcare market. Two of our key collaborators, The University of Hong Kong (the "HKU") and the Chinese University of Hong Kong (the "CUHK") have received clinical drug trial accreditation by the CFDA for their clinical trial units/centers.

- **Obtaining and leveraging government grants to fund project development.** The Hong Kong government pays close attention to the development of the biotechnology sector in Hong Kong and provides support and funding. We intend to aggressively seek government support from Hong Kong for our product development and to facilitate the development of some of our projects.

Arrangements with Other Parties

As mentioned above, part of our business model includes collaborating with research entities such as academic institutions and CROs, as well as highly regarded experts in their respective fields. We engage these entities and researchers either for purposes of exploring new innovations or advancing preclinical studies of our existing licensed drug candidates. Although the financial cost of these arrangements does not represent a material expense to the Company, the relationships we can access through, specifically, sponsored research arrangements ("SRAs") with academic institutions and organizations can provide significant value for our business; for example, we may decide whether to continue development of certain early-staged projects and/or out-license a project based on the data and results from research governed by SRAs. However, as of the date of this prospectus, we do not consider the particulars of any of our SRAs to be material to the success of our current business plans.

Our drug discovery programs are mainly conducted in universities via licensing or SRAs. As for the development of our drug candidates, our R&D Center conducts part of the CMC work. However, since our current facilities are not cGMP, cGLP or cGCP qualified, we will have to rely on CROs to conduct that type of work, if and when our drug candidates reach the level of development that requires such qualification.

Lead Projects and Other Significant Projects

We are actively operating and managing the development of our drug and device candidates through various subsidiaries. Each candidate is being researched in a subsidiary with a medical/scientific area of focus related to the drug and device candidate in development. We refer to these as our "Project Companies" and their products or areas of focus as our "Significant Projects" (including our Lead Projects (i.e., ALS-1, ALS-4 and NLS-1) and Other Significant Projects (as defined below)). The selection of a drug and device candidate in each of our Significant Projects is based on our estimate of the market potential for that candidate, the scientific expertise required to develop it, and our overall corporate strategy, including our ability to commit personnel and future investment to that candidate.

To pursue a number of our current Significant Projects, our Project Companies have entered into standard license agreements with various university and licensing entities customized to the nature of each project. These license agreements largely contain the same terms, as is typically seen in license agreements for an early-stage life science invention; such terms include a worldwide license with licensed field comprising indications in the intended treatment areas, having upfront payments of no more than $310,000, 5% or less royalty rates (except for ALS-DDC, which has a 15% royalty rate), sublicensing royalties at 15% or below, as well as provisions for payments upon occurrence of development and/or regulatory milestones. Under the license agreements, the Project Company must also adhere to certain diligence obligations and may or may not be required to obtain prior consent from the licensor to sublicense the invention. The license terms of our Lead Projects are discussed in detail below.

Pipeline of Drug and Device Candidates								
Projects	Candidate / Modality	Indication	Development Stage				
			Target ID & Selection	Lead Discovery	Lead Optimization	IND-Enabling	Phase 1
Videns' Series							
VLS-1	Curcumin-MNP (Medical Imaging Agent for MRI Diagnosis)	For diagnosis of Alzheimer's Disease					
VLS-2	MITA	For the treatment of Alzheimer's & Parkinson's Disease					
VLS-3	Non-Invasive Retina Imaging Diagnostics	For diagnosis of Alzheimer's Disease					
VLS-4	Imaging Agent for MRI Diagnosis	For diagnosis of Alzheimer's Disease					
Acticule's Series							
ALS-1	Small molecule	For the treatment of viral infections caused by Influenza virus A					
ALS-2	Small molecule	For the treatment of bacterial infections caused by Staphylococcus aureus including MRSA					
ALS-3	Small molecule	For Reviving Existing Antibiotics to Overcome Drug Resistance					
ALS-4	Small molecule	For the treatment of bacterial infections caused by Staphylococcus aureus including MRSA					
Nativus' Series							
NLS-1	Pro-EGCG	For the treatment of Endometriosis					
NLS-2	DO1 Peptide	For the relief of Menopausal Symptoms					
NLS-3	SAC	For the treatment of and protection against retinal ischemia/reperfusion injury					
Scipio's Series							
SPLS-1	83b-1 Novel Quinoline Derivative	For the treatment of Liver Cancer					
Signate's Series							
SLS-1	Robotic Catheter Platform for Intra-operative MRI-Guided Cardiac Catheterization	For the treatment of Heart Rhythm Disorders by Cardiac Electrophysiology Intervention	MRI-Testing				
Lead Projects	Candidates	Device Candidates					
Other Key Projects							
ALS-DDC	Drug Discovery Center + Chemical Library	Drug Discovery by identification and screening of drug molecules for various indications	Setting Up				
AML Clinic	Clinic - Talem Medical	Medical Services	Commenced operations in June 2018				

Another subsidiary, Aptorum Medical Limited ("AML"),[1] is our vehicle for developing our business of delivering medical services in the form of AML Clinic.

We anticipate allocating approximately 20% of our resources to develop our Significant Projects other than our Lead Projects ("Other Significant Projects"), with a strong focus on SLS-1 and AML Clinic. As a device candidate, SLS-1 may not need to undergo the same regulatory approval process as a drug candidate and therefore we may be able to bring it to market sooner. AML Clinic is expected to provide us with a modest amount of revenue. Even if SLS-1 achieves commercial sales, of which there can be no assurance, revenue from these products alone will not be sufficient for us to carry out all of our plans, it will assist with name recognition and supplement our income while we develop our Lead Projects.

1 Clark Cheng, our Chief Medical Officer and an Executive Director, owns 5% of Aptorum Medical Limited.

Lead Projects

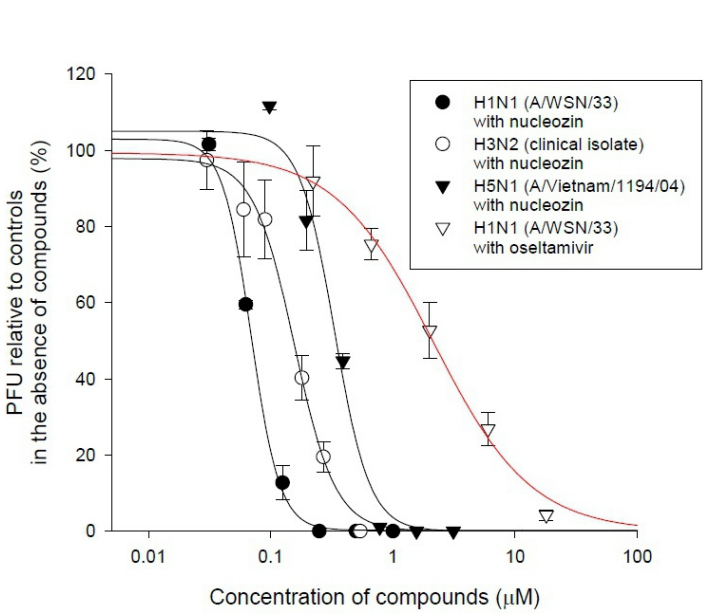
ALS-1: Small molecule intended for the treatment of viral infections caused by Influenza virus A

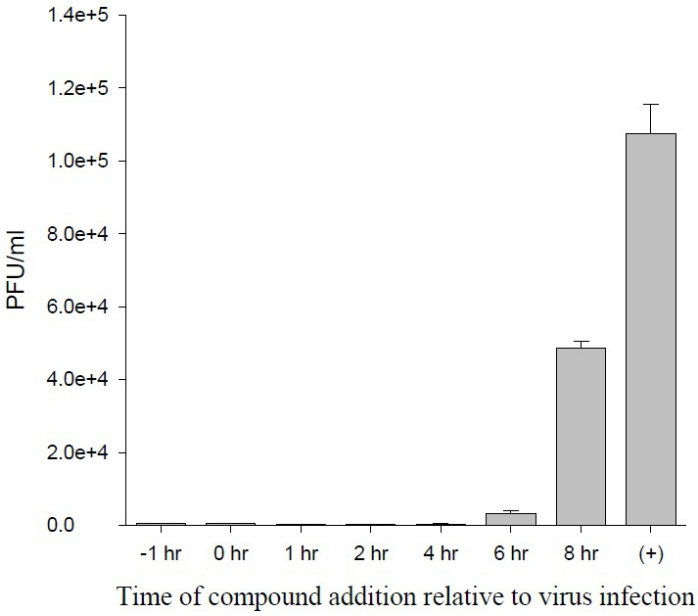
ALS-1 is a novel small drug molecule which targets viral nucleoprotein ("NP"). ALS-1 is designed to target a broad range of NP variants and may have the potential to overcome drug resistance. Professor Richard Kao (Inventor of ALS-1, Founder and Principal Investigator of Acticule) was the first to identify NP as an effective drug target (Nature Biotechnology. 28:600-605). We are exploring ALS-1 as a potential treatment for viral infections caused by Influenza virus A ("IVA"). Since there is no NP inhibitor on the market yet, we believe that ALS-1 has the potential to be a First-in-Class drug for treating this disease.

Two widely prescribed antiviral drug classes for the treatment of influenza are neuraminidase inhibitors ("NI") and M2 protein inhibitors. Zanamivir is a second-generation neuraminidase inhibitor for the treatment of both influenza A and B in adults and children (5 years old and above). Oseltamivir is a third-generation neuraminidase inhibitor for the treatment of influenza A and B in individuals older than 1 year of age. Amantadine and rimantadine are M2 membrane protein inhibitors that block the M2 ion channel activity of influenza A but have no effect on influenza B. Given the widespread resistance to M2 inhibitors, amantadine and rimantadine are no longer recommended for the treatment of influenza A.

It is our hypothesis that influenza A NP is an essential protein for the proliferation of the influenza virus. ALS-1 targets NP and triggers the aggregation of NP and this prevents the aggregated NP from entering the nucleus. Our preclinical studies of ALS-1 indicate that it inhibits the replication of influenza virus in vitro with a nanomolar EC_{50} and protects mice challenged with lethal doses of avian influenza A H5N1.

The target site on NP where ALS-1 is acting has been identified and mechanisms established. Animal model efficacy has been demonstrated, while chemical structures are being optimized. Further lead optimization of ALS-1 is being conducted to improve its drug-like properties.





According to data from our preclinical studies, as reflected in the foregoing tables, ALS-1 outperforms oseltamivir (sold under the brand name Tamiflu) in cell-based assays and stops virus replication during the early to late stages of viral infection.

Patent License

On October 18, 2017, the Company's subsidiary, Acticule, entered into an exclusive license agreement with Versitech Limited, the licensing entity of HKU, for the rights to ALS-1. Pursuant to the license agreement, Acticule became the exclusive licensee of 1 U.S. patent, 1 European Patent, 1 PRC patent and 1 German patent. The claimed invention is described as: "Antiviral Compounds and Methods of Making and Using Thereof". The U.S. patent will expire in 2031; the European Patent in 2030; the PRC patent in 2030 and the German patent in 2030.

With respect to the license scope, the territory of the license is worldwide and the field of the license is for treatment or prevention of viral infections including influenza. Acticule has the right to grant sublicenses under the license agreement without prior approval from Versitech Limited and to assign the agreement to any successor to the business related to the license. In the event that Acticule makes an improvement to the licensed technologies, so long as the improvement does not incorporate any licensed patents, Acticule will be the owner of such improvement, subject to a non-exclusive royalty-free license being granted back to Versitech Limited for academic and research purposes only.

ALS-4: Small molecule for the treatment of bacterial infections caused by Staphylococcus aureus including Methicillin-resistant Staphylococcus aureus ("MRSA")

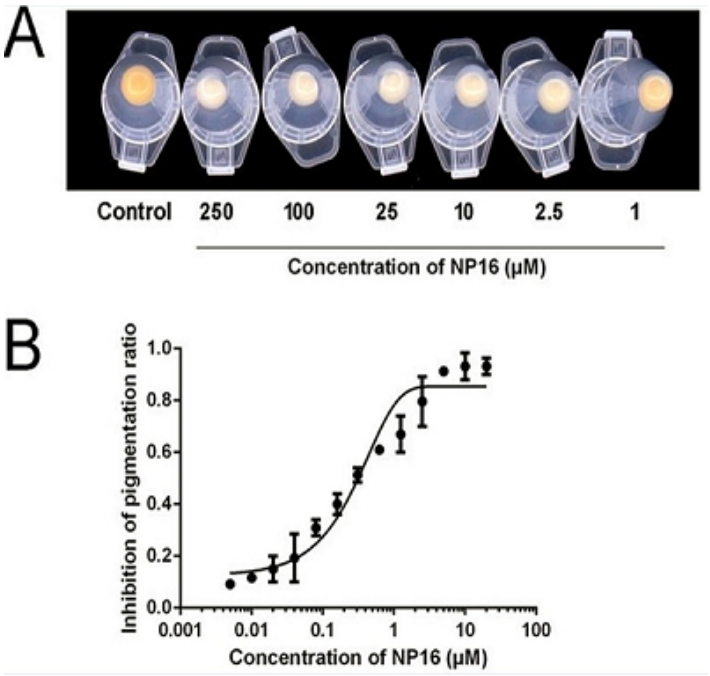
Just as certain strains of viruses, such as human immunodeficiency virus ("HIV") and influenza have developed resistance to drugs developed to treat them, certain bacteria such as *Staphylococcus aureus*, *Mycobacterium tuberculosis* and *Pseudomonas aeruginosa* have become "superbugs", having developed resistance to many, if not all, of the existing drugs available to treat them, rendering those treatments ineffective in many instances. MRSA is one such bacterium, a gram-positive bacterium that is genetically different from other strains of Staphylococcus aureus. Staphylococcus aureus and MRSA can cause a variety of problems ranging from skin infections and sepsis to pneumonia and bloodstream infections. It is estimated that about one out of every three people (33%) carry Staphylococcus aureus in their nose, usually without any illness; about two in a hundred (2%) carry MRSA (*source: https://www.cdc.gov/mrsa/tracking/index.html*). Both adults and children may carry MRSA.

Most MRSA infections occur in people who have been in hospital or other health care settings, such as nursing homes and dialysis centers (*source: https://www.mayoclinic.org/diseases-conditions/mrsa/symptoms-causes/syc-20375336*), which is known as Healthcare-Associated MRSA ("HA-MRSA"). HA-MRSA infections are typically associated with invasive procedures or devices, such as surgeries, intravenous tubing or artificial joints. Another type of MRSA infection, known as Community-Associated MRSA ("CA-MRSA"), has occurred in wider community among healthy people. It often begins as a painful skin boil and spreads by skin-to-skin contact. About 85% of serious, invasive MRSA infections are healthcare associated infections (https://www.cdc.gov/media/pressrel/2007/r071016.htm). The incidence of CA-MRSA varies according to population and geographic location. In the U.S., more than 94,000 people develop serious MRSA infection and about 19,000 patients die as a result each year (https://www.cdc.gov/media/pressrel/2007/r071016.htm). According to the US Centers for Disease Control and Prevention ("CDC"), Staphylococcus aureus, including MRSA, caused about 11% of healthcare-associated infections in 2011 (source: http://www.healthcommunities.com/mrsa-infection/incidence.shtml). Each year in the U.S., around one out of every twenty-five hospitalized patients contracts at least one infection in the hospital (N Engl J Med. 2014, 27;370(13):1198-208). In the U.S., there were over 80,000 invasive MRSA infections and 11,285 related deaths in 2011 (source: https://edition.cnn.com/2013/06/28/us/mrsa-fast-facts/index.html). Indeed, severe MRSA infections most commonly occur during or soon after inpatient medical care. More than 290,000 hospitalized patients are infected with Staphylococcus aureus and of these staphylococcal infections, approximately 126,000 are related to MRSA (source: http://www.healthcommunities.com/mrsa-infection/incidence.shtml).

ALS-4 is a small drug molecule which appears to target the products produced by bacterial genes that facilitate the successful colonization and survival of the bacterium in the body or that cause damage to the body's systems. These products of bacterial genes are referred to as "virulence expression". Targeting bacterial virulence is an alternative approach to antimicrobial therapy that offers promising opportunities to overcome the emergence and increasing prevalence of antibiotic-resistant bacteria. The research on ALS-4, as well as for separate drug candidates ALS-2 and ALS-3, has evolved from innovations that were initially developed by Professor Richard Kao, the founder and principal investigator of Acticule, and his research team, whose findings won the first prize Innovation Academy Award at the 4th International Conference on Prevention & Infection Control in Geneva, Switzerland in 2017.

ALS-4 is directed to a novel drug target, an enzyme essential for Staphylococcus aureus (including MRSA) survival in vivo. We believe that the product of this enzyme promotes Staphylococcus aureus (including MRSA) survival by shielding the bacteria from the attack by the immune system. ALS-4 may have particular value if it can be shown to be an effective therapy in situations where a Staphylococcus aureus infection is resistant to available antibiotics (i.e., where the pathogen is MRSA). Although the Company is aware of other drug candidates under investigation by potential competitors, no product has yet reached the market which acts on the same therapeutic target as ALS-4. Therefore, the Company believes that ALS-4 has the potential to become a First-in-Class drug for the treatment of bacterial infections caused by Staphylococcus aureus including MRSA.

The target has been identified and mechanism of action has been established. Proof-of-concept in vitro and in vivo studies has been demonstrated and the compound is undergoing lead optimization to improve its drug-like properties.



Our test data (as reflected above) indicates that, by blocking the activity of this enzyme, ALS-4 enhances the clearance of MRSA by the immune system. As reflected in the foregoing illustration and chart, ALS-4 appears to stop the staphyloxanthin (golden-colored pigment) production in MRSA without killing the bacteria but prevents MRSA from escaping from the human immune system.

Patent License

On October 18, 2017, the Company's subsidiary, Acticule, entered into an exclusive license agreement with Versitech Limited, the licensing entity of HKU, for ALS-4. Pursuant to the license agreement, Acticule became the exclusive licensee of 1 pending U.S. provisional application. The claimed inventions are described as: "Compounds and Methods for the Treatment of Staphylococcal Infections." We intend to pursue with our licensor patent protection based on the provisional patent, as well as potential additional filings, in the U.S., PRC and from the EPO.

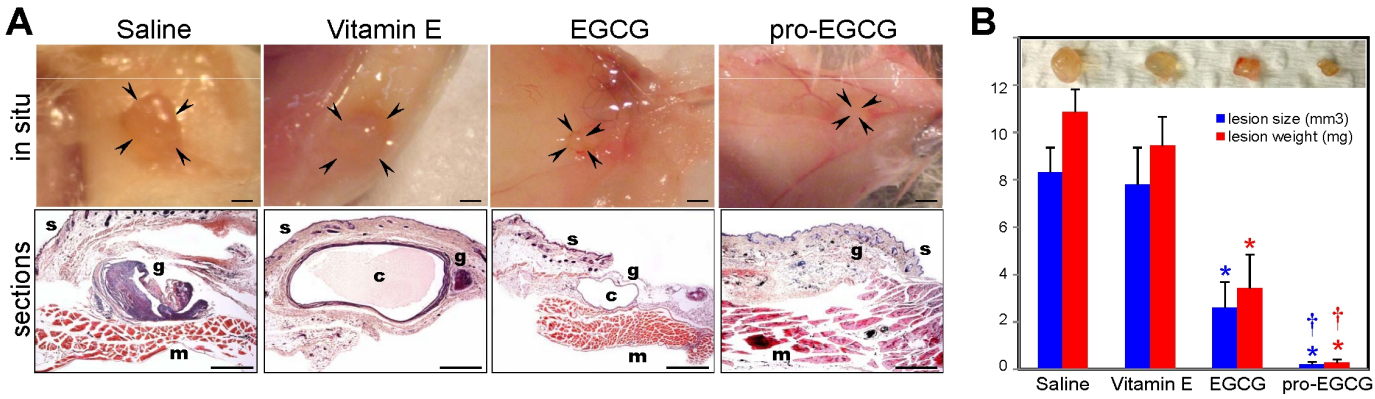
With respect to the license scope, the territory of the license is worldwide and the field of the license is for treatment or prevention of Staphylococcus aureus including MRSA and bacterial virulence. Acticule has the right to grant sublicenses to third parties under the license agreement without prior approval from Versitech Limited and to assign the agreement to any successor to the business related to the license. In the event that Acticule makes an improvement to the licensed technologies, so long as the improvement does not incorporate any licensed patent, Acticule will be the owner to such improvement, subject to a non-exclusive royalty-free license being granted back to Versitech Limited for academic and research purposes only.

NLS-1: Prodrug of Epigallocatechin-3-Gallate ("Pro-EGCG") for the treatment of Endometriosis

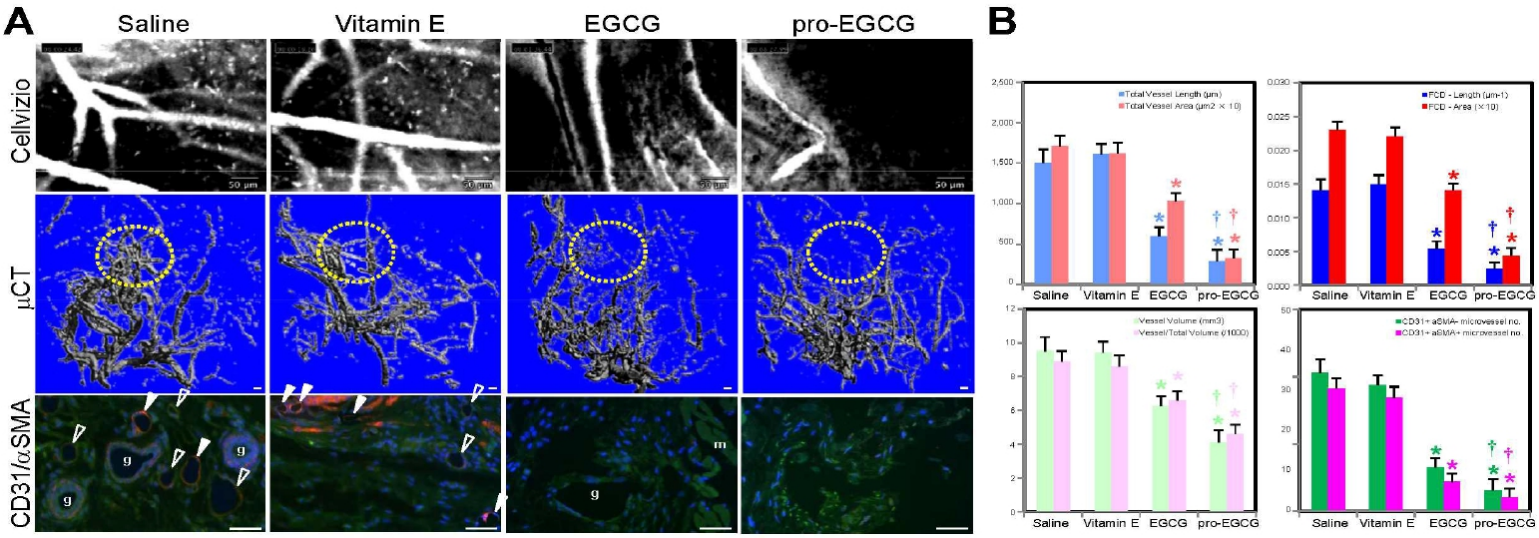
NLS-1 is a drug molecule derived from natural products (green tea) which appears to be effective for the treatment of endometriosis, a disease in which the tissue that normally lines the uterus (endometrium) grows outside the uterus. It can grow on the ovaries, fallopian tubes, bowels, or bladder. Rarely, it grows in other parts of the body. EGCG, a naturally occurring molecule extracted from green tea, appears to be efficacious for the treatment of endometriosis in preclinical animal models (Hum Reprod. 2014 29(8):1677; Hum Reprod. 2013 28(1):178; Fertil Steril. 2011 96(4):1021). However, the attractiveness of epigallocatechin-3-gallate as a drug candidate has been diminished by its chemical and metabolic instability (Hum Reprod. 2014 29(8):1677; Angiogenesis. 2013 16(1):59). The Company's drug candidate, NLS-1 or EGCG octaacetate, is supposed to overcome these challenges. NLS-1 is an EGCG derivative synthesized by acetylation of the reactive hydroxyl groups, which appears to prevent generation of reactive phenoxide anions and radicals for dimerization and metabolism, thereby overcoming the chemical and metabolic instability of EGCG. Essentially, NLS-1 is a prodrug of EGCG ("Pro-EGCG"), a biologically inactive compound that can be metabolized in the body to produce EGCG.

Despite different hypotheses proposed for the pathogenesis of endometriosis, it is widely accepted that endometriosis is an angiogenesis-dependent disorder, and that angiogenesis plays an essential role in the growth and survival of endometriotic lesions. Endometriotic lesions require new vessel formation to deliver oxygen and nutrients that are essential to the development and progression of endometriosis. Dense vascularization is a typical pathological feature of endometriosis. Numerous peritoneal blood vessels can be observed around the endometriotic lesions during laparoscopy, and ectopic endometrium is highly vascularized under histological examination. Researchers have confirmed in animal models that angiogenesis occurs in endometriosis, by demonstrating the development of adjacent blood vessels from the surrounding vasculature into the endometriotic implants. Anti-angiogenesis therapy offers a potential novel treatment of endometriosis.

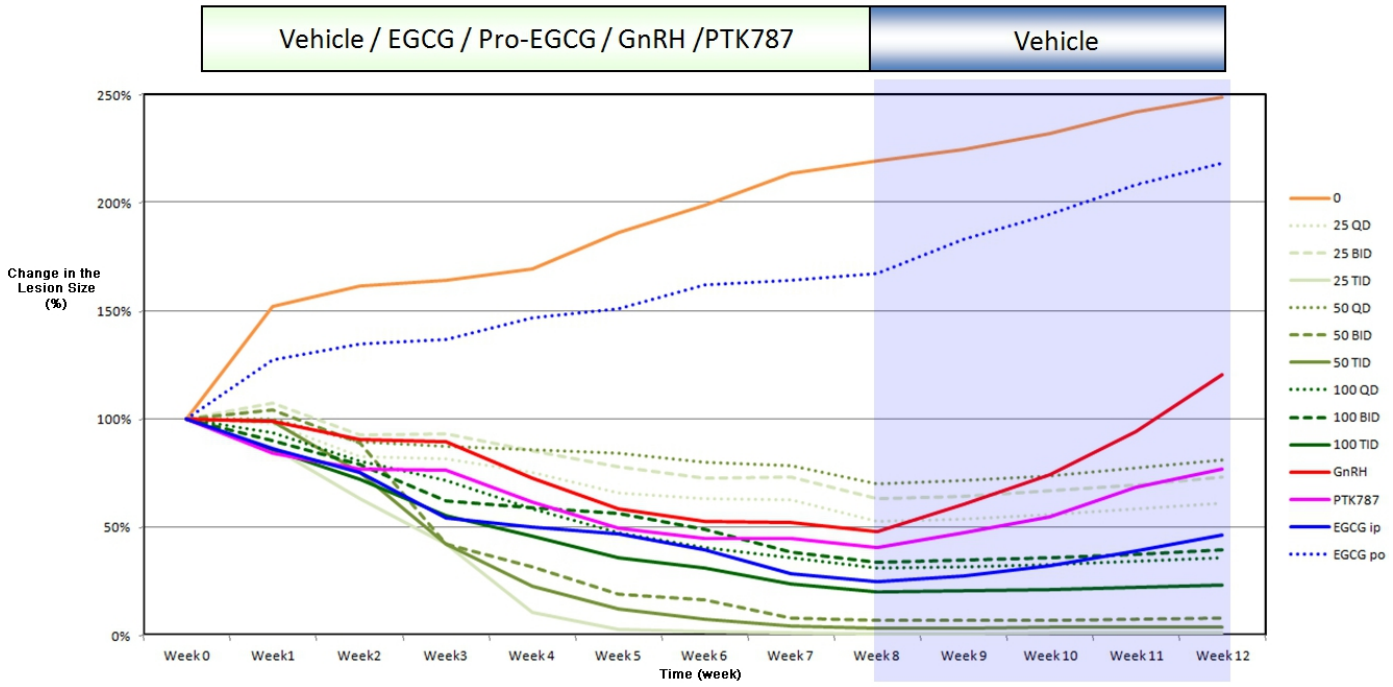
Data generated using an experimental endometriosis mouse model indicates that Pro-EGCG administered orally significantly inhibits the development, growth and angiogenesis of endometriosis with higher efficacy, bioavailability, anti-oxidation and anti-angiogenesis capabilities than EGCG. The studies appear to confirm the efficacy of oral Pro-EGCG for the treatment of endometriosis. Lead optimization of a candidate is being conducted and preclinical validation is currently underway. In our studies to date, compared to EGCG, Pro-EGCG shows superior efficacy, and long-lasting effect in reducing endometriotic lesion size in animal models.

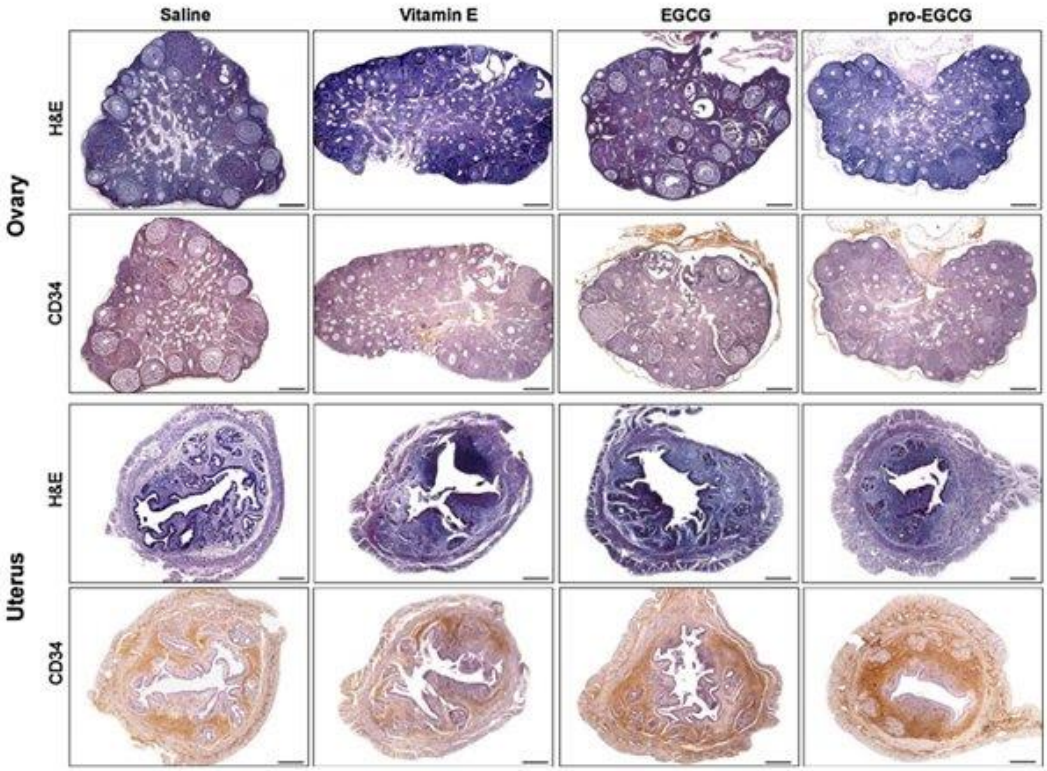


As reflected in the foregoing charts and images, Pro-EGCG appears to limit the development of endometriosis in our mouse model with a higher efficacy than EGCG.



As reflected in the foregoing charts and images, Pro-EGCG appears to inhibit the angiogenesis of endometriosis in our mouse model with a higher efficacy than EGCG.





In an animal study as reflected in foregoing chart, oral Pro-EGCG exhibits superior efficacy over other conventional therapeutic agents, such as GnRH analog and other synthetic anti-angiogenesis agents, for the treatment of endometriosis. Our researchers observed no signs of stress, intolerance to anesthesia, surgery or implantation or any toxic responses to Pro-EGCG administration during the interventions.

Based on our research results, we believe that NLS-1 has the potential to become a First-in-Class drug derived from natural product for the non-hormonal treatment of endometriosis. The current approved treatment is hormonal therapy, which can cause severe undesirable side effects. At present, few non-hormonal therapeutics with different mechanisms are under preclinical or clinical development, such as

1) BAY 1128688, which is a non-hormonal approach developed by Bayer HealthCare for endometriosis and which entered Phase 2 study in Spain in 2017 (https://adisinsight.springer.com/drugs/800041929.

2) Small molecules co-developed by Bayer and Evotec that have entered Phase 1 studies (Source: https://www.businesswire.com/news/home/20180417006820/en/Evotec-Bayer-Advance-Endometriosis-Programme-Phase-Clinical).

Patent License

On July 3, 2017, the Company's subsidiary, Aptorum Therapeutics Limited, entered into an exclusive license agreement with PolyU Technology and Consultancy Limited, The Royal Institution for the Advancement of Learning/McGill University, Wayne State University, H. Lee Moffitt Cancer Center and Research Institute Inc. and CUHK (all representing the licensors) for NLS-1. Pursuant to the license agreement, Aptorum Therapeutics Limited became the exclusive licensee of 5 U.S. patents, 1 European Patent, 1 PRC patent, 1 Indian patent and 1 Japanese patent, as well as 1 pending US patent application, 1 pending PRC patent application and 1 pending Hong Kong patent application.

Two technologies are claimed in the patents: "Epigallocatechin Gallate Derivatives for Inhibiting Proteasome," which is jointly owned by PolyU Technology and Consultancy Limited, The Royal Institution for the Advancement of Learning/McGill University, Wayne State University and H. Lee Moffitt Cancer Center and Research Institute Inc. and "Pro-EGCG for Use in the Treatment of Endometriosis," which is jointly owned by PolyU Technology and Consultancy Limited and CUHK. The licensors have nominated PolyU Technology and Consultancy Limited to represent them and take the lead in negotiating and managing the license.

With respect to the license scope, the territory of the license is worldwide and the field of the license is all field and applications. Aptorum Therapeutics Limited has the right to grant sublicenses under the license agreement with prior consent from the licensors, and such approval shall not be unreasonably withheld. In the event that Aptorum Therapeutics Limited develops any improvements or new development, such licensee inventions are to be jointly owned by the licensors and Aptorum Therapeutics Limited, so that both owners will have the right to use any such inventions for any purpose. In such a case, the Company expects to negotiate a separate agreement with the licensors governing the terms on which the licensors may use such inventions.

In addition, Aptorum Therapeutics Limited also committed to providing HK$3 million (US$384,615) of research funding before July 3, 2020 to sponsor research carried out by the three principle individual inventors upon their request with respect to further R&D on the licensed technologies subject to the successful application and outcome of the ITF matching scheme.

Finally, during the term of the license agreement and for two years thereafter, Aptorum Therapeutics Limited undertakes not to develop or commercialize any product that directly competes with any marketed product that is covered by the licensed technology.

Development Pipeline

As of the date of this prospectus, we have not submitted any applications for investigational new drugs ("IND") to the US Food and Drug Administration ("FDA"). By 2020 or 2021, we expect to be in a position to submit at least one application for one of our drug candidates to commence trials in humans (INDs to the FDA or an equivalent application to the regulatory authorities in another jurisdiction such as the China Food and Drug Administrative (the "CFDA") or the European Medicines Agency ("EMA"). However, there can be no assurance we will be able to make any such application by such time. Should we be delayed in making such filing or should such filing not be approved, our business will be adversely affected.

Other Significant Projects

The following provides additional detail regarding some of our Other Significant Projects:

VLS-1: Curcumin-conjugated superparamagnetic iron oxide nanoparticles ("Curcumin-MNP") for MRI ("magnetic resonance imaging") imaging of amyloid beta plaques in Alzheimer's disease ("AD")

VLS-1 is an MRI contrast agent, which the Company believes may enable superior imaging for identifying amyloid beta plaques in Alzheimer's disease. VLS-1 differs from other existing contrast agents for amyloid imaging, such as Amyvid (Eli Lilly), Vizamyl (GE Healthcare) and Neuraceq (Piramal Healthcare), in the following respects: 1) utilization of a natural compound, curcumin, with a known high amyloid beta binding affinity and proven safety; 2) a nanoparticle-based system to enhance delivery efficiency to the brain; and 3) the combination of curcumin with iron oxide, known to be an effective MRI contrast agent.

VLS-2: mTOR-independent transcription factor EB activator ("MITA") as autophagy activator for treatment of neurodegenerative diseases

Autophagy is an endogenous cellular mechanism for clearing multiple pathological protein aggregates including tau, the presence of which is believed to account for neurodegeneration in AD and other neurodegenerative diseases. mTOR is part of a biological pathway that is a central regulator of mammalian metabolism and physiology. Inhibition of mTOR activity is associated with various side effects, such as immunosuppression. Many other molecules that activate autophagy also inhibit mTOR activity. VLS-2 is a small drug molecule that appears to activate autophagy without inhibiting mTOR function. VLS-1 is currently at the lead discovery stage.

VLS-3: Novel retinal imaging agent for retinal imaging of amyloid plaques

VLS-3 consists of two components, a curcumin oral formulation and an integrated retinal imaging system. VLS-3 is currently at lead discovery stage. Curcumin is a naturally occurring molecule that binds to amyloid plaques and its fluorescent nature enables it to be easily detected. However, curcumin is a very challenging molecule due its low aqueous solubility and poor oral bioavailability. We intend to develop a new formulation to overcome some of these hurdles. Our prototype oral curcumin formulation exhibits an ability to disperse in aqueous media and yields a higher dissolution rate compared with the neat drug and a commercially available product. The current formulation has passed a short-term stability assessment and a long-term stability study is underway. Animal pharmacokinetic and efficacy studies are currently being planned. If tested successfully, the Company intends to market VLS-3 as a convenient and non-invasive means for preliminary screening of the retina prior to use of VLS-1 for a full brain MRI.

VLS-4: Other contrast agents for MRI diagnostics

In addition to VLS-1, the Company is actively developing a new class of MRI contrast agents for diagnosis of neurodegenerative diseases. The design of these agents takes into consideration the physicochemical properties that need to be optimized for best imaging performance, and the novel agents are currently undergoing rigorous evaluation.

ALS-2: Small molecule for the treatment of bacterial infections caused by Staphylococcus aureus including MRSA

ALS-2 is a next generation small molecule targeting bacterial virulence for the treatment of bacterial infections caused by Staphylococcus aureus including MRSA. In our studies, ALS-2 appears to protect mice challenged with lethal doses of MRSA. The target site has been identified and animal efficacy and safety have been demonstrated. The compound structure is currently being optimized.

ALS-3: Small molecule acting synergistically with certain existing antibiotics

ALS-3 is a novel small molecule that appears to act synergistically with certain classes of existing antibiotics to overcome drug resistance. We are exploring ALS-3 for the treatment of bacterial infections including MRSA. The mode of action of ALS-3 has been defined and animal efficacy and safety have been demonstrated. The compound structure is currently being optimized.

NLS-2: An extract from Chinese Yam for relief of menopausal symptoms

NLS-2 is based on DO1, an extract isolated from Chinese Yam, Dioscorea opposita Thunb. In development for the treatment of menopausal syndrome, we expect NLS-2 is to be formulated into an oral dosage form or nasal spray for administration. Each therapy cycle is expected to last for 3 months. Menopausal syndrome refers to the symptoms experienced by women during menopause, such as hot flashes, mood disorders, night sweats, depression, nervous tension and insomnia that are related to estrogen deficiency. Our research suggests that NLS-2 stimulates estradiol biosynthesis in rat ovarian granulosa cells; induces estradiol and progesterone secretion in aged rats by upregulating expressions of follicle-stimulating hormone receptor and ovarian aromatase; counteracts the progression of osteoporosis and augments bone mineral density; and improves cognitive functioning by upregulating protein expressions of brain-derived neurotrophic factor and TrkB receptors in the prefrontal cortex. Furthermore, DOI does not appear to stimulate the proliferation of breast cancer and ovarian cancer cells, which suggests that it could be a more efficacious and safer alternative to hormone replacement therapy (Sci Rep. 2015 5:10179).

NLS-3: Extract from garlic for the treatment of and protection against retinal ischemia/reperfusion injury

NLS-3 is based on S-Allyl L-Cysteine ("SAC"), an active organosulfur compound in aged garlic extract which has been reported to possess antioxidative activity. In macrophages and endothelium, it has been shown that SAC possesses potent antioxidative effects involving the scavenging of superoxide radicals, hydroxyl radicals and hydrogen peroxide. Central/branch retinal artery/vein occlusion, glaucoma and, possibly, age related macular degeneration ("AMD") are conditions associated with retinal ischemia. All these diseases may lead to severe complications or after-effects. Furthermore, after retinal ischemia/reperfusion ("I/R"), large amounts of reactive oxygen species ("ROS") are produced, which attack nearby cells and cause tissue damage. Therefore, management of retinal ischemia is vital and NLS-3 is being developed for the treatment of and protection against ischemia/reperfusion injury.

SPLS-1: A quinoline derivate for liver cancer treatment

SPLS-1 is a novel quinoline derivative from Ephedra pachyclada intended for use in liver cancer therapy. Currently, sorafenib, a synthetic compound, is the only systemic treatment that demonstrates a statistically significant but modest overall survival benefit in liver cancer. We intend to develop SPLS-1 as an alternative treatment for liver cancer, which we believe will offer improved efficacy and safety.

SLS-1: Robotic Catheter Platform for Intra-operative MRI-guided Cardiac Catheterization

SLS-1 is our robotic catheter platform for MRI-guided cardiovascular intervention for the treatment of arrhythmia. The platform consists of a magnetic resonance imaging ("MRI-guided") robotic electrophysiology ("EP") catheter system, an MR-based positional tracking unit, and a navigation interface. This platform has the potential to offer a major step toward achievement of several clinical goals: (i) enhancing catheter manipulation and lesion ablation, which we believe will decrease the chance of arrhythmia recurrence; (ii) improving the safety of catheter navigation, thereby decreasing the rates of undesired or inadvertent tissue damage; and (iii) enhancing catheter control, thus facilitating shorter learning curves for surgeons and better treatment in more complex patient cases. Should such goals be demonstrated, patient outcomes should be improved, compensating for the cost of using MRI and reducing the overall expenditure.

A poster describing SLS-1 won the Best Poster Paper Award (Merit Prize) in IEEE ICRA 2017 Workshop on Surgical Robots and a demonstration of it won the Best Live Demonstration Prize in Surgical Robot Challenge 2016.

Aptorum Medical Limited - AML Clinic

Incorporated in August 2017, Aptorum Medical Limited is a Hong Kong-based company incorporated in Cayman Islands focused on delivering premium healthcare and clinic services. AML can draw on the expertise of many of the region's most experienced medical practitioners, and is committed to providing a comprehensive cross-functional facility for healthcare professionals to practice evidence-based medicine and offer high-quality medical services to their patients. We also intend that AML will offer to conduct clinical trials of both the Company's and third parties' new drug and device products.

Effective as of March 2018, we leased office space in Central, the commercial and financial heart of Hong Kong, as the home to AML Clinic (See "Facilities"). We operate the AML Clinic under the name of Talem Medical. AML Clinic has commenced operation in June 2018.

The recently renovated medical center is staffed by our group of medical professionals and offers state-of-the-art facilities. Initially we expect to focus our expertise on treatment of chronic diseases resulting from modern sedentary lifestyles and an aging population.

Corporate History and Background

Aptorum was incorporated under the laws of the Cayman Islands on September 13, 2010. Our share capital is $100,000,000.00 divided into 60,000,000 Class A Ordinary Shares with a nominal or par value of $1.00 each and 40,000,000 Class B Ordinary Shares with a nominal or par value of $1.00 each.

Please see the chart illustrating our current corporate structure, under the heading of "Our Structure" in the Prospectus Summary, included earlier in this prospectus.

Prior to the completion of this Offering and as long as our officers and directors, either individually or in the aggregate, own at least 50% of the voting power of our Company, we will be a "controlled company" as defined under NASDAQ Marketplace Rules (specifically, as defined in Rule 5615(c)). We have no current intention to rely on the controlled company exemptions afforded to a controlled company under the NASDAQ Marketplace Rules.

APTUS CAPITAL LIMITED, which has since been renamed to AENEAS CAPITAL LIMITED and which we refer to herein as Aeneas, was always under the direct ownership of Jurchen and not under the ownership chain of Aptorum Group. However, Aptus Asia Financial Holdings Limited ("AAFH") was transferred out of the Aptorum Group on November 10, 2017 to be held directly by Jurchen Investment Corporation and that subsequently, APTUS CAPITAL LIMITED was then transferred to be under AAFH.

On March 1, 2017, the Company's board of directors and shareholders resolved to restructure the Company from an investment fund with management shares and non-voting participating redeemable preference shares to a holding company with operating subsidiaries (the "Restructuring Plan").

According to the Restructuring Plan, the 256,571.12 issued participating shares with par value of $0.01 ("Participating Shares") were redeemed and 4,743,418.88 unissued Participating Shares were cancelled; following such redemption and cancellation, we no longer have any Participating Shares authorized or issued. Additionally, the Company authorized a class of securities consisting of 100,000,000 ordinary shares, par value $1.00 per share ("Ordinary Shares") and issued 25,657,110 Ordinary Shares to our original investors.

During the period March 1, 2017 through October 13, 2017, an aggregate of 2,207,025 Ordinary Shares were issued at a price of approximately $3.90 per share in a private placement we described as a "Series A" offering. Each investor of the Series A offering, in addition to a subscription agreement, signed a shareholder agreement, which set forth the basic governance terms of the Company, as well as our capital structure. The shareholders agreement was terminated in October 2017.

On October 13, 2017, ordinary resolutions were passed at an extraordinary general meeting of the Company approving: (i) converting 72,135,865 of authorized but unissued Ordinary Shares into 54,573,619 authorized but unissued Class A ordinary shares, par value of $1.00 per share ("Class A Ordinary Shares") and 17,562,246 authorized but unissued Class B ordinary shares, par value of $1.00 per share ("Class B Ordinary Shares"), respectively; (ii) converting 24,930,839 Ordinary Shares held by three shareholders into an aggregate of 2,493,085 Class A Ordinary Shares and 22,437,754 Class B Ordinary Shares; and (iii) converting 2,933,296 Ordinary Shares held by 24 shareholders into an aggregate 2,933,296 Class A Ordinary Shares. Following these issuances, we had 27 shareholders of record.

On October 19, 2017, we changed our name from APTUS Holdings Limited to our current name, Aptorum Group Limited.

Intellectual Property

The technologies underlying our various research and development projects are the subject of various patents and patent applications claiming, in certain instances, composition of matter and, in other instances, methods of use. Prosecution, maintenance and enforcement of these patents, as well as those on any future protectable technologies we may acquire, are and will continue to be an important part of our strategy to develop and commercialize novel medicines and medical devices, as described in more detail below. Through entering into license agreements with their owners, we have obtained exclusive rights to these patents, applications and related know-how in the U.S. and certain other countries to develop, manufacture and commercialize the products using or incorporating the protected inventions that are described in this Prospectus and that are expected to contribute significant value to our business. The technologies protected by these patents may also for the basis for the development of other products.

In addition to licensed intellectual property, our in-house science team has been actively developing our own proprietary intellectual property. No patent applications have yet been filed in the Company's own name for the Lead Projects. We have, however, filed one U.S. provisional patent application to protect proprietary technology we developed for one Significant Project (VLS-3).

The value of our drug and device products will depend significantly on our ability to obtain and maintain patent and other proprietary protection for those products, preserve the confidentiality of our trade secrets and operate without infringing the valid and enforceable patents and proprietary rights of other parties.

The following table sets forth a list related to our Lead Projects of our patent rights under the exclusive licenses as of the date of this prospectus:

Project Company / Project name	License Agreement	Licensor(s)	Licensee	Licensed / IP Rights	Patent Expiration Dates
Acticule / ALS-1	Exclusive Patent License Agreement, dated October 18, 2017 First Amendment to Exclusive License Agreement, dated July 7, 2018	Versitech Limited	Acticule Life Sciences Limited	Exclusive licensee: 1 U.S. patent (US9212177), 1 European Patent (EP2462138B1), 1 PRC patent (CN102596946B), 1 German patent (DE60 2010 019 171.0)	The U.S. patent will expire in 2031; the European Patent in 2030; the PRC patent in 2030 and the German patent in 2030.
Acticule / ALS-4	Exclusive Patent License Agreement, dated October 18, 2017 First Amendment to Exclusive License Agreement dated July 7, 2018	Versitech Limited	Acticule Life Sciences Limited	Exclusive licensee: 1 pending U.S. provisional application (US62/535,540) directed to ALS-4, in which we intend to seek patent protection in U.S., PRC and Europe claiming priority to said provisional application	Any patent based on the application, if granted, will have a 20-year patent term from 2018.
Nativus / NLS-1	1) Exclusive License Agreement, dated July 3, 2017 2) Addendum to License Agreement, dated February 9, 2018	1) PolyU Technology and Consultancy Company Limited 2) McGill University 3) Wayne State University 4) H. Lee Moffitt Cancer Center and Research Institute Inc. 5) The Chinese University of Hong Kong	APTUS Therapeutics Limited	Exclusive licensee: 5 U.S. patents (US9713603, US7544816, US8193377, US8710248, US9169230), 1 European Patent (EP1778663), 1 PRC patent (CN101072764B), 1 Indian patent (IN263365) and 1 Japanese patent (JP5265915), as well as 1 pending U.S. application (US20170281591A1), 1 pending PRC application (CN104703596A), and 1 pending Hong Kong application (HK15111955.3) directed to NLS-1	The U.S., European and PRC patents covering the compound will expire in 2025; the indication U.S. patent will not expire until 2032.

Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drug and device candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent. If appropriate, the Company may seek to extend the period during which it has exclusive rights to a product by pursuing patent term extensions and marketing exclusivity periods that are available from the regulatory authorities of certain countries (including the United States) and the European Patent Office (“EPO”).

Even though the Company has certain patent rights, the ability to obtain and maintain protection of biotechnology and pharmaceutical products and processes such as those we intend to develop and commercialize involves complex legal and factual questions. No consistent policy regarding the breadth of claims allowed in such patents has emerged to date in the U.S. The scope of patent protection outside the United States is even more uncertain. Changes in the patent laws or in interpretations of patent laws in the United States and other countries have diminished (and may further diminish) our ability to protect our inventions and enforce our IP rights and, more generally, could affect the value of IP.

While we have already secured rights to a number of issued patents directed to our drug candidates, we cannot predict the breadth of claims that may issue from the pending patent applications and provisional patents that we have licensed or that we have filed. Substantial scientific and commercial research has been conducted for many years in the areas in which we have focused our development efforts, which has resulted in other parties having a number of issued patents, provisional patents and pending patent applications relating to such areas. The patent examiner in any particular jurisdiction may take the view that prior issued patents and prior publications render our patent claims “obvious” and therefore unpatentable or require us to reduce the scope of the claims for which we are seeking patent protection.

In addition, patent applications in the United States and elsewhere generally are not available to the public until at least 18 months from the priority date, and the publication of discoveries in the scientific or patent literature frequently occurs substantially later than the date on which the underlying discoveries were made. Therefore, patent applications relating to drugs and devices similar to our drug and device candidates may have already been filed, which (if they result in issued patents) could restrict or prohibit our ability to commercialize our drug and device candidates.

The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other IP rights. Our ability to prevent competition for our drug and device candidates and technologies will depend on our success in obtaining patents containing substantial and enforceable claims for those candidates and enforcing those claims once granted. With respect to any applications which have not yet resulted in issued patents, there can be no assurance that meaningful claims will be obtained. Even issued patents may be challenged or invalidated. If others have prepared and filed patent applications in the United States that also claim technology to which we have filed patent applications or otherwise wish to challenge our patents, we may have to participate in interferences, post-grant reviews, inter parties reviews, derivation or other proceedings in the USPTO and other patent offices to determine issues such as priority of claimed invention or validity of such patent applications as well as our own patent applications and issued patents. Patents may also be circumvented, and our competitors may be able to independently develop and commercialize similar drugs or mimic our technology, business model or strategy without infringing our patents. The rights granted under any issued patents may not provide us with proprietary protection or competitive advantages against competitors with similar technology.

We may rely, in some limited circumstances, on unpatented trade secrets and know-how to protect aspects of our technology. However, it is challenging to monitor and prevent the disclosure of trade secrets. We seek to protect our proprietary trade secrets and know-how, in part, by entering into confidentiality agreements with consultants, scientific advisors and contractors and invention assignment agreements with our employees. We also seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these individuals, organizations and systems, agreements or security measures may be breached, giving our competitors knowledge of our trade secrets and know-how, and we may not have adequate remedies for any such breach, in which case our business could be adversely affected. Our trade secrets will not prevent our competitors from independently discovering or developing the same know-how. Although our agreements with our consultants, contractors or collaborators require them to provide us only original work product and prohibit them from incorporating or using IP owned by others in their work for us, if they breach these obligations, disputes may arise as to the rights in any know-how or inventions that arise from their work.

Our commercial success will also depend in part on not infringing the proprietary rights of other parties. Although we seek to review the patent landscape relevant to our technologies on an ongoing basis, we may become aware of a new patent which has been issued to others with claims covering or related to aspects of one of our drug or device candidate. The issuance of such a patent could require us to alter our development plans for that candidate, redesign the candidate, obtain a license from the patent holder or cease development. Our inability to obtain a license to proprietary rights that we may require to develop or commercialize any of our drug and device candidates would have a material adverse impact on us.

(See “Risk Factors – Risks Related to Our Intellectual Property”)

Trademarks

As at the date of this prospectus, we have four registered EU Trade Marks (“EUTM”) on “Aptorum Therapeutics,” “Videns Life Sciences” and the company logos, and we are in the process of applying for registration of registered trademarks in other jurisdictions including the U.S., United Kingdom, the PRC and Hong Kong.

Specifically, we own certain unregistered trademark rights or have submitted applications for trademarks in, for example, “Aptorum Therapeutics,” “Videns Life Sciences,” “Claves Life Sciences,” “Acticule,” “Nativus Life Sciences,” “Scipio Life Sciences,” “Signate,” “Talem” and our company logos.

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

Important Advisors and Consultants to the Company

In addition to Company management, the following individuals provide the Company with significant advice and insight in their respective fields:

Senior Clinical Advisors of Aptorum Therapeutics Limited

DR. NISHANT AGRAWAL

Dr. Agrawal, MD, has been serving as the Director of Head and Neck Surgical Oncology, and Professor of Surgery at The University of Chicago School of Medicine since October 2015. He is specialized in management of patients with benign and malignant tumors of the head and neck, and has been practicing Otolaryngology - Head and Neck Surgery, at The University of Chicago Medicine, and Center for Advanced Medicine, both in Chicago since 2009.

Dr. Agrawal's work has achieved international recognition in the field of head and neck surgical oncology, as well as head and neck cancer genetics. Under his leadership, a team of researchers completed a landmark study that examined the genome of head and neck squamous cell carcinoma. His team has published extensively in the genomic landscapes of major head and neck cancers, including esophageal squamous cell carcinoma, esophageal adenocarcinoma, medullary thyroid cancer, adenoid cystic carcinoma, and mucoepidermoid carcinoma. Dr. Agrawal then applied these findings to identify tumor DNA as a biomarker that improves cancer diagnostics in the saliva and plasma of patients with head and neck squamous cell carcinoma. His researches focus on the application of cancer genetics to design diagnostic approaches to reduce morbidity and mortality from head and neck cancer.

In addition to his clinical and research contributions, Dr. Agrawal is an accomplished educator-teaching medical students, residents, and fellows about the management of patients with head and neck cancer. Prior to joining the University of Chicago, Dr. Agrawal was an associate professor at Johns Hopkins University, where he completed his medical training in 2001, followed by internship and residency.

In addition, Dr. Agrawal was granted fellowships from the Memorial Sloan Kettering Cancer Center, New York (Head and Neck Surgical Oncology), and from Johns Hopkins University School of Medicine, Baltimore (Molecular Genetics). He holds numerous Memberships from accredited American medical associations and institutions.

DR. HENRY CHAN LIK YUEN

Dr. Chan has been serving as an Assistant Dean (External Affairs) at the Faculty of Medicine at CUHK, and the Head of Division of Gastroenterology and Hepatology, Department of Medicine and Therapeutics, since January 2013.

Dr. Chan specializes in Gastroenterology and Hepatology. Key areas of his research interest include viral hepatitis, liver fibrosis, liver cancer, anti-viral therapy, and fatty liver disease. Currently, Dr. Chan is also the Director at the Institute of Digestive Disease, the Director at the Centre for Liver Health, and the Director at the Office of Global Engagement. His other honorary appointments include the Chairman for the Strategic and Technical Advisory Committee for Viral Hepatitis at the Western Pacific Regional Office of World Health Organization (“WHO”).

Dr. Chan is a key investigator in over 30 Phase 1 to Phase 4 international trials on antiviral treatment of chronic hepatitis B and C, and is the global lead author in publications on peginterferon-alfa, peginterferon-lambda, telbivudine, tenofovir disoproxil fumarate, and tenofovir alafenamide for the treatment of viral hepatitis B. He has received numerous local, national, and international research awards including the Excellent Research Award by the Food and Health Bureau, Hong Kong in 2010 and 2014, and the National Award for Science and Technology Progress in 2012. He has published over 400 papers in peer-reviewed journals.

Dr. Chan graduated in medicine and completed his doctoral degree at CUHK in August 2001, where he was also appointed to a full professorship in the Department of Medicine and Therapeutics in August 2008. He is currently a Fellow of the Hong Kong College of Physicians, a Fellow of the Royal College of Physicians of Edinburgh and London, a fellow of the American Association for the Study of Liver Diseases, and an Honorary Consultant at the Prince of Wales Hospital. Prior to this, he joined the staff of the Prince of Wales Hospital in July 1993.

Senior Advisors of Aptorum Therapeutics Limited

DR. PHILIP WY CHIU

Dr. Philip Chiu has been a Professor of Department of Surgery, Institute of Digestive Disease since August 2010; the Director of CUHK Jockey Club Minimal Invasive Surgical Skills Center since November 2011; the Director of CUHK Chow Yuk Ho Technology Center for Innovative Medicine and the Assistant Dean (External Affairs), Faculty of Medicine, CUHK, since 2013.

Dr. Chiu graduated from the Faculty of Medicine, CUHK in 1994 with two scholarships. He became a fellow of the Royal College of Surgeons of Edinburgh, Hong Kong Academy of Medicine in 2001 and received his Doctor of Medicine at CUHK in 2009. Dr. Chiu was the first to perform endoscopic submucosal dissection ("ESD") for the treatment of early GI cancers in Hong Kong. In 2010, he performed the first Per-oral Endoscopic Myotomy ("P.O.E.M.") in Hong Kong. His research interests include upper gastrointestinal bleeding, esophageal cancer and minimally invasive and robotic esophagectomy, novel endoscopic technology for diagnosis of early GI cancers, ESD and novel endoscopic procedures as well as Natural Orifices Transluminal Endoscopic Surgery ("NOTES").

Currently Dr. Chiu is an honorary treasurer of the College of Surgeons of Hong Kong. He published over 100 peer-reviewed journals and four book chapters. He has received numerous prestigious awards including State Scientific Technology and Progress Award from the PRC in 2007 and 2nd class award in Technological Advancement, Ministry of Education of the PRC in 2011. Recently his research on P.O.E.M. was awarded the best of DDW 2011 and the first prize of ASGE world cup of endoscopy 2012. He is currently an associate editor of Digestive Endoscopy and co-editor of Endoscopy.

DR. VINCENT MOK CHUNG TONG

Dr. Vincent Mok has been serving as the Assistant Dean (Admissions) at the Faculty of Medicine, CUHK since January 2014, the Head of Division of Neurology of the Department of Medicine and Therapeutics, since December 2016 and has been appointed as the Mok Hing Yiu Professor of Medicine since November 2017. He has also been serving in Master Programme in Stroke and Clinical Neurosciences since July 2007.

Dr. Mok specializes in Neurology, Dementia, and Movement disorders. Key areas of research interest include Vascular Cognitive Impairment, Cerebral Small Vessel Disease, Neuroimaging in Cognitive Impairment, and Parkinson's Disease. Dr. Mok has also been serving as a Convener of Lui Che Woo Institute of Innovative Medicine - Brain Theme since January 2017, the Director of Therese Pei Fong Chow Research Centre for Prevention of Dementia since May 2016, and Executive Committee Member of Chow Yuk Ho Technology Center for Innovative Medicine since January 2015.

Dr. Mok's qualifications include: Doctor of Medicine at CUHK (December 2005), Fellow of the Royal College of Physicians (Edinburgh) (July 2007), Fellow of the Hong Kong Academy of Medicine (December 2000), Fellow of the Hong Kong College of Physicians (July 2000), Member of the Royal College of Physicians (November 1996), and Bachelor of Medicine and Bachelor of Surgery (University of Sydney) (April 1993).

External Experts serve as the members of Aptorum Therapeutics Limited's Scientific Assessment Committee

The purpose of the Assessment Committee is to provide valuable input from a scientific perspective towards potential acquisition opportunities or licensing opportunities of life science innovations.

DR. WILLIAM WU KA KEI

Dr. William Wu has been an Assistant Professor in the Department of Anaesthesia and Intensive Care at CUHK since December 2014. Prior to this, Dr. Wu was appointed as a Research Assistant Professor in the Institute of Digestive Diseases at CUHK from December 2011 to November 2014. He is an expert in molecular pharmacology and toxicology. He has published extensively in cancer biomarkers and novel therapeutics, with over 220 peer-reviewed journals published on international journals, including *Nature Communications*, *Molecular Biology and Evolution*, *Autophagy*, *Cell Research*, and *Cancer Research*, and six book chapters with citations over 6,000 and an h-index of 40 (Scopus). His research has been recognized both nationally and internationally. He has earned his Fellowship of the Royal College of Pathologists (FRCPath) from his original works in toxicology, and has been conferred the Young Research Award by CUHK, the First-Class Higher Education Outstanding Scientific Research Output Award (Natural Science) by the Ministry of Education of the PRC, and the Second-Class State Natural Science Award.

Dr. Wu obtained his Ph.D. in Medical Sciences in December 2009 and received post-doctoral training from 2009 to 2011 in the Institute of Digestive Diseases both from CUHK.

DR. JASON Y. K. CHAN

Dr. Jason Chan has been an Assistant Professor in the Department of Otorhinolaryngology, Head & Neck Surgery at CUHK since September 2014. Between June 2013 and September 2014, Dr. Jason Chan satisfied the Hong Kong Medical Council's requirements to practice medicine in Hong Kong and obtained his American Board certification while continuing his research interests. Dr. Chan graduated from Guy's, King's and St Thomas' School of Medicine in London in July 2005, followed by completion of specialist training in Otolaryngology, Head and Neck surgery at the Johns Hopkins School of Medicine with advanced training in head and neck surgery on microvascular reconstruction and robotics in June 2013.

His research interests include genomics, microbiome, diagnosis, treatment and surveillance of head and neck cancers and the development of novel robotic applications for head and neck surgery.

Dr. Chan's qualifications include: Licentiate of Medical Council of Hong Kong, Bachelor of Medicine and Bachelor of Surgery (London), Diplomate American Board of Otolaryngology, Head and Neck Surgery, Fellow of the Hong Kong College of Otorhinolaryngology, Fellow of the Hong Kong Academy of Medicine (Otorhinolaryngology), and Fellow of the Royal College of Surgeons Edinburgh (Otolaryngology).

DR. KA-WAI KWOK

Dr. Ka-Wai Kwok has been serving as Assistant Professor in Department of Mechanical Engineering, HKU since August 2014. He has also been serving as an Adjunct Assistant Professor in the School of Science and Engineering at The Chinese University of Hong Kong, Shenzhen ("CUHK SZ"), since October 2016.

His research interests focus on surgical robotics, intra-operative medical image processing, and their uses of high-performance computing techniques. To date, he has been involving in various designs of surgical robotic devices and interfaces for endoscopy, laparoscopy, stereotactic and intra-cardiac catheter interventions. His works have been highly recognized and winning several awards from IEEE international conferences in robotics and computing, including ICRA'18, RCAR'17, ICRA'17, ICRA'14, IROS'13 and FCCM'11, Hamlyn Symposium'12 and '08, and Surgical Robot Challenge'16. He also became the recipient of Early Career Awards 2015/16 offered by Research Grants Council of Hong Kong. He currently serves as associate editor for an academic journal, "Frontier in Robotics and AI".

He obtained his Ph.D. in The Hamlyn Centre for Robotic Surgery, Department of Computing, Imperial College London in March 2012, where he continued research on surgical robotics as a postdoctoral fellow between March 2012 and May 2013 and obtained the Croucher Foundation Fellowship between August 2013 and August 2014. This subsequently supported his research jointly hosted by The University of Georgia and Brigham and Women's Hospital - Harvard Medical School.

DR. KENNY YU KWOK HEI

Dr. Kenny Yu was appointed as the NIHR Academic Clinical Lecturer at the University of Manchester in the United Kingdom in 2017.

Dr. Kenny Yu commenced specialist training in Neurosurgery at Salford Royal Hospital, United Kingdom in 2008 and attained his FRCS (Surgical Neurology) specialist qualification in 2018. His research interests are in myeloid cell infiltration in malignant gliomas, intra-tumoral delivery of therapeutics and in the application of advanced data analytical technology for biological and clinical datasets. He completed his Ph.D. in 2016 at the Stem Cell and Neurotherapies Laboratory at the University of Manchester under Prof Brian Bigger and subsequently completed a post-doctoral research fellowship at Dr. Peter Dirks laboratory in Toronto, Canada.

Dr. Yu's key areas of research interests include Neurosurgery, Neuro-oncology, Cancer Inflammation and Cancer Immunology.

DR. OWEN KO HO

Dr. Ko has been serving as a principal investigator and executive committee member at the Gerald Choa Neuroscience Center since 2017, a principal investigator at the Li Ka Shing Institute of Health Sciences and a clinical lecturer in the Department of Medicine and Therapeutics since 2016, with all appointments at CUHK. Leading a team with diverse expertise in biology, chemistry and engineering, his research work focuses on the principles by which neural circuits mediate sensory perception and learning, as well as development of novel neuroimaging techniques.

Dr. Ko was admitted to the Bachelor of Medicine and Bachelor of Surgery Programme (MBChB) at CUHK in 2005. After completing his second year of studies, he pursued a one-year Intercalated Bachelor of Medical Sciences (BMedSci), followed by a three-year Ph.D. program in neuroscience at University College London ("UCL") in the UK under the guidance of Professor Thomas Mrsic-Flogel. In 2012, Dr. Ko returned to Hong Kong and completed clinical training in 2015. He has published two first-authored Nature papers and one first-authored Nature Neuroscience paper from his Ph.D. studies. His breakthrough research has led to his runner-up award of the 2014 Eppendorf & Science Prize for Neurobiology, as the first awardee in Hong Kong.

DR. WAI-LUNG NG

Dr. Wai-Lung Ng obtained his B.Sc. degree with a First-Class Honors in Chemistry from CUHK in 2010. With the support of the Hong Kong Ph.D. Fellowship and T.C. Cheng Postgraduate Scholarship, he completed his Ph.D. studies at CUHK in 2014. He was a Fulbright Scholar (2013-2014) at Massachusetts Institute of Technology ("MIT"), under the support from Lee Hysan Foundation and the Fulbright Program. He was then recruited to University of Oxford as a Croucher Foundation Postdoctoral Fellow from 2014-2016. He is currently a research fellow at Dana-Farber Cancer Institute/Harvard Medical School, researching in the field of chemical biology and cancer epigenetics.

Dr. Ng has strong interest in understanding diseases at the molecular level with a goal of developing tools to diagnose and treat them. His Ph.D. research focused on the synthesis of a new class of anti-diabetic agents, namely sodium-dependent glucose co-transporter 2 ("SGLT2") inhibitors. His research work has led to the identification of several stable, potent and selective SGLT2 inhibitors that potentially provide an alternative solution for treating diabetes. The central aim of his current research is to uncover the underlying mechanism of epigenetic regulations and to develop novel treatments for cancers and other human diseases.

DR. SUNNY WONG HEI

Dr. Sunny Wong has been an Assistant Professor in the Department of Medicine and Therapeutics, and an investigator at the laboratory of the Li Ka Shing Institute of Health Science at CUHK since December 2013. He is also the leader of the Clinical Metagenomics Research Group, with a focus to study the mechanistic role and translational potential of host-microbial interactions in diseases.

Dr. Wong has been a specialist in Gastroenterology and Hepatology since September 2016, and is a Physician-Scientist with expertise in genomics and molecular microbiology. He has published over 60 peer-reviewed journals in international journals, including the New England Journal of Medicine, Nature Genetics, Nature Communications, Gastroenterology and Gut as of December 2017. He has been an investigator in epidemiological studies and clinical trials, and a member of the local clinical research ethics committee since 2016.

Dr. Wong's qualifications include: MBChB(Hons)(CUHK) (June 2006); DPhil (Oxon) (June 2010); MRCP (UK) (February 2012); FHKCP (September 2016); FHKAM (Medicine) (December 2016); FRCP (Edin) (September 2017); FRCPath (February 2018).

Competition

Our industry is highly competitive and subject to rapid and significant change. While we believe that our development and commercialization experience, scientific knowledge and industry relationships provide us with competitive advantages, we face competition from pharmaceutical and biotechnology companies, including specialty pharmaceutical companies, and generic drug companies, academic institutions, government agencies and research institutions.

There are a number of large pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of drugs and devices for the diagnosis and treatment of diseases for which we are developing products or technology. Moreover, a number of additional drugs are currently in clinical trials and may become competitors if and when they receive regulatory approval.

Many of our competitors have longer operating histories, better name recognition, stronger management capabilities, better supplier relationships, a larger technical staff and sales force and greater financial, technical or marketing resources than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Our commercial opportunity could be reduced or eliminated if our competitors develop or market products or other novel therapies that are more effective, safer or less costly than our current drug candidates, or any future drug candidates we may develop, or obtain regulatory approval for their products more rapidly than we may obtain approval for our current drug candidates or any such future drug candidates. Our success will be based in part on our ability to identify, develop and manage a portfolio of drug and device candidates that are safer and more effective than competing products.

Government Regulation

Government authorities in the United States at the federal, state and local level and in other countries extensively regulate, among other things, the research and clinical development, testing, manufacture, quality control, approval, labeling, packaging, storage, record-keeping, promotion, advertising, distribution, post-approval monitoring and reporting, marketing, pricing, export and import of drug and device products ("Regulated Products"), such as those we are developing. Generally, before a new Regulated Product can be marketed, considerable data demonstrating its quality, safety and efficacy must be obtained, organized to address the requirements of and in the format specific to each regulatory authority, submitted for review and approved by the regulatory authority. This process is very lengthy and expensive, and success is uncertain.

Regulated Products are also subject to other federal, state and local statutes and regulations in the United States and other countries, as applicable. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, local and foreign statutes and regulations require the expenditure of substantial time and financial resources. Failure to comply with the applicable regulatory requirements at any time during the product development process, approval process or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include, among other actions, the regulatory authority's refusal to approve pending applications, withdrawal of an approval, clinical holds, untitled or warning letters, voluntary product recalls or withdrawals from the market, product seizures, total or partial suspension of production or distribution, injunctions, disbarment, fines, refusals of government contracts, restitution, disgorgement, or civil or criminal penalties. Any such administrative or judicial enforcement action could have a material adverse effect on us.

As the Company's principal place of business is in Hong Kong, and because AML Clinic is located there, the Company is subject to various Hong Kong laws and regulation covering its business activities there, described in further detail below. Also, the Company anticipates that, if it obtains marketing approval for any of its drug and device candidates, it intends to focus its marketing and sales efforts primarily in three regions: the United States, Europe and China. The regulatory framework for each of these regions is described below.

U.S. Drug Development Process

The process of obtaining regulatory approvals and maintaining compliance with appropriate federal, state and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process, or after approval, may subject an applicant to administrative or judicial sanctions or lead to voluntary product recalls. Administrative or judicial sanctions could include the FDA's refusal to approve pending applications, withdrawal of an approval, a clinical hold, untitled or warning letters, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. The process required by the FDA before a drug may be marketed in the United States generally involves the following:

- completion of non-clinical laboratory tests, preclinical studies according to cGLP and manufacturing of clinical supplies according to cGMP;
- submission to the FDA of an IND, which must become effective before human clinical trials may begin;
- approval by an independent IRB, at each clinical site before each trial may be initiated;
- performance of adequate and well-controlled human clinical trials according to cGCP, to establish the safety and efficacy of the proposed product for its intended use;
- preparation and submission to the FDA of an NDA, for a drug;
- satisfactory completion of an FDA advisory committee review, if applicable;
- satisfactory completion of an FDA inspection of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with cGMP; and
- payment of user fees and the FDA review and approval of the NDA.

Devices are subject to different forms of testing and approval, but (except for certain laboratory-developed diagnostic tests) still require satisfaction of various FDA requirements in order to be brought to market. As of the date of this prospectus, the device candidate currently under development is SLS-1. We do not currently have a commercialization timeline for SLS-1 and cannot assure you that SLS-1 will ever be ready for commercialization.

The testing and approval process requires substantial time, effort and financial resources and we cannot be certain that any approvals for our drug candidates, or any future drug candidates we may develop, will be granted on a timely basis, if at all.

Once a drug candidate is identified for development, it enters the non-clinical testing stage. Non-clinical tests include laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as preclinical studies. An IND sponsor must submit the results of the non-clinical tests, together with manufacturing information, analytical data and any available clinical data or literature, to the FDA as part of the IND prior to commencing any testing in humans. An IND sponsor must also include a protocol detailing, among other things, the objectives of the clinical trial, dosing procedures, subject selection and exclusion criteria, the parameters to be used in monitoring safety, and the effectiveness criteria to be evaluated if the initial clinical trial lends itself to an efficacy evaluation. Some non-clinical testing may continue even after the IND is submitted. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions related to a proposed clinical trial and places the trial on a clinical hold within that 30-day time period. In such a case, the IND sponsor and the FDA must resolve any outstanding concerns before the clinical trial can begin. Clinical holds also may be imposed by the FDA at any time before or during clinical trials due to safety concerns or non-compliance, and may be imposed on all products within a certain class of products. The FDA also can impose partial clinical holds, for example, prohibiting the initiation of clinical trials for certain duration or for certain doses.

All clinical trials must be conducted under the supervision of one or more qualified investigators in accordance with cGCP regulations. These regulations include the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an IRB representing each institution participating in a clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review and reapprove the study at least annually. An IRB is responsible for protecting the rights of clinical trial subjects and considers, among other things, whether the risks to individuals participating in the clinical trial are minimized and are reasonable in relation to anticipated benefits. The IRB also approves the information regarding the clinical trial and the consent form that must be provided to each clinical trial subject or his or her legal representative and must monitor the clinical trial until completed. Each new clinical protocol and any amendments to the protocol must be submitted to the FDA for review, and to the IRBs for approval. Protocol detail, among other things, includes the objectives of the clinical trial, testing procedures, sublease selection and exclusion criteria, and the parameters to be used to monitor subject safety.

Human clinical trials are typically conducted in three sequential phases that may overlap or be combined:

- **Phase 1.** Phase 1 includes the initial introduction of an investigational new drug into humans. These studies are closely monitored and may be conducted in patients, but are usually conducted in healthy volunteer subjects. These studies are designed to determine the metabolic and pharmacologic actions of the drug in humans, the side effects associated with increasing doses, and, if possible, to gain early evidence on effectiveness. During Phase 1, sufficient information about the drug's pharmacokinetics and pharmacological effects should be obtained to permit the design of well-controlled, scientifically valid, Phase 2 studies. Phase 1 studies also evaluate drug metabolism, structure-activity relationships, and the mechanism of action in humans. These studies also determine which investigational drugs are used as research tools to explore biological phenomena or disease processes. The total number of subjects included in Phase 1 studies varies with the drug, but is generally in the range of twenty to eighty.

- **Phase 2.** Phase 2 includes the early controlled clinical studies conducted to obtain some preliminary data on the effectiveness of the drug for a particular indication or indications in patients with the disease or condition. This phase of testing also helps determine the common short-term side effects and risks associated with the drug. Phase 2 studies are typically well-controlled, closely monitored, and conducted in a relatively small number of patients, usually involving several hundred people.

- **Phase 3.** Phase 3 studies are expanded controlled and uncontrolled trials. They are performed after preliminary evidence suggesting effectiveness of the drug has been obtained in Phase 2, and are intended to gather the additional information about effectiveness and safety that is needed to evaluate the overall benefit-risk relationship of the drug. Phase 3 studies are designed to provide an adequate basis for extrapolating the results to the general population and transmitting that information in the physician labeling. Phase 3 studies usually include several hundred to several thousand people.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and safety reports must be submitted to the FDA and clinical investigators within 15 calendar days for serious and unexpected suspected adverse events, any clinically important increase in the rate of a serious suspected adverse reaction over that listed in the protocol or investigator’s brochure, or any findings from other studies or animal or in vitro testing that suggest a significant risk in humans exposed to the drug candidate. Additionally, a sponsor must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction no later than 7 calendar days after the sponsor’s receipt of the information. There is no assurance that Phase 1, Phase 2 and Phase 3 testing can be completed successfully within any specified period, or at all. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects or patients are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution if the clinical trial is not being conducted in accordance with the IRB’s requirements or if the product has been associated with unexpected serious harm to subjects.

Concurrent with clinical trials, companies usually complete additional preclinical studies and must also develop additional information about the chemistry and physical characteristics of the product and finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the product drug and, among other things, the manufacturer must develop methods for testing the identity, strength, quality and purity of the final product. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the product drug does not undergo unacceptable deterioration over its shelf life.

The results of product development, non-clinical studies and clinical trials, together with other detailed information regarding the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA requesting approval to market the new drug. The FDA reviews all NDAs submitted within 60 days of submission to ensure that they are sufficiently complete for substantive review before it accepts them for filing. If the submission is accepted for filing, the FDA begins an in-depth substantive review.

The approval process is lengthy and difficult and the FDA may refuse to approve an NDA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. Even if such data and information are submitted, the FDA may ultimately decide that the NDA does not satisfy the criteria for approval. Data obtained from clinical trials are not always conclusive, and the FDA may interpret data differently than we interpret the same data. The FDA will issue a complete response letter if the agency decides not to approve the NDA in its present form. The complete response letter usually describes all of the specific deficiencies that the FDA identified in the NDA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the complete response letter may include recommended actions that the applicant might take to place the application in a condition for approval. If a complete response letter is issued, the applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

If after such review a product receives regulatory approval, the approval may be significantly limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. Any products for which we receive the FDA approval would be subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with the FDA promotion and advertising requirements. In addition, the FDA may require post-approval studies, including Phase 4 clinical trials, to further assess a product's safety and effectiveness after NDA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized. The FDA also may conclude that an NDA may only be approved with a Risk Evaluation and Mitigation Strategy designed to mitigate risks through, for example, a medication guide, physician communication plan, or other elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools.

Post-Approval Requirements

Any products for which we receive the FDA approval are subject to continuing regulation by the FDA, including, among other things, record-keeping requirements, reporting of adverse experiences with the product, providing the FDA with updated safety and efficacy information, product sampling and distribution requirements, complying with certain electronic records and signature requirements and complying with the FDA promotion and advertising requirements. The FDA strictly regulates labeling, advertising, promotion and other types of information on products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. Further, manufacturers must continue to comply with cGMP requirements, which are extensive and require considerable time, resources and ongoing investment to ensure compliance. In addition, changes to the manufacturing process generally require prior the FDA approval before being implemented and other types of changes to the approved product, such as adding new indications and additional labeling claims, are also subject to further the FDA review and approval.

The FDA may withdraw a product approval if compliance with regulatory requirements is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product may result in restrictions on the product's marketing or even complete withdrawal of the product from the market. Further, the failure to maintain compliance with regulatory requirements may result in administrative or judicial actions, such as fines, untitled or warning letters, holds on clinical trials, product seizures, product detention or refusal to permit the import or export of products, refusal to approve pending applications or supplements, restrictions on marketing or manufacturing, injunctions or consent decrees, or civil or criminal penalties, or may lead to voluntary product recalls.

Patent Term Restoration and Marketing Exclusivity

Because drug approval can take an extended period of time, there may be limited remaining life for the patents covering the approved drug, meaning that the company has limited time to use the patents to protect the sponsor's exclusive rights to make, use and sell that drug. In such a case, U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, commonly referred to as the Hatch-Waxman Act. The Hatch-Waxman Act permits a patent restoration term of up to five years as compensation for patent term lost during product development and the FDA regulatory review process. However, patent term restoration cannot extend the remaining term of a patent beyond a total of 14 years from the product's approval date.

In addition, the FDCA provides a five-year period of non-patent marketing exclusivity within the United States to the first applicant to gain approval of an NDA for a new chemical entity. A drug is a new chemical entity if the FDA has not previously approved any other new drug containing the same active moiety, which is the molecule or ion responsible for the action of the drug substance. During the exclusivity period, the FDA may not accept for review an abbreviated new drug application ("ANDA") or a 505(b)(2) NDA submitted by another company for another version of such drug where the applicant does not own or have a legal right of reference to all the data required for approval.

In the future, if appropriate, we intend to apply for restorations of patent term and/or marketing exclusivity for some of our products; however, there can be no assurance that any such extension or exclusivity will be granted to us.

Disclosure of Clinical Trial Information

Sponsors of clinical trials of the FDA-regulated products, including drugs are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to disclose the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed until the new product or new indication being studied has been approved. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pharmaceutical Coverage, Pricing and Reimbursement

Much of the revenue generated by new Regulated Products depends on the willingness of third-party payors to reimburse the price of the product. Significant uncertainty exists as to the coverage and reimbursement status of any products for which we may obtain regulatory approval. In the United States, sales of any products for which we may receive regulatory approval for commercial sale will depend in part on the availability of coverage and reimbursement from third-party payors. Third-party payors include government authorities, managed care providers, private health insurers and other organizations. The process for determining whether a payor will provide coverage for a product may be separate from the process for setting the reimbursement rate that the payor will pay for the product. Third-party payors may limit coverage to specific products on an approved list, or formulary, which is not required to include all of the FDA-approved products for a particular indication. Moreover, a payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Adequate third-party reimbursement may not be available to enable us to maintain price levels sufficient to realize an appropriate return on our investment in product development.

Third-party payors are increasingly challenging the price and examining the medical necessity and cost- effectiveness of medical products and services, in addition to their safety and efficacy. To obtain coverage and reimbursement for any product that might be approved for sale, we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of any products, in addition to the costs required to obtain regulatory approvals. Our product candidates may not be considered medically necessary or cost-effective. If third-party payors do not consider a product to be cost-effective compared to other available therapies, they may not cover the product after approval as a benefit under their plans or, if they do, the level of payment may not be sufficient to allow a company to sell its products at a profit.

The U.S. government and state legislatures have shown significant interest in implementing cost containment programs to limit the growth of government-paid health care costs, including price controls, restrictions on reimbursement and requirements for substitution of generic products for branded prescription drugs. Adoption of government controls and measures, and tightening of restrictive policies in jurisdictions with existing controls and measures, could limit payments for pharmaceuticals.

Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future. Unfavorable coverage or reimbursement policies regarding any of the Company's products would have a material adverse impact on the value of that product.

Other Healthcare Laws and Compliance Requirements

If we obtain regulatory approval of our products, we may be subject to various federal and state laws targeting fraud and abuse in the healthcare industry. These laws may impact, among other things, our proposed sales, marketing and education programs. In addition, we may be subject to patient privacy regulation by both the federal government and the states in which we conduct our business.

Patient Protection and the Affordable Care Act

The Affordable Care Act, enacted in March 2010, includes measures that have or will significantly change the way health care is financed in the United States by both governmental and private insurers. Among the provisions of the Affordable Care Act of greatest importance to the pharmaceutical industry are the following:

- The Medicaid Drug Rebate Program requires pharmaceutical manufacturers to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services as a condition for states to receive federal matching funds for the manufacturer's outpatient drugs furnished to Medicaid patients. The Affordable Care Act increased pharmaceutical manufacturers' rebate liability on most branded prescription drugs from 15.1% of the average manufacturer price to 23.1% of the average manufacturer price, added a new rebate calculation for line extensions of solid oral dosage forms of branded products, and modified the statutory definition of average manufacturer price. The Affordable Care Act also expanded the universe of Medicaid utilization subject to drug rebates by requiring pharmaceutical manufacturers to pay rebates on Medicaid managed care utilization and expanding the population potentially eligible for Medicaid drug benefits.

- In order for a pharmaceutical product to receive federal reimbursement under the Medicare Part B and Medicaid programs or to be sold directly to U.S. government agencies, the manufacturer must extend discounts to entities eligible to participate in the 340B drug pricing program. The Affordable Care Act expanded the types of entities eligible to receive discounted 340B pricing.

- The Affordable Care Act imposed a requirement on manufacturers of branded drugs to provide a 50% discount off the negotiated price of branded drugs dispensed to Medicare Part D patients in the coverage gap (i.e., the "donut hole").

- The Affordable Care Act imposed an annual, non-deductible fee on any entity that manufactures or imports certain branded prescription drugs, apportioned among these entities according to their market share in certain government healthcare programs, although this fee does not apply to sales of certain products approved exclusively for orphan indications.

In addition to these provisions, the Affordable Care Act established a number of bodies whose work may have a future impact on the market for certain pharmaceutical products. These include the Patient-Centered Outcomes Research Institute, established to oversee, identify priorities in, and conduct comparative clinical effectiveness research, the Independent Payment Advisory Board, which has authority to recommend certain changes to the Medicare program to reduce expenditures by the program, and the Center for Medicare and Medicaid Innovation within the Centers for Medicare and Medicaid Services, to test innovative payment and service delivery models to lower Medicare and Medicaid spending.

These and other laws may result in additional reductions in healthcare funding, which could have a material adverse effect on customers for our product candidates, if we gain approval for any of them. Although we cannot predict the full effect on our business of the implementation of existing legislation or the enactment of additional legislation pursuant to healthcare and other legislative reform, we believe that legislation or regulations that would reduce reimbursement for, or restrict coverage of, our products could adversely affect how much or under what circumstances healthcare providers will use our product candidates if we gain approval for any of them.

European Union Regulation

Regulation in the European Union

The process governing approval of medicinal products in the EU generally follows the same lines as in the United States. It entails satisfactory completion of pharmaceutical development, non-clinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the medicinal product for each proposed indication. It also requires the submission to relevant competent authorities for clinical trials authorization and to the European Medicines Authority, or EMA, for a marketing authorization application, or MAA, and granting of a marketing authorization by these authorities before the product can be marketed and sold in the EU.

Clinical Trial Approval

Pursuant to the currently applicable Clinical Trials Directive 2001/20/EC and the Directive 2005/28/EC on cGCP, a system for the approval of clinical trials in the EU (the equivalent of the IND process in the United States) has been implemented through national legislation of the Member States. Under this system, an applicant must obtain approval from the competent national authority of an EU Member State in which the clinical trial is to be conducted or in multiple Member States if the clinical trial is to be conducted in a number of Member States. Furthermore, the applicant may only start a clinical trial at a specific study site after the independent ethics committee has issued a favorable opinion. The clinical trial application, or CTA, must be accompanied by an investigational medicinal product dossier with supporting information prescribed by Directive 2001/20/EC and Directive 2005/28/EC and corresponding national laws of the Member States and further detailed in applicable guidance documents.

In April 2014, the EU adopted a new Clinical Trials Regulation (EU) No 536/2014, which is set to replace the current Clinical Trials Directive 2001/20/EC. It is expected that the new Clinical Trials Regulation will apply in 2019. It will overhaul the current system of approvals for clinical trials in the EU. Specifically, the new regulation, which will be directly applicable in all Member States, aims at simplifying and streamlining the approval of clinical trials in the EU. For instance, the new Clinical Trials Regulation provides for a streamlined application procedure using a single entry point and strictly defined deadlines for the assessment of clinical trial applications.

Marketing Authorization

To obtain a marketing authorization for a product under the EU regulatory system (the equivalent of the NDA process in the United States), an applicant must submit an MAA, either under a centralized procedure administered by the EMA or one of the procedures administered by competent authorities in EU Member States (decentralized procedure, national procedure, or mutual recognition procedure). A marketing authorization may be granted only to an applicant established in the EU. Regulation (EC) No. 1901/2006 provides that prior to obtaining a marketing authorization in the EU, an applicant must demonstrate compliance with all measures included in an EMA-approved Pediatric Investigation Plan, or PIP, covering all subsets of the pediatric population, unless the EMA has granted a product-specific waiver, class waiver, or a deferral for one or more of the measures included in the PIP.

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid for all EU Member States. Pursuant to Regulation (EC) No. 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy products and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of cancer. For products with a new active substance indicated for the treatment of other diseases and products that are highly innovative or for which a centralized process is in the interest of patients, the centralized procedure may be optional.

Under the centralized procedure, the Committee for Medicinal Products for Human Use, or the CHMP, established by the EMA is responsible for conducting the assessment of a product to define its risk/benefit profile. Under the centralized procedure, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops when additional information or written or oral explanation is to be provided by the applicant in response to questions of the CHMP. Accelerated evaluation may be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from the point of view of public health and, in particular, from the viewpoint of therapeutic innovation.

If the CHMP accepts such a request, the time limit of 210 days will be reduced to 150 days, but it is possible that the CHMP may revert to the standard time limit for the centralized procedure if it determines that it is no longer appropriate to conduct an accelerated assessment.

Periods of Authorization and Renewals

A marketing authorization is valid for five years, in principle, and it may be renewed after five years on the basis of a reevaluation of the risk benefit balance by the EMA or by the competent authority of the authorizing Member State. To that end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least six months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authority decides, on justified grounds relating to pharmacovigilance, to proceed with one additional five-year renewal period. Any authorization that is not followed by the placement of the drug on the EU market (in the case of the centralized procedure) or on the market of the authorizing Member State within three years after authorization ceases to be valid.

Regulatory Requirements after Marketing Authorization

Following approval, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of the medicinal product. These include compliance with the EU's stringent pharmacovigilance or safety reporting rules, pursuant to which post-authorization studies and additional monitoring obligations can be imposed. In addition, the manufacturing of authorized products, for which a separate manufacturer's license is mandatory, must also be conducted in strict compliance with the EMA's cGMP requirements and comparable requirements of other regulatory bodies in the EU, which mandate the methods, facilities and controls used in manufacturing, processing and packing of drugs to assure their safety and identity. Finally, the marketing and promotion of authorized products, including industry-sponsored continuing medical education and advertising directed toward the prescribers of drugs and/or the general public, are strictly regulated in the EU under Directive 2001/83EC, as amended.

Orphan Drug Designation and Exclusivity

Regulation (EC) No. 141/2000 and Regulation (EC) No. 847/2000 provide that a product can be designated as an orphan drug by the European Commission if its sponsor can establish: that the product is intended for the diagnosis, prevention or treatment of (1) a life-threatening or chronically debilitating condition affecting not more than five in ten thousand persons in the EU when the application is made, or (2) a life-threatening, seriously debilitating or serious and chronic condition in the EU and that without incentives it is unlikely that the marketing of the drug in the EU would generate sufficient return to justify the necessary investment. For either of these conditions, the applicant must demonstrate that there exists no satisfactory method of diagnosis, prevention, or treatment of the condition in question that has been authorized in the EU or, if such method exists, the drug has to be of significant benefit compared to products available for the condition.

An orphan drug designation provides a number of benefits, including fee reductions, regulatory assistance and the possibility to apply for a centralized EU marketing authorization. Marketing authorization for an orphan drug leads to a ten-year period of market exclusivity. During this market exclusivity period, neither the EMA nor the European Commission or the Member States can accept an application or grant a marketing authorization for a "similar medicinal product". A "similar medicinal product" is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. The market exclusivity period for the authorized therapeutic indication may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan drug designation because, for example, the product is sufficiently profitable not to justify market exclusivity.

As in the United States, there is a separate regulatory framework for approval of medical devices. If the Company determines to commercialize SLS-1 or another medical device, it will become subject to all of the requirements for approval required by those regulations.

PRC Regulation

In order to protect our potential market in the PRC, we have obtained an exclusive license of certain PRC patents directed to certain of the drug candidates that we are developing and are currently seeking approval of additional patent and other IP filings in the PRC. We do not otherwise conduct business in the PRC. Seeking IP approval in the PRC subjects us to some of the rules and practices of the PRC government. Since the Company intends eventually to market its products in the PRC, at least some of our drug candidates may become subject to regulatory approval and marketing authorization in the PRC.

Hong Kong Regulation

The operations of AML Clinic in Hong Kong are subject to certain general laws and regulations in relation to Chief Medical Professionals, trade description and safety of consumer goods, medical advertisement and importation, exportation, dealing in and sale of pharmaceutical products and drugs.

Medical Clinics Ordinance

The Medical Clinics Ordinance provides for the registration, control and inspection of medical clinics. It requires a medical clinic to be registered, with name and address and other prescribed particulars. "Medical clinic" means any premises used or intended to be used for the medical diagnosis or treatment of persons suffering from, or believed to be suffering from, any disease, injury or disability of mind or body, with specific exceptions, including private consulting rooms used exclusively by registered medical practitioners in the course of their practice on their own account and not bearing any title or description which includes the word "clinic" or "polyclinic" in the English language.

The application of registration may be refused if:

(i) the income derived or to be derived from the establishment or operation of the clinic is not, or will not be, applied solely towards the promotion of the objects of the clinic; or

(ii) any portion of such income, except payment of remuneration to employed registered medical practitioners, nurses and menial servants, will be paid by way of dividend, bonus or otherwise howsoever by way of profit to the applicant himself, or to any persons properly so employed, or to any other persons howsoever.

We do not believe that the Medical Clinic Ordinance is applicable to the business of our Group, having considered, among others, the following:

(iii) the legislative intent behind the Medical Clinics Ordinance was to provide for registration of non-profit making clinics;

(iv) the Food and Health Bureau of Hong Kong published a consultation document, "Regulation of Private Healthcare Facilities" in 2014 which specifically states that the Medical Clinics Ordinance and the Code of Practice For Clinics Registered Under The Medical Clinics Ordinance (Chapter 343 of the Laws of Hong Kong) set out the regulatory framework for non-profit-making medical clinics and that other private healthcare facilities, such as ambulatory medical centers and clinics operated by medical groups or individual medical practitioners, are not subject to direct statutory control beyond the regulation of an individual's professional practice; and

(v) our business is one which makes and intends to continue making profit as a listed entity. The payment of bonuses to some of our Hong Kong Doctors is clearly a reflection of the profit-making nature of our business.

Hence, we do not believe that AML Clinic is required to be registered under the Medical Clinics Ordinance.

Waste Disposal Ordinance

The Waste Disposal Ordinance (Chapter 354 of the Laws of Hong Kong) ("WDO") and the Waste Disposal (Clinical Waste) (General) Regulation (Chapter 354O of the Laws of Hong Kong) (the "WDR") provide for, among others, the control and regulation of the production, storage, collection and disposal of clinical waste.

Under the WDO, clinical waste means waste consisting of any substance, matter or thing generated in connection with:

- a dental, medical, nursing or veterinary practice;
- any other practice, or establishment (howsoever described), that provides medical care and services for the sick, injured, infirm or those who require medical treatment;
- dental, medical, nursing, veterinary, pathological or pharmaceutical research; or
- a dental, medical, veterinary or pathological laboratory practice,

and which consists wholly or partly of any of the materials specified in one or more of the groups listed below:

- used or contaminated sharps;
- laboratory waste;
- human and animal tissues;
- infectious materials;
- dressings; and
- such other wastes as specified by the Director of the Environmental Protection Department ("EPD") of Hong Kong.

Given the medical services provided by AML Clinic and the research works in our R&D Center may produce used or contaminated sharps such as syringes and needles as well as dressings, we are subject to WDO, WDR and the Code of Practice.

Rest of the World Regulation

For other countries in the world, the requirements governing the conduct of clinical trials, medical product licensing, pricing and reimbursement vary from country to country. In all cases if clinical trials are required, they must be conducted in accordance with cGCP requirements and the applicable regulatory requirements and the ethical principles having their origin in the Declaration of Helsinki.

If we fail to comply with applicable foreign regulatory requirements, we may be subject to, among other things, fines, suspension or withdrawal of regulatory approvals, product recalls, seizure of products, operating restrictions and criminal prosecution.

Employees

As of the date of this prospectus, we have 43 employees, including 41 full-time employees and two part-time employees. Of these, 13 are engaged in full-time research and development and laboratory operations, 24 are engaged in general and administrative functions, four are full-time employees engaged in the clinic operation and two part-time employees are engaged in sponsored research and development, laboratory operations and legal clerical support. As of the date of this prospectus, 42 of our employees are located in Hong Kong and 1 of our employees is located in the UK. In addition, we have engaged and may continue to engage 26 independent contracted consultants and advisors to assist us with our operations. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We have never experienced any employment related work stoppages, and we consider our relations with our employees to be good.

Facilities

We have several operating leases, primarily for offices. Our principal executive offices are located in Hong Kong; we also have offices in London and Jersey City.

Our facilities in Hong Kong consists of: (i) 638 square foot lab space under a lease that commenced in December 2017 and expires in December 2020, that carries a monthly rent of $2,127 and which is used for the center run by APD (the "R&D Center"); (ii) 851 square foot office space under a lease that commenced in December 2017 and expires in December 2020 that carries a monthly rent of $2,509, which is also used for the center run by APD (the "HKSTP Office Space"); and (iii) 3,250 square foot office space under a lease that commenced in February 2018 and expires in January 2021 and that carries a monthly rent of $16,667 (the "Guangdong Investment Tower Lease"). (See "Transactions with Related Persons – Leased Facilities")

Pursuant to the lease agreement for the R&D Center, we are also obligated to pay $1,090 per month as service charges (this is an increase, as of April 2018, from $1,058 per month with one month notice from landlord in accordance with the lease).

Pursuant to the lease agreement for the HKSTP Office Space, we are also obligated to pay $666 per month as service charges (this is an increase, as of April 2018, from $633 per month with one month notice from landlord in accordance to the lease).

Our office space in London consists of approximately 111 square feet under a lease that commenced in April 2018 and expires in September 2018 and has a rent of $2,814 per month. Our office space in Jersey City, New Jersey consists of approximately 81 square feet under a lease that commenced in April 2018 and expires in October 2019 and has a rent of $1,466 per month.

Payments under operating leases are expensed on a straight-line basis over the periods of the respective leases, and the terms of the leases do not contain rent escalation, contingent rent, and renewal or purchase options.

Effective March 2018, we entered into a 4-year rental agreement to lease a facility in Central Hong Kong (the "AML Lease"), which is home to AML Clinic. The AML Lease is guaranteed by Clark Cheng, our Chief Medical Officer and one of our Executive Directors, who is also an executive director of AML. The facility covered by the AML Lease is a 3,173 square foot space that carries a monthly rent of approximately $29,500 for the first year; the monthly rent increases each year thereafter by about $810 per month. We must also pay a monthly management fee and air conditioning fee of about $3,370 per month under the AML Lease. Pursuant to the terms of the AML Lease, if we fail to pay any sums that are due thereunder, we shall incur interest at the rate of 2% per calendar month until full payment is made of all owed sums. The landlord maintains the right to terminate the AML Lease with no less than six months' notice if the landlord enters into a contract to sell the building of which the property we rented forms a part or determines to redevelop or renovate the building.

In March 2018, Aptorum Therapeutics Limited began negotiations to purchase a premise in Fo Tan, Hong Kong, for developing into a self-owned laboratory, and per the terms of the related agreement, we have paid a deposit of approximately $137,000. In May 2018, we completed this transaction with a total purchase price of approximately $1,370,000.

We believe our current facilities are sufficient to meet our needs.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, if determined adversely to us, would individually or taken together have a material adverse effect on our business, results of operations, financial condition or cash flows. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

MANAGEMENT

Directors and Executive Officers

Below is a list of our directors and executive officers, as of the date of this prospectus, and a brief account of the business experience of each of them. The business address for the directors and officers of Aptorum Group Limited is 17th floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong.

Name	Age	Position
Executive Officers		
Ian Huen	38	Founder, Chief Executive Officer and Executive Director
Darren Lui	37	President, Chief Business Officer and Executive Director
Clark Cheng	38	Chief Medical Officer and Executive Director
Keith Chan	72	Chief Scientific Officer
Sabrina Khan	37	Chief Financial Officer
Non-Management Directors		
Charles Bathurst	63	Independent Non-Executive Director and Chair of Audit Committee
Mirko Scherer	50	Independent Non-Executive Director
Justin Wu	48	Independent Non-Executive Director and Chair of Compensation Committee
Douglas Arner	48	Independent Non-Executive Director and Chair of Nominating and Corporate Governance Committee

Executive Officers

MR. IAN HUEN, Founder, Chief Executive Officer and Executive Director

Mr. Ian Huen is the Founder, Chief Executive Officer and Executive Director of Aptorum Group Limited. Mr. Huen is also the Executive Director and Co-Founder of a Hong Kong company, AENEAS CAPITAL LIMITED, a licensed corporation regulated by the Hong Kong Securities & Futures Commission as a Type 9 Asset Manager, since 2005. He has over 15 years of global asset management experience and previously covered the U.S. healthcare sector as an equity research analyst at Janus Henderson Group plc (formerly known as Janus Capital). Mr. Huen was the financial advisor in the sale of Seng Heng Bank Limited (Macau) to Industrial and Commercial Bank of China in 2007.

As a trustee board member of the Dr. Stanley Ho Medical Development Foundation, Mr. Huen facilitates advisory, development funding, access to research resources across Asia and continues to establish relationships with leading academic institutions to propel innovations in healthcare.

Mr. Huen graduated from Princeton University with an A.B. degree in Economics in June 2001, earned a MA in Comparative and Public History from CUHK in June 2016. Mr. Huen is also a Chartered Financial Analyst (“CFA”).

MR. DARREN LUI, President, Chief Business Officer and Executive Director

Mr. Darren Lui is the President, Chief Business Officer and Executive Director of Aptorum Group Limited. Mr. Lui is also an Executive Director and Co-Founder of AENEAS CAPITAL LIMITED, a licensed corporation regulated by the Hong Kong Securities & Futures Commission as a Type 9 Asset Manager.

Mr. Lui was previously the founder, director and responsible officer of Varengold Capital Securities Limited and Varengold Capital Asset Management Limited in Hong Kong, with subsidiaries operating brokerage, asset management, and investment businesses in Asia established since January 2015.

Prior to this, he was a Director within the Fixed Income Group of Barclays Capital, where he spent over nine years from September 2005 to February 2014 developing and establishing their London, Singapore and New York structuring teams. From September 2002 to August 2005 he was qualified as a Chartered Accountant with Ernst & Young LLP (London), specializing in capital markets advisory.

Mr. Lui graduated with First-Class Honors from Imperial College, London with a BSc degree in Biochemistry in June 2002. He is a Chartered Accountant (ICAS), a CFA, and an Associate of Chartered Institute of Securities & Investments (UK).

DR. CLARK CHENG, Chief Medical Officer and Executive Director, Aptorum Group Limited
Executive Director, Aptorum Medical Limited

Dr. Clark Cheng is the Chief Medical Officer and Executive Director of Aptorum Group Limited; he is also an executive director of AML (See “Our Business — Facilities” regarding the AML Lease). Prior to this appointment, Dr. Cheng served as the Operations Director since 2009 of Raffles Medical Group, and the company’s Deputy General Manager since 2011, representing an expanded role in the region. During his employment with Raffles Medical Group, he practiced as a full-time medical administrator to overlook Raffles Medical Hong Kong operations and supported its development in the PRC.

Dr. Cheng received his medical training at the University College London, UK, in 2005 and completed his foundation year training at The Royal Free Hospital in 2007. Pursuing his career in surgery, he obtained his membership of the Royal College of Surgeons of Edinburgh in 2009 and commenced his training in Orthopaedics where he practiced as Specialist Registrar at the National University Hospital, Singapore, with special interest in Traumatology of the lower limbs. In 2011, he also obtained his Master in Business & Administration with distinction from Tippie College of Business, University of Iowa, US.

Dr. Cheng is an active member of the Singapore Chamber of Commerce, and appears regularly as a guest speaker for The Open University of Hong Kong, The Airport Authority Hong Kong and other corporate events.

DR. KEITH CHAN, Chief Scientific Officer

Dr. Keith Chan is the Chief Scientific Officer of Aptorum Group Limited. Dr. Chan assists the Group with strategizing its clinical programs and approaches with the FDA and CFDA. The appointment of Dr. Chan is through a Consultancy Agreement by and between the Company and GloboAsia LLC, a firm based in Rockville, Maryland ("GloboAsia"), where Dr. Chan serves as Director of International Affairs, on the basis of at least one working day per week for the Group.

Dr. Chan is currently a Senior Advisor of Cornerstone Intellectual Property Foundation in Taiwan. He is also serving as an adjunct professor at the Graduate Institute of Intellectual Property, College of Commerce, National Chengchi University and adjunct professor and advisor at the Research Center for Drug Discovery, National Yang Ming University in Taipei, Taiwan.

Dr. Chan co-founded GloboMax LLC, a drug development organization, in Hanover, Maryland, in July 1997, and served as a consultant for numerous multi-national pharmaceutical and biotech firms in the U.S, Europe and Asia. GloboMax LLC was acquired by ICON, plc. in August 2003, and Dr. Chan exited the operation. Prior to that, he joined the FDA in 1995 as a Director of Division of Bioequivalence, Office of Generic Drugs, responsible for managing and approval of generic drugs in the States. Dr. Chan had worked for Ciba-Geigy Corporation in Ardsley, New York, for 15 years, and held various senior and management positions. Dr. Chan also has extensive experience in new and generic drug development in executing preclinical animal studies, bioassay development, Phases I to VI Pharmacokinetics, pharmacodynamics, bioavailability, bioequivalence studies, outside contract, regulatory submission, advanced drug delivery systems, and all phases of new drug development. In addition, he has served as Professor/adjunct Professor at the School of Pharmacy, University of Maryland at Baltimore during 1996-2009 and also as Adjunct Professor and National Board of Advisor, College of Pharmacy, University of Minnesota during 1984 - 2006. He has published more than 150 abstracts and research articles in peer-reviewed journals and delivered over 200 professional presentations. He was elected as Fellow of the American Association of Pharmaceutical Scientists ("AAPS") in 1995 for his scientific accomplishments on drug absorption in humans.

Although much of his career was based in the United States, Dr. Chan has been assisting Asian pharmaceutical and biotech companies for over 14 years. He has organized numerous workshops and conferences in the PRC, Taiwan, Hong Kong, Singapore and Korea. He lectures frequently in Asia and serves as a scientific advisor for many regulatory agencies in Asia. Over the last several years, he has successfully assisted many Asian companies in their technology transfers and licensing deals to and from the U.S., as well as with numerous regulatory submissions to the FDA.

Dr. Chan obtained his Ph.D. degree in Pharmaceutics from the University of Minnesota in January 1980.

MISS SABRINA KHAN, Chief Financial Officer

Miss Sabrina Khan is the Chief Financial Officer of Aptorum Group Limited. She leads the Company's financial strategy and operations, as well as Investor Relations. She has extensive experience working at KPMG (Hong Kong) and Ernst & Young LLP (Hong Kong). She was recently the regional financial controller in Asia for St. James's Place Wealth Management (Hong Kong), which St. James's Place Wealth Management Group (LON: STJ) is a FTSE100 company with £89.9 billion of client funds under management. Prior to that, she served as the senior finance manager of Neo Derm Group, a leading medical aesthetic group in Asia, in charge of its finance-related matters and expansion in the PRC. From August 2009 to May 2013, she served as the senior finance manager of Global Cord Blood Corporation (formerly known as China Cord Blood Corporation (NYSE: CO)), which was a subsidiary of Golden Meditech Holdings Limited (HK: 801), where she played an important role with the NYSE listing filings, investor relations and post IPO reporting. During her employment with Global Cord Blood Corporation, she was actively involved in the issuance of convertible bonds to Kohlberg Kravis Roberts and various merger and acquisition projects, facilitated and liaised with investment banks on due diligence, deal structuring, and also involved in commercial negotiation with respect to major contract terms.

Miss Khan qualified as certified public accountant and graduated with a BBA (Hons) in Accounting & Finance at The University of Hong Kong in 2003. She was qualified as an Advanced China Certified Taxation Consultant in 2015.

Independent Non-Executive Directors

MR. CHARLES BATHURST

Mr. Bathurst is an Independent Non-Executive Director of Aptorum Group Limited. He has over 40 years' experience of management and senior executive roles primarily in financial services. In 2011, he set up his own independent consultancy service, Summerhill Advisors Limited, advising on management structure, business development, financial reporting, internal audit controls and compliance to both emerging and multinational companies. Today he holds Non-Executive and Advisory board positions on fast-growing companies in healthcare, technology and financial services.

Prior to establishing Summerhill, he served as a Director for J.O. Hambro Investment Management from September 2008 to August 2011, where he oversaw the restructuring and commercialization a range of in-house investment funds. He was appointed to the management board and supervised reporting teams including Business development, accounting teams, regulatory reporting teams and internal controls.

From April 2004 to March 2008, Mr. Bathurst served in multiple roles at Old Mutual Asset Managers (UK), including being a member of the senior management team and head of international sales. Duties included business development, launching new investment funds, recruitment, establishing and supervision of regulatory and financial reporting teams, as well as ensuring compliance with funds' regulatory requirements and corporate governance standards.

Prior to this, Mr. Bathurst was an advisor to Lion Capital Advisors Limited from April 2003 to March 2004, and from June 2002 to March 2003 business development reporting to the board of management of LCF Rothschild Asset Management Limited.

From April 1995 to March 2002, Mr. Bathurst joined a newly formed alternative investment management team at Credit Agricole Asset Management, establishing the London Branch as the Managing Director in 1998. He was responsible for the recruitment and development strategy for marketing, sales, investment, financial reporting, compliance and regulatory controls and investor relations.

Between the period of September 1989 and December 1994, Mr. Bathurst worked for GNI, the largest futures and options execution and clearing broker on the London International Financial futures Exchange, where he focused on marketing to European and Middle East financial institutions. In 1991, he joined a new management team to launch a series of specialist investment funds while serving as the Head of Sales and Product Development.

Mr. Bathurst graduated from the Royal Military Academy Sandhurst in November 1974 and commissioned into the British Army serving in the UK and Germany.

DR. MIRKO SCHERER

Dr. Mirko Scherer is an Independent Non-Executive Director of Aptorum Group Limited. Dr. Scherer has been serving as the CEO at TVM Capital China in Hong Kong since March 2015. TVM China focuses on cross-border activities in the life science industry between China and the West. TVM China acts as a bridge between China and the West, assisting Chinese investors and pharmaceutical companies accessing western innovations, while collaborating with innovative life science companies from the West to enter the fast-growing China market.

Dr. Mirko Scherer has served on the Board of the Frankfurt Stock Exchange and has been a board member of the Stichting Preferente Aandelen QIAGEN since 2004. From August 2016 through July 2018, Dr. Scherer served as a Non-Executive board member of Quantapore Inc. and from April 2015 through September 2017, he was a director of China BioPharma Capital I, (GP).

Dr. Scherer is an experienced biotechnology executive and has led numerous financing M&A and licensing transactions, in both public and private markets, in Europe and the U.S. for over 20 years. He consulted MPM Capital for the period between July 2012 and December 2014, focusing on deal sourcing for MPM in Europe. Dr. Scherer was also a co-founder and partner of KI Kapital from November 2008 to February 2014, a company specializing in providing consultation in life science industry.

Prior to working in the venture capital industry, Dr. Scherer co-founded GPC Biotech (Munich and Princeton, NJ) and served as the Chief Financial Officer from October 1997 to December 2007. GPC Biotech engaged in numerous pharmaceutical alliances with companies such as Sanofi Aventis, Boehringer Ingelheim, Altana (now part of Takeda), Yakult, and Pharmion (now part of Celgene). Over the past 20 years, Dr. Scherer has established an extensive network in the U.S., European, and China's biotechnology and venture capital industry. Prior to his time at GPC Biotech, Dr. Scherer worked as a consultant from May 1993 to June 1994 at the Boston Consulting Group.

Dr. Scherer earned a Doctorate in Finance from the European Business School in Oestrich-Winkel/Germany in 1998, a MBA from Harvard Business School in June 1996, and a degree in Business Administration from the University of Mannheim/Germany in February 1993.

DR. JUSTIN WU

Dr. Justin Wu is an Independent Non-Executive Director of Aptorum Group Limited. He has been serving as the Associate Dean of the Faculty of Medicine at CUHK since July 2014, a Professor in the Department of Medicine and Therapeutics since 2009, also the Director of the S. H. Ho Center for Digestive Health, a research center specializing in functional gastrointestinal diseases, reflux and motility disorders, and digestive endoscopy. Active in research publications and assessments, Dr. Wu is currently the International Associate Editor of American Journal of Gastroenterology ("AJG"), and Managing Editor of Journal of Gastroenterology and Hepatology ("JGH"). He is also the Secretary General of the Asian Neurogastroenterology and Motility Association ("ANMA"), and Honorary Treasurer of the Asia Pacific Association of Gastroenterology ("APAGE").

Dr. Wu has won a number of awards including the Emerging Leader in Gastroenterology Award by the JGH Foundation, and the Vice Chancellor's Exemplary Teaching Award at CUHK. Aside from his expertise in gastroenterology, Dr. Wu has an extensive interest in the development of Integrative Medicine in Hong Kong. He is the Founding Director of the Hong Kong Institute of Integrative Medicine, working closely with the School of Chinese Medicine to develop an integrative model at an international level. The institute aims at maximizing the strength of Western and Chinese medicine to provide a safe and effective integrative treatment to patients.

Dr. Wu served as a consultant and an advisory board member for Takeda Pharmaceutical, AstraZeneca, Menarini, Reckitt Benckiser and Abbott Laboratory. He earned his Bachelor of Medicine and Bachelor of Surgery Degree (1993), and his Doctor of Medicine Degree (2000) from CUHK. Additionally, he attained Fellowships of the Royal College of Physicians of Edinburgh and London in 2007 and 2012 respectively, Fellowship of the Hong Kong College of Physicians in 2002, Fellowship of the Hong Kong Academy of Medicine in 2002, and has been an American Gastroenterological Association Fellow since 2012.

PROFESSOR DOUGLAS ARNER

Professor Douglas W. Arner is an Independent Non-Executive Director of Aptorum Group Limited. He is also the Kerry Holdings Professor in Law at the University of Hong Kong ("HKU"), Project Coordinator of a significant project funded by the Hong Kong Research Grants Council Theme-based Research Scheme on "Enhancing Hong Kong's Future as a Leading International Financial Centre" and the Director of HKU's East Asian International Economic Law and Policy Program. In addition, he is the Faculty Director of HKU's LLM in Compliance and Regulation and a Senior Visiting Fellow of Melbourne Law School, University of Melbourne. Douglas served as the Head of the HKU Department of Law from 2011 to 2014 and as Co-Director of the Duke University-HKU Asia-America Institute in Transnational Law from 2005 to 2016. From 2006 to 2011 he was the Director of HKU's Asian Institute of International Financial Law, which he co-founded in 1999 along with the LLM in Corporate and Financial Law (of which he serves as the Faculty Director). Since March 1, 2018, Professor Arner is the Senior Regulatory & Strategic Advisor of AENEAS CAPITAL LIMITED, a licensed corporation regulated by the Hong Kong Securities & Futures Commission as a Type 9 Asset Manager.

Professor Arner is a member of the Hong Kong Financial Services Development Council and an Executive Committee Member of the Asia Pacific Structured Finance Association. He has served as a consultant with, among others, the Asian Development Bank, World Bank, APEC, and European Bank for Reconstruction and Development, and has lectured, co-organized conferences and seminars and been involved with financial sector reform projects in over 20 economies in Africa, Asia and Europe. He has been a visiting professor or fellow at Duke, Harvard, the Hong Kong Institute for Monetary Research, IDC Herzliya, McGill, Melbourne, National University of Singapore, University of New South Wales, Shanghai University of Finance and Economics, and Zurich, among others.

He holds a BA from Drury College (where he studied literature, economics and political science) in 1992, a JD (cum laude) from Southern Methodist University in 1995, an LLM (with distinction) in banking and finance law from the University of London (Queen Mary College) in 1996, and a PhD from the University of London in 2005.

Significant Employee

The following person is not an executive officer of Aptorum Group Limited, but is expected to make significant contributions to our business.

DR. THOMAS LEE WAI YIP, Chief Executive Officer and Chief Scientific Officer, Aptorum Therapeutics Limited

Dr. Thomas Lee is the Chief Executive Officer and Chief Scientific Officer of Aptorum Therapeutics Limited, a wholly-owned therapeutics subsidiary of Aptorum Group Limited. Dr. Lee served as an Assistant Professor in the School of Pharmacy, Faculty of Medicine, CUHK from August 2013 to January 2018 and joined Aptorum Therapeutics Limited in January 2018. Dr. Lee's key area research involves drug delivery with specialties on formulation development of poorly soluble compounds, oral delivery, Nanotechnology, etc.

Prior to academia, Dr. Lee accumulated big-pharma experience by spending a decade in two multinational pharmaceutical companies in the U.S. He was working at Novartis Pharmaceuticals Corporation from June 2003 to November 2008, and subsequently recruited to Celgene Corporation as a senior scientist (manager) of the Formulations Research & Development from November 2008 to July 2013.

Dr. Lee graduated with B.Pharm. (Hons) Degree from the formerly Department of Pharmacy at the CUHK in August 1995, and received his Ph.D. in Pharmaceutical Sciences (Drug Delivery) from the University of Wisconsin-Madison in the U.S in May 2003.

Corporate Governance

Prior to the completion of this Offering and as long as our officers and directors, either individually or in the aggregate, own at least 50% of the voting power of our Company, we will be a "controlled company" as defined under NASDAQ Marketplace Rules (specifically, as defined in Rule 5615(c)). We have no current intention to rely on the controlled company exemptions afforded to a controlled company under the NASDAQ Marketplace Rules.

Composition of Our Board of Directors

Our Board of Directors currently consists of seven members, all of whom were elected pursuant to our current Memorandum and Articles. Our nominating and governance committee and board of directors will consider a broad range of factors relating to the qualifications and background of nominees, which may include diversity and is not limited to race, gender or national origin. We have no formal policy regarding board diversity. Our nominating and governance committee's and board of directors' priority in selecting board members is identification of persons who will further the interests of our shareholders through his or her established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape and professional and personal experiences and expertise relevant to our growth strategy.

There is no Cayman Islands law requirement that a director must hold office for a certain term and stand for re-election unless the resolutions appointing the director impose a term on the appointment. The Memorandum and Articles provide that our directors will be elected annually to serve a term of one year, or until his or her earlier resignation or removal. We do not have any age limit requirements relating to our director's term of office.

Our Memorandum and Articles also provide that our directors may be removed by the directors or ordinary resolution of the shareholders, and that any vacancy on our Board of Directors, including a vacancy resulting from an enlargement of our Board of Directors (which shall not exceed any maximum number stated therein), may be filled by ordinary resolution or by vote of a majority of our directors then in office.

Director Independence

Our Board of Directors has determined that Justin Wu, Mirko Scherer, Douglas Arner and Charles Bathurst are independent, as determined in accordance with the rules of the NASDAQ Global Market. In making such independence determination, our Board of Directors considered the relationships that each such non-employee director has with us and all other facts and circumstances that the board of directors deemed relevant in determining their independence, including the beneficial ownership of our share capital by each non-employee director and the transactions involving them described in the section titled "Transactions with Related Persons". Upon the closing of this Offering, we expect that the composition and functioning of our Board of Directors and each of our committees will comply with all applicable requirements of the NASDAQ Global Market and the rules and regulations of the SEC. There are no family relationships among any of our directors or executive officers.

Board's Role in Risk Oversight

Our Board of Directors oversees the management of risks inherent in the operation of our business and the implementation of our business strategies. Our Board of Directors performs this oversight role by using several different levels of review. In connection with its reviews of our operations and corporate functions, our Board of Directors addresses the primary risks associated with those operations and corporate functions. In addition, our Board of Directors reviews the risks associated with our business strategies periodically throughout the year as part of its consideration of undertaking any such business strategies.

Each of our board committees also oversees the management of our risk that falls within the committee's areas of responsibility. In performing this function, each committee has full access to management, as well as the ability to engage advisors. Our Chief Financial Officer reports to the audit committee and is responsible for identifying, evaluating and implementing risk management controls and methodologies to address any identified risks. In connection with its risk management role, our audit committee meets privately with representatives from our independent registered public accounting firm and our Chief Financial Officer. The audit committee oversees the operation of our risk management program, including the identification of the primary risks associated with our business and periodic updates to such risks, and reports to our Board of Directors regarding these activities.

Board Committees

Our Board of Directors has established an audit committee, a compensation committee and a nominating and corporate governance committee, each of which operates pursuant to a separate charter adopted by our Board of Directors. The composition and functioning of all of our committees will comply with all applicable requirements of the Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the NASDAQ Global Market and SEC rules and regulations. Our Board of Directors may establish other committees from time to time.

Audit Committee

Charles Bathurst, Douglas Arner and Justin Wu currently serve on the audit committee, which is chaired by Charles Bathurst. Our Board of Directors has determined that each member of the audit committee is "independent" for audit committee purposes as that term is defined in the rules of the SEC and the applicable rules of the NASDAQ Global Market. The audit committee's responsibilities include:

- selecting and appointing our independent registered public accounting firm, and approving the audit and permitted non-audit services to be provided by our independent registered public accounting firm;
- evaluating the performance and independence of our independent registered public accounting firm;
- monitoring the integrity of our financial statements and our compliance with legal and regulatory requirements as they relate to our financial statements or accounting matters;
- reviewing the adequacy and effectiveness of our accounting and internal control policies and procedures;
- establishing procedures for the receipt, retention and treatment of accounting-related complaints and concerns;
- reviewing and discussing with the independent registered public accounting firm the results of our year-end audit, and recommending to our Board of Directors, based upon such review and discussions, whether our financial statements shall be included in our Annual Report on Form 20-F;
- reviewing all related party transactions for potential conflict of interest situations and approving all such transactions; and
- reviewing the type and presentation of information to be included in our earnings press releases, as well as financial information and earnings guidance provided by us to analysts and rating agencies.

Audit Committee Financial Expert

We have one financial expert as of the date of this report. Our Board of Directors has determined that Mr. Charles Bathurst, Chair of our audit committee, qualifies as an "audit committee financial expert" as defined in the SEC rules and satisfies the financial sophistication requirements of The NASDAQ Global Market.

Compensation Committee

Charles Bathurst, Douglas Arner and Justin Wu currently serve on the compensation committee, which is chaired by Justin Wu. Our Board of Directors has determined that each member of the compensation committee is "independent" as that term is defined in the applicable rules of the NASDAQ Global Market. The compensation committee's responsibilities include:

- reviewing the goals and objectives of our executive compensation plans, as well as our executive compensation plans in light of such goals and objectives;
- evaluating the performance of our executive officers in light of the goals and objectives of our executive compensation plans and recommending to our Board of Directors with respect to the compensation of our executive officers;
- reviewing the goals and objectives of our general compensation plans and other employee benefit plans as well as our general compensation plans and other employee benefit plans in light of such goals and objectives;
- retaining and approving the compensation of any compensation advisors;
- reviewing all equity-compensation plans to be submitted for shareholder approval under the NASDAQ listing rules, and reviewing and approving all equity-compensation plans that are exempt from such shareholder approval requirement;
- evaluating the appropriate level of compensation for board and board committee service by non-employee directors; and
- reviewing and approving description of executive compensation included in our Annual Report on Form 20-F.

Nominating and Corporate Governance Committee

Charles Bathurst, Douglas Arner and Justin Wu currently serve on the nominating and corporate governance committee, which is chaired by Mr. Arner. Our Board of Directors has determined that each member of the nominating and corporate governance committee is "independent" as that term is defined in the applicable rules of the NASDAQ Global Market. The nominating and corporate governance committee's responsibilities include:

- assisting our Board of Directors in identifying prospective director nominees and recommending nominees for election by the shareholders or appointment by our Board of Directors;
- advising the board of directors periodically with respect to significant developments in the law and practice of corporate governance as well as our compliance with applicable laws and regulations, and making recommendations to our Board of Directors on all matters of corporate governance and on any corrective action to be taken;
- overseeing the evaluation of our Board of Directors; and
- recommending members for each board committee of our Board of Directors.

Code of Business Conduct and Ethics

Our board has adopted a code of business conduct and ethics that applies to our directors, officers and employees. A copy of this code is available on our website: www.aptorumgroup.com. We intend to disclose on our website or in a current report on Form 6-K, any amendments to the Code of Business Conduct and Ethics and any waivers of the Code of Business Conduct and Ethics that apply to our principal executive officer, principal financial officer, principal accounting officer, controller, or persons performing similar functions.

Duties of Directors

Under Cayman Islands law, our directors have a duty to act honestly, in good faith and with a view to our best interests. Our directors also have a duty to exercise the care, diligence and skills that a reasonably prudent person would exercise in comparable circumstances. (See "Description of Share Capital – Differences in Corporate Law") In fulfilling their duty of care to us, our directors must ensure compliance with our Memorandum and Articles. We have the right to seek damages if a duty owed by our directors is breached.

The functions and powers of our Board of Directors include, among others:

- appointing officers and determining the term of office of the officers;
- authorizing the payment of donations to religious, charitable, public or other bodies, clubs, funds or associations as deemed advisable;
- exercising the borrowing powers of the company and mortgaging the property of the company;
- executing checks, promissory notes and other negotiable instruments on behalf of the company; and
- maintaining or registering a register of mortgages, charges or other encumbrances of the company.

Interested Transactions

So long as it does not adversely affect such person's performance of duties or responsibilities to the Company and so long as it is not in direct competition with the Company and the Company's business, no director or officer shall be disqualified by his office from contracting and/or dealing with the Company as vendor, purchaser or otherwise; nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any director or officer shall be in any way interested be or be liable to be avoided; nor shall any director or officer so contracting or being so interested be liable to account to the Company for any profit realized by any such contract or arrangement by reason of such director or officer holding that office or the fiduciary relationship thereby established. However, any such transaction that would reasonably be likely to affect a director status as an "Independent Director," or that would constitute a "related party transaction" pursuant to the laws or rules promulgated by the SEC or the stock exchange on which our shares are then listed, shall require the review and approval of the Audit Committee. The nature of the director's interest must be disclosed by him at the meeting of the directors at which the contract or arrangement is considered if his interest then exists, or in any other case, at the first meeting of the directors after the acquisition of his interest. A director, having disclosed his interest as aforesaid, shall not be counted in the quorum and shall refrain from voting as a director in respect of any contract or arrangement in which he is as interested as aforesaid.

A director must promptly disclose the interest to all other directors after becoming aware of the fact that he or she is interested in a transaction we have entered into or are to enter into. A general notice or disclosure to the board or otherwise contained in the minutes of a meeting or a written resolution of the board or any committee of the board that a director is a shareholder, director, officer or trustee of any specified firm or company and is to be regarded as interested in any transaction with such firm or company will be sufficient disclosure, and, after such general notice, it will not be necessary to give special notice relating to any particular transaction.

Qualification

The shareholding qualification for directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

Compensation of Executive Officers and Directors

The following table sets forth all cash compensation paid by us, as well as certain other compensation paid or accrued, in 2017 and 2016 to each of the following named executive officers. The total amount was $0.21 million in 2017 and $nil in 2016, respectively. This amount does not include business travel, relocation, professional and business association dues and expenses reimbursed to such persons, and other benefits commonly reimbursed or paid by companies in our industry.

Name and Principal Position	Fiscal Year	Salary ($)[1]	Bonus ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Change in Pension Value and Nonqualified Deferred Compensation Earnings ($)	All Other Compensation ($)	Total ($)
Ian Huen[2]	**2017**	69,230	23,077	-	-	577	-	92,884
(CEO)	**2016**	-	-	-	-	-	-	-
Darren Lui[3]	**2017**	57,692	4,847	-	-	577	-	63,116
(CBO, President)	**2016**	-	-	-	-	-	-	-
Clark Cheng[4]	**2017**	-	-	-	-	-	-(7)	-
(CMO)	**2016**	-	-	-	-	-	-	-
Keith Chan[5]	**2017**	44,516(8)	-	-	-	-	-	44,516
(CSO)	**2016**		-	-	-	-	-	-
Sabrina Khan[6]	**2017**	33,064	-	-	-	577	-	33,641
(CFO)	**2016**	-	-	-	-	-	-	-

(1) The Appointment Letters provide salaries in HKD; for purposes of this table, we used a conversion ratio of HKD7.80 to USD1.00 to determine the salary in USD.
(2) Mr. Huen is the founder and was appointed as the Chief Executive Officer of Aptorum Group on October 1, 2017. Before that, he was a director of the Company.
(3) Mr. Lui was appointed as the Chief Business Officer and President of Aptorum Group on October 1, 2017.
(4) Dr. Cheng was appointed as the Chief Medical Officer of Aptorum Group on January 2, 2018.
(5) Dr. Chan was appointed as the Chief Scientific Officer of Aptorum Group on August 18, 2017.
(6) Miss Khan was appointed as the Chief Financial Officer of Aptorum Group on October 16, 2017; as per an addendum to her appointment letter that we entered into with Miss Khan on April 24, 2018, her monthly salary increased to HKD122,500 as of April 1, 2018.
(7) Pursuant to his appointment letter, Dr. Cheng also received a share bonus of 526 ordinary shares of AML, representing 5% of AML's issued and outstanding ordinary shares (the "Share Bonus"). Based on the Company's financial position and Dr. Cheng's performance, on each anniversary of Dr. Cheng's employment commencement date, the Share Bonus is eligible to increase by 1% of AML's then issued and outstanding ordinary share count per year up to a maximum additional amount of 5% of AML's then issued and outstanding ordinary share count by the 5th anniversary from his employment commencement date.
(8) As described elsewhere in this prospectus, we maintain a consulting agreement with GloboAsia, LLC, for which Dr. Chan serves as the Director of International Affairs. All fees payable to Dr. Chan for services provided to us as Chief Scientific Officer are paid to GloboAsia, LLC, pursuant to the consulting agreement and appointment letter with Dr. Chan. (See "Transactions with Related Persons – Consulting Arrangements")

Compensation of Directors

The following table sets forth information for the fiscal year ended December 31, 2017 regarding the compensation of our directors who at December 31, 2017, were not also named executive officers.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	Non-qualified Deferred Compensation Earnings ($)	All Other Compen-sation ($)	Total ($)
Charles Bathurst [1]	**10,684[2]**	**-**	**-**	**-**	**-**	**-**	**10,684**
Mirko Scherer[3]	**6,371**	-	-	-	-	-	**6,371**
Justin Wu [4]	**6,371**	**-**	**-**	**-**	**-**	**-**	**6,371**
William Lo[5]	**4,722**	-	-	-	-	-	**4,722**

(1) Mr. Bathurst was appointed as one of our directors as of October 2017 and pursuant to his appointment letter, is entitled to receive $50,400 annually for his combined services as a director and a committee member.
(2) Mr. Bathurst's appointment Letter provides his salary in GBP. For purposes of this table, we used a conversion ratio of GBP0.71 to USD1.00 to determine his salary in USD; however, the ultimate amount paid is based on the actual rate as of the relevant pay day at the end of each month.
(3) Dr. Scherer was appointed as one of our directors as of October 2017 and pursuant to his appointment letter, is entitled to receive $30,000 annually for his services as a director.
(4) Dr. Wu was appointed as one of our directors as of October 2017 and pursuant to his appointment letter, is entitled to receive $30,000 annually for his combined services as a director and a committee member.
(5) Mr. Lo was appointed as one of our directors in November 2017, but resigned in December 2017; he has since been appointed as strategic advisor for Videns.

Professor Arner's appointment as one of our directors became effective as of April 1, 2018. Pursuant to his appointment letter, Professor Arner is entitled to receive $30,000 annually for his combined services as a director and a committee member; he also received a signing bonus of $2,500.

According to our Memorandum and Articles, the remuneration to be paid to the directors shall be such remuneration as the directors shall determine and as is in accordance with the Charter of the Compensation Committee, as applicable and the Company's other corporate governance documents. Such remuneration shall be deemed to accrue from day to day. The directors also may be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or in connection with the business of the Company or the discharge of their duties as a director, or receive a fixed allowance in respect thereof as may be determined by the directors from time to time or a combination of partly of one such method and partly the other. The directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any existing director or any director who has held but no longer holds any executive office or employment with the Company or with any entity which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

Omnibus Incentive Plan

On October 13, 2017, we adopted the Option Plan. Under the Option Plan, up to an aggregate of 5,500,000 Class A Ordinary Shares (subject to subsequent adjustments described more fully below) may be issued pursuant to awards under the Option Plan. Subsequent adjustments include that on each January 1, starting with January 1, 2020, an additional number of shares equal to the lesser of (A) 2% of the outstanding number of Class A Ordinary Shares (on a fully diluted basis) on the immediate preceding December 31, and (B) such lower number of Class A Ordinary Shares as may be determined by the board of directors, subject in all cases to adjustments as provided in Section 10 of the Aptorum Group Limited 2017 Share Option Plan. Awards will be made pursuant to agreements and may be subject to vesting and other restrictions as determined by the board of directors.

We adopted the Option Plan to provide additional incentives to selected directors, officers, employees and consultants, and enable our Company to obtain and retain the services of these individuals. The Option Plan will enable us to grant options, restricted shares or other awards to our directors, employees and consultants. Awards will be made pursuant to agreements and may be subject to vesting and other restrictions as determined by the board of directors.

Limitation on Liability and Other Indemnification Matters

The Companies Law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles permit indemnification of officers and directors for actions, proceedings, claims, losses, damages, costs, liabilities and expenses ("Indemnified Losses") incurred in their capacities as such unless such Indemnified Losses arise from dishonesty of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

TRANSACTIONS WITH RELATED PERSONS

Since January 1, 2016 there has not been, nor is there currently proposed, any material transaction or series of similar material transactions in which the amount involved exceeds the lesser of $120,000 or one percent of the average of the Company's total assets at year-end for the last two completed fiscal years in which we were or are to be a participant and in which a related person had or will have a direct or indirect material interest, other than the compensation and shareholding arrangements we describe in "Management" and "Principal Shareholders" and the transactions we describe below. A related person is: (i) an executive officer, director or director nominee of the Company, (ii) a beneficial owner of more than 5% of our Class A or Class B Ordinary Shares, (iii) an immediate family member of an executive officer, director or director nominee or beneficial owner of more than 5% of any class of our Ordinary Shares, or (iv) any entity that is owned or controlled by any of the foregoing persons or in which any of the foregoing persons has a substantial ownership interest or control.

Sales and Purchases of Securities

Share Issuances

During the period of March 2017 through December 2017, we issued an aggregate of 2,207,025 Ordinary Share at a purchase price of approximately $3.90 per share, in a private placement we described as a "Series A" offering. Each investor of the Series A offering, in addition to a subscription agreement, signed a shareholder agreement, which set forth the basic governance terms of the Company, as well as our capital structure. The shareholders agreement was terminated in October 2017.

On October 13, 2017, ordinary resolutions were passed at an extraordinary general meeting of the Company approving: (i) converting 72,135,865 of authorized but unissued Ordinary Shares into 54,573,619 authorized but unissued Class A ordinary shares, par value of $1.00 per share ("Class A Ordinary Shares") and 17,562,246 authorized but unissued Class B ordinary shares, par value of $1.00 per share ("Class B Ordinary Shares"), respectively; (ii) converting 24,930,839 Ordinary Shares held by three shareholders into an aggregate of 2,493,085 Class A Ordinary Shares and 22,437,754 Class B Ordinary Shares; and (iii) converting 2,933,296 Ordinary Shares held by 24 shareholders into an aggregate 2,933,296 Class A Ordinary Shares. Following these issuances, we had 27 shareholders of record.

KHE Holdings Limited, which is owned by Dr. Kenny Yu's family, purchased $200,000 Series A Notes. Dr. Yu is a member of our Scientific Assessment Committee.

Share Transfer: Change in direct substantial shareholders of the Company

On May 4, 2017, Mr. Huen transferred all of the ordinary shares in the Company he owned (in the amount of 22,307,596) to Jurchen, a company incorporated in the British Virgin Islands and wholly-owned by Mr. Huen. On October 13, 2017, the ordinary shares held by Jurchen were redesignated as 2,230,760 Class A Ordinary Shares and 20,076,836 Class B Ordinary Shares.

On March 23, 2018, Jurchen transferred 446,152 Class A Ordinary Shares and 4,015,367 Class B Ordinary Shares to CGY Investments Limited, a company incorporated in Hong Kong and which we deem Mr. Darren Lui controls and/or of which he has substantial influence on the disposition rights and voting rights of such shares.

Underwriters

Boustead also acted as the placement agent in the Series A Note Offering and one of the placement agents for the Bond Offering. For such services, Boustead received: (x) for the Series A Note Offering: (i) a cash success fee of $68,516 and (ii) the Series A Note PA Warrants; and (y) for the Bond Offering: (i) a cash success fee of $600,000 and (ii) the Bond PA Warrants. Boustead also purchased $150,000 Series A Notes in the Series A Note Offering. Boustead also participated in the Series A Note Offering as an investor with a purchase of Series A Notes in the amount of $150,000.

China Renaissance also acted as a placement agent for the Bond Offering. For such services, China Renaissance received a cash success fee of $150,000.

The underwriters and their affiliates may also provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they may receive customary fees and commissions. In addition, from time to time, the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Consulting Arrangements

1. GloboAsia, LLC - We entered into a consulting agreement with GloboAsia effective as of August 18, 2017. Pursuant to this agreement, GloboAsia provides advisory and management services to us. Dr. Keith Chan, our Chief Scientific Officer serves as the Director of International Affairs of GloboAsia. Although Dr. Chan is our Chief Scientific Officer, he is not an Executive Director and does not have the legal nor professional authority to dictate the commercial decisions of the Executive Board. The service fees payable to GloboAsia equate to a monthly rate of $10,000 and are paid with the expectation that Dr. Chan devotes at least one working day per week to the Company. The term of this agreement is two years from the date of commencement and GloboAsia must give the Company not less than two months' notice in writing if it wants to terminate the agreement.

2. Aeneas

a. We entered into a Management Agreement with Aeneas in October 2010, as amended (the "Management Agreement"). Our CEO, Mr. Huen is the sole beneficial owner and one of the executive directors of Aeneas, which is a Hong Kong incorporated licensed corporation regulated by the Securities & Futures Commission for asset management activities. Prior to the Restructure, pursuant to which we no longer invest in companies on a portfolio investment basis, Aeneas was the Company's asset manager. Pursuant to the Management Agreement, we were to pay Aeneas certain management fees and performance fees. In February 2017, as part of the Restructure, the Management Agreement was terminated and no further fees were payable pursuant thereto. Prior to termination, we paid Aeneas an aggregate of $4.8 million pursuant to the terms of the Management Agreement.

b. In March 2017, we entered into a new Management Agreement with Aeneas (the "2017 Agreement"), pursuant to which Aeneas will provide certain management and administrative functions, as well as investment functions related to the Company, IP acquisitions and other investor relations services (the "Services"). In consideration for the Services, we shall pay Aeneas HK$500,000 per month (approximately US$64,103 per month), payable on the last day of each month.

Aeneas is wholly-owned by Aeneas Group Limited (“AGL”), which in turn is wholly-owned by Aeneas Limited ("AL"). AL is wholly-owned by Jurchen, which is wholly-owned by Mr. Huen, our CEO. Mr. Huen and Mr. Lui both serve as the executive directors of Aeneas and Professor Arner, one of our directors, is a Senior Regulatory and Strategic Advisor for Aeneas. Under his agreement with AGL dated March 12, 2018, Professor Arner shall, among other services, advise the board of AGL with its management, execution of business, and regulatory initiatives of AGL and AL, assist AGL with access to expert networks as appropriate and required. Professor Arner’s compensation thereunder is HK$240,000 per year (approximately US$30,800 per year) and Professor Arner is entitled to participate in AGL’s share option plans.

3. Covar Pharmaceuticals Incorporated - In May 2017, we entered into a service agreement (the “Covar Agreement”) with Covar Pharmaceuticals Incorporated (“Covar”), an advisor, through a wholly-owned subsidiary, Videns, which is one of our project companies and is developing four of our Significant Projects.

Pursuant to the Covar Agreement, Covar would act as a product and clinical development advisor to Videns with respect to the development of contrast agents for MRI imaging applicable to the human brain (VLS-1) (the “Original Service Scope”). Covar shall receive fees for their services in amounts to be determined by the parties at the time of each service. Pursuant to the Covar Agreement, two employees of Covar, Mr. Austin Freedman (“Mr. Freedman”) and Dr. Kwok Chow (“Dr. Chow”) would provide the technical services at the rate of $150 per hour and $200 per hour, respectively; other technical and support staff shall provide services at the rate of $65-$100 per hour depending on background and experience. Covar has since adjusted its fees pursuant to a new fee schedule, where effective January 2018, the effective rates of Dr. Chow and Mr. Freedman are now $220 per hour and $165 per hour respectively, and the rates of other technical and support staff are now between $90-$250 per hour depending on background and experience. Mr. Freedman will provide the lead program management services for the project contemplated by the Covar Agreement and Dr. Chow will provide management support when needed; otherwise, Dr. Chow will provide technical and consulting services including pharmaceutical and analytical development services. Videns shall also reimburse Covar for certain out of pocket expenses that are pre-approved in writing.

The Covar Agreement has an initial term of 12 months that may be automatically renewed for an additional 12-month period and then by mutual agreement among the parties. Either party may terminate the Covar Agreement at any time with or without cause upon written notice to the other party at least 15 days prior to such termination. Upon termination or expiration of the Covar Agreement, Videns shall pay for all unbilled compensation and expenses to the date of termination, unless however Videns terminates the Covar Agreement because of Covar’s permanent incapacity to perform the services and/or breach of its obligation under the Covar Agreement, in which case, Covar shall complete the work in progress and receive payment for such finished work.

Starting on August 1, 2017, the services provided by Covar, Mr. Freedman and Dr. Chow expanded beyond the Original Service Scope as they began to advise Videns on other research and development projects Aptorum was undertaking. As a result, we appointed Mr. Freedman and Dr. Chow as two of our Senior Clinical Development Managers, effective as of August 1, 2017 pursuant to an Appointment Letter and Addendum to Service Agreement with each of Dr. Chow and Mr. Freedman (each, an “Addendum”). Mr. Freedman and Dr. Chow’s services are limited to those services set forth in their appointment letters and shall each be paid at the rate of $200 per hour or as otherwise agreed to by us and Covar.

Each Addendum shall be in effect for two years and shall terminate if the Covar Agreement is terminated or such person is no longer a member or affiliate of Covar, by Covar after giving us no less than two months’ written notice, by us after giving written notice to Covar or by us, without notice or compensation for Covar’s dishonesty, refusal to carry out any order or instruction or repeated breach of any rules or regulations applicable to us or those as governed by the laws of Canada. Renewal of each appointment shall be negotiated three months prior to the expiration of the term and subject to mutual consent among all of the parties.

According to the Cover Agreement, all intellectual property generated or derived by Mr. Freedman and Dr. Chow in the course of performing the services, to the extent it is specific to the development, manufacture, use and sale of the product of Videns that is the subject of the services, will be the exclusive property of the Videns. All intellectual property generated or derived by Mr. Freedman and Dr. Chow while performing the services which is not specific to, or dependent upon, Viden’s product will be the exclusive property of Mr. Freedman and Dr. Chow. Mr. Freedman and Dr. Chow grants to Videns a non-exclusive, paid-up, royalty-free, transferable license of the intellectual property which Videns may use for the manufacture of its product.

Appointment Letters

We have entered into Appointment Letters with each of our executive officers. We may terminate employment for cause, at any time, without advance notice or remuneration, for certain acts of the executive officer, such as conviction or plea of guilty to a felony or any crime involving moral turpitude, negligent or dishonest acts to our detriment, or misconduct or a failure to perform agreed duties. We may also terminate an executive officer's employment without cause upon three-month advance written notice. In such case of termination by us, we will provide severance payments to the executive officer as expressly required by applicable law of the jurisdiction where the executive officer is based. The executive officer may resign at any time with three-month advance written notice.

Each executive officer has agreed to hold, both during and after the termination or expiration of his or her Appointment Letter, in strict confidence and not to use, except as required in the performance of his or her duties in connection with the employment or pursuant to applicable law, any of our confidential information or trade secrets, any confidential information or trade secrets of our clients or prospective clients, or the confidential or proprietary information of any third-party received by us and for which we have confidential obligations.

In addition, each executive officer has agreed to be bound by non-solicitation and non-compete restrictions during the term of his or her employment and typically for one year following the last date of employment. Specifically, each executive officer has agreed not to (i) solicit or entice away from the Company, any person, firm, company or organization that is or shall have been at any time within 12 months prior to termination of employee a customer, client, identified prospective customer or client of the Company or in the habit of dealing with the Company; (ii) employ, solicit or entice away from the Company any person who is or shall have been on the date of or within 12 months prior to termination of employment an employee of the Company; or (iii) assume employment with or provide services to, or otherwise engage in income generating activities with any of our competitors, or engage, whether as principal, partner, licensor or otherwise, any of our competitors, without our express consent.

Some of our Appointment Letters also provide for the executive officer to participate in our mandatory provident fund, which is similar to a pension fund.

Convertible Bond

As disclosed elsewhere in this prospectus, on April 6, 2018, we entered into a Bond Subscription Agreement for the Bond. Jurchen, a company wholly-owned by our CEO, is the guarantor of the Bond. (See “Description of Share Capital – Convertible Bond”)

Leased Facilities

Our lease for our office at Guangdong Investment Tower is a Sub-Tenancy Agreement between Jurchen Investment Corporation and Aptus Management Limited.

Other Relationships

As stated elsewhere in this prospectus, Dr. Cheng serves as our Chief Medical Officer and one of our Executive Directors, who is also an Executive Director of Aptorum Medical. Dr. Cheng is also the guarantor on the AML Lease.

PRINCIPAL AND SELLING SHAREHOLDERS

The following table sets forth information with respect to the beneficial ownership of our Class A Ordinary Shares (including Class A Ordinary Shares issuable upon the conversion of outstanding Class B Ordinary Shares), subject to certain assumptions set forth in the footnotes and as adjusted to reflect the sale of our Class A Ordinary Shares offered in this Offering for:

- each person or group of affiliated persons known by us to own beneficially 5% or more of our outstanding Class A Ordinary Shares or Class B Ordinary Shares;
- each of our directors and named executive officers individually; and
- all of our executive officers and directors as a group.

The beneficial ownership of our Class A Ordinary Shares is determined in accordance with the rules of the SEC and generally includes any shares over which a person exercises sole or shared voting or investment power, and includes the Class A Ordinary Shares issuable upon the conversion of the outstanding Class B Ordinary Shares and the Class A Ordinary Shares issuable pursuant to share options that are exercisable within 60 days of the date of this prospectus. Class A Ordinary Shares issuable pursuant to share options are deemed outstanding for computing the percentage of the person holding such options but are not outstanding for computing the percentage of any other person. As of the date of this prospectus, there were no Class A Ordinary Shares issuable pursuant to share options exercisable within 60 days thereof.

The percentage of Class A Ordinary Shares beneficially owned prior to the Offering is based on 5,426,381 Class A Ordinary Shares outstanding as of the date of this prospectus. The percentage of Class B Ordinary Shares beneficially owned prior to the Offering is based on 22,437,754 Class B Ordinary Shares outstanding as of the date of this prospectus. Except where otherwise indicated, we believe, based on information furnished to us by such owners, that the beneficial owners of the Class A Ordinary Shares and Class B Ordinary Shares listed below have sole investment and voting power with respect to such shares.

Name and Address of Beneficial Owner[1]	Beneficial Ownership Prior to the Offering				Beneficial Ownership After the Offering			% of Total Voting Power (as-converted)*
	Class A Ordinary Shares		*Class B Ordinary Shares*		*Class A Ordinary Shares*			
	Shares	%	Shares	%	Shares	%	Shares	
Directors and Named Executive Officers								
Ian Huen[2]	2,094,908	38.61%	17,969,339	80.09%				
Darren Lui[3]	522,148	9.62%	4,468,415	19.91%				
Clark Cheng[4]	-	-	-	-				
Keith Chan	-	-	-	-				
Sabrina Khan	-	-	-	-				
Charles Bathurst	-	-	-	-				
Mirko Scherer	-	-	-	-				
Justin Wu[5]	205,256	3.78%	-	-				
Douglas Arner	-	-	-	-				
All directors and executive officers as a group (9 persons)	2,822,312	52.01%	22,437,754	100%				
5% Beneficial Owner								
Jurchen Investment Corporation[2]	1,784,608	32.89%	16,061,469	71.58%				
Sui Fong Isabel Huen Ng[2]	211,986	3.91%	1,907,870	8.50%				
CGY Investments Limited[3]	471,809	8.69%	4,015,367	17.90%				
Adamas Ping An Opportunities Fund L.P., through its wholly-owned special purpose vehicle, Peace Range Limited	-	-	-	-				

* Represents the voting power with respect to all of our Class A Ordinary Shares and Class B Ordinary Shares, voting as a single class and on an as-converted basis. Following this Offering, each Class B Ordinary Share can be converted at any time on a one-for-one basis into Class A Ordinary Share at the discretion of the holder. (See “Description of Share Capital”)

(1) Unless otherwise indicated, the business address of each of the individuals is 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong.

(2) Includes (i) 1,784,608 Class A Ordinary Shares and 16,061,469 Class B Ordinary Shares held by Jurchen Investment Corporation, a company wholly-owned by Mr. Huen. Mr. Huen maintains sole voting control over the shares held by Jurchen, the principal office address of which is at 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong; (ii) 211,986 Class A Ordinary Shares and 1,907,870 Class B Ordinary Shares held by Sui Fong Isabel Huen Ng, the mother of Mr. Ian Huen; and (iii) 98,314 Class A Ordinary Shares held by Huen Wing Sze Patricia, the sister of Mr. Huen. Due to close family relationship, we deem Mr. Huen controls and/or has substantial influence on the disposition rights and voting rights of the shares held by his mother and sister.

(3) Includes (i) 50,339 Class A Ordinary Shares and 453,048 Class B Ordinary Shares held by DSF Investment Holdings Limited, which is wholly-owned by Mr. Lui and located at Flat A2, 11th Floor, Wing Hang Insurance Building, 11 Wing Kut Street, Hong Kong and (ii) 471,809 Class A Ordinary Shares and 4,015,367 Class B Ordinary Shares held by CGY Investments Limited, which is 50% held by Seng Fun Yee, the spouse of Mr. Darren Lui, 25% held by Mandy Lui, a sister of Mr. Lui and 25% held by Adrian Lui, a brother of Mr. Lui. Due to close family relationship, we deem Mr. Lui controls and/or has substantial influence on the disposition rights and voting rights of the shares included herein.

(4) Dr. Cheng does not directly own any Company shares; however, pursuant to his appointment letter, Dr. Cheng received a stock bonus in the amount of 5% of Aptorum Medical Limited’s ordinary shares.

(5) Includes (i) 128,285 Class A Ordinary Shares held by Chi Ling Lily Heung, the wife of Dr. Wu and (ii) 76,971 Class A Ordinary Shares held by Dr. Wu.

Selling Shareholders

We are registering for resale our Class A Ordinary Shares underlying our Series A Note, Bond, Series A Note PA Warrants and Bond PA Warrants identified below (the "Resale Shares"). The securities listed herein were issued in accordance with the exemption from the registration provisions of the Securities Act of 1933, as amended, provided by Section 4(a)(2) of such Act for issuances not involving any public offering and Rule 506 of Regulation D promulgated thereunder. We are registering the shares to permit the Selling Shareholders and their pledgees, donees, transferees and other successors-in-interest that receive their shares from a Selling Shareholder as a gift, partnership distribution or other non-sale related transfer after the date of this prospectus to resell the shares when and as they deem appropriate in the manner described in the "Plan of Distribution". As of the date of this prospectus, there are 5,426,381 Class A Ordinary Shares issued and outstanding.

The following table sets forth:

- the name of the Selling Shareholders;
- the number of our Class A Ordinary Shares that the Selling Shareholders beneficially owned prior to the offering for resale of the shares under this prospectus;
- the maximum number of our Class A Ordinary Shares that may be offered for resale for the account of the Selling Shareholders under this prospectus; and
- the number and percentage of our Class A Ordinary Shares beneficially owned by the Selling Shareholders after the offering of the shares (assuming all of the offered shares are sold by the Selling Shareholders and the closing of this Offering).

Except for Boustead, who served as our placement agent and an investor in the Series A Note Offering and Bond Offering and one of our underwriters in this Offering, we have not had a material relationship with any of the Selling Shareholders within the last three years.

Boustead was issued the warrants registered herein in exchange for services provided to us pursuant to an engagement agreement dated August 24, 2017, as amended on May 11, 2018. Other than Boustead, all of the Selling Shareholders named below received their securities in connection with the Series A Note Offering or the Bond Offering.

Pursuant to the engagement agreement with Boustead, as amended, Boustead received the following compensation for acting as a placement agent in the Series A Note Offering and the Bond Offering: (x) for the Series A Note Offering: (i) a cash success fee of $68,516 and (ii) the Series A Note PA Warrants; and (y) for the Bond Offering: (i) a cash success fee of $600,000 and (ii) the Bond PA Warrants. Boustead also purchased $150,000 Series A Notes in the Series A Note Offering.

China Renaissance also acted as a placement agent for the Bond Offering. For such services, China Renaissance received a cash success fee of $150,000.

Except for Boustead, none of the Selling Shareholders is a broker dealer.

None of the Selling Shareholders is an affiliate of a broker dealer. None of the Selling Shareholders has any agreement or understanding to distribute any of the shares being registered.

Each Selling Shareholder may offer for sale all or part of the shares from time to time. The table below assumes that the Selling Shareholders will sell all of the shares offered for sale. A Selling Shareholder is under no obligation, however, to sell any shares pursuant to this prospectus.

The address for all Selling Shareholders is 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong.

Name of Selling Shareholder	Class A Ordinary Shares Beneficially Owned Prior to Offering[1]	Maximum Number of Class A Ordinary Shares to be Sold[2]	Number of Class A Ordinary Shares Owned After Offering[3]	Percentage Ownership After Offering[4]
Bik-Chun Pauline Chan[5]	[ ]	[ ]	[ ]	-
Lam Chan	[ ]	[ ]	[ ]	-
She Sam Chan[6]	[ ]	[ ]	[ ]	-
Tat Ming Chan	[ ]	[ ]	[ ]	-
Kin Wai Chan	[ ]	[ ]	[ ]	-
Wai Yan Philip Chiu[7]	[ ]	[ ]	[ ]	-
Kai Lai Chow	[ ]	[ ]	[ ]	-
Ellie Ngai[8]	[ ]	[ ]	[ ]	-
Evangeline Lung	[ ]	[ ]	[ ]	-
Tak Jim Fong	[ ]	[ ]	[ ]	-
Ka Yen Hung	[ ]	[ ]	[ ]	-
KHE Holdings Limited[9]	[ ]	[ ]	[ ]	-
Pik Shan Kong	[ ]	[ ]	[ ]	-
Yuk Tong Lee	[ ]	[ ]	[ ]	-
Leorich Management Limited[10]	[ ]	[ ]	[ ]	-
Sai Yan Patrick Ma	[ ]	[ ]	[ ]	-
Chung Tong Vincent Mok[11]	[ ]	[ ]	[ ]	-
Kum Yuen Gilbert Ng	[ ]	[ ]	[ ]	-
Chun Mo Ngan	[ ]	[ ]	[ ]	-
Sharnie Wing San Wong	[ ]	[ ]	[ ]	-
Chin Yau Siah	[ ]	[ ]	[ ]	-
Wing Yee So	[ ]	[ ]	[ ]	-
Martin Pak Wai	[ ]	[ ]	[ ]	-
Ka Wai Wong[12]	[ ]	[ ]	[ ]	-
Yuk Hwa Teresa Wong	[ ]	[ ]	[ ]	-
Boustead Securities, LLC[13]	[ ]	[ ]	[ ]	-
Man Wai Vivian Ng	[ ]	[ ]	[ ]	-
Hung Cheung Tsui	[ ]	[ ]	[ ]	-
Kinger Lau	[ ]	[ ]	[ ]	-
Wei Shin Lau Kwun Liu	[ ]	[ ]	[ ]	-
Wai Keung Li	[ ]	[ ]	[ ]	-
Kwok Wai Ng	[ ]	[ ]	[ ]	-
Siu Man Simon Ng	[ ]	[ ]	[ ]	-
Peace Range Limited[14]	[ ]	[ ]	[ ]	-

* Represents beneficial ownership of less than one percent of our outstanding shares (assuming all of the offered shares are sold by the Selling Shareholders and the closing of this Offering).

(1) Unless otherwise noted, the Selling Shareholders became one of our shareholders pursuant to the Series A Note Offering and the Bond Offering. Accordingly, prior to this Offering, the Selling Shareholders only owned the Series A Notes, Class A Ordinary Shares underlying the Series A Notes, the Bond and Class A Ordinary Shares underlying the Bond, as to Boustead, the warrants and Class A Ordinary Shares underlying the warrants, as applicable, (collectively, the "Resale Shares"). The conversion price of the Series A Notes and Bond, as well as the exercise price of the various warrants are subject to certain anti-dilution provisions, which would be triggered if we were to sell securities at a price below the price at which we sold the Notes. (See "Prospectus Summary – Recent Financings" and "Description of Share Capital")

(2) This number represents all of the Resale Shares that the Selling Shareholder received pursuant to the Series A Note Offering and the Bond Offering, which we agreed to register.

(3) Since we do not have the ability to control how many, if any, of their shares each of the Selling Shareholders will sell, we have assumed that the Selling Shareholders will sell all of the shares offered herein for purposes of determining how many shares they will own after the Offering and their percentage of ownership following the offering.

(4) All percentages have been rounded up to the nearest one hundredth of one percent.

(5) The shareholder is the mother-in-law of Dr. Jason Chan, a scientific assessment committee member of the Company.

(6) The shareholder is the father of Dr. Jason Chan, a scientific assessment committee member of the Company.

(7) The shareholder is a senior advisor of the Company.

(8) The shareholder is the mother of Dr. Clark Cheng, the Chief Medical Officer and a Director of the Company.

(9) The person having voting, dispositive or investment powers over KHE Holdings Limited is [ ], a family member to Dr. Yu. Dr. Yu is a member of our Scientific Assessment Committee. The address for KHE Holdings Limited is [ ].

(10) The person having voting, dispositive or investment powers over Leorich Management Limited is [ ]. The address for Leorich Management Limited is [ ].

(11) The shareholder is a senior advisor of the Company.

(12) The shareholder is a principal investigator of certain SRAs of the Company.

(13) Daniel McClory and Keith Moore jointly have voting, dispositive or investment powers over Boustead Securities, LLC. The address for Boustead Securities, LLC is 6 Venture, Suite 265, Irvine, CA 92618.

(14) The person having voting, dispositive or investment powers over Peace Range Limited is Paul Lincoln Heffner. The address for Peace Range Limited is [ ].

PLAN OF DISTRIBUTION

The Selling Shareholders and any of their pledgees, donees, transferees, assignees and successors-in-interest may, from time to time, sell any or all of their Resale Shares on any stock exchange, market or trading facility on which the Resale Shares are traded or quoted or in private transactions. These sales may be at fixed prices, at prevailing market prices at the time of sale, at prices related to the prevailing market price, at varying prices determined at the time of sale, or at negotiated prices. The Selling Shareholders may use any one or more of the following methods when selling Resale Shares:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits investors;
- block trades in which the broker-dealer will attempt to sell the Class A Ordinary Shares as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- to cover short sales made after the date that this registration statement is declared effective by the SEC;
- broker-dealers may agree with the Selling Shareholders to sell a specified number of such Resale Shares at a stipulated price per share;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The Selling Shareholders may also sell Resale Shares under Rule 144 under the Securities Act, if all of the conditions in Rule 144(i)(2) are satisfied at the time of the proposed sale, rather than under this prospectus.

In connection with the sale of the Resale Shares or interests therein, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the Resale Shares in the course of hedging the positions they assume. The Selling Shareholders may also sell the Resale Shares short and deliver these securities to close out their short positions, or loan or pledge the Resale Shares to broker-dealers that in turn may sell these securities. The Selling Shareholders may also enter into option or other transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities which require the delivery to such broker-dealer or other financial institution of Resale Shares offered by this prospectus, which shares such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of shares, from the purchaser) in amounts to be negotiated. The Selling Shareholders do not expect these commissions and discounts to exceed what is customary in the types of transactions involved.

The Selling Shareholders may from time to time pledge or grant a security interest in some or all of the Resale Shares owned by them and, if they default in the performance of their secured obligations, the amendment or supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 will be filed amending the list of Selling Shareholders to include the pledgee, transferee or other successors in interest as Selling Shareholders under this prospectus and the pledgees or secured parties may offer and sell Resale Shares from time to time under the supplement or amendment to this prospectus.

The Selling Shareholders also may transfer the Resale Shares in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The Selling Shareholders are subject to certain lock up agreements which, subject to certain exceptions, prevent them from selling or otherwise disposing of any of our shares, or any securities convertible into or exercisable or exchangeable for shares for certain periods of time (respectively, a "Lock Up Period"). The Lock Up Period for the Series A Note Investors is 180 days following the date of this Offering. The Lock Up Period for the Bond holder is 90 days. None of the Selling Shareholders may sell their shares prior to the end of their respective Lock Up Period without the prior written consent of the Underwriters. The Underwriters may in their sole discretion and at any time without notice (except in the case of officers and directors) release some or all of the shares subject to lock-up agreements prior to the expiration of the Lock Up Period. When determining whether or not to release shares from the lock-up agreements, the underwriters may consider, among other factors, the shareholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

The Selling Shareholders and any broker-dealers or agents that are involved in selling the Resale Shares may be deemed to be "underwriters" within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the Resale Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Discounts, concessions, commissions and similar selling expenses, if any, that can be attributed to the sale of Resale Shares will be paid by the Selling Shareholder and/or the purchasers. Each Selling Shareholder has represented and warranted to the Company that it acquired the securities subject to this registration statement in the ordinary course of such Selling Shareholder's business and, at the time of its purchase of such securities such Selling Shareholder had no agreements or understandings, directly or indirectly, with any person to distribute any such securities.

Boustead is a registered broker dealer and Financial Industry Regulatory Authority ("FINRA") member firm and listed as a Selling Shareholder in this prospectus. Boustead served as placement agent for our Series A Note Offering, which was completed on May 15, 2018 and as one of the placement agents for our Bond Offering, which was completed on April 6, 2018.

Pursuant to the engagement agreement with Boustead, as amended, we paid Boustead a cash fee of $68,516 and shall issue them the Series A Note PA Warrants for their placement agent services for the Series A Note Offering. In addition, we paid Boustead a cash fee of $600,000 and the Bond PA Warrants for their placement agent services for the Bond Offering. The Resale Shares issuable upon exercise of Boustead's placement agent warrants are transferable within Boustead or to its assigns or designees, at the discretion of Boustead, and in accordance with the Securities Act of 1933, as amended. Boustead also participated in the Series A Note Offering as an investor with a purchase of Series A Notes in the amount of $150,000.

Boustead is one of the underwriters in this Offering. Boustead does not have an underwriting agreement with the Selling Shareholders and no Selling Shareholder is required to execute transactions through Boustead. Further, other than any existing brokerage relationship as customers with Boustead, no Selling Shareholder has any pre-arranged agreement, written or otherwise, with Boustead to sell their securities through Boustead.

FINRA Rule 5110 requires FINRA member firms (unless an exemption applies) to satisfy the filing requirements of Rule 5110 in connection with the resale, on behalf of Selling Shareholders, of the securities on a principal or agency basis. NASD Notice to Members 88-101 states that in the event a Selling Shareholder intends to sell any of the shares registered for resale in this prospectus through a member of FINRA participating in a distribution of our securities, such member is responsible for insuring that a timely filing, if required, is first made with the Corporate Finance Department of FINRA and disclosing to FINRA the following:

- it intends to take possession of the registered securities or to facilitate the transfer of such certificates;

- the complete details of how the Selling Shareholders' shares are and will be held, including location of the particular accounts;

- whether the member firm or any direct or indirect affiliates thereof have entered into, will facilitate or otherwise participate in any type of payment transaction with the Selling Shareholders, including details regarding any such transactions; and

- in the event any of the securities offered by the Selling Shareholders are sold, transferred, assigned or hypothecated by any Selling Shareholder in a transaction that directly or indirectly involves a member firm of FINRA or any affiliates thereof, that prior to or at the time of said transaction the member firm will timely file all relevant documents with respect to such transaction(s) with the Corporate Finance Department of FINRA for review.

No FINRA member firm may receive compensation in excess of that allowable under FINRA rules, including Rule 2710, in connection with the resale of the securities by the Selling Shareholders, which total compensation may not exceed 8%.

We have advised each Selling Shareholder that it may not use shares registered on this registration statement to cover short sales of Resale Shares made prior to the date on which this registration statement shall have been declared effective by the SEC. If a Selling Shareholder uses this prospectus for any sale of the Resale Shares, it will be subject to the prospectus delivery requirements of the Securities Act. The Selling Shareholders will be responsible to comply with the applicable provisions of the Securities Act and Exchange Act, and the rules and regulations thereunder promulgated, including, without limitation, Regulation M, as applicable to such Selling Shareholders in connection with resales of their respective Resale Shares under this registration statement.

We are required to pay all fees and expenses incident to the registration of the Resale Shares, but the Company will not receive any proceeds from the sale of the Resale Shares. The Company has agreed to indemnify the Selling Shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this Offering, no public market existed for our Class A Ordinary Shares. We cannot assure you that a liquid trading market for our ordinary shares will develop on NASDAQ or be sustained after this offering. Sales of substantial amounts of our Class A Ordinary Shares following this Offering, or the perception that these sales could occur, could adversely affect prevailing market prices of our Class A Ordinary Shares and could impair our future ability to obtain capital, especially through an offering of equity securities. We will have an aggregate of [ ] Class A Ordinary Shares outstanding upon the closing of this Offering. Of these shares, the [ ] Class A Ordinary Shares sold in this Offering will be freely tradable without restriction or further registration under the Securities Act, unless purchased by "affiliates" (as that term is defined under Rule 144 of the Securities Act, or Rule 144), who may sell only the volume of shares described below and whose sales would be subject to additional restrictions described below.

Upon completion of this Offering and assuming the issuance of [ ] Class A Ordinary Shares offered hereby, we will have an aggregate of [ ] Class A Ordinary Shares outstanding, or [ ] if the maximum number of shares are sold in this offering. The shares sold in this offering or sold by the Selling Shareholders will be freely tradable without restriction or further registration under the Securities Act.

As of the date of this prospectus, [ ] Class A Ordinary Shares held by existing shareholders are deemed "restricted securities" as that term is defined in Rule 144 and may not be resold except pursuant to an effective registration statement or an applicable exemption from registration, including Rule 144. [ ] of our currently outstanding Class A Ordinary Shares will be subject to "lock-up" agreements described below on the effective date of this Offering. Upon expiration of the respective lock-up periods after the date of this prospectus, outstanding shares will become eligible for sale, subject in most cases to the limitations of Rule 144.

Days After Date of this Prospectus	Shares Eligible for Sale	Comment
Upon Effectiveness	[ ]	Freely tradable shares sold in the offering.
90 days	[ ]	Shares saleable under Rule 144 and after expiration of the lock-up.
Six months	[ ]	Shares saleable under Rule 144 and after expiration of the lock-up.

Regulation S

Regulation S under the Securities Act provides an exemption from registration requirements in the United States for offers and sales of securities that occur outside the United States. Rule 903 of Regulation S provides the conditions to the exemption for a sale by an issuer, a distributor, their respective affiliates or anyone acting on their behalf, while Rule 904 of Regulation S provides the conditions to the exemption for a resale by persons other than those covered by Rule 903. In each case, any sale must be completed in an offshore transaction, as that term is defined in Regulation S, and no directed selling efforts, as that term is defined in Regulation S, may be made in the United States.

We are a foreign issuer as defined in Regulation S. As a foreign issuer, securities that we sell outside the United States pursuant to Regulation S are not considered to be restricted securities under the Securities Act, and are freely tradable without registration or restrictions under the Securities Act, unless the securities are held by our affiliates. Generally, subject to certain limitations, holders of our restricted shares who are not our affiliates or who are our affiliates solely by virtue of their status as an officer or director of us may, under Regulation S, resell their restricted shares in an "offshore transaction" if none of the seller, its affiliate nor any person acting on their behalf engages in directed selling efforts in the United States and, in the case of a sale of our restricted shares by an officer or director who is an affiliate of us solely by virtue of holding such position, no selling commission, fee or other remuneration is paid in connection with the offer or sale other than the usual and customary broker's commission that would be received by a person executing such transaction as agent. Additional restrictions are applicable to a holder of our restricted shares who will be an affiliate of us other than by virtue of his or her status as an officer or director of us.

We are not claiming the potential exemption offered by Regulation S in connection with the offering of newly issued shares outside the United States and will register all of the newly issued shares under the Securities Act.

Rule 144

In general, under Rule 144, beginning ninety days after the date of this prospectus, a person who is not our affiliate and has not been our affiliate at any time during the preceding three months will be entitled to sell any ordinary shares that such person has held for at least six months, including the holding period of any prior owner other than one of our affiliates, without regard to volume limitations. Sales of our ordinary shares by any such person would be subject to the availability of current public information about us if the shares to be sold were held by such person for less than one year.

In addition, under Rule 144, a person may sell our ordinary shares acquired from us immediately upon the completion of this offering, without regard to volume limitations or the availability of public information about us, if:

- the person is not our affiliate and has not been our affiliate at any time during the preceding three months; and
- the person has beneficially owned the shares to be sold for at least six months, including the holding period of any prior owner other than one of our affiliates.

Beginning ninety days after the date of this prospectus, our affiliates who have beneficially owned our ordinary shares for at least six months, including the holding period of any prior owner other than another of our affiliates, would be entitled to sell within any three-month period those shares and any other shares they have acquired that are not restricted securities, provided that the aggregate number of shares sold does not exceed the greater of:

- 1% of the number of our ordinary shares then outstanding, which will equal approximately ordinary shares immediately after this offering; or
- the average weekly trading volume in our ordinary shares on the listing exchange during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates are generally subject to the availability of current public information about us, as well as certain "manner of sale" and notice requirements.

Lock-up Agreements

See "Description of Share Capital – Lock-up Agreements" for a description of the lock up agreement imposed upon certain of our shareholders.

Rule 701

In general, under Rule 701 of the Securities Act as currently in effect, each of our employees, consultants or advisors who purchases our ordinary shares from us in connection with a compensatory stock or option plan or other written agreement relating to compensation is eligible to resell such ordinary shares 90 days after we became a reporting company under the Exchange Act in reliance on Rule 144, but without compliance with some of the restrictions, including the holding period, contained in Rule 144. However, these shares would remain subject to lock-up arrangements and would only become eligible for sale when the lock-up period expires.

DESCRIPTION OF SHARE CAPITAL

We are a Cayman Islands exempted company with limited liability and our affairs are governed by our Memorandum and Articles, the Companies Law, the common law of the Cayman Islands, our corporate governance documents and rules and regulations of the stock exchange on which are shares are traded.

As of the date of the prospectus, the authorized share capital of the Company is $100,000,000, consisting of 60,000,000 Class A Ordinary Shares, par value $1.00 each and 40,000,000 Class B Ordinary Shares, par value $1.00 each. As of the date of this prospectus, 5,426,381 Class A Ordinary Shares and 22,437,754 Class B Ordinary Shares are issued and outstanding. All of our issued and outstanding Class A Ordinary Shares and Class B Ordinary Shares are fully paid. Immediately upon the completion of this Offering, there will be [ ] Class A Ordinary Shares and [ ] Class B Ordinary Shares outstanding.

Ordinary Shares

The following are summaries of material provisions of our Memorandum and Articles, corporate governance policies and the Companies Law insofar as they relate to the material terms of our Class A Ordinary Shares and Class B Ordinary Shares.

Objects of Our Company

Under our Memorandum and Articles, the objects of our Company are unrestricted and we have the full power and authority to carry out any object not prohibited by the law of the Cayman Islands.

Share Capital

Our authorized share capital is divided into Class A Ordinary Shares and Class B Ordinary Shares. Holders of our Class A Ordinary Shares and Class B Ordinary Shares will have the same rights except for voting rights and conversion rights.

The holders of Class A Ordinary Shares are entitled to one vote for each such share held and shall be entitled to notice of any shareholders' meeting, and, subject to the terms of Memorandum and Articles, to vote thereat. The Class A Ordinary Shares are not redeemable at the option of the holder and are not convertible into shares of any other class.

The holders of Class B Ordinary Shares shall have the right to ten votes for each such share held, and shall be entitled to notice of any shareholders' meeting and, subject to the terms of the Memorandum and Articles, to vote thereat. The Class B Ordinary Shares are not redeemable at the option of the holder but are convertible into Class A Ordinary Shares at any time after issue at the option of the holder on a one to one basis.

Dividends

The holders of our Class A Ordinary Shares and Class B Ordinary Shares are entitled to such dividends as may be declared by our Board of Directors subject to the Companies Law and to our Memorandum and Articles.

Voting Rights

In respect of all matters subject to a shareholders' vote, each Class B Ordinary Share is entitled to ten votes, and each Class A Ordinary Share is entitled to one vote, voting together as one class. Voting at any shareholders' meeting is by show of hands unless a poll is demanded by the chairman or persons holding certain amounts of shares as set forth in the Memorandum and Articles. Actions that may be taken at a general meeting also may be taken by a unanimous resolution of the shareholders in writing.

No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two members present in person or by proxy, one of whom shall be the holder of the majority of the shares in the Company, shall be a quorum provided always that if the Company has one member of record the quorum shall be that one member present in person or by proxy. An ordinary resolution to be passed at a general meeting requires the affirmative vote of a simple majority of the votes cast, while a special resolution requires the affirmative vote of at least two-thirds of votes cast at a general meeting. A special resolution will be required for important matters.

Conversion

Class A Ordinary Shares are not convertible. Each Class B Ordinary Share shall be convertible, at the option of the holder thereof, into such number of fully paid and non-assessable Class A Ordinary Shares on the basis that one Class B Ordinary Share shall be converted into one Class A Ordinary Share (being a 1:1 ratio and hereafter referred to as the "**Conversion Rate**"), subject to adjustment.

Transfer of Ordinary Shares

Subject to the restrictions set out below, any of our shareholders may transfer all or any of his, its or her Class A Ordinary Shares or Class B Ordinary Shares by an instrument of transfer in the usual or common form or any other form approved by our Board of Directors or in a form prescribed by the stock exchange on which our shares are then listed.

Our Board of Directors may, in its sole discretion, decline to register any transfer of any Class A Ordinary Shares or Class B Ordinary Shares whether or not it is fully paid up to the total consideration paid for such shares. Our directors may also decline to register any transfer of any Class A Ordinary Shares or Class B Ordinary Shares if (a) the instrument of transfer is not accompanied by the certificate covering the shares to which it relates or any other evidence as our Board of Directors may reasonably require to prove the title of the transferor to, or his/her right to transfer the shares; or (b) the instrument of transfer is in respect of more than one class of shares.

If our directors refuse to register a transfer, they shall, within two months after the date on which the instrument of transfer was lodged, send to the transferee notice of such refusal.

The registration of transfers may be suspended and the register closed at such times and for such periods as our Board of Directors may from time to time determine, provided, however, that the registration of transfers shall not be suspended nor the register closed for more than 30 days in any year.

Winding-Up/Liquidation

On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of shares), a liquidator may be appointed to determine how to distribute the assets among the holders of the Class A Ordinary Shares and Class B Ordinary Shares. If our assets available for distribution are insufficient to repay all of the paid-up capital, the assets will be distributed so that the losses are borne by our shareholders proportionately; a similar basis will be employed if the assets are more than sufficient to repay the whole of the capital at the commencement of the winding up.

Calls on Ordinary Shares and Forfeiture of Ordinary Shares

Our Board of Directors may from time to time make calls upon shareholders for any amounts unpaid on their Class A Ordinary Shares or Class B Ordinary Shares in a notice served to such shareholders at least 14 days prior to the specified time and place of payment. The shares that have been called upon and remain unpaid on the specified time are subject to forfeiture.

Redemption of Shares

We may issue shares on terms that are subject to redemption, at our option or at the option of the holders, on such terms and in such manner as may be determined by our Board of Directors.

Variations of Rights of Shares

All or any of the special rights attached to any class of shares may, be varied with the resolution of at least two thirds of the issued shares of that class or a resolution passed at a general meeting of the holders of the shares of that class present in person or by proxy or with the consent in writing of the holders of at least two-thirds of the issued shares of that class.

Inspection of Books and Records

Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Companies Law or authorized by the Directors or by the Company in a general meeting. However, the Directors shall from time to time cause to be prepared and to be laid before the Company in a general meeting, profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by Companies Law. (See “Where You Can Find More Information”)

Issuance of Additional Shares

Our Memorandum and Articles authorize our Board of Directors to issue additional Class A Ordinary Shares or Class B Ordinary Shares from time to time as our Board of Directors shall determine, to the extent there are available authorized but unissued shares.

Our Memorandum and Articles also authorizes our Board of Directors to establish from time to time one or more series of preferred shares and to determine, subject to compliance with the variation of rights of shares provision in the Memorandum and Articles, with respect to any series of preferred shares, the terms and rights of that series, including:

- the designation of the series;
- the number of shares of the series;
- the dividend rights, dividend rates, conversion rights, voting rights; and
- the rights and terms of redemption and liquidation preferences.

Our Board of Directors may, issue preferred shares without action by our shareholders to the extent there are authorized but unissued shares available. Issuance of additional shares may dilute the voting power of holders of Class A Ordinary Shares and Class B Ordinary Shares. However, our Memorandum of Association provides for authorized share capital comprising Class A Ordinary Shares and Class B Ordinary Shares and to the extent the rights attached to any class may be varied, the Company must comply with the provisions in the Memorandum and Articles relating to variations to rights of shares.

Anti-Takeover Provisions

Some provisions of our Memorandum and Articles may discourage, delay or prevent a change of control of our Company or management that shareholders may consider favorable, including provisions that:

- authorize our Board of Directors to issue preferred shares in one or more series and to designate the price, rights, preferences, privileges and restrictions of such preferred shares without any further vote or action by our shareholders (subject to variation of rights of shares provisions in our Memorandum and Articles); and

- limit the ability of shareholders to requisition and convene general meetings of shareholders.

However, under Cayman Islands law, our directors may only exercise the rights and powers granted to them under our Memorandum and Articles for a proper purpose and for what they believe in good faith to be in the best interests of our Company.

General Meetings of Shareholders and Shareholder Proposals

Our shareholders' general meetings may be held in such place within or outside the Cayman Islands as our Board of Directors considers appropriate.

As a Cayman Islands exempted company, we are not obliged by the Companies Law to call shareholders' annual general meetings. However, our Memorandum and Articles provide that we shall hold a general meeting in each year as our annual general meeting other than the year in which the Memorandum and Articles were adopted at such time and place as determined by the directors. The directors may, whenever they think fit, convene an extraordinary general meeting.

Shareholders' annual general meetings and any other general meetings of our shareholders may be convened by a majority of our Board of Directors. Our Board of Directors shall give not less than seven days' written notice of a shareholders' meeting to those persons whose names appear as members in our register of members on the date the notice is given (or on any other date determined by our directors to be the record date for such meeting) and who are entitled to vote at the meeting.

Cayman Islands law provides shareholders with only limited rights to requisition a general meeting, and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in a company's articles of association. Our Memorandum and Articles allow our shareholders holding shares representing in aggregate not less than ten percent of our paid up share capital (as to the total consideration paid for such shares) in issue to requisition an extraordinary general meeting of our shareholders, in which case our directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; otherwise, our Memorandum and Articles do not provide our shareholders with any right to put any proposals before annual general meetings or extraordinary general meetings not called by such shareholders.

Exempted Company

We are an exempted company with limited liability under the Companies Law. The Companies Law distinguishes between ordinary resident companies and exempted companies. A Cayman Islands exempted company:

- is a company that conducts its business mainly outside of the Cayman Islands;

- is exempted from certain requirements of the Companies Law, including the filing an annual return of its shareholders with the Registrar of Companies or the Immigration Board;

- does not have to make its register of members open for inspection;

- does not have to hold an annual general meeting;
- may issue negotiable or bearer shares or shares with no par value (subject to the provisions of the Companies Law);
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 20 years in the first instance); and
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands.

"Limited liability" means that the liability of each shareholder is limited to the amount unpaid by the shareholder on the shares of the company (except in exceptional circumstances, such as involving fraud, the establishment of an agency relationship or an illegal or improper purpose or other circumstances in which a court may be prepared to pierce or lift the corporate veil).

Register of Members

Under Cayman Islands law, we must keep a register of members and there should be entered therein:

- the names and addresses of the members, a statement of the shares held by each member, and of the amount paid or agreed to be considered as paid, on the shares of each member;
- the date on which the name of any person was entered on the register as a member; and
- the date on which any person ceased to be a member.

Under Cayman Islands law, the register of members of our Company is prima facie evidence of the matters set out therein (i.e. the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of Cayman Islands law to have legal title to the shares as set against its name in the register of members. Once our register of members has been updated, the shareholders recorded in the register of members are deemed to have legal title to the shares set against their name.

If the name of any person is incorrectly entered in, or omitted from, our register of members, or if there is any default or unnecessary delay in entering on the register the fact of any person having ceased to be a member of our Company, the person or member aggrieved (or any member of our Company or our Company itself) may apply to the Cayman Islands Grand Court for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Indemnification of Directors and Executive Officers and Limitation of Liability

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles require us to indemnify our officers and directors for actions, proceedings, claims, losses, damages, costs, liabilities and expenses ("Indemnified Losses") incurred in their capacities as such unless such Indemnified Losses arise from dishonesty of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Convertible Bond

As of the date of this prospectus, we have a $15,000,000 Bond outstanding; we were required to pay a structuring fee equal to 2% of the principal amount of the Bond to the subscriber at issuance. The following are summaries of material terms of the Subscription Agreement for the Bond; such summaries do not purport to be a complete description of the terms, the Subscription Agreement or any transactions contemplated by the Subscription Agreement and you are urged to read the agreements in their entirety.

Conversion

Upon the closing of this Offering, 10% of the then-outstanding Principal Amount shall automatically convert into Class A Ordinary Shares. The holders of the Bond also maintain the right to convert the Bond following the closing of this Offering, until the earlier of: (i) the date falling 12 calendar months after the Maturity Date or the Extended Maturity Date (as such terms are defined in the Bond), as the case may be (both days inclusive); and (ii) the date falling 12 calendar months after the closing of this Offering. Subject to adjustment, the Bond shall convert at the following conversion price (the “Conversion Price”):

(A) if this Offering closes on or before the date falling 12 calendar months after April 25, 2018 (the date we issued the Bond), at a discount of 23.0% to the initial public offering price; or

(B) if this Offering closes after the date falling 12 calendar months after April 25, 2018, at a discount of 28.0% to the initial public offering price.

If any interest has been accrued and/or paid by us to the holders of the Bond prior to the closing of this Offering, 50% of such accrued or paid interest shall be deducted from the discount set forth above when determining the Bond Conversion Price. The number of Class A Ordinary Shares to be issued upon conversion of the Bond shall be determined by dividing the principal amount of the Bond to be converted by the Conversion Price in effect on the relevant conversion date.

Interest

The Bond accrue interest at the rate of 8% per annum, payable semi-annually in arrears in equal instalments of $10,000 per Calculation Amount (as defined below) on the date falling on the 6th calendar month following the Issue Date and the date falling on the 12th calendar month following the Issue Date, and if the Maturity Date is extended to the Extended Maturity Date, on the date falling on the 18th calendar month following the Issue Date.

Interest in respect of any Bond shall be calculated per $250,000 in principal amount of the Bond (the "Calculation Amount"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 8% per annum, the Calculation Amount and the day-count fraction (as determined in accordance with the formula set forth in Schedule 1 to the Subscription Agreement) for the relevant period, rounding the resulting figure to the nearest cent ($0.005 being rounded upward).

The interest rate shall increase upon the occurrence of an event of default, as set forth in Schedule 1 to the Subscription Agreement (the “Default Interest Rate”).

Event of Default

Upon the occurrence of an event of default, the holder of the Bond may give us and Jurchen notice that the Bond are, and they shall immediately become, due and repayable at their principal amount together with interest, at the Default Interest Rate.

Events of default include non-payment of any sums due under the Bond, failure to deliver any shares due under the Bond, breach of our covenants, representations and warranties, breach of our obligations under other liabilities or indebtedness, enforcement proceedings, our insolvency, if the holders of the Bond cease to have adequate control over the Debt Service Reserve Account and if the guarantee or security rights are not enforceable. The Subscription Agreements allows for some cure periods and/or notice prior to declaring the Bond due.

Redemption Rights

So long as any Bond remains outstanding, we may redeem such outstanding Bond in whole, but not in part, in accordance with the terms set forth in Schedule 1 to the Subscription Agreement, by giving not less than 15 days’ notice to the holders of the Bond. We are entitled to exercise this option so long as an Event of Default has not occurred and is not continuing.

Following the occurrence of certain specified events, including if our Class A Ordinary Shares cease to be listed on the relevant stock exchange or a change in control, the holders of the Bond have the right to require us to redeem all but not some of the Bond at the rate of 100% of the outstanding Bond, including interest and agreed upon premiums.

Security and Guarantee

Pursuant to the Subscription Agreement we are required to deposit that amount of money equal to (i) 2% of the Principal Amount plus (ii) the amount of Peace Range's expenses, which shall be agreed in writing between us and Peace Range five business days prior to the Issue Date, plus (iii) an amount in US dollars equal to the aggregate amount of interest due and payable for two consecutive interest periods commencing from, and including, the Interest Date, into a separate escrow account (the "Debt Service Reserve Account"), over which the holders of the Bond maintain control while the Bond remains outstanding. Peace Range's expenses are subject to a limit of $250,000, $225,000 of which we paid prior to signing the Subscription Agreement; Peace Range is also entitled to reimbursement, subject to a $25,000 annual limit, for costs and expenses in relation to the on-going monitoring of our business and operations in accordance with the terms of the Bond.

Our obligations, along with those of Jurchen under the Bond and in connection with the transaction contemplated thereby are secured by: (i) 1,393,207 Class B Ordinary Shares, representing 5% of the Class A Ordinary Shares issuable upon conversion of our issued and outstanding Class B Ordinary Shares as of the Issue Date, held by Jurchen and (ii) a security interest in the Debt Service Reserve Account.

Negative Covenants

The Subscription Agreement contains certain negative covenants, including our inability to incur certain liabilities before and after the closing of this Offering without the Bond holders' prior written consent, limits on our ability to issue equity securities and limits on certain corporate actions.

Voting Rights

Pursuant to the Subscription Agreement, Jurchen agreed to exercise its voting rights in our Company to have one board observer or one Non-Executive Director nominated by Peace Range to be appointed to our Board of Directors in the future.

Lock-Up

So long as an event of default under the Bond is not occurring, Peace Range agreed not to directly or indirectly, sell or otherwise transfer any of the shares underlying the Bond for a period of 90 calendar days following the first trading day after the closing of this Offering.

Termination Rights

Peace Range maintains the right to terminate the Subscription Agreement prior to the Issue Date under certain circumstances, including our breach of any of our representations, warranties or undertakings or a change in national or international economic conditions that Peace Range believes would materially prejudice the success of the transaction contemplated by the Subscription Agreement. Following such termination, we shall remain liable to pay certain fees to Peace Range, as set forth in the Subscription Agreement.

We maintain the right to terminate the Subscription Agreement prior to the Issue Date if Peace Range breaches any of its representations and warranties or upon the occurrence of an event that renders such untrue or incorrect. Following such termination, we shall remain liable for Peace Range's out of pocket expenses (including legal and due diligence fees).

Bond PA Warrants

As of the date of this prospectus, we have Bond PA Warrants outstanding. The following are summaries of material terms of the Bond PA Warrants; such summaries do not purport to be a complete description of the terms of the Bond PA Warrants and you are urged to read the warrant agreement in its entirety.

Upon closing of the Bond Offering, we issued Bond PA Warrants to purchase a number of Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares issuable upon conversion of the Bond, at an exercise price equal to a 23% discount to this Offering price, subject to adjustment. The Bond PA Warrants are exercisable at an exercise price equal to a 23% discount to this Offering price, subject to adjustment. The Bond PA Warrants can be exercised on a cashless basis, at the holder's discretion.

Series A Notes

As of the date of this prospectus, we have $1,600,400 Series A Notes outstanding. The following are summaries of material terms of the Series A Notes; such summaries do not purport to be a complete description of the terms of the Series A Notes and you are urged to read the related agreements in their entirety.

Conversion

All outstanding Series A Notes shall be converted automatically upon the closing of this Offering at a 56% discount to the actual price per Class A Ordinary Share paid in this Offering (the "Conversion Price"), subject to adjustment as set forth in the Series A Notes.

Maturity

The Series A Notes shall mature on the earlier of the 12th month anniversary of the issuance date of the Series A Notes and the date when the Company redeems the Series A Notes at the then-outstanding principal amount, provided that we have not consummated this Offering within 12 months of the issuance date of the Series A Notes; otherwise, the Series A Notes mature on the closing of this Offering.

Interest

Commencing from the date of issuance until the maturity of the Series A Notes, interest shall accrue on the outstanding unconverted and unpaid principal amount of the Series A Notes at 1% per annum and shall be compounded annually.

Event of Default

Pursuant to the terms of the Series A Notes, certain events of default require the holders of the Series A Notes to provide us with notice prior to declaring the Series A Notes immediately due and payable and other events do not require any notice. If we fail to pay any amounts due under the Series A Notes and do not cure such failure within three days after the due date, until such time as we make the required payment, interest shall accrue at 10% per annum.

Other events of default include breach of our covenants, our insolvency and our default on other liability in excess of $500,000.

Voting Rights

Prior to conversion, holders of Series A Notes will not have the right to vote as a shareholder and upon conversion, holders of then Class A Ordinary Shares will have the same voting rights and vote together with the holders of Class A Ordinary Shares, and not as a separate class, except where otherwise required by law.

Ranking

The Series A Notes, before conversion, are senior to all Class A Ordinary Shares and Class B Ordinary Shares with respect to distribution rights upon liquidation and dividend rights.

Dividends

Holders of Series A Notes are entitled to dividends only if, as and when declared by the Company's Board of Directors out of funds legally available therefor.

Registration Rights

We agreed to register the Class A Ordinary Shares underlying the Series A Notes in this registration statement.

Lock-up

The holders of Series A Notes are required to enter into a lock-up agreement with the Company and the Placement Agent that prohibits the Series A Note Investors from, directly or indirectly, offering, selling, pledging or otherwise transferring or disposing of any of the Class A Ordinary Shares underlying the Series A Notes for a period of six months following the closing date of this Offering.

Negative Covenants

The Series A Notes contain certain negative covenants, including our inability to incur certain liabilities without the Series A Note Investors' prior written consent and limits on certain corporate actions.

Series A Note PA Warrants

As of the date of this prospectus, we have a Series A Note PA Warrants outstanding. The following are summaries of material terms of the Series A Note PA Warrants; such summaries do not purport to be a complete description of the terms of the Series A Note PA Warrants and you are urged to read the warrant agreement in its entirety.

Upon closing of the Series A Note Offering, we issued Series A Note PA Warrants to purchase that number of Class A Ordinary Shares equal to an aggregate of five and one half percent (5.5%) of the principal amount of the Series A Notes sold in the Series A Note Offering. The exercise price of the Series A Note PA Warrants is equal to a 56% discount to the actual price per Class A Ordinary Share paid in this Offering, subject to adjustment as set forth in the warrant agreement, and are also exercisable on a cashless basis. The Series A Note PA Warrants are exercisable, at any time, and from time to time, in whole or in part, within two and one half (2.5) years commencing on or after the earlier of (i) six months from the issuance date of the warrant or (ii) the date on which this Offering closes.

Underwriter's Warrants

Please see "Underwriting – Underwriter's Warrants" below for a full description of the warrants (and shares underlying such warrants) that we are issuing to the Underwriter in connection with this Offering.

Differences in Corporate Law

The Companies Law is modeled after that of English law but does not follow many recent English law statutory enactments. In addition, the Companies Law differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary of some of the significant differences between the provisions of the Companies Law applicable to us and the laws applicable to companies incorporated in the State of Delaware.

Mergers and Similar Arrangements. The Companies Law permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, a "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and a "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

In order to effect a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by a special resolution of the shareholders of each constituent company, and such other authorization, if any, as may be specified in such constituent company's articles of association.

The plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to: the solvency of the consolidated or surviving company, the merger or consolidation being bona fide and not intended to defraud creditors, no petition or other proceeding, order or resolution to wind up the Company, no receiver, administrator or similar having been appointed over assets or property and no scheme or other arrangement having been entered into with creditors; a list of the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company; and that notification of the merger and consolidation will be published in the Cayman Islands Gazette. The non-surviving constituent company must have resigned from any fiduciary office held or will do so and each constituent company having complied with any applicable regulatory laws. Dissenting shareholders have the right to be paid the fair value of their shares if they follow the required procedures under the Companies Law subject to certain exceptions. The fair value of the shares will be determined by the Cayman Islands court if it cannot be agreed among the parties. Court approval is not required for a merger or consolidation effected in compliance with these statutory procedures.

In addition, there are statutory provisions that facilitate the reconstruction and amalgamation of companies, provided that the arrangement is approved by a majority in number of each class of shareholders and creditors with whom the arrangement is to be made, and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands.

While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question;
- the arrangement is such that an intelligent and honest man of that class acting in respect of his interest would reasonably approve; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Law or that would amount to a "fraud on the minority".

When a take-over offer is made and accepted by holders of not less than 90% of the shares within four months, the offer, or may, within a two-month period commencing on the expiration of such four months period, require the holders of the remaining shares to transfer such shares on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed unless there is evidence of fraud, bad faith or collusion.

If the arrangement and reconstruction is thus approved, the dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of United States corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders' Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, there are exceptions to the foregoing principle, including when:

- a company acts or proposes to act illegally or ultra vires and is therefore incapable of ratification by the shareholders;
- the act complained of, although not ultra vires, could only be duly effected if authorized by more than a simple majority vote that has not been obtained; and
- those who control the company are perpetrating a "fraud on the minority".

Indemnification of Directors and Executive Officers and Limitation of Liability. The Companies Law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. As stated above, our Memorandum and Articles permit indemnification of officers and directors for actions, proceedings, claims, losses, damages, costs, liabilities and expenses ("Indemnified Losses") incurred in their capacities as such unless such losses or damages arise from dishonesty of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation. Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Directors' Fiduciary Duties. Under Delaware corporate law, a director of a Delaware corporation has a fiduciary duty to the corporation and its shareholders. This duty has two components: the duty of care and the duty of loyalty. The duty of care requires that a director act in good faith, with the care that an ordinarily prudent person would exercise under similar circumstances. Under this duty, a director must inform himself of, and disclose to shareholders, all material information reasonably available regarding a significant transaction. The duty of loyalty requires that a director acts in a manner he reasonably believes to be in the best interests of the corporation. He must not use his corporate position for personal gain or advantage. This duty prohibits self-dealing by a director and mandates that the best interest of the corporation and its shareholders take precedence over any interest possessed by a director, officer or controlling shareholder and not shared by the shareholders generally. In general, actions of a director are presumed to have been made on an informed basis, in good faith and in the honest belief that the action taken was in the best interests of the corporation. However, this presumption may be rebutted by evidence of a breach of one of the fiduciary duties. Should such evidence be presented concerning a transaction by a director, the director must prove the procedural fairness of the transaction, and that the transaction was of fair value to the corporation. As a matter of Cayman Islands law, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company and therefore it is considered that he or she owes the following duties to the company: a duty to act bona fide in the best interests of the company, a duty not to make a profit based on his or her position as director (unless the company permits him or her to do so) and a duty not to put himself or herself in a position where the interests of the company conflict with his or her personal interest or his or her duty to a third-party. Our Memorandum and Articles do not disqualify a director from acting or from contacting with the Company as a vendor, purchaser or otherwise provided that it does not adversely affect his or her performance of duties or responsibilities and the nature of the interest is disclosed at the meeting at which the contract or arrangement is considered (if not previously disclosed), and having disclosed such interest the director is not counted in the quorum and must refrain from voting on the contract or arrangement. A director of a Cayman Islands company also owes to the company a duty to exercise the powers for the purpose for which they were given and the duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his or her duties a greater degree of skill than may reasonably be expected from a person of his or her knowledge and experience. However, courts are moving towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Shareholder Action by Written Consent. Under the Delaware General Corporation Law, a corporation may eliminate the right of shareholders to act by written consent by amendment to its certificate of incorporation. Cayman Islands law and our Memorandum and Articles provide that shareholders may approve corporate matters by way of a unanimous written resolution signed by or on behalf of each shareholder who would have been entitled to vote on such matter at a general meeting without a meeting being held.

Shareholder Proposals. Under the Delaware General Corporation Law, a shareholder has the right to put any proposal before the annual meeting of shareholders, provided it complies with the notice provisions in the governing documents. A special meeting may be called by the board of directors or any other person authorized to do so in the governing documents, but shareholders may be precluded from calling special meetings. The Companies Law provides shareholders with only limited rights to requisition a general meeting and does not provide shareholders with any right to put any proposal before a general meeting. However, these rights may be provided in articles of association. Our Memorandum and Articles allow our shareholders holding not less than 1/10 of all voting power of our (paid up) share capital in issue to requisition a shareholder's meeting. Other than this right to requisition a shareholders' meeting, our Memorandum and Articles do not provide our shareholders other rights to put proposal before a meeting. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings although our Memorandum and Articles provide for same.

Cumulative Voting. Under the Delaware General Corporation Law, cumulative voting for elections of directors is not permitted unless the corporation's certificate of incorporation specifically provides for it. Cumulative voting potentially facilitates the representation of minority shareholders on a board of directors since it permits the minority shareholder to cast all the votes to which the shareholder is entitled on a single director, which increases the shareholder's voting power with respect to electing such director. There are no prohibitions in relation to cumulative voting under the Companies Law but our Memorandum and Articles do not provide for cumulative voting.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a may be removed with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our Memorandum and Articles, directors may be removed with or without cause, by the directors or by an ordinary resolution of our shareholders.

Transactions with Interested Shareholders. The Delaware General Corporation Law contains a business combination statute applicable to Delaware corporations whereby, unless the corporation has specifically elected not to be governed by such statute by amendment to its certificate of incorporation, it is prohibited from engaging in certain business combinations with an "interested shareholder" for three years following the date that such person becomes an interested shareholder. An interested shareholder generally is a person or a group who or which owns or owned 15% or more of the target's outstanding voting share within the past three years. This has the effect of limiting the ability of a potential acquirer to make a two-tiered bid for the target in which all shareholders would not be treated equally. The statute does not apply if, among other things, prior to the date on which such shareholder becomes an interested shareholder, the board of directors approves either the business combination or the transaction which resulted in the person becoming an interested shareholder. This encourages any potential acquirer of a Delaware corporation to negotiate the terms of any acquisition transaction with the target's board of directors. The Cayman Islands has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, it does provide that such transactions must be entered into bona fide in the best interests of the company and for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders. Our Memorandum and Articles, as well as our Code of Business Conduct and Ethics that applies to our officers, directors and employees outlines how to handle these types of transactions and other potential conflicts of interest.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board. Under the Companies Law, a company may be wound up by either an order of the courts of the Cayman Islands or by a special resolution of its members or, if the company is unable to pay its debts as they fall due, by an ordinary resolution of its members. The court has authority to order winding up in a number of specified circumstances including where it is, in the opinion of the court, just and equitable to do so. Under the Companies Law a company may be dissolved, liquidated or wound up by a special resolution of our shareholders; however, under our Memorandum and Articles, only our Directors have power to present a winding up petition in the name of the Company and/or to apply for the appointment of provisional liquidators in respect of the Company.

Variation of Rights of Shares. Under the Delaware General Corporation Law, a corporation may vary the rights of a class of shares with the approval of a majority of the outstanding shares of such class, unless the certificate of incorporation provides otherwise. Under the Companies Law and our Memorandum and Articles, if our share capital is divided into more than one class of shares, we may vary the rights attached to any class with the written consent of the holders of two-thirds of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's governing documents may be amended with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. As permitted by the Companies Law, each of our Memorandum of Association and Articles of Association may only be amended with a special resolution of our shareholders.

Rights of Non-resident or Foreign Shareholders. There are no limitations imposed by our Memorandum and Articles on the rights of non-resident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our Memorandum and Articles governing the ownership threshold above which shareholder ownership must be disclosed.

Lock-up Agreements

In connection with this Offering, all of our directors and executive officers, the Series A Note Investors, the holder of the Bond and substantially all of our existing shareholders, have signed lock-up agreements which, subject to certain exceptions, prevent them from selling or otherwise disposing of any of our shares, or any securities convertible into or exercisable or exchangeable for shares for a period of not less than 180 days for the investors in this Offering and the Series A Note Investors and 90 days for the Bond holder, from the date of this prospectus (each, a "Lock Up Period"), without the prior written consent of the underwriters. The underwriters may in their sole discretion and at any time without notice (except in the case of officers and directors) release some or all of the shares subject to lock-up agreements prior to the expiration of the Lock Up Period. When determining whether or not to release shares from the lock-up agreements, the underwriters may consider, among other factors, the shareholder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Rule 144

Shares Held for Six Months

In general, under Rule 144 as currently in effect, and subject to the terms of any lock-up agreement, commencing 90 days after the closing of this Offering, a person (or persons whose shares are aggregated), including an affiliate, who has beneficially owned our Class A Ordinary Shares for six months or more, including the holding period of any prior owner other than one of our affiliates (i.e., commencing when the shares were acquired from our Company or from an affiliate of our Company as restricted securities), is entitled to sell our shares, subject to the availability of current public information about us. In the case of an affiliate shareholder, the right to sell is also subject to the fulfillment of certain additional conditions, including manner of sale provisions and notice requirements, and to a volume limitation that limits the number of shares to be sold thereby, within any three-month period, to the greater of:

- 1% of the number of Class A Ordinary Shares then outstanding; or
- the average weekly trading volume of our Class A Ordinary Shares on the NASDAQ Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

The six-month holding period of Rule 144 does not apply to sales of unrestricted securities. Accordingly, persons who hold unrestricted securities may sell them under the requirements of Rule 144 described above without regard to the six-month holding period, even if they were considered our affiliates at the time of the sale or at any time during the 90 days preceding such date.

Shares Held by Non-Affiliates for One Year

Under Rule 144 as currently in effect, a person (or persons whose shares are aggregated) who is not considered to have been one of our affiliates at any time during the 90 days preceding a sale and who has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than one of our affiliates, is entitled to sell his, her or its shares under Rule 144 without complying with the provisions relating to the availability of current public information or with any other conditions under Rule 144. Therefore, unless subject to a lock-up agreement or otherwise restricted, such shares may be sold immediately upon the closing of this Offering.

Registration Rights

Pursuant to the terms of the Bond, we agreed to register the Class A Ordinary Shares underlying the Bond in this registration statement. We also agreed to register the Class A Ordinary Shares underlying the PA Warrants in this registration statement.

Piggyback Registration Rights

Pursuant to the terms of the Series A Note Offering, the Series A Note Investors received piggyback registration rights with respect to the Class A Ordinary Shares underlying the Series A Notes (the "Conversion Shares") that entitle the Series A Note Investors to request their securities be included in a future Securities Act registration statement that is filed after this Offering. If so requested, the Company will include in such future registration statement, all Conversion Shares on a pro rata basis based upon the total number of Conversion Shares with respect to which the Company has received written requests for inclusion within fifteen (15) business days after the applicable holder's receipt of the Company's notice that it is filing such a registration statement. The piggyback registration rights described herein, also apply to the Class A Ordinary Shares underlying the warrants issued to the placement agent in the Series A Note Offering.

TAXATION

The following summary contains a description of certain Cayman Islands and U.S. federal income tax consequences of the acquisition, ownership and disposition of Class A Ordinary Shares. Please note that this summary should not be considered a comprehensive description of all the tax considerations that may be relevant to the decision to purchase Class A Ordinary Shares. The summary is based upon the tax laws of the Cayman Islands and regulations thereunder and on the tax laws of the United States and regulations thereunder as of the date hereof, which are subject to change.

Cayman Islands Tax Considerations

The Cayman Islands currently levies no taxes on individuals or corporations based upon profits, income, gains or appreciation and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to us levied by the government of the Cayman Islands except for stamp duties which may be applicable on instruments executed in, or brought within, the jurisdiction of the Cayman Islands. The Cayman Islands is not party to any double tax treaties which are applicable to any payments made by or to our Company. There are no exchange control regulations or currency restrictions in the Cayman Islands.

Payments of dividends and capital in respect of our Class A Ordinary Shares will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of a dividend or capital to any holder of our Class A Ordinary Shares, nor will gains derived from the disposal of our Class A Ordinary Shares be subject to Cayman Islands income or corporation tax.

No stamp duty is payable in respect of the issue of our Class A Ordinary Shares or on an instrument of transfer in respect of our Class A Ordinary Shares except on instruments executed in, or brought within, the jurisdiction of the Cayman Islands.

Material U.S. Federal Income Tax Considerations for U.S. Holders

The following is a description of the material U.S. federal income tax consequences to the U.S. Holders described below of owning and disposing of Class A Ordinary Shares. It is not a comprehensive description of all tax considerations that may be relevant to a particular person's decision to acquire securities. This discussion applies only to a U.S. Holder that holds Class A Ordinary Shares as a capital asset for tax purposes (generally, property held for investment). In addition, it does not describe all of the tax consequences that may be relevant in light of a U.S. Holder's particular circumstances, including state and local tax consequences, estate tax consequences, alternative minimum tax consequences, the potential application of the provisions of the Code known as the Medicare Contribution Tax, and tax consequences applicable to U.S. Holders subject to special rules, such as:

- certain financial institutions;
- dealers or traders in securities who use a mark-to-market method of tax accounting;
- persons holding Class A Ordinary Shares as part of a hedging transaction, "straddle," wash sale, conversion transaction or integrated transaction or persons entering into a constructive sale with respect to the Class A Ordinary Shares;
- persons whose "functional currency" for U.S. federal income tax purposes is not the U.S. dollar;
- tax exempt entities, including "individual retirement accounts" and "Roth IRAs";
- former citizens or long-term residents of the United States;
- entities classified as partnerships for U.S. federal income tax purposes;
- regulated investment companies or real estate investment trusts;
- persons who acquired our Class A Ordinary Shares pursuant to the exercise of an employee share option or otherwise as compensation;
- persons that own or are deemed to own ten percent or more of our voting shares; and
- persons holding Class A Ordinary Shares in connection with a trade or business conducted outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes holds Class A Ordinary Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and the activities of the partnership. Partnerships holding Class A Ordinary Shares and partners in such partnerships are encouraged to consult their tax advisors as to the particular U.S. federal income tax consequences of holding and disposing of Class A Ordinary Shares.

The discussion is based on the Code, administrative pronouncements, judicial decisions, final, temporary and proposed Treasury Regulations, and the income tax treaty between the Netherlands and the United States (the "Treaty") all as of the date hereof, changes to any of which may affect the tax consequences described herein—possibly with retroactive effect.

A "U.S. Holder" is a holder who, for U.S. federal income tax purposes, is a beneficial owner of Class A Ordinary Shares who is eligible for the benefits of the Treaty and is:

(1) a citizen or individual resident of the United States;

(2) a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or

(3) an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

U.S. Holders are encouraged to consult their tax advisors concerning the U.S. federal, state, local and foreign tax consequences of owning and disposing of Class A Ordinary Shares in their particular circumstances.

Taxation of Distributions

Subject to the discussion below under "Passive Foreign Investment Company Rules," distributions paid on Class A Ordinary Shares, other than certain *pro rata* distributions of Class A Ordinary Shares, will generally be treated as dividends to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because we do not calculate our earnings and profits under U.S. federal income tax principles, we expect that distributions generally will be reported to U.S. Holders as dividends. Subject to applicable limitations, dividends paid to certain non-corporate U.S. Holders may be taxable at preferential rates applicable to "qualified dividend income." The amount of the dividend will be treated as foreign-source dividend income to U.S. Holders and, in accordance with the 2017 Tax Reform passed by Congress, should be eligible for the dividends-received deduction generally available to U.S. corporations under the Code. It is still not certain if an individual making a § 962 election to be taxed as a C corporation will be eligible for the dividends-received deduction generally available to U.S. corporations under the Code pending further guidance from the Treasury. Dividends will be included in a U.S. Holder's income on the date of the U.S. Holder's receipt of the dividend. The amount of any distribution of property other than cash (and other than certain pro rata distributions of Class A Ordinary Shares or rights to acquire Class A Ordinary Shares) will be the fair market value of such property on the date of distribution. Also in accordance with the 2017 Tax Reform passed by Congress, certain U.S. Holders may no longer be eligible for certain tax credits previously available under the § 902 "deemed paid income tax credit" as that Code section has been repealed.

Sale or Other Taxable Disposition of Shares

Subject to the discussion below under "Passive Foreign Investment Company Rules," gain or loss realized on the sale or other taxable disposition of Class A Ordinary Shares will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Class A Ordinary Shares for more than one year. The amount of the gain or loss will equal the difference between the U.S. Holder's tax basis in the Class A Ordinary Shares disposed of and the amount realized on the disposition, in each case as determined in U.S. dollars. This gain or loss will generally be U.S.-source gain or loss for foreign tax credit purposes. The deductibility of capital losses is subject to limitations.

Passive Foreign Investment Company Rules

Based on the current and anticipated value of our assets, including goodwill, and the composition of our income, assets and operations, we do not expect to be a PFIC for the current taxable year or the foreseeable future. However, the application of the PFIC rules is subject to uncertainty in several respects, and we cannot assure you that the IRS will not take a contrary position. A non-U.S. corporation will be classified as a PFIC for any taxable year in which, after applying certain look-through rules, either:

- at least 75% of its gross income is passive income; or
- at least 50% of its gross assets (determined on the basis of a quarterly average) is attributable to assets that produce passive income or are held for the production of passive income.

We will be treated as owning our proportionate share of the assets and earning our proportionate share of the income of any other corporation in which we own, directly or indirectly, 25% or more (by value) of the equity.

A separate determination must be made after the close of each taxable year as to whether we are a PFIC for that year. As a result, our PFIC status may change. In particular, the total value of our assets for purposes of the asset test generally will be calculated using the market price of our Class A Ordinary Shares, which may fluctuate considerably. Fluctuations in the market price of our Class A Ordinary Shares may result in our being a PFIC for any taxable year. In addition, the composition of our income and assets is affected by how, and how quickly, we spend the cash we raise in any offering, including this one. If we are classified as a PFIC in any year with respect to which a U.S. Holder owns the Class A Ordinary Shares, we will continue to be treated as a PFIC with respect to such U.S. Holder in all succeeding years during which the U.S. Holder owns the Class A Ordinary Shares, regardless of whether we continue to meet the tests described above unless (1) we cease to be a PFIC and (2) the U.S. Holder has made a "deemed sale" election under the PFIC rules.

If we are a PFIC for any taxable year during which you hold Class A Ordinary Shares, you will be subject to special tax rules with respect to any "excess distribution" that you receive and any gain you realize from a sale or other disposition (including a pledge) of Class A Ordinary Shares. Distributions you receive in a taxable year that are greater than 125% of the average annual distributions you received during the shorter of the three preceding taxable years or your holding period for the Class A Ordinary Shares will be treated as an excess distribution. Under these special tax rules:

- the excess distribution or gain will be allocated ratably over your holding period for the Class A Ordinary Shares;
- the amount allocated to the current taxable year, and any taxable year prior to the first taxable year in which we became a PFIC, will be treated as ordinary income; and
- the amount allocated to each other year will be subject to the highest tax rate in effect for that year and the interest charge generally applicable to underpayments of tax will be imposed on the resulting tax attributable to each such year.

The tax liability for amounts allocated to years prior to the year of disposition or "excess distribution" cannot be offset by any net operating losses for such years, and gains (but not losses) realized on the sale of the Class A Ordinary Shares cannot be treated as capital, even if you hold the Ordinary Shares as capital assets.

Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment of the Class A Ordinary Shares). The adverse consequences of owning stock in a PFIC could be mitigated if a U.S. Holder makes a valid "qualified electing fund" election ("QEF election") which, among other things, would require a U.S. Holder to include currently in income its pro rata share of the PFIC's net capital gain and ordinary earnings, based on earnings and profits as determined for U.S. federal income tax purposes. We intend to provide the information necessary for U.S. Holders of our Class A Ordinary Shares to make qualified electing fund elections.

If we are considered a PFIC, a U.S. Holder will also be subject to information reporting requirements on an annual basis. If we are or become a PFIC, you should consult your tax advisor regarding any reporting requirements that may apply to you.

U.S. Holders are urged to consult their tax advisors regarding the application of the PFIC rules to the ownership and disposition of the Class A Ordinary Shares and the potential availability of a mark-to-market or QEF election.

Information Reporting and Backup Withholding

Payments of dividends and sales proceeds that are made within the United States or through certain U.S.-related financial intermediaries generally are subject to information reporting, and may be subject to backup withholding, unless (i) the U.S. Holder is a corporation or other exempt recipient or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the holder's U.S. federal income tax liability and may entitle it to a refund, provided that the required information is timely furnished to the IRS.

Information with Respect to Foreign Financial Assets

Certain U.S. Holders who are individuals (and, under proposed regulations, certain entities) may be required to report information relating to the Class A Ordinary Shares, subject to certain exceptions (including an exception for Ordinary Shares held in accounts maintained by certain U.S. financial institutions). U.S. Holders should consult their tax advisors regarding their reporting obligations with respect to their ownership and disposition of the Class A Ordinary Shares.

UNDERWRITING

We intend to offer our securities described in this prospectus, excluding the Class A Ordinary Shares offered by the Selling Shareholders, through the underwriters named below. Subject to the terms and conditions of the respective underwriting agreements, the underwriters we have agreed to issue and sell to the public through the underwriters, and the underwriters have agreed to offer and sell, on a best efforts basis, at the public offering price less the underwriting fees and commissions set forth on the cover page of this prospectus, a minimum of [ ] Class A Ordinary Shares and a maximum of [ ] Class A Ordinary Shares on a best efforts basis. The offering is being made without a firm commitment by the underwriters, neither of which has any obligation or commitment to purchase any securities. The underwriters are not required to sell any specific number or dollar amount of Class A Ordinary Shares, but rather they have agreed to use their best efforts to arrange for the sale of all of the securities offered hereby. The Underwriters may retain other brokers or dealers to act as a sub-agents or selected dealers on their behalf in connection with this Offering.

We do not intend to close this offering unless we sell at least the minimum number of Class A Ordinary Shares, at a public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, A copy of each of the underwriting agreements is filed as an exhibit to the registration statement of which this prospectus forms a part.

The Underwriters must sell the minimum number of securities offered ([ ] Class A Ordinary Shares) if any shares are sold. The Underwriters are required to use only their best efforts to sell the securities offered and therefore the underwriters do not have an obligation to purchase any securities, and, as a result, we may not be able to sell the minimum number of Class A Ordinary Shares. The offering will terminate upon the earlier of: (i) a date mutually acceptable to us and our Underwriters after which the minimum offering is sold or (ii) [ ], 2018. On the closing date, the following will occur:

- we will receive funds in the amount of the aggregate purchase price of the shares being sold by us on such closing date;
- we will cause to be delivered the Class A Ordinary Shares being sold on such closing date in book-entry form; and
- we will pay the Underwriters their commissions.

Pursuant to an escrow agreement among us, the Underwriters and [ ] (the "Escrow Agent"), as escrow agent, until at least [ ] Class A Ordinary Shares are sold, all funds received in payment for securities sold in this Offering will be required to be submitted by subscribers to a non-interest bearing escrow account with the Escrow Agent and will be held by the Escrow Agent for such account. The Underwriters and we shall require all investor checks for payment for the securities to be made payable to [ ]. All subscription agreements and checks should be delivered to [ ]. Failure to do so will result in checks being returned to the investor who submitted the check. The investors will have sole claim to the proceeds held in trust prior to the receipt of the minimum offering proceeds. The funds are held for the benefit of the investors until the minimum is reached. Prior to reaching the minimum, claims may not be reached by creditors of the Company. If the Underwriters do not sell at least [ ] Class A Ordinary Shares by [ ], 2018, all funds will be returned within five business days to subscribers without interest or deduction. If this Offering completes, then on the closing date, net proceeds will be delivered to us and we will issue the Class A Ordinary Shares to purchasers. Unless purchasers instruct us otherwise, we will deliver the shares electronically upon receipt of purchaser funds to the accounts of those purchasers who hold accounts at the Underwriters, or elsewhere, as specified by the purchaser, within seven business days upon the closing of the Offering. Alternately, purchasers who do not carry an account at the Underwriters may request that the shares be held in book-entry at the Company's transfer agent, or may be issued in book-entry at the Company's transfer agent and subsequently delivered electronically to the purchasers' respective brokerage account upon request of the purchasers.

Fees, Commissions and Expense Reimbursement

The following table shows the cash commission payable to the Underwriters.

		Boustead	China Renaissance
Offering proceeds	Cash commission	(i) ≤$6,125,000: 7% of the proceeds sourced by the Company (ii) >$6,125,000: 3% of the Offering proceeds	7% of the proceeds sourced by China Renaissance
Commission that Exceeds the Threshold		$1,200,000	$800,000
China Renaissance exceeds the threshold	Cash commission	40% of the 7% commission which exceeds $800,000 is payable to Boustead	60% of the 7% commission which exceeds $800,000 is kept by China Renaissance
Boustead exceeds the threshold	Cash commission	60% of the 7% commission which exceeds $1,200,000 is kept by Boustead	40% of the 7% commission which exceeds $1,200,000 is payable to China Renaissance

The following table shows, for each of the minimum and maximum offering amounts, the per share and maximum total public offering price, underwriting fees and commissions to be paid to the Underwriters by us, and proceeds to us, before expenses and assuming a $[ ] per share offering price.

	Per Share	Minimum Offering	Maximum Offering
Public Offering Price	$	$	$
Underwriting fees and commissions			
Boustead	$	$	$
China Renaissance	$	$	$
Proceeds to Us, Before Expenses	$	$	$

Because the actual amount to be raised in this Offering is uncertain, the actual total offering commissions are not presently determinable and may be substantially less than the maximum amount set forth above. The Selling Shareholders do not engage the Underwriters to facilitate the sales of their Class A Ordinary Shares in any manner.

Our obligation to issue and sell securities to the purchasers is subject to the conditions set forth in the subscription agreement, which may be waived by us at our discretion. A purchaser's obligation to purchase securities is subject to the conditions set forth in the subscription agreement as well, which also may be waived.

In addition to the cash commission, we will also reimburse the Underwriters for the full amount of their reasonable out-of-pocket expenses, including their legal expenses, in an amount not to exceed $[ ] and $[ ] for a third-party due diligence report incurred by the Underwriters in connection with the offering; we shall also pay them a financial advisory fee of $[ ] (with an additional $[ ] upon filing our listing application with NASDAQ).

We estimate that the total expenses of the offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding Underwriters' fees and commissions, will be approximately $[ ], all of which are payable by us.

The Underwriters intend to offer our Class A Ordinary Shares to their retail customers only in states in which we are permitted to offer our Class A Ordinary Shares. We have relied on an exemption to the blue sky registration requirements afforded to "covered securities". Securities listed on the NASDAQ Global Market are "covered securities". If we were unable to meet the NASDAQ Global Market's listing standards, then we would be unable to rely on the covered securities exemption to blue sky registration requirements and we would need to register the offering in each state in which we planned to sell shares. Consequently, we will not complete this Offering unless we meet the NASDAQ Global Market's listing requirements.

The foregoing does not purport to be a complete statement of the terms and conditions of the underwriting agreement and subscription agreement. The underwriting agreement and a form of subscription agreement are included as exhibits to the registration statement of which this prospectus forms a part.

Lock-Up Agreements

We and each of our officers, directors, and all existing shareholders agree not to offer, issue, sell, contract to sell, encumber, grant any option for the sale of or otherwise dispose of any Class A Ordinary Shares or other securities convertible into or exercisable or exchangeable for Class A Ordinary Shares for a period of six months after the effective date of the registration statement of which this prospectus is a part without the prior written consent of the underwriters. As for the Selling Shareholders, the Series A Note Investors agreed to the same lock up period for the Class A Ordinary Shares underlying the Series A Notes; the Bond holder agreed to the same lock up period for the Class A Ordinary Shares underlying the Bond, but for a period of 90 days after the effective date of the registration statement of which this prospectus is a part.

The underwriters may in their sole discretion and at any time without notice release some or all of the shares subject to lock-up agreements prior to the expiration of the lock-up period. When determining whether or not to release shares from the lock-up agreements, the underwriters will consider, among other factors, the security holder's reasons for requesting the release, the number of shares for which the release is being requested and market conditions at the time.

Underwriter's Warrants

We have agreed to issue to Boustead, warrants to purchase the number of Class A Ordinary Shares equal to specified percentages of the Class A Ordinary Shares sold in this Offering by either Boustead, the Company and/or China Renaissance, depending on the final amount raised in this Offering. The following table shows the percentage of warrants issuable to Boustead based on the terms of our agreement with them and with China Renaissance.

		Boustead	China Renaissance
IPO	Warrants	5.5% of the number of Class A Ordinary Shares sourced by the Company Exercisable at final Offering Price for a period of 2.5 years from the date of issuance	N/A
Commission that Exceeds the Threshold		$1,200,000	$800,000
China Renaissance exceeds the threshold	Warrants	Grant Boustead warrants to purchase Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares sold by China Renaissance which exceeds $800,000 x 40% Exercise at final Offering Price for a period of 2.5 years from the date of issuance	N/A
Boustead exceeds the threshold	Warrants	Grant Boustead warrants to purchase Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares sold by Boustead which exceeds $1,200,000 x 60% Exercise at final Offering Price for a period of 2.5 years from the date of issuance	N/A

The warrants will be exercisable at any time, and from time to time, in whole or in part, from the effective date of the offering until the period specified in the table above in compliance with FINRA Rule 5110(f)(2)(G)(i). The warrants are exercisable at a per share price equal to 100% of the public offering price per share in the offering. The warrants are also exercisable on a cashless basis. The warrants have been deemed compensation by FINRA and are therefore subject to a 180-day lock-up pursuant to Rule 5110(g)(1) of FINRA. Neither our underwriters, nor permitted assignees under Rule 5110(g)(1), will sell, transfer, assign, pledge, or hypothecate these warrants or the securities underlying these warrants, nor will they engage in any hedging, short sale, derivative, put, or call transaction that would result in the effective economic disposition of the warrants or the underlying securities for a period of 180 days from the effective date of the offering. In addition, the warrants provide for registration rights upon request, in certain cases. The piggyback registration right provided will not be greater than seven years from the effective date of the offering in compliance with FINRA Rule 5110(f)(2)(G)(v). We will bear all fees and expenses attendant to registering the securities issuable on exercise of the warrants other than underwriting commissions incurred and payable by the holders. The exercise price and number of shares issuable upon exercise of the warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary cash dividend or our recapitalization, reorganization, merger or consolidation. The warrant exercise price and/or underlying shares also may be adjusted for issuances of ordinary shares at a price below the warrant exercise price.

Price Stabilization

The Underwriters will be required to comply with the Securities Act and the Exchange Act, including without limitation, Rule 10b-5 and Regulation M under the Exchange Act. These rules and regulations may limit the timing of purchases and sales of shares of capital stock by the Underwriters acting as principal. Under these rules and regulations, the Underwriters:

- may not engage in any stabilization activity in connection with our securities; and
- may not bid for or purchase any of our securities or attempt to induce any person to purchase any of our securities, other than as permitted under the Exchange Act, until it has completed its participation in the distribution.

Determination of Offering Price

The public offering price of the shares we are offering was determined by us in consultation with the Underwriters based on discussions with potential investors in light of the history and prospects of our Company, the stage of development of our business, our business plans for the future and the extent to which they have been implemented, an assessment of our management, the public stock price for similar companies, general conditions of the securities markets at the time of the Offering and such other factors as were deemed relevant.

Electronic Offer, Sale and Distribution of Securities.

A prospectus in electronic format may be delivered to potential investors by the Underwriters. The prospectus in electronic format will be identical to the paper version of such prospectus. Other than the prospectus in electronic format, the information on the Underwriters' website and any information contained in any other website maintained by the Underwriters is not part of the prospectus or the registration statement of which this prospectus forms a part.

Foreign Regulatory Restrictions on Purchase of our Shares

We have not taken any action to permit a public offering of our shares outside the United States or to permit the possession or distribution of this prospectus outside the United States. People outside the United States who come into possession of this prospectus must inform themselves about and observe any restrictions relating to this Offering of our shares and the distribution of this prospectus outside the United States.

Indemnification

We have agreed to indemnify the underwriters against liabilities relating to the Offering arising under the Securities Act and the Exchange Act and to contribute to payments that the underwriters may be required to make for these liabilities.

Application for NASDAQ Market Listing

We intend to apply to have our Class A Ordinary Shares approved for listing/quotation on the NASDAQ Global Market under the symbol "[ ]". We will not consummate and close this Offering without a listing approval letter from the NASDAQ Global Market. Our receipt of a listing approval letter is not the same as an actual listing on the NASDAQ Global Market. The listing approval letter will serve only to confirm that, if we sell a number of shares on a best efforts basis offering sufficient to satisfy applicable listing criteria, our Class A Ordinary Shares will in fact be listed.

If our Class A Ordinary Shares are listed on the NASDAQ Global Market, we will be subject to continued listing requirements and corporate governance standards. We expect these new rules and regulations to significantly increase our legal, accounting and financial compliance costs.

Relationships

Boustead acted as the placement agent in the Series A Note Offering and one of the placement agents Bond Offering. For such services, Boustead received: (a) for the Series A Note Offering: a cash commission of $68,516 and the Series A Note PA Warrants; and (b) for the Bond Offering: (i) a cash commission of $600,000 and (ii) the Bond PA Warrants. In addition, Boustead purchased $150,000 Series A Notes in the Series A Note Offering.

China Renaissance also acted as a placement agent for the Bond Offering. For such services, China Renaissance received a cash success fee of $150,000.

The underwriters and their affiliates may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they may receive customary fees and commissions. In addition, from time to time, the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling Restrictions Outside the United States

Notice to Prospective Investors in Canada

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

The Class A Ordinary Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the Class A Ordinary Shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Notice to Prospective Investors in Hong Kong

The Class A Ordinary Shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to our Class A Ordinary Shares be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to our Class A Ordinary Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Notice to Prospective Investors in the People's Republic of China

This prospectus may not be circulated or distributed in the PRC and the Class A Ordinary Shares may not be offered or sold, and will not offer or sell to any person for re-offering or resale directly or indirectly to any resident of the PRC except pursuant to applicable laws, rules and regulations of the PRC. For the purpose of this paragraph only, the PRC does not include Taiwan, Hong Kong Special Administrative Region and Macau Special Administrative Region.

Notice to Prospective Investors in the EEA

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (as defined below) and each, a Relevant Member State, from and including the date on which the EU Prospectus Directive (the "EU Prospectus Directive") was implemented in that Relevant Member State, or the Relevant Implementation Date, an offer of securities described in this prospectus may not be made to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that, with effect from and including the Relevant Implementation Date, an offer of securities described in this prospectus may be made to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under the EU Prospectus Directive;
- to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive); or
- in any other circumstances falling within Article 3(2) of the EU Prospectus Directive, provided that no such offer of securities described in this prospectus shall result in a requirement for the publication by us of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an "offer of securities to the public" in relation to any securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the securities to be offered so as to enable an investor to decide to purchase or subscribe for the securities, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State. The expression "EU Prospectus Directive" means Directive 2003/71/EC (and any amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Notice to Prospective Investors in the United Kingdom

This prospectus is only being distributed to and is only directed at persons in the United Kingdom that are qualified investors within the meaning of Article 2(1)(e) of the Prospectus Directive that are also (i) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 within, and/or (ii) high net worth entities, and other persons to whom it may lawfully be communicated, falling with Article 49(2)(a) to (d) (all such persons together being referred to as "relevant persons").

This prospectus and its contents are confidential and should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other persons in the United Kingdom. Any person in the United Kingdom who is not a relevant person should not act or rely on this document or any of its contents.

The underwriters have represented, warranted and agreed that:

(A) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act 2000, as amended (the "FSMA")) received by it in connection with the issue or sale of the Shares in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(B) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to our Ordinary Shares in, from or otherwise involving the United Kingdom.

Notice to Prospective Investors in Japan

The Class A Ordinary Shares offered in this prospectus have not been and will not be registered under the Financial Instruments and Exchange Law of Japan. Our Class A Ordinary Shares have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Law and (ii) in compliance with any other applicable requirements of Japanese law.

Notice to Prospective Investors in Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Class A Ordinary Shares may not be circulated or distributed, nor may the Class A Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with conditions set forth in the SFA.

Notice to Prospective Investors in Germany

Any offer or solicitation of securities within Germany must be in full compliance with the German Securities Prospectus Act (Wertpapierprospektgesetz-WpPG). The offer and solicitation of securities to the public in Germany requires the publication of a prospectus that has to be filed with and approved by the German Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht-BaFin). This prospectus has not been and will not be submitted for filing and approval to the BaFin and, consequently, will not be published. Therefore, this prospectus does not constitute a public offer under the German Securities Prospectus Act (Wertpapierprospektgesetz). This prospectus and any other document relating to our Class A Ordinary Shares, as well as any information contained therein, must therefore not be supplied to the public in Germany or used in connection with any offer for subscription of our Class A Ordinary Shares to the public in Germany, any public marketing of our Class A Ordinary Shares or any public solicitation for offers to subscribe for or otherwise acquire our Class A Ordinary Shares. This prospectus and other offering materials relating to the offer of our Class A Ordinary Shares are strictly confidential and may not be distributed to any person or entity other than the designated recipients hereof.

Notice to Prospective Investors in Switzerland

This document, as well as any other material relating to the shares which are the subject of the offering contemplated by this prospectus, do not constitute an issue prospectus pursuant to Article 652a and/or 1156 of the Swiss Code of Obligations. The shares will not be listed on the SIX Swiss Exchange and, therefore, the documents relating to the shares, including, but not limited to, this document, do not claim to comply with the disclosure standards of the listing rules of SIX Swiss Exchange and corresponding prospectus schemes annexed to the listing rules of the SIX Swiss Exchange. The shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the shares with the intention to distribute them to the public. The investors will be individually approached by the issuer from time to time. This document, as well as any other material relating to the shares, is personal and confidential and do not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the offering described herein and may neither directly nor indirectly be distributed or made available to other persons without express consent of the issuer. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in (or from) Switzerland.

EXPENSES OF THIS OFFERING

Set forth below is an itemization of our total expenses, excluding underwriting discounts and commissions, which are expected to be incurred in connection with the offer and sale of the Class A Ordinary Shares by us. With the exception of the SEC registration fee, the FINRA filing fee and the NASDAQ Global Market listing fee, all amounts are estimates.

Securities and Exchange Commission registration fee	$
Financial Industry Regulatory Authority filing fee	$
NASDAQ Global Market listing fee	$
Printing and engraving expenses	$
Legal fees and expenses	$
IPO Advisor fees and expenses	$
Accounting fees and expenses	$
Miscellaneous	$
Total	$

LEGAL MATTERS

The validity of the Class A Ordinary Shares being offered by this prospectus and other legal matters concerning this Offering relating to Cayman Islands law will be passed upon for us by Campbells. Certain legal matters in connection with this Offering with respect to the United States federal securities law and New York law will be passed upon for us by Hunter Taubman Fischer & Li LLC, New York, New York. Certain legal matters with respect to the United States federal securities and New York law in connection with this Offering will be passed upon for the underwriters by Pryor Cashman LLP, New York, New York.

EXPERTS

The accompanying statements of net assets (predecessor basis) including the schedule of portfolio investments of Aptorum Group Limited as of December 31, 2016 and February 28, 2017, and the related statements (predecessor basis) of operations, changes in net assets, and cash flows for the year ended December 31, 2016, the statements (predecessor basis) of operations, changes in net assets, and cash flows for the period January 1, 2017 through February 28, 2017, the consolidated balance sheet (successor basis) as of December 31, 2017, the related consolidated statements (successor basis) of operations and comprehensive loss, stockholders' equity and cash flows for the period March 1, 2017 through December 31, 2017, and the related notes (collectively referred to as the "financial statements"), appearing in this prospectus and Registration Statement have been audited by Marcum Bernstein & Pinchuk LLP, an independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

ENFORCEMENT OF CIVIL LIABILITIES

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

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

According to our local Cayman Islands' counsel, there is uncertainty with regard to Cayman Islands law relating to whether a judgment obtained from the United States or Hong Kong courts under civil liability provisions of the securities laws will be determined by the courts of the Cayman Islands as penal or punitive in nature. If such a determination is made, the courts of the Cayman Islands will not recognize or enforce the judgment against a Cayman Islands' company. The courts of the Cayman Islands in the past determined that disgorgement proceedings brought at the instance of the Securities and Exchange Commission are penal or punitive in nature and such judgments would not be enforceable in the Cayman Islands. Other civil liability provisions of the securities laws may be characterized as remedial, and therefore enforceable but the Cayman Islands' Courts have not yet ruled in this regard. Our Cayman Islands' counsel has further advised us that a final and conclusive judgment in the federal or state courts of the United States under which a sum of money is payable other than a sum payable in respect of taxes, fines, penalties or similar charges, may be subject to enforcement proceedings as a debt in the courts of the Cayman Islands.

As of the date of this prospectus, no treaty or other form of reciprocity exists between the Cayman Islands and Hong Kong governing the recognition and enforcement of judgments.

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

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-1 under the Securities Act relating to this Offering of our Class A Ordinary Shares. This prospectus does not contain all of the information contained in the registration statement. The rules and regulations of the SEC allow us to omit certain information from this prospectus that is included in the registration statement. Statements made in this prospectus concerning the contents of any contract, agreement or other document are summaries of all material information about the documents summarized, but are not complete descriptions of all terms of these documents. If we filed any of these documents as an exhibit to the registration statement, you may read the document itself for a complete description of its terms.

You may read and copy the registration statement, including the related exhibits and schedules, and any document we file with the SEC without charge at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You may also obtain copies of the documents at prescribed rates by writing to the Public Reference Section of the SEC at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. The SEC also maintains an Internet website that contains reports and other information regarding issuers that file electronically with the SEC. Our filings with the SEC are also available to the public through the SEC's website at http://www.sec.gov.

Upon completion of this Offering, we will be subject to the information reporting requirements of the Exchange Act that are applicable to foreign private issuers, and under those requirements will file reports with the SEC. Those other reports or other information may be inspected without charge at the locations described above. As a foreign private issuer, we will be exempt from the rules under the Exchange Act related to the furnishing and content of proxy statements, and our officers, directors and principal shareholders will be exempt from the reporting and short-swing profit recovery provisions contained in Section 16 of the Exchange Act. In addition, we will not be required under the Exchange Act to file annual, quarterly and current reports and financial statements with the SEC as frequently or as promptly as U.S. companies whose securities are registered under the Exchange Act. However, we will file with the SEC, within 120 days after the end of each fiscal year, or such applicable time as required by the SEC, an annual report on Form 20-F containing financial statements audited by an independent registered public accounting firm, and will submit to the SEC, on Form 6-K, unaudited quarterly financial information for the first three quarters of each fiscal year.

We maintain a corporate website at www.aptorumgroup.com. Information contained on, or that can be accessed through, our website does not constitute a part of this prospectus.

APTORUM GROUP LIMITED
Financial Statements
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of
Aptorum Group Limited

Opinion on the Financial Statements

We have audited the accompanying statements of net assets (predecessor basis) including the schedule of portfolio investments of Aptorum Group Limited (formally known as APTUS Holdings Limited and STRIKER ASIA OPPORTUNITIES FUND CORPORATION, the "Company") as of December 31, 2016 and February 28, 2017, and the related statements (predecessor basis) of operations, changes in net assets, and cash flows for the year ended December 31, 2016, the statements (predecessor basis) of operations, changes in net assets, and cash flows for the period January 1, 2017 through February 28, 2017, the consolidated balance sheet (successor basis) as of December 31, 2017, the related consolidated statements (successor basis) of operations and comprehensive loss, stockholders' equity and cash flows for the period March 1, 2017 through December 31, 2017, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2017, and the results of its operations and its cash flows for the year ended December 31, 2016, the period January 1, 2017 through February 28, 2017 and the period March 1, 2017 through December 31, 2017, in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Change in Investment Company Status

As discussed in Note 4 and Note 15 to the financial statements, effective March 1, 2017, the Company changed its financial reporting to that of an operating company from an investment company since it no longer met the assessment of an investment company under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 946 ("ASC 946"). The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other U.S. GAAP topics as of the date of the change in status. The change in status affects the comparability of the financial statements. Our opinion is not modified with respect to this matter.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Marcum Bernstein & Pinchuk LLP

Marcum Bernstein & Pinchuk LLP

We have served as the Company's auditor since 2017.

New York, New York
July 13, 2018

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APTORUM GROUP LIMITED
STATEMENTS OF NET ASSETS (PREDECESSOR BASIS)
December 31, 2016 and February 28, 2017
(Stated in U.S. Dollars)

	December 31, 2016	February 28, 2017
ASSETS		
Investments, at fair value		
Unaffiliated issuers (cost $22,783,506 as of December 31, 2016 and $22,739,748 as of February 28, 2017)	$ 24,126,392	$ 23,794,333
Aptorum Therapeutics - related party (cost $1,000,000 as of December 31, 2016 and February 28, 2017)	856,081	757,647
	24,982,473	24,551,980
Cash	301,643	29,983
Due from brokers	96,896	125,334
Interest receivable	1,050	6,149
Other receivables and prepayments	2,520	-
Total Assets	$ 25,384,582	$ 24,713,446
LIABILITIES		
Accounts payable and accrued expenses	$ 92,385	$ 106,163
Equalization payable - related party	9,663	9,663
Management fees payable - related party	167,788	108,958
Total Liabilities	269,836	224,784
Net Assets	$ 25,114,746	$ 24,488,662
Net Asset Value Per Share		
(5,000,000 shares of $0.01 par value authorized, 256,664 and 256,571 shares outstanding as of December 31, 2016 and February 28, 2017, respectively)	$ 97.85	$ 95.45
Net Assets Consist of		
Paid-in capital	$ 25,787,834	$ 25,778,171
Equalization payable	(9,663)	-
Undistributed ordinary income	3,212,713	2,988,697
Accumulated undistributed net realized loss on investments	(5,075,105)	(5,090,432)
Net unrealized appreciation on investments	1,198,967	812,226
	$ 25,114,746	$ 24,488,662

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
CONSOLIDATED BALANCE SHEET (SUCCESSOR BASIS)
December 31, 2017
(Stated in U.S. Dollars)

ASSETS		
Current assets:		
Cash	$	16,245,807
Restricted cash		480,000
Marketable securities, at fair value		1,972,648
Investments in derivatives		1,095,122
Due from brokers		179,492
Other receivables and prepayments		310,330
Total current assets		20,283,399
Equipment, net		346,587
Non-marketable investments, at cost		7,394,713
Intangible assets, net		1,472,707
Amounts due from related parties		304,820
Long-term deposits		1,757,756
Total Assets	$	31,559,982
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities:		
Amount due to a related party	$	197,386
Accounts payable and accrued expenses		653,348
Convertible promissory notes		480,000
Total current liabilities		1,330,734
Total Liabilities	$	1,330,734
Commitments and contingencies		-
EQUITY		
Class A Ordinary Shares ($1.00 par value; 60,000,000 shares authorized, 5,426,381 shares issued and outstanding)	$	5,426,381
Class B Ordinary Shares ($1.00 par value; 40,000,000 shares authorized, 22,437,754 shares issued and outstanding)		22,437,754
Additional paid-in capital		5,294,402
Accumulated other comprehensive loss		(367,782)
Accumulated deficit		(2,547,462)
Total equity attributable to the shareholders of Aptorum Group Limited		30,243,293
Non-controlling interests		(14,045)
Total equity		30,229,248
Total Liabilities and Equity	$	31,559,982

See accompanying notes to the consolidated financial statements.

APTORUM GROUP LIMITED
STATEMENTS OF OPERATIONS (PREDECESSOR BASIS)
For the Year Ended December 31, 2016 and Period January 1, 2017 through February 28, 2017
(Stated in U.S. Dollars)

	Year Ended December 31, 2016	January 1, 2017 through February 28, 2017
Investment income		
Dividend income from unaffiliated issuers	$ 57,642	$ -
Interest income	28,800	3,011
Total investment income	86,442	3,011
Expenses		
General and administrative fees	79,750	17,516
Management fees	641,807	108,958
Legal and professional fees	106,031	98,646
Other operating expenses	50,646	1,907
Total expenses	878,234	227,027
Net investment loss	$ (791,792)	$ (224,016)
Realized and unrealized losses		
Net realized losses on investments in unaffiliated issuers	$ (840,485)	$ (15,327)
Net change in unrealized depreciation on investments		
Aptorum Therapeutics - related party	(143,919)	(98,434)
Unaffiliated issuers	(358,319)	(288,307)
Net realized and unrealized losses	(1,342,723)	(402,068)
Net decrease in net assets resulting from operations	$ (2,134,515)	$ (626,084)

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
CONSOLIDATED STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS (SUCCESSOR BASIS)
For the Period March 1, 2017 through December 31, 2017
(Stated in U.S. Dollars)

Expenses	
Research and development expenses	$ 2,501,420
General and administrative fees	1,480,093
Legal and professional fees	1,395,490
Amortization and depreciation	58,903
Other operating expenses	257,177
Total expenses	5,693,083
Other income	
Gain on investments in marketable securities, net	3,912,500
Loss on investments in derivatives, net	(827,501)
Interest income	44,269
Dividend income	2,308
Total other income, net	3,131,576
Net loss	(2,561,507)
Less: net loss attributable to non-controlling interests	(14,045)
Net loss attributable to Aptorum Group Limited	$ (2,547,462)
Net loss per share – basic and diluted	$ (0.09)
Weighted-average shares outstanding – basic and diluted	26,963,435
Net loss	$ (2,561,507)
Other Comprehensive loss	
Unrealized loss on investments in available-for-sale securities	(367,782)
Other Comprehensive loss	(367,782)
Comprehensive loss	(2,929,289)
Less: comprehensive loss attributable to non-controlling interests	(14,045)
Comprehensive loss attributable to the shareholders of Aptorum Group Limited	$ (2,915,244)

See accompanying notes to the consolidated financial statements.

APTORUM GROUP LIMITED
STATEMENTS OF CHANGES IN NET ASSETS (PREDECESSOR BASIS)
For the Year Ended December 31, 2016 and Period January 1, 2017 through February 28, 2017
(Stated in U.S. Dollars)

	Year Ended December 31, 2016	January 1, 2017 through February 28, 2017
Operations		
Net investment losses	$ (791,792)	$ (224,016)
Net realized losses	(840,485)	(15,327)
Net change in unrealized depreciation	(502,238)	(386,741)
Net decrease in net assets resulting from operations	(2,134,515)	(626,084)
Distributions to shareholders		
Equalization payable	(9,663)	9,663
Return of capital	-	(9,663)
Total distributions	(9,663)	-
Issuance of shares	2,900,000	-
Total increase (decrease) in net assets	755,822	(626,084)
Net assets		
Beginning of period	24,358,924	25,114,746
End of period	$ 25,114,746	$ 24,488,662

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (SUCCESSOR BASIS)
For the Period March 1, 2017 through December 31, 2017
(Stated in U.S. Dollars)

Net assets to allocate to shareholders' equity at February 28, 2017	$ 24,488,662

	Ordinary shares		Class A Ordinary Shares		Class B Ordinary Shares		Additional Paid-in Capital	Accumulated deficit	Accumulated other comprehensive loss	Non-controlling interests	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Amount	Amount	Amount	Amount	Amount
Balance, March 1, 2017	**25,657,110**	**$ 25,657,110**	**-**	**$ -**	**-**	**$ -**	**$ (1,168,448)**	**$ -**	**$ -**	**$ -**	**$ 24,488,662**
Proceeds from issuance of shares	2,207,025	2,207,025	-	-	-	-	6,394,976	-	-	-	**8,602,001**
Converted from ordinary shares	(27,864,135)	(27,864,135)	5,426,381	5,426,381	22,437,754	22,437,754	-	-	-	-	-
Unrealized loss on investments in available-for-sale securities	-	-	-	-	-	-	-	-	(367,782)	-	**(367,782)**
Gain on disposal of entity under common control	-	-	-	-	-	-	67,874	-	-	-	**67,874**
Net loss	-	-	-	-	-	-	-	(2,547,462)	-	(14,045)	**(2,561,507)**
Balance, December 31, 2017	**-**	**$ -**	**5,426,381**	**$ 5,426,381**	**22,437,754**	**$ 22,437,754**	**$ 5,294,402**	**$ (2,547,462)**	**$ (367,782)**	**$ (14,045)**	**$ 30,229,248**

See accompanying notes to the consolidated financial statements.

APTORUM GROUP LIMITED
STATEMENTS OF CASH FLOWS (PREDECESSOR BASIS)
For the Year Ended December 31, 2016 and Period January 1, 2017 through February 28, 2017
(Stated in U.S. Dollars)

	Year Ended December 31, 2016	January 1, 2017 through February 28, 2017
Cash flows from operating activities		
Net decrease in net assets resulting from operations	$ (2,134,515)	$ (626,084)
Adjustments to reconcile net decrease in net assets resulting from operations to net cash used in operating activities:		
Net change in unrealized depreciation on investments	502,238	386,741
Net realized loss on sales of investments in unaffiliated issuers	840,485	15,327
Dividends paid-in-kind	(51,881)	-
Purchase of investment in Aptorum Therapeutics - related party	(1,000,000)	-
Proceeds from sales of investment securities	4,068,543	28,425
Purchases of investment securities	(5,009,996)	-
Decrease (increase) in interest receivable	98	(5,099)
Increase in due from brokers	(96,896)	(28,438)
(Increase) decrease in other receivable and prepayments	(2,520)	2,520
Increase in accounts payable and accrued expenses	65,573	13,778
Increase (decrease) in management fees payable - related party	11,322	(58,830)
Net cash used in operating activities	(2,807,549)	(271,660)
Cash flows from financing activities		
Repayments under line of credit, net	(2,086,702)	-
Proceeds from the issuance of shares	2,525,000	-
Net cash provided by financing activities	438,298	-
Net decrease in cash	(2,369,251)	(271,660)
Cash - Beginning of period	2,670,894	301,643
Cash - End of period	$ 301,643	$ 29,983
Supplemental disclosures of cash flow information		
Interest paid	$ 1,665	$ -
Income taxes paid	**$** -	$ -

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS (SUCCESSOR BASIS)
For the Period March 1, 2017 through December 31, 2017
(Stated in U.S. Dollars)

Cash flows from operating activities		
Net loss	$	(2,561,507)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization and depreciation		58,903
Gain on investments in marketable securities, net		(3,912,500)
Loss on investments in derivatives, net		827,501
Changes in operating assets and liabilities:		
Other receivables and prepayments		(310,074)
Interest receivable		6,149
Long-term deposits		(20,092)
Due from brokers		(54,158)
Accounts payable and accrued expenses		183,083
Net cash used in operating activities		(5,782,695)
Cash flows from investing activities		
Advances to/payments received from related parties		(186,898)
Purchases of intangible assets		(968,730)
Purchases of equipment		(2,090,721)
Proceeds from sales of investment securities		16,049,067
Net cash provided by investing activities		12,802,718
Cash flows from financing activities		
Proceeds from issuance of convertible promissory notes		480,000
Proceeds from issuance of shares		8,602,001
Net cash provided by financing activities		9,082,001
Net increase in cash and restricted cash		16,102,024
Cash and restricted cash, March 1, 2017		623,783
Cash and restricted cash, December 31, 2017	$	16,725,807
Supplemental disclosures of cash flow information		
Interest paid	$	-
Income taxes paid	$	-

See accompanying notes to the consolidated financial statements.

APTORUM GROUP LIMITED
SCHEDULE OF PORTFOLIO INVESTMENTS
December 31, 2016
(Stated in U.S. Dollars)

Shares/Par/# of Contract	Issuers	Cost	Fair Value
	PREFERRED STOCKS (17.17%)		
	United States (17.17%)		
	Pharmaceutical and Biotechnology (17.17%)		
500,000	Atea Pharmaceuticals Incorporated, (6.03%), Series A	$ 500,000	$ 1,515,000
165,016	Atea Pharmaceuticals Incorporated, (1.99%), Series B	499,998	499,998
354,609	Kezar Life Sciences Incorporated, (1.19%), Series A	299,999	299,999
265,958	X4 Pharmaceuticals Incorporated, (1.99%), Series A	500,001	500,001
270,270	Atreca Incorporated, (1.99%), Series A	500,000	500,000
3,333,333	Anabios Corporation, (3.98%), Series B	1,000,000	1,000,000
		3,299,998	4,314,998
	Total United States	3,299,998	4,314,998
	Israel (0.00%)		
	Pharmaceutical and Biotechnology (0.00%)		
15,145	APOS - Medical and Sports Technologies Ltd.	749,980	-
		749,980	-
	Total Israel	749,980	-
	TOTAL PREFERRED STOCKS	$ 4,049,978	$ 4,314,998
	COMMON STOCKS (58.18%)		
	United States (57.35%)		
	Pharmaceutical and Biotechnology (47.11%)		
80,608	Cerecor Inc., (0.28%)	$ 415,385	$ 70,967
139,983	Argos Therapeutics Incorporated, (2.73%)	1,093,830	685,917
86,863	Axsome Therapeutics Inc., (2.33%)	498,279	586,325
2,228,981	Rezolute, Inc., (8.88%)	2,368,709	2,228,981
193,349	Contrafect Corp., (1.35%)	980,079	338,361
720,000	Athenex Incorporated, (31.54%)	3,960,000	7,920,000
		9,316,282	11,830,551
	Healthcare (10.24%)		
265,425	Obalon Therapeutics Inc., (9.35%)	2,000,000	2,349,011
65,976	MRI Interventions Inc., (0.89%)	1,599,999	224,318
		3,599,999	2,573,329
	Total United States	12,916,281	14,403,880
	Taiwan (0.00%)		
	Commercial Services (0.00%)		
2,000,000	Sim2Travel Incorporated, (0.00%)	2,000,000	-
		2,000,000	-
	Total Taiwan	2,000,000	-
	Hong Kong (0.83%)		
	Financial Services (0.83%)		
8,800	Hong Kong Exchange and Clearing Ltd., (0.83%)	325,397	207,903
		325,397	207,903
	Total Hong Kong	325,397	207,903
	TOTAL COMMON STOCKS	$ 15,241,678	$ 14,611,783
	BONDS (1.25%)		
	Mainland China (1.25%)		
	Bank (1.25%)		
$ 300,000	Industrial & Commercial Bank of China, with 6% coupon rate and no maturity date, (1.25%)	$ 311,750	$ 314,160
		311,750	314,160
	Total Mainland China	311,750	314,160
	TOTAL BONDS	$ 311,750	$ 314,160
	CONVERTIBLE NOTES (12.18%)		
	United States (12.18%)		
	Pharmaceutical and Biotechnology (12.18%)		
$ 500,000	Centrexion Therapeutics Corporation, (2.07%), Series C, (Due Date: 6/1/2019, Interest Rate: 5.00%)	$ 500,000	$ 520,960
$ 1,500,000	Alzheon Incorporated, (6.32%), Series A, (Due Date: 7/13/2017, Interest Rate: 4.00%)	1,500,000	1,588,438
$ 900,000	Alzheon Incorporated, (3.79%), Series B, (Due Date: 7/13/2017, Interest Rate: 4.00%)	900,000	953,063
		2,900,000	3,062,461
	Total United States	2,900,000	3,062,461
	Israel (0.00%)		
	Pharmaceutical and Biotechnology (0.00%)		
$ 100,000	APOS - Medical and Sports Technologies Ltd., (0.00%), (Due Date: 12/17/2017, Interest Rate: 10.00%)	100,000	-

		100,000	-
	Total Israel	100,000	-
	TOTAL CONVERTIBLE NOTES	$ 3,000,000	$ 3,062,461
	WARRANTS (7.25%)		
	United States (7.25%)		
	Pharmaceutical and Biotechnology (7.13%)		
2,228,981	Rezolute, Inc., (7.07%), (Expiration Date: 6/24/2021)	$ 83,168	$ 1,776,275
80,608	Cerecor Inc., (0.01%), (Expiration Date: 4/20/2017)	36,932	2,822
80,608	Cerecor Inc., (0.05%), (Expiration Date: 10/20/2018)	60,000	12,897
		180,100	1,791,994
	Healthcare (0.12%)		
2,311	MRI Interventions Inc., (0.02%), (Expiration Date: 12/18/2020)	-	4,252
23,310	MRI Interventions Inc., (0.08%), (Expiration Date: 12/24/2019)	-	20,660
3,081	MRI Interventions Inc., (0.02%), (Expiration Date: 12/18/2020)	-	6,084
		-	30,996
	Total United States	180,100	1,822,990
	TOTAL WARRANTS	$ 180,100	$ 1,822,990
	TOTAL UNAFFILIATED ISSUERS	$ 22,783,506	$ 24,126,392
	A RELATED PARTY (3.41%)		
	Hong Kong (3.41%)		
	Pharmaceutical and Biotechnology (3.41%)		
1,000,000	Aptorum Therapeutics Limited, (3.41%), (100% Owned)	$ 1,000,000	$ 856,081
		1,000,000	856,081
	Total Hong Kong	1,000,000	856,081
	TOTAL RELATED PARTY	$ 1,000,000	$ 856,081
	Total investments at fair value (99.44%*)	$ 23,783,506	$ 24,982,473

* Represents the ratio of total investments at fair value to net assets as of December 31, 2016.

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
SCHEDULE OF PORTFOLIO INVESTMENTS
February 28, 2017
(Stated in U.S. Dollars)

Shares/Par/# of Contract	Issuers	Cost	Fair Value
	PREFERRED STOCKS (17.62%)		
	United States (17.62%)		
	Pharmaceutical and Biotechnology (17.62%)		
500,000	Atea Pharmaceuticals Incorporated, (6.19%), Series A	$ 500,000	$ 1,515,000
165,016	Atea Pharmaceuticals Incorporated, (2.04%), Series B	499,998	499,998
354,609	Kezar Life Sciences Incorporated, (1.23%), Series A	299,999	299,999
265,958	X4 Pharmaceuticals Incorporated, (2.04%), Series A	500,001	500,001
270,270	Atreca Incorporated, (2.04%), Series A	500,000	500,000
3,333,333	Anabios Corporation, (4.08%), Series B	1,000,000	1,000,000
		3,299,998	4,314,998
	Total United States	3,299,998	4,314,998
	Israel (0.00%)		
	Pharmaceutical and Biotechnology (0.00%)		
15,145	APOS - Medical and Sports Technologies Ltd.	749,980	-
		749,980	-
	Total Israel	749,980	-
	TOTAL PREFERRED STOCKS	$ 4,049,978	$ 4,314,998
	COMMON STOCKS (57.81%)		
	United States (56.92%)		
	Pharmaceutical and Biotechnology (46.08%)		
80,608	Cerecor Inc., (0.24%)	$ 415,385	$ 58,844
134,383	Argos Therapeutics Incorporated, (0.63%)	1,050,072	154,540
86,863	Axsome Therapeutics Inc., (1.61%)	498,279	395,227
2,228,981	Rezolute, Inc., (9.56%)	2,368,709	2,340,430
193,349	Contrafect Corp., (1.70%)	980,079	415,700
720,000	Athenex Incorporated, (32.34%)	3,960,000	7,920,000
		9,272,524	11,284,741
	Healthcare (10.84%)		
265,425	Obalon Therapeutics Inc., (10.10%)	2,000,000	2,473,761
65,976	MRI Interventions Inc., (0.74%)	1,599,999	181,434
		3,599,999	2,655,195
	Total United States	12,872,523	13,939,936
	Taiwan (0.00%)		
	Commercial Services (0.00%)		
2,000,000	Sim2Travel Incorporated, (0.00%)	2,000,000	-
		2,000,000	-
	Total Taiwan	2,000,000	-
	Hong Kong (0.89%)		
	Financial Services (0.89%)		
8,800	Hong Kong Exchange and Clearing Ltd., (0.89%)	325,397	218,458
		325,397	218,458
	Total Hong Kong	325,397	218,458
	TOTAL COMMON STOCKS	$ 15,197,920	$ 14,158,394
	BONDS (1.29%)		
	Mainland China (1.29%)		
	Bank (1.29%)		
$ 300,000	Industrial & Commercial Bank of China, with 6% coupon rate and no maturity date, (1.29%)	$ 311,750	$ 316,296
		311,750	316,296
	Total Mainland China	311,750	316,296
	TOTAL BONDS	$ 311,750	$ 316,296
	CONVERTIBLE NOTES (12.59%)		
	United States (12.59%)		
	Pharmaceutical and Biotechnology (12.59%)		
$ 500,000	Centrexion Therapeutics Corporation, (2.14%), Series C, (Due Date: 6/1/2019, Interest Rate: 5.00%)	$ 500,000	$ 525,001
$ 1,500,000	Alzheon Incorporated, (6.53%), Series A, (Due Date: 7/13/2017, Interest Rate: 4.00%)	1,500,000	1,598,137
$ 900,000	Alzheon Incorporated, (3.92%), Series B, (Due Date: 7/13/2017, Interest Rate: 4.00%)	900,000	958,882
		2,900,000	3,082,020
	Total United States	2,900,000	3,082,020
	Israel (0.00%)		
	Pharmaceutical and Biotechnology (0.00%)		
$ 100,000	APOS - Medical and Sports Technologies Ltd., (0.00%), (Due Date: 12/17/2017, Interest Rate: 10.00%)	100,000	-

		100,000	-
	Total Israel	100,000	-
	TOTAL CONVERTIBLE NOTES	$ 3,000,000	$ 3,082,020
	WARRANTS (7.85%)		
	United States (7.85%)		
	Pharmaceutical and Biotechnology (7.76%)		
2,228,981	Rezolute, Inc., (7.70%), (Expiration Date: 6/24/2021)	$ 83,168	$ 1,884,826
80,608	Cerecor Inc., (0.03%), (Expiration Date: 4/20/2017)	36,932	7,094
80,608	Cerecor Inc., (0.03%), (Expiration Date: 10/20/2018)	60,000	8,061
		180,100	1,899,981
	Healthcare (0.09%)		
2,311	MRI Interventions Inc., (0.01%), (Expiration Date: 12/18/2020)	-	3,203
23,310	MRI Interventions Inc., (0.06%), (Expiration Date: 12/24/2019)	-	14,830
3,081	MRI Interventions Inc., (0.02%), (Expiration Date: 12/18/2020)	-	4,611
		-	22,644
	Total United States	180,100	1,922,625
	TOTAL WARRANTS	$ 180,100	$ 1,922,625
	TOTAL UNAFFILIATED ISSUERS	$ 22,739,748	$ 23,794,333
	A RELATED PARTY (3.09%)		
	Hong Kong (3.09%)		
	Pharmaceutical and Biotechnology (3.09%)		
1,000,000	Aptorum Therapeutics Limited, (3.09%), (100% Owned)	$ 1,000,000	$ 757,647
		1,000,000	757,647
	Total Hong Kong	1,000,000	757,647
	TOTAL RELATED PARTY	$ 1,000,000	$ 757,647
	Total investments at fair value (100.25%*)	$ 23,739,748	$ 24,551,980

* Represents the ratio of total investments at fair value to net assets as of February 28, 2017.

See accompanying notes to the financial statements.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

1. THE COMPANY

Aptorum Group Limited (the "Company"), formally known as APTUS Holdings Limited and STRIKER ASIA OPPORTUNITIES FUND CORPORATION, is a company incorporated on September 13, 2010 under the laws of the Cayman Islands with limited liability.

Before March 1, 2017, the Company was incorporated as an exempted company with limited liability in the Cayman Islands, and operated as an open ended investment company which would own and oversee the management, operations and investments of its subsidiaries. The Company was managed by AENEAS CAPITAL LIMITED, formerly known as APTUS CAPITAL LIMITED or Guardian Capital Management Limited (the "Manager"), with its objective to generate long-term capital appreciation by acquiring, holding and/or investing in, by itself or through one or more of its subsidiaries or other investment vehicles, a wide range of investments, assets and/or rights, with a focus on the healthcare industry. Since March 1, 2017, the Company has operated as a holding company and the Manager entered into a new management agreement with the Company to manage certain investment and reinvestment.

SS&C Technologies, Inc. (formerly known as Wells Fargo Global Fund Services LLC before January 1, 2017) and DBS Bank Limited, Hong Kong Branch were appointed as the administrator (the "Administrator") and cash custodian (the "Cash Custodian") of the Company, respectively.

On April 21, 2015, the directors of the Company approved the Company's deregistration as a mutual fund from the Cayman Islands Monetary Authority ("CIMA") for the Company has less than 15 investors and so it intended to rely on the exemption from registration. The Company ceased operating as CIMA registered fund on October 8, 2015.

On February 21, 2017, written resolutions were passed by the sole director of the Company and on March 1, 2017, resolutions were passed by the sole holder of management shares in the Company according to which, the Company changed from an investment fund with management shares and non-voting participating redeemable preference shares to a holding company with operating subsidiaries (the "Restructure"). (See Note 4 and Note 15 for further discussion)

On March 1, 2017, a special resolution was passed by written resolution and the issue of the Certificate of Incorporation on Change of Name by the Cayman Islands Registrar of Companies changed the name of the Company from STRIKER ASIA OPPORTUNITIES FUND CORPORATION to APTUS Holdings Limited on March 3, 2017.

On October 13, 2017, a special resolution was passed at the extraordinary general meeting of the Company, and on October 19, 2017, the Cayman Islands Registrar of Companies issued the Certificate of Incorporation on Change of Name changing the name of the Company from APTUS Holdings Limited to Aptorum Group Limited.

2. INVESTMENT COMPANY STATUS

The Company did not register as an investment company under the Investment Company Act of 1940, as amended (the "1940 Act" or the "Investment Company Act"), in reliance on Section 3(c)(1). Section 3(c)(1) of the 1940 Act exempts from the 1940 Act's registration requirements privately placed investment funds whose securities are beneficially owned by not more than 100 persons and purchase their interests in a private placement. In addition, under certain current interpretations of the Securities and Exchange Commission ("SEC"), Section 7(d) of the 1940 Act exempts from registration any non-U.S. investment fund all of whose outstanding securities are beneficially owned either by non-U.S. residents or by U.S. residents that are qualified purchasers and purchase their interests in a private placement.

Management has determined that the Company met the assessment of an investment company under the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 946 and was an investment company under U.S. generally accepted accounting principles ("U.S. GAAP") for the purposes of financial reporting.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

3. PRIVATE PLACING MEMORANDUM

In January 2013, the Company issued a private placing memorandum (the "PPM") relating to the placing of up to 4,999,990 participating shares of US$0.01 each (the "Participating Shares"). Participating Shares may be issued on any dealing day at the subscription price (the "Subscription Price") and may be redeemed on any dealing day at the redemption price ("Redemption Price").

The Subscription Price or Redemption Price of each Participating Share of the relevant class for any relevant dealing day would, subject as provided below, be determined by:

(i) allocating the net asset value (the "NAV") of the Company to each class (if any) in proportion to the NAV for such classes immediately following the preceding valuation point;

(ii) deducting from the NAV of the class in question the fees, costs, expenses or other liabilities attributable to the relevant class not already deducted in ascertaining the NAV of the Company and adding to the NAV assets specifically attributable to the relevant class, in order to arrive at the actual NAV of the relevant class; and

(iii) dividing the NAV of the relevant class calculated in (ii) above as at the valuation point relating to that dealing day by the number of Participating Shares of the relevant class in issue.

The minimum subscription for each applicant was US$500,000 inclusive of any initial charge. The minimum addition to any holding was US$100,000 inclusive of any initial charge.

Income of the Company would not be distributed unless the directors of the Company otherwise determined. Retained income would be reflected in the value of Participating Shares. Dividends, if any, unclaimed for six years after the date of declaration would be forfeited and paid back to the Predecessor Company.

Other key terms of the private placing memorandum included:

The Manager might cause the Company to purchase, to the extent consistent with Rules 5130 and 5131 of Financial Industry Regulatory Authority ("FINRA") new issue rules, equity securities that were part of an initial public offering. In the event that the Manager decided, in its sole discretion, that the Company would invest in public offerings of securities that would be deemed "new issues" under Rules 5130 and 5131 of FINRA, the Manager reserved the right to restructure any existing class of Participating Shares into two classes.

The first class of Participating Shares of the Company would be a restricted class ("Restricted Participating Shares") which would be issued to restricted persons and would have no economic participation in new issues assets so that no profits or losses associated with new issues were allocated to such class of Participating Shares. The second class of Participating Shares of the Company would be an unrestricted class (the "Unrestricted Participating Shares") which would be issued to non-Restricted Persons (the "Unrestricted Persons") and would have full economic participation in new issues profits. The Company might, however, avail itself of a "de minimis" exemption pursuant to which a portion of any new issue profits and losses might be allocated to the Restricted Participating Shares and thus to restricted persons.

The Company might permit holders of Restricted Participating Shares who were eligible to own Unrestricted Participating Shares to convert their Restricted Participating Shares to Unrestricted Participating Shares based upon their relative net asset values at the time of conversion, and any such holder would be required to execute a statement regarding his eligibility to participate in "new issue" securities.

The private placement was terminated on March 1, 2017 by a special resolution passed at the directors' meeting.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The accompanying financial statements are prepared in accordance with U.S. GAAP. As discussed in Note 2, before March 1, 2017, the Company was an investment company under U.S. GAAP for the purposes of financial reporting. U.S. GAAP for an investment company requires investments to be recorded at estimated fair value and the unrealized gains and/or losses in an investment's fair value are recognized on a current basis in the statements of operations. In addition, the Company did not consolidate its subsidiaries, since they were operating companies and not investment companies. Such entities were fair valued in accordance with ASC Topic 946 ("ASC 946") and ASC Topic 820 ("ASC 820").

As of March 1, 2017, after the change of business purpose, legal form and substantive activities, the Company's status changed to an operating company from an investment company since it no longer met the criteria to qualify as an investment company under the ASC 946. The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other U.S. GAAP topics.

This change in status and the accounting policies affect the comparability of the financial statements. As such, for the year ended December 31, 2016 and for the period January 1, 2017 through February 28, 2017, the statements of net assets, statements of operations, statements of cash flows and statements of changes in net assets have been presented on the predecessor basis of accounting as an investment company, and on the basis of accounting as an operating company from March 1, 2017 through December 31, 2017. The consolidated balance sheet as of December 31, 2017 has been presented on the successor basis.

Use of estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations as well as income and expenses during the reporting period. Significant accounting estimates reflected in the Company's financial statements include investments at fair value. Actual results could differ from those estimates.

Valuation

All investments are recorded at their estimated fair value, as described in Note 5.

Cash

Cash consists of cash on hand and bank deposits and cash denominated in foreign currencies, which is unrestricted as to withdrawal and use. As of December 31, 2016 and February 28, 2017, the cash denominated in foreign currencies were $5,765 and $5,760 respectively.

Due from brokers

Due from brokers consist primarily of cash and cash equivalents, cash collateral and the amounts receivable or payable for securities that have not yet settled, with the Company's clearing broker. Cash at broker and deposits on transactions are restricted until these securities are purchased or until the transactions are settled or terminated. Cash balances held at the brokers, as well as securities owned by the Company serve as collateral for margin account debit balances existing at the brokers.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

Investments, at fair value

The Company's investments include common stock, preferred stock of listed, unlisted and private companies, corporate bonds and other equity securities, which are collectively presented as "Investments, at fair value" prior to the Restructure and recorded on a trade date basis. Investments in securities are initially measure at their transaction price, which include commissions and other charges that are part of the purchase transaction. The Company subsequently measures the investments at fair value through earnings. Realized gain and loss from security transactions are calculated on the specific identification basis, unless otherwise identifiable, and recorded in earnings on the date of sale. Unrealized gain and loss on these securities are included in the statements of operations.

Investment transaction, income and expense

Interest income and expense are recorded on the accrual basis. The Company amortizes premiums and accretes discounts as adjustments to interest income. Discounts and premiums on investments purchased are accreted and amortized to interest income over the lives of the respective investments. Discounts for high-yield debt securities and other debt securities are not amortized to the extent that interest income is not expected to be realized. Dividend income and expense are recorded on the ex-dividend dates, except certain dividends from foreign securities where the ex-dividend date may have passed. These dividends are recorded as soon as the Company is informed of the ex-dividend date. Dividend income on foreign securities is recorded net of any applicable withholding tax. Distributions that represent returns of capital in excess of cumulative profits and losses are credited to investment cost rather than investment income.

Foreign currency

The Company's functional currency is US dollars ("USD" or "$"), which is the currency of the primary environment in which it operates in Hong Kong. The Company's performance is evaluated in USD. The fees, charges and allocations are calculated in USD. All subscriptions and redemptions are transacted in USD.

All assets and liabilities denominated in foreign currencies are translated into USD amounts at the date of valuation. Purchases and sales of securities and income items denominated in foreign currencies are translated into USD amounts on the respective dates of such transactions. The Company does not separately account for that portion of the results of operations resulting from changes in foreign exchange rates on investments and the fluctuations arising from changes in market prices of securities held. Such fluctuations are included with the net realized and unrealized gains or losses on investments in the statements of operations. Adjustments arising from foreign currency transactions are reflected in the statements of operations.

Redemption payable

The Company recognizes redemptions as liabilities, net of the performance fees, when the amount requested in the redemption represents a fixed and determinable obligation. This may generally occur either at the time of the receipt of the notice, or on the last day of a fiscal period, depending on the nature of the request. Redemptions paid after the end of the year, but based upon year-end net asset balances are reflected as redemptions payable at December 31. Redemption notices received for which the dollar amount is not fixed results in net assets not being recognized as a liability until the dollar amount is determined.

Equalization payable

The net asset value of each share of share capital sold or repurchased comprises the par value of the shares, undistributed income, and paid-in and other surplus. When shares are sold or repurchased, the Company calculates the amount of undistributed income available for distribution to its shareholders and, based on the number of shares outstanding, determines the amount associated with each share. The per share amount determined to be associated with undistributed income is credited to the equalization account when shares are sold and charged to the equalization account when shares are repurchased which reduces the required distribution requirement.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

Income taxes

Under current legislation, the Company is not subject to direct taxation in the Cayman Islands and any income subject to tax has been satisfied through withholdings by such tax jurisdictions at prevailing treaty or standard withholding rates, accordingly, no provision for income taxes is reflected in the accompanying financial statements. Certain foreign securities held by the Company may be subject to foreign taxation on gains, dividends and interest income received. Foreign taxes due, if any, are recorded based on the tax laws in the applicable foreign jurisdictions and are shown net of foreign income taxes withheld. For all open tax years and for all major taxing jurisdictions, the Manager had concluded that the entity is exempt from income taxes (other than withholding taxes noted above) and there are no uncertain tax positions that would require recognition in the financial statements. If the Company were to incur an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. No interest expense or penalties have been recognized as of or for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017. However, the Manager's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors including but not limited to, questioning the timing and amount of deductions, the nexus of income among various tax jurisdictions, compliance with foreign income tax laws, and changes in administrative practices and precedents of the relevant taxing authorities. The Company is subject to income tax examinations by major taxing authorities for all tax years since its inception.

5. FAIR VALUE MEASUREMENTS

The Company follows a fair value hierarchy that distinguishes between market data obtained from independent sources (observable inputs) and the Company's own market assumptions (unobservable inputs). These inputs are used in determining the value of the Company's investments and are summarized in the following fair value hierarchy:

- Level 1 - Unadjusted quoted market prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

- Level 2 - Observable inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly. These inputs may include quoted prices for the identical instrument on an inactive market, prices for similar instruments, interest rates, prepayment speeds, credit risk, yield-curves, default rates, and similar data.

- Level 3 - Unobservable inputs for the asset or liability to the extent that relevant observable inputs are not available, representing the Company's own assumptions about the assumptions that a market participant would use in valuing the asset or liability, and that would be based on the best information available.

Investments for which market quotations are not readily available are fair valued as determined by the Manager. Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Fair value pricing may be used where: (i) an investment is illiquid (restricted securities); (ii) the market or exchange for an investment is closed on an ordinary trading day and no other market prices are available; (iii) the investment is so thinly traded that there have been no transactions in the security over an extended period; or (iv) the validity of a market quotation received is questionable. In addition, fair value pricing will be used if emergency or unusual situations have occurred, such as when trading of a security on an exchange is suspended; or when an event occurs after the close of the exchange on which the security is principally traded that is likely to have changed the value of the investment.

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

The use of valuation techniques and the availability of observable inputs can vary from investment to investment and is affected by a wide variety of factors and other characteristics particular to the transaction. As a general principle, the current fair value of an issue of investments being valued by the Manager would be the amount which the owner might reasonably expect to receive for them upon their current sale. The Manager may employ a market-based valuation approach which may use related or comparable investments, recent transactions, market multiples, book values, and other relevant information to determine fair value. The Manager may also use an income-based valuation approach in which anticipated future cash flows of the financial instrument are discounted to calculate fair value. Fair value methods used, which are in accordance with this principle may, for example, be based on (i) a multiple of earnings; (ii) a discount from market of a similar freely traded security (including a derivative security or a basket of securities traded on other markets, exchanges or among dealers); or (iii) yield to maturity with respect to debt issues, or a combination of these and other methods. Good faith pricing is permitted if, in the Manager's opinion, the validity of market quotations appears to be questionable based on factors such as evidence of a thin market in the security based on a small number of quotations, a significant event occurs after the close of a market but before a Company's net asset value ("NAV") calculation that may affect a security's value, or the Manager is aware of any other data that calls into question the reliability of market quotations. Good faith pricing may also be used in instances when the investments the Company invests in may default or otherwise cease to have market quotations readily available. Factors that may be considered when fair valuing an investment are: fundamental analytical data relating to the investment; evaluation of the forces that influence the market in which the investment is purchased and sold; type of investment or asset; financial statements of issuer; special reports prepared by analysts or the Manager; information as to any transactions or offers with respect to the security; and the historical tendency of the investment's price to track or respond to general and specific market movements (in terms of indices, sectors, or other market measurements), liquidity of markets, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined. Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed, and the differences could be material. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3.

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2016 and February 28, 2017:

December 31, 2016	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments in securities				
Aptorum Therapeutics - related party	$ -	$ -	$ 856,081	$ 856,081
Common stocks	2,113,791	4,577,992	7,920,000	14,611,783
Preferred stocks	-	-	4,314,998	4,314,998
Warrants	15,719	-	1,807,271	1,822,990
Convertible notes	-	-	3,062,461	3,062,461
Corporate bonds	-	314,160	-	314,160
Total assets at fair value	$ 2,129,510	$ 4,892,152	$ 17,960,811	$ 24,982,473

February 28, 2017	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investments in securities				
Aptorum Therapeutics - related party	$ -	$ -	$ 757,647	$ 757,647
Common stocks	1,424203	4,814,191	7,920,000	14,158,394
Preferred stocks	-	-	4,314,998	4,314,998
Warrants	15,155	-	1,907,470	1,922,625
Convertible notes	-	-	3,082,020	3,082,020
Corporate bonds	-	316,296	-	316,296
Total assets at fair value	$ 1,439,358	$ 5,130,487	$ 17,982,135	$ 24,551,980

APTORUM GROUP LIMITED
NOTES TO FINANCIAL STATEMENTS (PREDECESSOR BASIS)
(Stated in U.S. Dollars)

The following is a reconciliation of level 3 assets for the year ended December 31, 2016:

	Aptorum Therapeutics - related party	Common Stocks	Preferred Stocks	Warrants	Convertible Notes	Total
Balance at December 31, 2015	**$ -**	**$ 8,480,000**	**$ 5,049,979**	**$ 144,165**	**$ 1,628,274**	**$ 15,302,418**
Purchases	1,000,000	-	3,399,996	-	1,400,000	5,799,996
Reclassification between different investment type (a)	-	-	(81,406)	83,168	-	1,762
Transfer out of Level 3 (a) (b)	-	-	(4,318,594)	-	-	(4,318,594)
Change in unrealized (depreciation) appreciation	(143,919)	(560,000)	265,023	1,579,938	34,187	1,175,229
Balance at December 31, 2016	**$ 856,081**	**$ 7,920,000**	**$ 4,314,998**	**$ 1,807,271**	**$ 3,062,461**	**$ 17,960,811**
Net change in unrealized (depreciation) appreciation relating to investments still held at 31 December, 2016	(143,919)	(560,000)	265,023	1,579,938	34,187	1,175,229

The following is a reconciliation of level 3 assets for the period January 1, 2017 through February 28, 2017:

	Aptorum Therapeutics – related party	Common Stocks	Preferred Stocks	Warrants	Convertible Notes	Total
Balance at December 31, 2016	**$ 856,081**	**$ 7,920,000**	**$ 4,314,998**	**$ 1,807,271**	**$ 3,062,461**	**$ 17,960,811**
Change in unrealized (depreciation) appreciation	(98,434)	-	-	100,199	19,559	21,324
Balance at February 28, 2017	**$ 757,647**	**$ 7,920,000**	**$ 4,314,998**	**$ 1,907,470**	**$ 3,082,020**	**$ 17,982,135**
Net change in unrealized (depreciation) appreciation relating to investments still held at February 28, 2017	(98,434)	-	-	100,199	19,559	21,324

(a) Rezolute, Inc. was listed on the over-the-counter (“OTC”) market beginning in June 2016 and preferred stock with amount of $2,318,594 was transferred to common stock in Level 2 from Level 3 due to observable market data becoming available. Additionally, the Company received some warrants from the investee and the cost was allocated between common stock and warrants, in the amount of the warrants of $83,168 with dividend income being recognized of $1,762.

(b) Obalon Therapeutics was listed on the OTC market beginning in October 2016 and the Company transferred $2,000,000 of preferred stock in the healthcare industry into common stock in Level 2 from Level 3 due to the increased liquidity of the investments due to observable market data becoming available.

(c) The Company policy is to recognize transfers in and transfers out of each level as of the actual date of the event or change in circumstances that caused the transfer.

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Valuation techniques and inputs

A description of the valuation techniques applied to the Company's major classes of assets measured at fair value on a recurring basis follows.

Equity Securities

Equity securities including common stock, warrants and preferred securities, are generally valued by using market quotations, but may be valued on the basis of prices furnished by a pricing service when the Manager believes such prices more accurately reflect the fair value of such securities. Securities that are traded on any stock exchange are generally valued by the pricing service at the last quoted sale price. Lacking a last sale price, an exchange traded security is generally valued by the pricing service at its last bid price if held long and the last asked price if sold short Securities traded in the NASDAQ Over-the-Counter and Hong Kong Exchanges and Clearing (the "HKEx") market are generally valued by the pricing service at the NASDAQ and HKEx official closing price. When using the market quotations or close prices provided by the pricing service and when the market is considered active, the security will be classified as a Level 1 security. Sometimes, an equity security owned by the Company will be valued by the pricing service with factors other than market quotations or when the market is considered inactive or valued by reference to similar instruments. When this happens, the security will be classified as a Level 2 security. When market quotations are not readily available, when the Manager determines that the market quotation or the price provided by the pricing service does not accurately reflect the current fair value, or when certain restricted or illiquid securities are being valued, such securities are valued as determined in good faith by the Manager. These securities will be categorized as Level 3 securities. The Manager has used inputs such as the financial condition of underlying issuers, anticipated restructuring settlements, and expected liquidation proceeds in determining the fair value of such Level 3 securities.

Unlisted or listed securities for which closing sales prices or closing quotations are not available are valued at the mean between the latest available bid and asked prices or, in the case of preferred equity securities that are not listed or traded in the OTC market, by a third-party pricing service that will use various techniques that consider factors including, but not limited to, prices or yields of securities with similar characteristics, benchmark yields, broker/dealer quotes, quotes of underlying common stock, issuer spreads, as well as industry and economic events.

At each period end, the Company observed the active market price without adjustment to determine the fair value for the equity securities classified as Level 1 securities. The listed securities without sufficient trading volume (less active markets) were classified as Level 2 securities using quoted prices without adjustment to determine the fair value. For the equity securities without market quotations not readily available on if the market was not considered active, the Company measured them using either the recent transaction price or the quoted market price if determined to be representative of fair value.

Fixed Income Securities

Fixed income securities such as convertible notes, when valued using market quotations in an active market, will be categorized as Level 1 securities. However, they may be valued on the basis of prices furnished by a pricing service when the Manager believes such prices more accurately reflect the fair value of such securities. A pricing service utilizes electronic data processing techniques based on yield spreads relating to securities with similar characteristics to determine prices for normal institutional-size trading units of debt securities without regard to sale or bid prices. These securities will generally be categorized as Level 2 securities. If the Manager decides that a price provided by the pricing service does not accurately reflect the fair value of the securities, when prices are not readily available from a pricing service, or when certain restricted or illiquid securities are being valued, securities are valued at fair value as determined in good faith by the Manager, in conformity with guidelines adopted by and subject to review of the board of directors. These securities will be categorized as Level 3 securities. The Manager has used inputs such as evaluated broker quotes in inactive markets, actual trade prices in relatively inactive markets, multiples of earnings, yields on similar securities, and expected liquidation proceeds in determining the fair value of such Level 3 securities.

The convertible notes were valued based on the unadjusted principal amount with interest as fair value.

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Foreign Securities and Currencies

Foreign securities and currencies are valued in U.S. dollars, based on foreign currency exchange rate quotations supplied by a third-party pricing service. The pricing service uses a proprietary model to determine the exchange rate. Inputs to the model include reported trades and implied bid/ask spreads. The daily valuation of exchange-traded foreign securities generally is determined as of the close of trading on the principal exchange on which such securities trade. Events occurring after the close of trading on foreign exchanges may result in adjustments to the valuation of foreign securities to more accurately reflect their fair value as of the close of regular trading on the New York Stock Exchange. When valuing foreign equity securities that meet certain criteria, the Manager has approved the use of a fair value service that values such securities to reflect market trading that occurs after the close of the applicable foreign markets of comparable securities or other instruments that have a strong correlation to the fair-valued securities.

Corporate Bonds

The fair value of corporate bonds is estimated using recently executed transactions in securities if the issuer or comparable issuers, market price quotations (where observable), bond spreads, fundamental data relating to the issuer or credit default swap spreads. The spread data used is for the same maturity as the bond. If the spread data does not reference the issuer, then data that references a comparable issuer is used. When observable price quotations are not available, fair value is determined based on cash flow models with yield curves, bond or single name credit default swap spreads and recovery rates based on collateral values as key inputs. Corporate bonds are generally categorized in Levels 1 or 2 of the fair value hierarchy. In instances where significant inputs are unobservable, they are categorized in Level 3 of the hierarchy.

Derivative Instruments

The Company records its derivative activities at fair value. Unrealized gains and losses from derivative contracts are included in net change in unrealized appreciation and depreciation on investments in the statements of operations. The Company considers the effects of credit risk and counterparty risk when determining the fair value of its derivatives.

Warrants

Warrants which are listed on securities exchanges are valued at their last reported sales price as of the valuation date. The fair value of warrants are valued using the Black-Scholes option pricing model. This model takes into account the contract terms (including as well as inputs, including time value, volatility ranging from 123% to 131% and from 125% to 134% as of December 31, 2016 and February 28, 2017, respectively, equity prices, interest rates and currency rates). Warrants are generally categorized in Levels 2 or 3 of the fair value hierarchy.

Investments in Private Operating Companies

The Company’s investments in private operating companies consist of direct private common and preferred stock (together or individually “equity”) investments. The transaction price, excluding transaction costs, is typically the Company’s best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment’s principal market under current market conditions. Ongoing reviews by the Company’s management are based on an assessment of each underlying investment from the inception date through the most recent valuation date. These assessments typically incorporate valuation techniques that consider the evaluation of financing and sale transactions with third parties, an income approach reflecting a discounted cash flow analysis using an appropriate risk-adjusted discount rate, and a market approach that includes comparative analysis of acquisition multiples and pricing multiples generated by market participants. In certain instances, the Company may use multiple valuation techniques for a particular investment and estimate its fair value based on a weighted average or a selected outcome within a range of multiple valuation results.

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The Company also may use the guideline company method of the market approach which involves selecting companies that are similar in size, operating strategy, market position and/or geographic location to the target company. Inputs relied upon by the income approach include annual projected cash flows for each investment through their respective investment horizons. The cash flow assumption may be probability-weighted to reflect the risks associated with achieving expected performance levels across various business scenarios. Investments valued using a market approach utilized valuation multiples times the annual earnings before interest, taxes, depreciation and amortization ("EBITDA"), or another performance metric such as net earnings or revenues. The selected valuation multiples were estimated through comparative analysis of the performance and characteristics of each investment within a range of comparable companies or transactions in the observable marketplace.

Investments in private operating companies also consist of direct private debt investments. The transaction price, excluding transaction costs, is typically the Company's best estimate of fair value at inception. When evidence supports a change to the carrying value from the transaction price, adjustments are made to reflect expected exit values in the investment's principal market under current market conditions. Ongoing reviews by management are based on an assessment of each underlying investment from the inception date through the most recent valuation date. These assessments typically incorporate valuation techniques that consider trends in the performance and credit profile of each underlying investment, evaluation of arm's length financing, an income approach based upon a discounted cash flow analysis and sales transactions with third parties. Inputs relied upon by debt investments using the income approach include an understanding of the underlying company's compliance with debt covenants, the operating performance of the underlying company, trends in liquidity and financial leverage ratios of the underlying company from the point of the original investment to the stated valuation date, an assessment of the credit profile of the underlying company from the original investment to the stated valuation date, as well as an assessment of the underlying company's business enterprise value, liquidation value and debt repayment capacity of each subject debt investment. In addition, inputs include an assessment of potential yield adjustments for each debt investment based upon trends in the credit profile of the underlying company and trends in the interest rate environment from the date of the original investment to the stated valuation date.

These investments in private operating companies are generally included in Level 3 of the fair value hierarchy.

Restricted Securities (Public Companies)

Investments in restricted securities of public companies cannot be offered for sale to the public until the Company complies with certain statutory requirements. The valuation of the securities by management takes into consideration the type and duration of the restriction, but in no event does the valuation exceed the listed price on a national securities exchange or the NASDAQ national market. The Company may apply liquidity discounts to similar publicly traded securities which consider the respective financial performance of the public companies and expected holding period for the restrictions. Investments in restricted securities of public companies are generally included in Level 2 of the fair value hierarchy. However, to the extent that significant inputs used to determine liquidity discounts are not observable, investments in restricted securities in public companies may be included in Level 3 of the fair value hierarchy.

Restricted Securities (Equity and Debt - nonpublic companies)

Restricted securities for which quotations are not readily available are valued at fair value as determined by the Manager. Restricted securities issued by nonpublic entities may be valued by reference to comparable public entities and/or fundamental data relating to the issuer which considers the respective financial performance and expected holding period for the restrictions. Depending on the relative significance of valuation inputs, these instruments may be classified in either Level 2 or Level 3 of the fair value hierarchy.

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Fair Value – Valuation Processes

An Executive Director of the Manager ("ED of the Manager"), reports to the Manager's other directors on a quarterly basis. In the event that a financial instrument cannot be valued based upon a price from a national securities exchange, pricing service provider or broker quotation, or such prices are deemed to not reflect current market value, ED of the Manager may value the financial instrument in good faith under the policies and procedures approved by other board of directors based on current facts and circumstances. Determination of this value may include significant unobservable inputs and therefore would be reflected as Level 3 of the fair value hierarchy.

ED of the Manager reviews and discusses with other professionals the appropriateness of such fair values using more current information such as, recent security news, recent market transactions, updated corporate action information and/or other macro or security specific events. ED of the Manager is responsible for developing the Manager's written valuation processes and procedures, conducting periodic reviews of the valuation policies, and evaluating the overall fairness and consistent application of the valuation policies as well as ensuring that the valuation methodologies for investments that are categorized within Level 3 of the fair value hierarchy are fair, consistent, and verifiable. Valuations determined by the Manager are required to be supported by market data, third-party pricing sources, industry accepted third-party pricing models, counterparty prices, or other methods ED of the Manager deems to be appropriate, including the use of internal proprietary pricing models. When determining the reliability of third-party pricing information for investments owned by the Manager, ED of the Manager, among other things, conducts due diligence reviews of pricing vendors, monitors the daily change in prices and reviews transactions among market participants.

The following table presents the quantitative information about the Company's Level 3 fair value measurements of investment as of December 31, 2016, which utilized significant unobservable internally-developed inputs:

	Fair value $	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity of fair value to input
Common stocks	$ 7,920,000	Unadjusted transaction price	Not applicable	Not applicable	Not applicable
Preferred stocks	4,314,998	Unadjusted transaction price	Not applicable	Not applicable	Not applicable
Convertible notes	3,062,461	Discounted cash flow model	Remaining maturities discount rates	7-29 months (11 months) 4% - 10% (4%)	Not applicable
Aptorum Therapeutics – related party	856,081	Manager recommendation	Unadjusted purchase price of prepaid patented and prepaid unpatented license agreements plus net working capital	Not applicable	Not applicable
Warrants	1,807,271	Black-Scholes Model	Estimated time to exit Historical Volatility	4-66 months 123% - 131%	10% increase (decrease) in volatility would result in increase (decrease) in fair value by US$109,351
Total	$ 17,960,811				

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The following table presents the quantitative information about the Company's Level 3 fair value measurements of investment as of February 28, 2017, which utilized significant unobservable internally-developed inputs:

	Fair value $	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity of fair value to input
Common stocks	$ 7,920,000	Unadjusted transaction price	Not applicable	Not applicable	Not applicable
Preferred stocks	4,314,998	Unadjusted transaction price	Not applicable	Not applicable	Not applicable
Convertible notes	3,082,020	Discounted cash flow model	Remaining maturities discount rate	5-27 months (9 months) 4% - 10% (4%)	Not applicable
Aptorum Therapeutics – related party	757,647	Manager recommendation	Unadjusted purchase price of prepaid patented and prepaid unpatented license agreements plus net working capital	Not applicable	Not applicable
Warrants	1,907,470	Black-Scholes Model	Estimated time to exit Historical Volatility	2-64 months 125% - 134%	10% increase (decrease) in volatility would result in increase (decrease) in fair value by US$116,211
Total	$ 17,982,135				

The significant unobservable inputs used in the fair value measurement of the entity's asset-backed securities are the probability of default and loss severity in the event of default. Significant increases or decreases in either of those inputs in isolation would result in a significantly lower or higher fair value measurement. Generally, a change in the assumption used for the probability of default is accompanied by a directionally similar change in the assumption used for the loss severity and a directionally opposite change in the assumption used for prepayment rates.

In the normal course of business, the Company utilizes derivative financial instruments in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. In addition to its primary underlying risks, the Company is also subject to additional counterparty risk should its counterparties fail to meet the terms of their contracts. The Company records its derivative activities at fair value. Derivative contracts include warrants.

Derivative contracts

In the normal course of business, the Company utilizes derivative contracts in connection with its proprietary trading activities. Investments in derivative contracts are subject to additional risks that can result in a loss of all or part of an investment. The Company's derivative activities and exposure to derivative contracts are classified by the following primary underlying risk: equity price. In addition to its primary underlying risk, the Company is also subject to additional counterparty risk due to inability of its counterparties to meet the terms of their contacts. As of December 31, 2016 and February 28, 2017, the Company's financial instruments and derivative instruments are not subject to a master netting arrangement.

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Warrants

The Company may receive warrants in the normal course of pursuing its investment objectives or warrants from its portfolio companies upon an investment in the debt or equity of a portfolio company. Warrants provide the Company with exposure and potential gains upon equity appreciation of the portfolio company's share price. The value of a warrant has two components—time value and intrinsic value. A warrant has a limited life and expires on a certain date.

As of December 31, 2016 and February 28, 2017, the volume of the Company's derivative activities based on their notional amount and number of contracts, categorized by primary underlying risk, are as follows:

	Long Exposure			
	December 31, 2016		February 28, 2017	
Primary underlying risk	Notional Amounts	Number of Contracts	Notional Amounts	Number of Contracts
Equity Price				
Warrants (a)(b)	$ 2,373,680	2,418,898	$ 2,459,632	2,418,898

(a) Outstanding contracts and notional amounts at year-end are indicative of the volume of activity during the period.
(b) Notional options and warrants are based on the number of contracts times the fair value of the underlying investments as if exercised at December 31, 2016 and February 28, 2017.

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2016 and February 28, 2017. The following table also identifies the net gain and loss amounts included in the statements of operations as net unrealized gain from derivative contracts, categorized by primary underlying risk, for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017:

	Year ended December 31, 2016			
Primary underlying risk	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain
Equity Price				
Warrants	$ 1,822,990	$ -	$ -	$ 1,436,859

	January 1, 2017 through February 28, 2017			
Primary underlying risk	Derivative assets	Derivative liabilities	Realized gain (loss)	Unrealized gain
Equity Price				
Warrants	$ 1,922,625	$ -	$ -	$ 99,635

The significant accounting policies related to recording of derivatives and related gains, by primary underlying risks, have been summarized in Note 9.

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6. INVESTMENTS IN APTORUM THERAPEUTICS - RELATED PARTY

During the year ended December 31, 2016, the Company purchased an investment in a related party for $1,000,000 and the value of each unconsolidated direct and indirect wholly and majority owned subsidiary, on a predecessor basis, in the aggregate is presented as such in the schedule of investments as of December 31, 2016 and February 28, 2017.

The fair value of subsidiaries as of the effective date of the change in status on March 1, 2017 was $757,647 (see Note 5).

7. FUND TERMS AND RELATED PARTY TRANSACTIONS

The Company is managed by the Manager, a company incorporated in Hong Kong. The Manager is responsible, subject to the policies, controls and approval of the board of directors, for the investment of the Company's assets. As at December 31, 2016 and February 28, 2017, the Manager held ten management shares of the Company. Details of the fees to which the Manager is entitled are set out below.

Management fees

The Manager is entitled to receive a management fee at an annual rate of 2.5% on NAV of the Company, which is calculated and payable monthly in arrears. The management fees for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017 was $641,807 and $108,958, respectively. As of December 31, 2016 and February 28, 2017, management fees of $167,788 and $108,958, respectively, were payable to the Manager.

Performance fees

The Manager is also entitled to receive an annual performance fees of 15% of the appreciation in the NAV per share during the period above the "high water mark" of the share, which is payable annually in arrears. The performance fees are paid on a "high water mark" basis, that is, only to the extent that the increase in NAV of the shares (before deduction of any accrued performance fees) exceeds the highest cumulative level of such increase in NAV of such shares as of the most recent financial period end valuation date. The performance fees for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017 was $nil. Accordingly, as of December 31, 2016 and February 28, 2017, performance fees of $nil were payable to the Manager, respectively.

Director transaction

Chung Yuen Ian Huen, a director of the Company, is also a Managing Director and Senior Economist of the Manager. No director fee was paid to him the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017. As of December 31, 2016 and February 28, 2017, Mr. Huen holds a direct interest in 223,113.149 and 223,075.963 redeemable participating shares of the Company, respectively.

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8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES

	December 31, 2016	February 28, 2017
Authorized:		
10 management shares of US$0.01 each	$ 0.10	$ 0.10
4,999,990 redeemable participating shares of US$0.01 each	49,999.90	49,999.90
	$ 50,000.00	$ 50,000.00
Issued and fully paid:		
10 management shares of US$0.01 each as of December 31, 2016 and February 28, 2017	$ 0.10	$ 0.10
256,664.088 and 256,571.123 redeemable participating shares of US$0.01 each as of December 31, 2016 and February 28, 2017	2,566.64	2,565.71
	$ 2,566.74	$ 2,565.81

As at December 31, 2016 and February 28, 2017, ten management shares have been issued to the Manager. The management shares are issued for the purpose of enabling all the redeemable participating shares to be redeemed without liquidating the Company. The management shares carry the right to return the nominal amount paid up thereon the winding up of the Company. The management shares carry no right to any dividend and may not be redeemed.

Redeemable participating shares of such class or classes as the directors may from time to time designate may be issued by the Company on any dealing day, i.e., the first business day of each calendar month at NAV per share calculated in accordance with the PPM. The shareholder may request such redemption three months prior to the relevant dealing date. Applications must be received together with application moneys in cleared funds on the business day immediately preceding the relevant dealing date.

If redeemable participating shares are issued at a time when the NAV per redeemable participating share of the relevant class is less than the peak NAV per redeemable participating share, the investor will be required to pay performance fees with respect to any subsequent appreciation in the value of those redeemable participating shares.

However, if redeemable participating shares are issued at a time when the NAV per redeemable participating share of the relevant class is greater than the peak NAV per share, the shareholder will be required to pay an additional equalization credit equal to 15 percent of the difference between the then current NAV per redeemable participating share, before deduction of any accrued performance fees, and the peak NAV per share.

Redeemable participating shares do not carry the right to vote, except in the event of a proposal that would vary the rights of the redeemable participating shares. The holders are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the NAV per share of the Company.

The movement of the number of issued and fully paid redeemable participating shares was as below:

	Year ended December 31, 2016	January 1, 2017 through February 28, 2017
At beginning of the period	228,244	256,664
Issued during the period	28,420	-
Equalization debit	-	(93)
At end of the period	256,664	256,571

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The movement of NAV of issued and fully paid redeemable participating shares was as below:

	Year ended December 31, 2016	January 1, 2017 through February 28, 2017
Beginning net assets	$ 24,358,924	$ 25,114,746
Net decrease in net assets resulting from operations	(2,134,515)	(626,084)
Amounts issued	2,900,000	-
Returns of capital	-	(9,663)
Equalization (debit) credit	(9,663)	9,663
Ending net assets	$ 25,114,746	$ 24,488,662

During the year ended December 31, 2016, 28,420 redeemable participating shares were issued to seven holders at a price of net asset value from $101 to $107 per share, the Company has received gross proceeds of $2,525,000 and $375,000 in year 2016 and 2015, respectively. Redeemable participating shares do not carry the right to vote, except in the event of a proposal that would vary the rights of the redeemable participating shares. The holders are entitled to receive all dividends declared and paid by the Company. Upon winding up, the holders are entitled to a return of capital based on the net asset value per share of the Company.

On February 28, 2017, the Company entered into a restructuring plan with shareholders (the “Restructuring Plan”), according to which, the Company changed from an investment fund with management shares and non-voting participating redeemable preference shares to a holding company with operating subsidiaries. (See Note 4 for further discussion regarding the change in status)

9. PRINCIPAL RISKS

INTRODUCTION

Risk is inherent in the Company’s activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Company’s continuing profitability. The Company is exposed to market risk (which includes interest rate risk, currency risk and price risk), liquidity risk and credit risk arising from the financial instruments it holds.

The board of directors is ultimately responsible for identifying and controlling risks.

The Company’s risks are measured using a method which reflects both the expected loss likely to arise in normal circumstances and also unexpected losses, which are an estimate of the ultimate actual loss based on statistical models. The model makes use of the probabilities derived from historical experience, adjusted to reflect the economic environment. Management believes that these estimates are reasonable and prudent. Actual results could differ from their estimates and the difference could be material.

Monitoring and controlling risks is primarily performed based on limits established by the Company. These limits reflect the business strategy and market environment of the Company as well as the level of the risk that Company is willing to accept. In addition, the Company monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

The Company has investment guidelines that set out its overall business strategies, its tolerance for risk along with its general risk management philosophy and have established processes to monitor and control economic hedging transactions in a timely and accurate manner. The Company uses derivatives and other instruments for trading purposes and also in connection with its risk management activities.

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Concentration arises when a number of counterparties are engaged in similar business activities, activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location.

In order to avoid excessive concentration of risk, the Company's policies and procedures include specific guidelines that require focusing on maintaining a diversified portfolio.

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables such as interest rate, foreign exchange rates and equity prices.

The maximum risk resulting from financial instruments equals their fair value.

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk sensitivity analysis

The Company invests in debt securities particularly in corporate bonds mostly concentrated in the financial industry, of which their market value changes subject to fluctuations in the prevailing levels of market interest rates. An increase of 100 basis points in interest rates as at the end of reporting period would have decreased the net assets attributable to holders of redeemable participating shares by $8,564 and $8,293 as of December 31, 2016 and February 28, 2017, respectively. A decrease in 100 basis points would have had an equal but opposite effect.

Apart from the exposure resulted from the aforementioned debt securities holdings at the end of reporting period, the Company's cash held with the Cash Custodian and Credit Suisse AG, Hong Kong Branch ("Credit Suisse," the "Custodian" or the "Prime Broker") are exposed to interest rate risk. However, the directors consider the risk to be minimal as they are short-term with terms less than one month.

(b) Currency risk

Currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates.

The Company is exposed to foreign currency risk from its investments which are denominated in currencies other than US$. Consequently, the exchange rate to its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Company's assets or liabilities denominated in currencies other than US$.

The Company's currency exposure is measured and monitored on a regular basis by the Manager.

Currency risk sensitivity analysis

At December 31, 2016 and February 28, 2017, the Company has no significant foreign currency risk because its business is principally conducted in Hong Kong and most of the transactions are denominated in Hong Kong dollar. Since the Hong Kong dollar is pegged to the United States dollar, the Company's exposure to foreign currency risk in respect of the balances denominated in Hong Kong dollars is considered to be minimal.

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(c) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair values of equities or equity-linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. The Company has been exposed to price risk on all of its equities investments and equities-linked derivatives.

Management's best estimate of the effect on net assets and profit due to a reasonably possible change of relevant benchmarks, with all other variables held constant is as follows. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

LIQUIDITY RISK

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Company is exposed to cash redemptions of its redeemable participating shares on a regular basis. Shares are redeemable at the holder's option based on the Company's NAV per share at the time of redemption calculated and are subject to redemption terms in accordance with the Company's PPM as disclosed in note 8 to the financial statements. This is managed by requiring a three-month notice period before redemption.

The Company invests in private equities which are generally unquoted and not readily marketable. The Company manages its liquidity risk by setting investment limits on unlisted securities that cannot be readily disposed of. Investment of the Company's assets in unquoted securities may restrict the ability of the Company to dispose of its investment at a price and time it wishes to do so. The Company is restricted to invest not more than 30 percent of its latest available NAV in unquoted securities provided that it may hold any of such securities which the Manager expects to be listed within 12 months from the end of reporting period. The majority investors agreed to waive the restriction.

CREDIT RISK

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment (including the payment of amounts arising from derivative contracts) in full when due, that the issuer or counterparty have entered into with the Company.

Financial assets which potentially subject the Company to concentrations of credit risk consist principally of bank deposits and balances, assets held with the Custodian/Prime Broker, derivatives where the brokers are the counterparty and the Company's debt securities investments.

The Custodian/Prime Broker provides the clearing and depository operations for the Company's security transactions. The Custodian/Prime Broker also provides loans and financing to the Company and assets held by the Custodian/Prime Broker will be charged as a continuing security for the payment and discharge of all liabilities of the Company.

The Company is also exposed to credit risk on the cash held with the Custodian/Prime Broker amounting to $140,760 and $9,655 as of December 31, 2016 and February 28, 2017. The credit rating ascribed by Standard and Poor's to Credit Suisse as of December 31, 2016 and February 28, 2017 was A, respectively.

Furthermore, the Company takes on exposure to credit risk on cash balances held with DBS Bank Ltd, Hong Kong Branch for the purposes of subscriptions and redemptions into/out of the Company or for the purposes of payments of Company expenses such as management fee, administration fee and other Company-related fees.

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All transactions in listed securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Company limits its exposure to credit risk by transacting all of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Company considers to be well established.

The Company is also exposed to credit risk on its investment in debt securities. The Manager monitors the credit risk of each individual debt securities and its issuer by monitoring their credit quality and financial position.

CONCENTRATION RISK

The table below analyses the Company's concentration of equity price risk by distribution:

	December 31, 2016	February 28, 2017
Country and Region		
United States of America	$ 23,604,329	$ 23,259,579
Hong Kong	1,063,984	976,105
Mainland China	314,160	316,296
Total	$ 24,982,473	$ 24,551,980
Industry		
Pharmaceutical and biotechnology	$ 21,856,085	$ 21,339,387
Healthcare	2,604,325	2,677,839
Financial services	207,903	218,458
Bank	314,160	316,296
Total	$ 24,982,473	$ 24,551,980

INVESTMENTS IN DERIVATIVES RISK

Warrants

Since warrants have a limited life, as the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Company to lose its entire investment in a warrant. The Company is exposed to counterparty risk from the potential failure of an issuer to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Company is the fair value of the contracts and the purchase price of the warrants.

10. LINE OF CREDIT

The Company entered into a line of credit agreement with its Custodian on February 24, 2014, subsequently renewed on November 22, 2016 for investment leverage and hedging purposes and cancelled on August 22, 2017.

The line of credit included sub-limits on fixed advances and overdraft advances with annual interest rate of 1.5% and 2.0%, respectively; and interest on which would be charged at a spread above the cost of funds and/or the overdraft rate for the relevant currency as determined by Credit Suisse.

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The line of credit had the following termination events: (a) any breach the clause in the line of credit agreement; (b) any breach of the Company or its affiliates in respect of and including but not limited to the constitutive documents, the memorandum and article of association, then management agreement and disclosure documents and any prospectus, subscription agreement, custody agreement, agency agreement or any other document or agreement to which it was a party or was binding on it as amended from time to time or any other related agreement; (c) any change of Ian Huen as the director of the Company without the prior written consent of Credit Suisse; (d) Guardian Capital Management Limited ceased to act as the Manager without the prior written consent of Credit Suisse; (e) Ian Huen ceased to be the director of the Manager without the prior written consent of Credit Suisse; (f) the Manager ceased to hold all of the management shares of the Company; (g) the Company was not owned as to 90% or more, directly or indirectly by Ian Huen, and Huen Ng Sui Fong, Isabel (each a "Specified Owner") or if the Company was owned more than 10% by any person singly other than a Specified Owner; (h) the custody agreement was terminated or Credit Suisse ceased to be the sole custodian in respect of the Company's listed securities; (i) the NAV of the Company declined by 30% or more within a 12 months rolling period; or by 20% or more within a three months rolling period; or by 15% or more for the most recent month end; (j) any listing of the Company or its affiliates at a stock change; (k) creation of one or more new class of shares which had the result that less than 100% of the assets of the Company were available to Credit Suisse to satisfy the Company's obligation towards Credit Suisse without the prior written consent of Credit Suisse; (l) an event had occurred or a situation new to the Bank had arisen which might have an impact on Credit Suisse's reputation and made it impossible for Credit Suisse to continue the grant of the facilities; (m) material reservations of the auditors (if any) of the Company; (n) in Credit Suisse's opinion, a material change in the direct or indirect ownership/control structure of the Company had occurred; and (o) any default or event of default, or failure to comply with any payment obligation occurred under any document executed pursuant to any credit or trading facilities extended by Credit Suisse, any of its branches or its affiliates to the Company or any one of the Company's affiliates.

Borrowings of $2,086,702 have been repaid by the Company during the year ended December 31, 2016. The Company was in compliance with all covenants. The Company had unused line of credit of $10,000,000 as of December 31, 2016.

11. GUARANTEES

In the normal course of its operations, the Company enters into contracts and agreements that contain indemnifications and warranties. The Company's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, the Company has not had prior claims or losses pursuant to these contracts and expects the risk of loss to be remote.

12. FINANCIAL HIGHLIGHTS

Financial highlights for the year ended December 31, 2016 and the period January 1, 2017 through February 28, 2017 are as follows:

	Year ended December 31, 2016	January 1, 2017 through February 28, 2017
Per Share Operating Performance:		
Net Asset Value - Beginning	**$ 106.72**	**$ 97.85**
Decrease in net assets resulting from operations:		
Net investment loss	(3.30)	(0.85)
Net realized and unrealized loss on investments	(5.57)	(1.55)
Net Asset Value - Ending	**$ 97.85**	**$ 95.45**
Total Return:		
Total return before performance fees	(8.31%)	(2.45%)
Performance fees	-	-
Total Return After Performance Fees	(8.31%)	(2.45%)
Ratio to Average Net Assets:		
Operating expenses (including interest)	3.55%	0.92%
Performance fees	-	-
Total Expenses	**3.55%**	**0.92%**
Net Investment Loss, Before Performance Fees	**(3.20%)**	**(0.90%)**

Financial highlights are calculated for each permanent, non-managing class of participating shares. An individual shareholder's end of year NAV per share, total return and ratios may vary based on participation in different management fee and performance fees arrangements and the timing of shareholder transactions. The ratios are computed using a weighted-average of the net assets for the year ended December 31, 2016 and for the period January 1, 2017 through February 28, 2017, respectively. Due to the change in status from an investment company to an operating company (see Note 4) the ratios for the period from January 1, 2017 through February 28, 2017 was not annualized. The net investment loss ratio does not reflect the effects of performance fees.

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13. ORGANIZATION

The consolidated financial statements include the financial statements the Company and its subsidiaries. The Company and its subsidiaries are hereinafter collectively referred to as the "Group".

After the Restructure as on March 1, 2017 (see Note 1 and 2), the Company has become a Hong Kong based pharmaceutical company currently in the preclinical stage. The Company researches and develops life science and biopharmaceutical products within its wholly-owned subsidiary, Aptorum Therapeutics Limited, formerly known as APTUS Therapeutics Limited ("Aptorum Therapeutics") and its indirect subsidiary companies (collectively, "Aptorum Therapeutics Group").

Below summarizes the list of the subsidiaries consolidated as of December 31, 2017:

Name	Incorporation date	Ownership	Place of incorporation	Principle activities
Aptorum Therapeutics Limited	June 30, 2016	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
APTUS MANAGEMENT LIMITED	May 16, 2017	100%	Hong Kong	Provision of management services to its holding company and fellow subsidiaries
Aptus Therapeutics (Hong Kong) Limited	June 30, 2016	100%	Hong Kong	Research and development of life science and biopharmaceutical products
APTUS BIOTECHNOLOGY (MACAO) LIMITED	June 6, 2016	99%	Macao	Inactive
Videns Incorporation Limited (Formally named Videns Biosciences Limited and VIDENS CORPORATION)	March 2, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
mTOR (Hong Kong) Limited	November 4, 2016	90%	Hong Kong	Research and development of life science and biopharmaceutical products
Videns Incorporation (Hong Kong) Limited	July 3, 2017	100%	Hong Kong	Inactive
Nativus Life Sciences Limited	July 7, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
Scipio Life Sciences Limited	July 19, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
Claves Life Sciences Limited	August 2, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
Nativus Life Sciences (Hong Kong) Limited	August 8, 2017	100%	Hong Kong	Inactive

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Name	Incorporation date	Ownership	Place of incorporation	Principle activities
Scipio Life Sciences (Hong Kong) Limited	August 10, 2017	100%	Hong Kong	Inactive
Signate Life Sciences (Hong Kong) Limited	August 10, 2017	100%	Hong Kong	Inactive
Claves Life Sciences (Hong Kong) Limited	August 22, 2017	100%	Hong Kong	Inactive
Aptorum Pharmaceutical Development Limited	August 28, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
Aptorum Medical Limited	August 28, 2017	100%	Cayman Islands	Provision of medical clinic services
Signate Life Sciences Limited	August 28, 2017	100%	Cayman Islands	Research and development of life science and biopharmaceutical products
Acticule Life Sciences Limited	June 30, 2017	100%*	Cayman Islands	Research and development of life science and biopharmaceutical products
Acticule Life Sciences (Hong Kong) Limited	July 27, 2017	100%	Hong Kong	Inactive

* The total shares of Acticule Life Sciences Limited is 1,000,001, which the Company held 1,000,000 shares, approximately 100% equity interest of Acticule Life Sciences Limited.

14. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated financial statements are prepared in accordance with U.S. GAAP.

As of March 1, 2017, after the change of business purpose, legal form and substantive activities, the Company's status changed to an operating company from an investment company since it no longer met the criteria to qualify as an investment company under the ASC 946. The Company discontinued applying the guidance in ASC 946 and began to account for the change in status prospectively by accounting for its investments in accordance with other U.S. GAAP topics.

Principles of consolidation

The consolidated financial statements of the Group are presented on the accrual basis of accounting in accordance with U.S. GAAP and include the accounts of the Company, its direct and indirect wholly and majority owned subsidiaries and a variable interest entity. All material intercompany balances and transactions have been eliminated in preparation of the consolidated financial statements. Non-controlling interests represent the equity interest that is not owned by the Group.

Use of estimates

The preparation of the consolidated financial statements on successor basis in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increases and decreases in net assets from operations as well as income and expenses during the reporting period. Significant accounting estimates reflected in the Group's consolidated financial statements include fair value of investments in securities, the useful lives of intangible assets and equipment, impairment of long-lived assets, collectability of receivables. Actual results could differ from those estimates.

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Foreign currency translation and transaction

USD is the reporting currency. The functional currency of subsidiaries in the Cayman Islands is USD, the functional currency of subsidiaries in Hong Kong is Hong Kong Dollars ("HKD") and the functional currency of subsidiaries in Macao is Macanese Pataca ("MOP"). An entity's functional currency is the currency of the primary economic environment in which it operates, normally that is the currency of the environment in which it primarily generates and expends cash. The management considered various indicators, such as cash flows, market expenses, financing and inter-company transactions and arrangements in determining the Group's functional currency.

In the consolidated financial statements, the financial information of the Company and its subsidiaries, which use HKD and MOP as their functional currency, has been translated into USD. Assets and liabilities are translated from each subsidiary's functional currency at the exchange rates on the balance sheet date, equity amounts are translated at historical exchange rates, and revenues, expenses, gains, and losses are translated using the average rate for the year. Translation adjustments are reported as cumulative translation adjustments and are shown as a separate component of other comprehensive income or loss in the statement of shareholders' equity and comprehensive income.

Cash

Cash consists of cash on hand and bank deposits and cash denominated in foreign currencies, which is unrestricted as to withdrawal and use.

Restricted Cash

Restricted cash relates to cash deposited into the escrow account from investors for the purpose of the subscription of convertible notes.

Marketable Securities

Marketable Securities are accounted for as trading securities or available-for-sale based on the trading purpose, which are measured at fair value. Gains or losses from changes in fair value of trading securities are recorded through earnings. Gains or losses from changes in the fair value of available-for-sale securities are recorded in accumulated other comprehensive income, until the investment is sold or otherwise disposed of, or until the investment is determined to be other-than-temporarily impaired, at which time the cumulative gain or loss previously reported in equity is included in income. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed.

The Group measures the investments in marketable securities at fair value based on quoted market prices. Gains from the marketable securities amounting to $3,912,500 were recognized in the consolidated statement of operations for the period from March 1, 2017 to December 31, 2017. The Group recognized the unrealized loss on investments in available-for-sale securities amounting to $367,782 for the period from March 1, 2017 to December 31, 2017.

During the period from March 1, 2017 to December 31, 2017, the Group disposed the trading securities and available-for-sale securities, with sales proceeds of $15,738,517 and $310,550 received, and recognized a gain of $3,917,046 and a loss of $4,546 in the consolidated statement of operations for the period from March 1, 2017 to December 31, 2017, respectively.

Investments in Derivatives

Investments in derivatives consisted of warrants, which are measured at fair value, with gains or losses from changes in fair value recorded through earnings.

Loss on the warrants amounted to $827,501 was recognized in the consolidated statement of operations for the period from March 1, 2017 to December 31, 2017.

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Non-marketable investments

Non-marketable investments are comprising of investments in non-redeemable preferred shares of privately-held companies accounted for under the cost method and are not required to be consolidated under the variable interest or voting models. Non-marketable investments are classified as non-current assets on the Consolidated Balance Sheet as those investments do not have stated contractual maturity dates. Non-marketable equity investments are measured at purchase cost with appropriate consideration given to impairment.

As of December 31, 2017, investments accounted for under the cost method had a carrying value of $7,394,713.

Fair value measurement

Fair value is defined as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Group considers the principal or most advantageous market in which it would transact its business, and it considers assumptions that market participants would use when pricing the asset or liability.

As a basis for considering such assumptions, a three-tier fair value hierarchy prioritizes the inputs utilized in measuring fair value as follows:

- Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

- Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

- Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The hierarchy requires the Group to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument’s categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Group has estimated the fair value amounts of its financial instruments using the available market information and valuation methodologies considered to be appropriate and has determined that the carrying value of the Group’s cash, restricted cash, receivables related to investment, interest receivable, receivables from brokers, other receivable and prepayments, amounts due from/to related parties, accounts payable and accrued expenses as of December 31, 2017 approximate fair value.

Equipment

Equipment is stated at cost less accumulated depreciation. Cost represents the purchase price of the asset and other costs incurred to bring the asset into its existing use. Maintenance, repairs and betterments, including replacement of minor items, are charged to expense; major additions to physical properties are capitalized.

Depreciation of equipment is provided using the straight-line method over their estimated useful lives:

Computer equipment	3 years
Laboratory equipment	5 years

Upon sale or disposal, the applicable amounts of asset cost and accumulated depreciation are removed from the accounts and the net amount less proceeds from disposal is charged or credited to income.

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Intangible assets

Indefinite-lived intangible assets are tested for impairment at least annually and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are impaired if their estimated fair values are less than their carrying values.

Finite-lived intangible assets are initially recorded at fair value when acquired, in which the finite intangible assets are amortized over their estimated useful life, which is the period over which the assets are expected to contribute directly or indirectly to the future cash flows of the Group. These intangible assets are tested for impairment at the time of a triggering event, if one were to occur. Finite-lived intangible assets may be impaired when the estimated undiscounted future cash flows generated from the assets are less than their carrying amounts.

The Group may rely on a qualitative assessment when performing its intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of identifiable cash flows independent of other assets.

The Group's intangible assets mainly consist of exclusive rights in prepaid patented and unpatented licenses. The prepaid patented licenses are for clinical purpose or further development into other products. Prepaid unpatented license is for further development, once the associated research and development efforts are completed, the prepaid unpatented license will be reclassified as a finite-lived asset and is amortized over its useful life. The estimated useful life of the exclusive rights in using patents is generally the remaining patent life from the acquisition date to expiration date under the law, which is 17 to 20 years, the Group will reassess the remaining patent life on annual basis, and the Group will assess the intangible assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable.

Impairment of long-lived assets

The Group reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may no longer be recoverable. When these events occur, the Group measures impairment by comparing the carrying value of the long-lived assets to the estimated undiscounted future cash flows expected to result from the use of the assets and their eventual disposition. If the sum of the expected undiscounted cash flow is less than the carrying amount of the assets, the Group would recognize an impairment loss, which is the excess of carrying amount over the fair value of the assets, using the expected future discounted cash flows.

Convertible promissory notes

The Group determines the appropriate accounting treatment of its convertible promissory notes in accordance with the terms in relation to the conversion feature, call and put option, beneficial conversion feature and settlement feature. After considering the impact of such features, the Group concludes that, as of December 31, 2017, the convertible promissory notes contain a contingent beneficial conversion, which shall not be recognized in earnings until the contingency is resolved, and therefore accounts for such instrument as a liability in its entirety.

Convertible promissory notes are classified as a current liability if their maturity is or will be within one year from the balance sheet date.

Revenue recognition

Dividend income is recorded on the ex-dividend date, and interest income is recorded on an accrual basis.

After the Restructure, the Group has yet to generate operating income stream from its pharmaceutical products for the period from March 1, 2017 to December 31, 2017.

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Research and development expenses

Research and development costs are expensed as incurred. Research and development expenses are comprised of costs incurred in performing research and development activities, including external costs of outside vendors engaged to conduct preclinical development activities and trials.

Income taxes

The Group accounts for income taxes under the asset and liability method. Under this method, deferred income taxes are determined based on differences between the financial carrying amounts of existing assets and liabilities and their tax bases. Income taxes are provided for in accordance with the laws of the relevant taxing authorities.

A valuation allowance is provided for deferred tax assets if it is more likely than not that these items will either expire before the Group is able to realize their benefits, or that future deductibility is uncertain. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

Uncertain tax positions

The Group accounts for uncertainty in income taxes using a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount that is more than 50% likely of being realized upon settlement. Interest and penalties related to uncertain tax positions are recognized and recorded as necessary in the provision for income taxes. The Group recognizes interest on non-payment of income taxes and penalties associated with tax positions when a tax position does not meet more likely than not thresholds be sustained under examination. The tax returns of the Group's Hong Kong subsidiaries and VIEs are subject to examination by the relevant tax authorities. According to the Hong Kong Inland Revenue Department, the statute of limitation is six years if any company chargeable with tax has not been assessed or has been assessed at less than the proper amount, the statute of limitation is extended to ten years if the underpayment of taxes is due to fraud or willful evasion. The Group did not have any material interest or penalties associated with tax positions for the period ended December 31, 2017 and did not have any significant unrecognized uncertain tax positions as of December 31, 2017. The Group does not believe that its assessment regarding unrecognized tax benefits will materially change over the next twelve months.

Comprehensive income or loss

U.S. GAAP generally requires that recognized revenue, expenses, gains and losses be included in net income or loss. Although certain changes in assets and liabilities are reported as separate components of the equity section of the consolidated balance sheet, such items, along with net income, are components of comprehensive income or loss. The components of other comprehensive income or loss consist of unrealized gain or loss on available for sale short term investments.

Loss per share

After the Restructure, basic loss per share is computed by dividing net loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue ordinary shares were exercised or converted into ordinary shares. Potential dilutive securities are excluded from the calculation of diluted EPS in loss periods as their effect would be anti-dilutive.

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Recently issued accounting standards

In May 2014, the FASB issued Accounting Standards Update 2014-09, *Revenue from Contracts with Customers*, or ASU 2014-09. This new standard (Topic 606) will replace all current U.S. GAAP guidance on this topic and eliminate all industry-specific guidance. The new revenue recognition standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to correlate with the transfer of promised goods or services to customers in an amount that reflects the consideration for which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB voted to defer the effective date of ASU 2014-09 by one year, while allowing a company to adopt the new revenue standard early but not before the original effective date.

In March 2016, the FASB issued ASU 2016-08, which amends the principal-versus-agent implementation guidance and illustrations in the new revenue standard. ASU No. 2016-08 specifically provides clarification around performance obligations for goods or services provided by another entity, assisting in determining whether the entity is the provider of the goods or services, the principal, or whether the entity is providing for the arrangement of the goods or services, the agent.

In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers* (Topic 606): Identifying Performance Obligations and Licensing. ASU No. 2016-10 provides guidance around identifying whether promised goods or services are distinct and separately identifiable, whether promised goods or services are material or immaterial to the contract, and whether shipping and handling is considered an activity to fulfill a promise or an additional promised service. ASU No. 2016-10 also provides guidance around an entity's promise to grant a license providing a customer with either a right to use or a right to access the license, which then determines whether the obligation is satisfied at a point in time or over time, respectively.

In May 2016, the FASB issued ASU No. 2016-11, *Revenue Recognition* (Topic 605) and *Derivatives and Hedging* (Topic 815): Rescission of SEC Guidance Because of Accounting Standards Updates 2014-09 and 2014-16. Pursuant to Staff Announcements at the March 3, 2016 EITF Meeting, which rescinds various standards codified as part of Topic 605, Revenue Recognition in relation to the future adoption of Topic 606. These rescissions include changes to topics pertaining to revenue and expense recognition including accounting for shipping and handling fees and costs and accounting for consideration given by a vendor to a customer.

The above standards will be effective for us on January 1, 2019 and can be applied either retrospectively to each period presented or as a cumulative-effect adjustment as of the date of adoption. The Group is an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2010 (the “JOBS Act”). Under the JOBS Act, emerging growth companies (“EGCs”) can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. Therefore, the Group will not be subject to the same new or revised accounting standards as public companies that are not EGCS. The management has not yet selected a transition method.

Management is developing an adoption plan based on which the Group is in the process of evaluating the effects of adopting ASC606, including the selection of the adoption method, the identification of differences using sample contracts, if any, from the application of current revenue recognition standard and the impact of such differences, if any, on its consolidated financial statements. The Group is currently evaluating the impact of adopting ASU No. 2016-11 on its consolidated financial statements.

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In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Recognition and Measurement of Financial Assets and Financial Liabilities.* The amendments in this update address certain aspects of recognition, measurement, presentation, and disclosure of financial instruments. The amendments in this update require public business entities that are required to disclose fair value of financial instruments measured at amortized cost on the balance sheet to measure that fair value using the exit price notion consistent with Topic 820, Fair Value Measurement. The amendments in this update require an entity to present separately in other comprehensive income the portion of the total change in the fair value of a liability resulting from a change in the instrument-specific credit risk when the entity has elected to measure the liability at fair value in accordance with the fair value option. The amendments in this Update require separate presentation of financial assets and financial liabilities by measurement category and form of financial asset (that is, securities or loans and receivables) on the balance sheet or in the accompanying notes to the financial statements. In addition, according to ASU No. 2016-01, all equity investments in unconsolidated entities (other than those accounted for using the equity method of accounting) will generally be measured at fair value through earnings. For equity investments without readily determinable fair values, the cost method is also eliminated. However, entities will be able to elect to record equity investments without readily determinable fair values at cost, less impairment, adjusted for subsequent observable price changes. Entities that elect this measurement alternative will report changes in the carrying value of the equity investments in current earnings. This election only applies to equity investments that do not qualify for the net asset value practical expedient. The impairment model for equity investments subject to this election is a single-step model. Under the single-step model, an entity is required to perform a qualitative assessment each reporting period to identify impairment. When a qualitative assessment indicates an impairment exists, the entity would estimate the fair value of the investment and recognize in current earnings an impairment loss equal to the difference between the fair value and the carrying amount of the equity investment. The measurement alternative may be elected separately on an investment by investment basis for each equity investment without a readily determinable fair value. Once elected, it should be applied consistently as long as the investment meets the qualifying criteria.

The amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. For non-public business entities, early adoption is not permitted. The Group is currently evaluating the impact of adopting ASU No. 2016-01 on its consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, Income Statement—Reporting Comprehensive Income (Topic 220). The amendments in this Update allow a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act. Consequently, the amendments eliminate the stranded tax effects resulting from the Tax Cuts and Jobs Act and will improve the usefulness of information reported to financial statement users. However, because the amendments only relate to the reclassification of the income tax effects of the Tax Cuts and Jobs Act, the underlying guidance that requires that the effect of a change in tax laws or rates be included in income from continuing operations is not affected. The amendments in this Update also require certain disclosures about stranded tax effects. Public business entities should apply the amendments in ASU 2018-02 for fiscal years beginning after December 15, 2018, and interim periods within those fiscal years. Early adoption of the amendments in this Update is permitted, including adoption in any interim period, (1) for public business entities for reporting periods for which financial statements have not yet been issued and (2) for all other entities for reporting periods for which financial statements have not yet been made available for issuance. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

In March 2018, the FASB issued ASU No. 2018-05, Income Tax (Topic 740) - Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118. This update adds SEC paragraphs pursuant to the SEC Staff Accounting Bulletin No. 118, which expresses the view of the staff regarding application of Topic 740, Income Taxes, in the reporting period that includes December 22, 2017 - the date on which the Tax Act was signed into law. The adoption of this guidance is not expected to have a material impact on the Company's consolidated financial condition, results of operations or cash flows.

The Group does not believe other recently issued but not yet effective accounting standards, if currently adopted, would have a material effect on the consolidated financial position, statements of operations and cash flows.

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15. CHANGE IN STATUS

Prior to the March 1, 2017 change in status as an investment company, the Company recorded its investments at fair value and recorded the changes in the fair value as unrealized gain or loss. In addition, the Company recorded its direct and indirect wholly and majority owned subsidiaries at fair value since they were operating companies not providing services to the Company and not investment companies (See Note 2).

Upon the effective date of the change in status, the fair value accounting as an investment company was no longer applicable to the Company, rather the Company began presenting such subsidiaries on a consolidated basis. The investments in unaffiliated issuers are measured at fair value or cost, less impairment (See Note 14). The Company's initial carrying value of the net assets of the investments in subsidiaries was the fair value on the effective date of the change in status determined as follows:

Fair value of subsidiaries as of the effective date of the change in status on March 1, 2017		$ 757,647
Total net assets of the combined properties		
Intangible assets, net	$ 194,146	
Cash	593,800	
Prepayments	256	
An amount due to a related party	(28,717)	
Accounts payable and accrued expenses	(207,692)	551,793
Increase to the initial carrying value of the net assets on the effective date of the change in status on March 1, 2017		$ 205,854

16. VARIABLE INTEREST ENTITY

On July 28, 2017, the Company, through one of its subsidiary, Aptorum Therapeutics Limited, entered into a convertible loan agreement (the "Agreement") with Acticule Life Sciences Limited ("Acticule"), at interest rate of 0% but no amount or maturity limits.

Acticule was incorporated by an individual on June 30, 2017, with paid-in capital of $1. Acticule mainly engaged in research and development of life science and biopharmaceutical products. From July 28, 2017 to December 22, 2017, Acticule has drawn down the loan in aggregate amount of $1,000,000. Other than that, Acticule has not obtained any financial support for its business operation.

After evaluation of the design of Acticule as the basis for determining its variability in applying the variable interest entity model, the Company believes that Acticule was a variable interest entity ("VIE"), and the Company is the primary beneficiary, due to the Company has the power to ultimately direct the activities and significantly affect its economic performance, as well as the obligation to absorb losses or the right to receive benefit from Acticule that could potentially be significant to Acticule. Therefore, the financial statement of Acticule was consolidated by the Company since the first loan drawn down to Acticule on July 28, 2017.

On December 22, 2017, Acticule accepted the election made by the Company to convert the entire loan of $1,000,000 into shares in Acticule. After the conversion, the Company held approximately 100% equity interest of Acticule, which ceased to be a VIE but consolidated by the Company under the voting interest entity model thereafter.

From July 28, 2017 to December 22, 2017, Acticule was consolidated under the VIE model, and its operating expense and net loss are listed below:

	July 28, 2017 through December 22, 2017
Total expense	$ 559,850
Net loss	$ 559,850

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17. FAIR VALUE MEASUREMENT

The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2017:

December 31, 2017	Level 1	Level 2	Level 3	Total
Current Assets				
Marketable securities				
Common stocks	$ -	$ 1,972,648	$ -	$ 1,972,648
Investment in derivatives				
Warrants	24,182	-	1,070,940	1,095,122
Total assets at fair value	$ 24,182	$ 1,972,648	$ 1,070,940	$ 3,067,770

The following is a reconciliation of Level 3 assets for the period February 28, 2017 through December 31, 2017:

	Aptorum Therapeutics– related party	Common Stocks	Preferred Stocks	Warrants	Convertible Notes	Total
Balance at February 28, 2017	**$ 757,647**	**$ 7,920,000**	**$ 4,314,998**	**$ 1,907,470**	**$ 3,082,020**	**$ 17,982,135**
Transfer out to of Level 3 due to change in status - consolidated subsidiary (a)	(757,647)	-	-	-	-	(757,647)
Transfer out of fair value leveling since recorded as cost method (b)	-	(7,920,000)	(4,314,998)	-	-	(12,234,998)
Balance at March 1, 2017	**$ -**	**$ -**	**$ -**	**$ 1,907,470**	**$ 3,082,020**	**$ 4,989,490**
Reclassification between different investment type (c)	-	-	3,079,715	-	(3,079,715)	-
Transfer out of fair value leveling since recorded as cost method (c)	-	-	(3,079,715)	-	-	(3,079,715)
Change in unrealized depreciation	-	-	-	(836,530)	(2,305)	(838,835)
Balance at December 31, 2017	**$ -**	**$ -**	**$ -**	**$ 1,070,940**	**$ -**	**$ 1,070,940**
Net change in unrealized depreciation relating to investments still held at December 31, 2017	-	-	-	(836,530)	-	(836,530)

a. Upon the effective date of the change in status, March 1, 2017, the subsidiaries were no longer recognized at fair value and were instead consolidated when preparing the financial statements.
b. The equity investments of common stock and preferred stock were non-marketable investments under cost method upon change in status. Subsequently, Athenex Inc. was listed on the NASDAQ stock exchange on June 14, 2017 and common stock with an amount of $7,920,000 has been transferred to common stock in Level 1 with amount of $7,920,000, which was subsequently sold in December 2017 with a gain from the marketable securities of $3,722,234 recognized.
c. On March 9, 2017, the convertible promissory notes (including its accrued interest, totally $520,822) of Centrexion Therapeutics Corporation was converted into preferred stock (Series C) of the same company. On May 25, 2017, the convertible promissory notes (including its accrued interest, totaling $2,558,893) of Alzheon Inc., was converted into preferred stock (Series B) of the same company. The preferred stocks are considered non-marketable investments and were therefore reclassified out of the fair value hierarchy to be reported under cost method.

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The following table presents the quantitative information about the Group's Level 3 fair value measurements of investment as of December 31, 2017, which utilized significant unobservable internally-developed inputs:

	Valuation technique	Unobservable input	Range (weighted average)	Sensitivity of fair value to input
Warrants	Black-Scholes Model	Estimated time to exit Historical Volatility	10-54 months 123% - 131%	10% increase (decrease) in volatility would result in increase (decrease) in fair value by $122,664

Warrants

As of December 31, 2017, the volume of the Group's derivative activities based on their notional amount and number of contracts, categorized by primary underlying risk, are as follows:

	Long Exposure	
	December 31, 2017	
Primary underlying risk	Notional Amounts	Number of Contracts
Equity Price		
Warrants	$ 2,261,530	2,338,290

The following table identifies the fair value amounts of derivative instruments included in the statement of financial condition as derivative contracts, categorized by primary underlying risk, at December 31, 2017. The following table also identifies the net gain and loss amounts included in the statements of operations as net unrealized gain from derivative contracts, categorized by primary underlying risk, for the period March 1, 2017 through December 31, 2017:

	March 1, 2017 through December 31, 2017			
Primary underlying risk	Derivative assets	Derivative liabilities	Realized loss	Unrealized loss
Equity Price				
Warrants	$ 1,095,122	$ -	$ (7,094)	$ (820,407)

18. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments as of December 31, 2017 consisted of:

	December 31, 2017
Prepaid insurance	$ 107,842
Prepaid service fee	91,002
Rental deposits	61,333
Prepaid rental expenses	11,910
Others	38,243
	$ 310,330

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19. EQUIPMENT, NET

Equipment as of December 31, 2017 consisted of:

	December 31, 2017
Computer equipment	$ 14,057
Laboratory equipment	339,000
	353,057
Less: accumulated depreciation	6,470
Equipment, net	$ 346,587

Depreciation expenses for equipment amounted to $6,470 for the period from March 1, 2017 through December 31, 2017.

20. INTANGIBLE ASSETS, NET

	December 31, 2017
Gross carrying amount	
Prepaid unpatented license	$ 200,000
Prepaid patented licenses	1,325,140
	1,525,140
Less: accumulated amortization	
Prepaid patented licenses	52,433
	52,433
Intangible assets, net	
Prepaid unpatented license	200,000
Prepaid patented licenses	1,272,707
	$ 1,472,707

As of December 31, 2017, the Group entered into seven exclusive license agreements with third-party licensors, for seven patented and one unpatented technologies in the areas of neurology, infectious diseases, gastroenterology, oncology, surgical robotics and natural health. Pursuant to the license agreements, the Group paid upfront payments and became the exclusive licensee to prosecute certain patents developed or licensed under the applicable agreements.

The Group recognized the prepaid unpatented license to reflect the fair value of the subsidiaries as of the date of the change in status from an investment company. The Group capitalizes the prepaid patented license for the exclusive rights with completed filing of patents in certain jurisdictions (e.g., the United States of America and Europe, etc.) and alternative future uses.

Prepaid unpatented license is indefinite-lived intangible assets which are tested for impairment annually. Prepaid patented licenses are finite-lived intangible assets which are amortized over their estimated useful life. Amortization expenses for finite-lived intangible assets amounted to $52,433 for the period March 1, 2017 through December 31, 2017.

The Group expects amortization expense related to its finite-lived intangible assets for the next five years and thereafter to be as follows as of December 31, 2017:

For the years ending December 31,	Amount
2018	$ 105,139
2019	102,820
2020	102,820
2021	102,820
2022	102,820
Thereafter	756,288
Total	$ 1,272,707

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21. LONG-TERM DEPOSITS

Long-term deposits as of December 31, 2017 consisted of:

	December 31, 2017
Rental deposit	$ 20,092
Deposits for equipment	1,737,664
	$ 1,757,756

22. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses as of December 31, 2017 consisted of:

	December 31, 2017
License agreements payable	$ 356,410
Research and development expenses payable	104,013
Professional fees payable	154,429
Others	38,496
	$ 653,348

23. INCOME TAXES

The Company and its subsidiaries file tax returns separately.

Income taxes

Cayman Islands: under the current laws of the Cayman Islands, the Company and its subsidiaries in the Cayman Islands are not subject to taxes on their income and capital gains.

Hong Kong: in accordance with the relevant tax laws and regulations of Hong Kong, a company registered in the Hong Kong is subject to income taxes within Hong Kong at the applicable tax rate on taxable income. All the Hong Kong subsidiaries that are not entitled to any tax holiday were subject to income tax at a rate of 16.5%. The subsidiaries in Hong Kong did not have assessable profits that were derived Hong Kong during the period March 1, 2017 through December 31, 2017. Therefore, no Hong Kong profit tax has been provided for in the period presented.

Macao: Taxpayers in Macao are divided into Group A and Group B, Group A taxpayers are companies that have maintained proper accounting books and records, with capital of MOP1,000,000 and above or average assessed annual taxable profits in the past three years of more than MOP500,000, those who do not meet the criteria of Group A taxpayers are assigned to Group B. Group B taxpayers are assessed by the Macao Finance Bureau on a deemed profit basis, and Group B taxpayers are unable to carry forward tax losses. The capital of the subsidiary in Macao is MOP100,000 and it is assigned to Group B taxpayer. The tax loss of subsidiary in Macao cannot be utilized.

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The components of the provision for income taxes expenses are:

	March 1, 2017 through December 31, 2017
Current	$ -
Deferred	-
Total income taxes expense	$ -

The reconciliation of income taxes expenses computed at the Hong Kong statutory tax rate applicable to income tax expense is as follows:

	March 1, 2017 through December 31, 2017
Net loss before tax	$ (2,561,507)
Provision for income taxes at Hong Kong statutory income tax rate (16.5%)	(422,649)
Impact of different tax rates in other jurisdictions	393,217
Change in valuation allowance	29,432
Effective income tax expense	$ -

Deferred tax asset, net

Deferred tax assets and deferred tax liabilities reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the tax bases used for income tax purpose. The following represents the tax effect of each major type of temporary difference.

	March 1, 2017 through December 31, 2017
Tax loss carry forward	$ 29,432
Valuation allowance	(29,432)
Deferred taxes assets, net	$ -

As of December 31, 2017, the Group had net operating loss carry-forwards of $178,378 from its Hong Kong operations, which are available to reduce future taxable income; and all of these losses can be carried forward indefinitely.

Valuation allowance was provided against deferred tax assets in entities where it was determined, it was more likely than not that the benefits of the deferred tax assets will not be realized. The Group had deferred tax assets which consisted of tax loss carry forward, which can be carried forward to offset future taxable income. The Group maintains a full valuation allowance on its net deferred tax assets. The management determines it is more likely than not that all of its deferred tax assets will not be utilized. The valuation allowance increased by $29,432 for the period March 1, 2017 through December 31, 2017.

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24. RELATED PARTY BALANCES AND TRANSACTIONS

The following is a list of a director and related parties to which the Group has transactions with:

(a) Ian Huen, the Chief Executive Officer and Executive Director of the Group;
(b) AENEAS CAPITAL LIMITED, an entity controlled by Ian Huen;
(c) Aeneas Limited, formerly known as Aptus Financial Holdings Limited, an entity controlled by Ian Huen;
(d) Aeneas Group Limited, formerly known as Aptus Asia Financial Holdings Limited, an entity controlled by Ian Huen.
(e) Jurchen Investment Corporation, the holding company and an entity controlled by Ian Huen.

Amounts due from related parties

Amounts due from related parties consisted of the following as of December 31, 2017:

	December 31, 2017
AENEAS CAPITAL LIMITED (b)	$ 106,942
Aeneas Limited (c)	190,427
Aeneas Group Limited (d)	7,451
Total	$ 304,820

Amount due to a related party

Amount due to a related party consisted of the following as of December 31, 2017:

	December 31, 2017
AENEAS CAPITAL LIMITED (b)	$ 197,386
Total	$ 197,386

Related party transactions

Related party transactions consisted of the following for the period March 1, 2017 through December 31, 2017:

	March 1, 2017 through December 31, 2017
A borrowing from a related party (Note I)	
- Ian Huen (a)	$ 6,410
Payments on behalf of the Group (Note II)	
- AENEAS CAPITAL LIMITED (b)	$ 64,038
Expense reimbursement (Note II)	
- AENEAS CAPITAL LIMITED (b)	$ 66,881
Payments on behalf of related parties (Note III)	
- Aeneas Limited (c)	$ 132,074
- Aeneas Group Limited (d)	$ 1,853
- AENEAS CAPITAL LIMITED (b)	$ 109,025
Management and administrative fees (Note IV)	
- AENEAS CAPITAL LIMITED (b)	$ 640,932

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Note I: The non-interest-bearing loan was borrowed from management for operation purpose and the loan was due on demand.

Note II: AENEAS CAPITAL LIMITED has paid the audit fee and legal fee on behalf of the Group and received the expense reimbursement. Some of the amounts were repaid during the periods. The balances were non-interest bearing.

Note III: The Group has paid the expenses on behalf of Aeneas Limited and Aeneas Group Limited, of which the whole amounts have not been repaid and were non-interest bearing.

Note IV: AENEAS CAPITAL LIMITED provides certain management and administrative services to the Group. For the period March 1, 2017 through December 31, 2017, AENEAS CAPITAL LIMITED was entitled to receive a fixed amount of administrative fees of HKD500,000 (approximately $64,103) per calendar month.

On November 11, 2017, the Group sold 100% of the ownership of Aeneas Limited and its subsidiary, Aeneas Group Limited, to Jurchen Investment Corporation for cash proceeds of $1. The Group recognized a gain on disposal of entity under common control of $67,874, net of net liabilities of Aeneas Limited and its subsidiary of $67,873 in consolidated statement of shareholders' equity.

25. CONVERTIBLE PROMISSORY NOTES

As of December 31, 2017, the Group issued an aggregated amounted of $480,000 of convertible promissory notes (the "Notes"). The Notes will be redeemed by the Group on the earlier of (i) the twelve months anniversary of the issuance date; and (ii) the date that the Group redeems the Notes if it has not consummated the Initial Public Offering (the "IPO") within twelve months of the issuance date. Interest on the Notes is accrued at a rate of 1% per annum and shall be compounded annually.

The Notes are convertible into the Class A Ordinary Shares of the Company at a price of 56% discount to the actual price per Class A Ordinary Share to be issued in the IPO at the time that the Group consummates an initial closing of the IPO.

26. ORDINARY SHARES

According to the Restructuring Plan, the ten management shares of par value of $0.01 have been cancelled, and the 256,571 issued participating shares of par value of $0.01 have been compulsorily redeemed and 4,743,419 unissued participating shares of par value of $0.01 each have been cancelled. Meanwhile, the Company has an authorized share capital consisting of 100,000,000 ordinary shares (the "Ordinary Shares"), par value $1.00 per share, and 25,657,110 shares was issued to the original investors.

During the period March 1, 2017 through October 13, 2017, 2,207,025 of the Company's Ordinary Shares were issued at a price of $3.90 per share.

On October 13, 2017, a resolution was passed at a general meeting of the Company that: (i) 72,135,865 of authorized but unissued Ordinary Shares of the Company were replaced with 54,573,619 Class A ordinary shares (the "Class A Ordinary Shares") of par value of $1.00 per share and 17,562,246 Class B ordinary shares (the "Class B Ordinary Shares") of par value of $1.00 per share, respectively; (ii) 24,930,839 issued Ordinary Shares, which were issued to three shareholders, were converted into 2,493,085 Class A Ordinary Shares of par value of $1.00 per share and 22,437,754 Class B Ordinary Shares of par value of $1.00 per share; and (iii) 2,933,296 issued Ordinary Shares, which were issued to 24 shareholders, were converted into 2,933,296 Class A Ordinary Shares of par value of $1.00 per share.

Holders of Class A Ordinary Shares and Class B Ordinary Shares have the same rights except for the following: (i) each Class A Ordinary Share is entitled to one vote while each Class B Ordinary Share is entitled to ten votes; and (ii) each Class B Ordinary Share is convertible into one Class A Ordinary Share at any time while Class A Ordinary Shares are not convertible under any circumstances.

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A total of 5,500,000 Class A Ordinary Shares (subject to subsequent adjustments described more fully below) may be issued pursuant to awards under the 2017 Omnibus Incentive Plan (the "2017 Share Option Plan"). Subsequent adjustments include that on each January 1, starting with January 1, 2020, an additional number of shares equal to the lesser of (i) 2% of the outstanding number of Class A Ordinary Shares (on a fully diluted basis) on the immediate preceding December 31, and (ii) such lower number of Class A Ordinary Shares as may be determined by the board of directors, subject in all cases to adjustments as provided in Section 10 of the 2017 Share Option Plan. Awards will be made pursuant to agreements and may be subject to vesting and other restrictions as determined by the board of directors. As of December 31, 2017, 5,500,000 shares were available for future grant under the 2017 Share Option Plan.

27. NON-CONTROLLING INTEREST

As of December 31, 2017, non-controlling interest related to the 1% minority interest in APTUS BIOTECHNOLOGY (MACAO) LIMITED and 10% minority interest in mTOR (Hong Kong) Limited in the consolidated balance sheet was $14,045 in total.

For the period March 1, 2017 through December 31, 2017, non-controlling interest related to APTUS BIOTECHNOLOGY (MACAO) LIMITED and mTOR (Hong Kong) Limited in the consolidated statements of operations was loss of $14,045 in total.

28. NET LOSS PER SHARE

The following table sets forth the computation of basic and diluted loss per share:

	March 1, 2017 through December 31, 2017
Numerator:	
Net loss attributable to Aptorum Group Limited	$ (2,547,462)
Denominator:	
Basic and diluted weighted average common shares outstanding	26,963,435
Basic and diluted loss per share	$ (0.09)

29. PRINCIPAL RISK

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market variables such as interest rate, foreign exchange rates and equity prices.

The maximum risk resulting from financial instruments equals their fair value.

(a) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Interest rate risk sensitivity analysis

The Group's cash held with the Cash Custodian and the Custodian are exposed to interest rate risk. However, Management considers the risk to be minimal as they are short-term with terms less than one month.

(b) Currency risk

Currency risk is the risk that the value of financial assets or liabilities will fluctuate due to changes in foreign exchange rates.

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Currency risk sensitivity analysis

At December 31, 2017, the Group has no significant foreign currency risk because its business is principally conducted in Hong Kong and most of the transactions are denominated in Hong Kong dollar. Since the Hong Kong dollar is pegged to the United States dollar, the Group's exposure to foreign currency risk in respect of the balances denominated in Hong Kong dollars is considered to be minimal.

(c) Equity price risk

Equity price risk is the risk of unfavorable changes in the fair values of equities or equity-linked derivatives as the result of changes in the levels of equity indices and the value of individual shares. The Group has been exposed to price risk on all of its equities investments and equities-linked derivatives.

Management's best estimate of the effect on net assets and profit due to a reasonably possible change of relevant benchmarks, with all other variables held constant is as follows. In practice, the actual trading results may differ from the sensitivity analysis below and the difference could be material.

LIQUIDITY RISK

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial assets and liabilities. Liquidity risk may result from an inability to sell a financial asset quickly at an amount close to its fair value.

The Group invests in private equities which are generally unquoted and not readily marketable. The Group manages its liquidity risk by setting investment limits on unlisted securities that cannot be readily disposed of. Investment of the Group's assets in unquoted securities may restrict the ability of the Group to dispose of its investment at a price and time it wishes to do so.

CREDIT RISK

Financial assets which potentially subject the Group to concentrations of credit risk consist principally of bank deposits and balances, assets held with the Custodian/Prime Broker, derivatives where the brokers are the counterparty and the Group's debt securities investments.

The Custodian/Prime Broker provides the clearing and depository operations for the Group's security transactions. The Custodian/Prime Broker also provides loans and financing to the Group and assets held by the Custodian/Prime Brokers will be charged as a continuing security for the payment and discharge of all liabilities of the Group.

The Group is also exposed to credit risk on the cash held with the Custodian/Prime Broker amounting to $122,127 as of December 31, 2017. The credit rating ascribed by Standard and Poor's to Credit Suisse as of December 31, 2017 was A.

Furthermore, the Group takes on exposure to credit risk on cash balances held with DBS Bank Ltd, Hong Kong Branch, Industrial and Commercial Bank of China (Macao) Limited and Bank of China (Hong Kong) Limited for the purposes of payments of Group expenses.

All transactions in listed securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The Group limits its exposure to credit risk by transacting all of its securities and contractual commitment activities with broker-dealers, banks and regulated exchanges with high credit ratings and that the Group considers to be well established.

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CONCENTRATION RISK

The table below analyses the Group's concentration of equity price risk by distribution:

	December 31, 2017
Country and Region	
United States of America	$ 10,462,483
Total	$ 10,462,483
Industry	
Pharmaceutical and biotechnology	$ 10,443,175
Healthcare	19,308
Total	$ 10,462,483

INVESTMENTS IN DERIVATIVES RISK

Warrants

Since warrants have a limited life, as the expiration date of a warrant approaches, the time value of a warrant will decline. In addition, if the stock underlying the warrant declines in price, the intrinsic value of an "in the money" warrant will decline. Further, if the price of the stock underlying the warrant does not exceed the strike price of the warrant on the expiration date, the warrant will expire worthless. As a result, there is the potential for the Group to lose its entire investment in a warrant. The Group is exposed to counterparty risk from the potential failure of an issuer to settle its exercised warrants. The maximum risk of loss from counterparty risk to the Group is the fair value of the contracts and the purchase price of the warrants.

30. COMMITMENTS AND CONTINGENCIES

Lease Commitments

The total future minimum lease payments under the non-cancellable operating leases with respect to the offices and the laboratory as of December 31, 2017 are as follows:

For the years ending December 31,	Amount
2018	$ 68,518
2019	55,632
2020	54,885
2021 and thereafter	-
Total	$ 179,035

Rental expenses for the year ended December 31, 2016, period January 1, 2017 through February 28, 2017 and March 1, 2017 through December 31, 2017 were $nil, $nil and $49,518, respectively.

Capital Commitments

The Group has entered into agreements with independent third parties for purchasing office and laboratory equipment. As of December 31, 2017, the Group had non-cancellable purchase commitments of $1,756,560.

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31. SEGMENT REPORTING

The Group's chief operating decision maker, the Chief Executive Officer, reviews the consolidated results when making decisions about allocating resources and accessing performance of the Group as a whole and hence, the Group has only one reportable segment. The Group does not distinguish between markets or segments for the purpose of internal reporting. The Group's long-lived assets are substantially all located in Hong Kong and substantially all of the Group's expense is derived from within Hong Kong. Therefore, no geographical segments are presented.

32. SUBSEQUENT EVENTS

The Group has evaluated subsequent events through July 13, 2018, the date of issuance of the consolidated financial statements, and except for the following events with material financial impact on the Group's consolidated financial statements, no other subsequent event is identified that would have required adjustment or disclosure in the consolidated financial statements.

On March 6, 2018, the Group established a subsidiary named Forum Property Holding Limited with a consideration of $0.01. On March 26, 2018, the Group established a subsidiary named APTORUM INTERNATIONAL LIMITED with a consideration of one British Pound. On April 3, 2018, Aptorum Medical Limited issued 9,999 shares to the Company and 526 shares to a director of the Company, decreasing the equity interest of the Company from 100% to 95%. On April 4, 2018, the Group established a subsidiary named Lanither Life Sciences Limited with a consideration of $1. On May 18, 2018, Acticule issued 249,999 shares to a director of Acticule, decreasing the equity interest of the Company from 100% to 80%. On May 25, 2018, the Group established a subsidiary named Lanither Life Sciences (Hong Kong) Limited with a consideration of HKD1.

From January 2018 to the date of issuance of the consolidated financial statements, the Group has additionally issued $1,120,400 of convertible promissory notes under the same terms as disclosed in Note 25, and as of the date of issuance of the consolidated financial statements, $1,600,400 of convertible promissory notes were issued accumulatively.

On April 6, 2018, the Group has entered into a subscription agreement (the "Bond Subscription Agreement") with Peace Range Limited ("Peace Range"). Pursuant to the Bond Subscription Agreement, the Group issued Peace Range a $15,000,000 convertible bond (the "Bond" and the "Bond Offering"), minus a structuring fee equal to 2% of the principal amount of the Bond, on April 25, 2018. The Group also agreed to pay certain expenses, up to an aggregate limit of $250,000, incurred by Peace Range in connection with the Bond Offering. The closing of the transaction contemplated by the Bond Subscription Agreement and the issuance of the Bond are subject to standard closing conditions, which may be satisfied or waived by the impacted party. The Bond earns interest at the rate of 8% per annum, payable semi-annually. The payment of the Bond is guaranteed by the holding company, Jurchen Investment Corporation. In addition, the repayment of the principal of the Bond and interest payables is secured by a fund the Group set aside in a debt service reserve account, with the funds in the debt service reserve account to be released in an amount pro rata to the principal amount of the Bond being converted. The Bond shall mature on the twelfth calendar month following the issuance date, or with prior written consent of the holders of the Bond, the business day falling six calendar months thereafter. 10% of the principal amount of the Bond shall be automatically converted into our Class A Ordinary Shares upon the closing of this Offering and the rest of the Bond is convertible at the option of the holder commencing on the closing of this Offering until the earlier of the date falling 12 calendar months after the maturity of the Bond and the date falling 12 calendar months after the closing of this Offering. The Group closed the Bond Offering on April 25, 2018 and issued a Bond to Peace Range pursuant to the Bond Subscription Agreement. The contingent beneficial conversion is contained in convertible bonds, which shall not be recognized in earnings until the contingency event, initial closing of the IPO, is resolved.

One of the underwriters in this Offering, Boustead, also served as a placement agent for the Bond Offering and received (i) a cash success fee of $600,000 and (ii) warrants to purchase a number of Class A Ordinary Shares equal to 5.5% of the number of Class A Ordinary Shares issuable upon conversion of the Bond, at an exercise price equal to a 23% discount to this Offering price, subject to adjustment (the "Bond PA Warrants"). The Bond PA Warrants are exercisable on a cashless basis. China Renaissance also served as a placement agent for the Bond Offering; for such services, China Renaissance received a cash success fee of $150,000. Boustead also participated in the Series A Note Offering as an investor with a purchase of Series A Notes in the amount of $150,000.

Table of Contents

[ ] Class A Ordinary Shares

Aptorum Group Limited

PRELIMINARY PROSPECTUS

Boustead Securities

China Renaissance

Through and including [ ], 2018 (the 25th day after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this Offering, may be required to deliver a prospectus. This is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to their unsold allotments or subscriptions.

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 6. Indemnification of Directors, Officers and Employees.

Cayman Islands law does not limit the extent to which a company's memorandum and articles of association may provide for indemnification of officers and directors, except to the extent any such provision may be held by the Cayman Islands courts to be contrary to public policy, such as to provide indemnification against civil fraud or the consequences of committing a crime. Our Memorandum and Articles permit indemnification of officers and directors for losses, damages, costs and expenses incurred in their capacities as such unless such losses or damages arise from dishonesty of such directors or officers. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

Insofar as indemnification for liabilities arising under the Securities Act of 1933, as amended, or the Securities Act, may be permitted to our directors, officers or persons controlling us under the foregoing provisions, we have been informed that in the opinion of the Securities and Exchange Commission, or the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 7. Recent Sales of Unregistered Securities.

During the past three years, we have issued the following securities. We believe that each of the following issuances was exempt from registration under Section 4(a)(2) of the Securities Act regarding transactions not involving a public offering and/or Regulation S promulgated thereunder regarding offshore offers and sales.

On May 15, 2018, we closed a private financing pursuant to a note purchase agreement with the Series A Note Investors who purchased an aggregate of approximately $1.6 million of convertible notes, at a purchase price of $10,000 per note convertible into our Class A Ordinary Shares at a conversion price of $[ ] per share, which represents a 56% discount to this offering price the Series A Notes. Boustead, who is an underwriter of this Offering, together with other affiliates of the Company, purchased Series A Notes in the aggregate amount of $[ ]. We refer to the private placement transaction as the "Series A Note Offering". The Series A Note Investors entered into a lock-up agreement, pursuant to which they agreed not to sell or otherwise transfer or dispose of the Series A Note or the Class A Ordinary Shares underlying the Series A Notes during the six-month period commencing on the date of our Class A Ordinary Shares commence trading on a national securities exchange. The Series A Notes will automatically convert into [ ] Class A Ordinary Shares at the closing of the Offering and at the commencement of trading on NASDAQ Global Market of our Class A Ordinary Shares. As a result, the investors in this Offering will experience immediate dilution when the Series A Notes are automatically converted. (See Risk Factor – You will experience immediate and substantial dilution as a result of this Offering and may experience additional dilution in the future") The issuance and sale of Series A Notes, PA Warrants and the underlying Class A Ordinary Shares to the investors and the placement agent in the Series A Note Offering was made in reliance on an exemption from registration contained in either Regulation D or Regulation S of the Securities. The securities sold in the Series A Note Offering may be offered or sold only pursuant to an effective registration statement or pursuant to an available exemption from the registration requirements of the Securities Act.

On April 6, 2018, we entered into subscription agreement with one investor pursuant to which we issued a $15,000,000 8% convertible bond that matures in April 2019 (the "Bond"). The Bond is guaranteed by our parent company, Jurchen Investment Corporation.

Item 8. Exhibits and Financial Statement Schedules.

(a) Exhibits

The exhibits of the registration statement are listed in the Exhibit Index to this registration statement and are incorporated herein by reference.

(b) Financial Statement Schedules

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or consolidated financial statements or the notes thereto.

Item 9. Undertakings.

The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the provisions described in Item 6, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-1 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, on , 2018.

Aptorum Group Limited

By: _____
Name: Ian Huen
Title: Chief Executive Officer and Executive Director

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below hereby appoints Ian Huen and Sabrina Khan, and each of them severally, acting alone and without the other, his true and lawful attorney-in-fact with full power of substitution or re-substitution, for such person and in such person's name, place and stead, in any and all capacities, to sign on such person's behalf, individually and in each capacity stated below, any and all amendments, including post-effective amendments to this Registration Statement, and to sign any and all additional registration statements relating to the same offering of securities of the Registration Statement that are filed pursuant to Rule 462 of the Securities Act of 1933, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed by the following persons in the capacities set forth below on , 2018.

*	Chief Executive Officer (principal executive officer) and Executive Director
Name: Ian Huen	
*	Chief Financial Officer (principal financial officer and principal accounting officer)
Name: Sabrina Khan	
*	President, Chief Business Officer and Executive Director
Name: Darren Lui	
*	Chief Medical Officer and Executive Director
Name: Clark Cheng	
*	Director
Name: Douglas Arner	
*	Director
Name: Charles Bathurst	
*	Director
Name: Mirko Scherer	
*	Director
Name: Justin Wu	

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the requirements of the Securities Act of 1933, the Registrant's duly authorized representative has signed this registration statement on Form F-1 in the City of New York, State of New York, on [ ], 2018.

By: /s/
Name: [ ]
Title: Authorized Representative in the United States

EXHIBIT INDEX

(a) *Exhibits.* The following exhibits are included herein or incorporated herein by reference:

The following documents are filed as part of this registration statement:

1.1	Form of Underwriting Agreement **
3.1	Second Amended and Restated Memorandum and Articles of Association of Aptorum Group Limited *
4.1	Specimen Ordinary Share Certificate *
4.2	Form of Series A Convertible Promissory Note *
4.3	Form of Underwriter Warrant **
4.4	Form of Series A Convertible Promissory Note Placement Agent Warrant, dated [ ], 2018 **
4.5	Form of Bond Placement Agent Warrant, dated [ ], 2018 **
5.1	Opinion of Cayman Islands counsel of Aptorum Group Limited, as to the validity of the Ordinary Shares **
5.2	Opinion of US Counsel of Aptorum Group Limited, as to the validity of the Ordinary Shares **
8.1	Opinion of [ ], counsel of Aptorum Group Limited, as to U.S. federal tax matters **
10.1	Appointment Letter between the Company and Ian Huen (Founder, Chief Executive Officer & Executive Director), dated September 25, 2017 *
10.2	Employment Letter between the Company and Sabrina Khan (Chief Financial Officer), dated September 1, 2017 *
10.3	Addendum to Employment Letter between Company and Sabrina Khan (Chief Financial Officer) dated April 24, 2018 *
10.4	Appointment Letter between the Company and Darren Lui (Chief Business Officer, President & Director), dated September 25, 2017 *
10.5	Employment Letter between the Company and Clark Cheng (Chief Medical Officer & Director), dated August 31, 2017 *
10.6	Addendum to Appointment Letter between the Company and Clark Cheng (Chief Medical Officer & Director), dated September 25, 2017 *
10.7	Second Addendum to Appointment Letter between the Company and Clark Cheng (Chief Medical Officer & Director), dated October 30, 2017 *
10.8	Appointment Letter between the Company and Keith Chan (Chief Scientific Officer), dated August 18, 2017 *
10.9	Appointment Letter between the Company and Charles Bathurst (Independent Non-Executive Director), dated September 24, 2017 *
10.10	Appointment Letter between the Company and Mirko Scherer (Independent Non-Executive Director), dated September 24, 2017 *
10.11	Employment Agreement between the Company and Justin Wu (Independent Non-Executive Director), dated September 18, 2017 *
10.12	Employment Agreement between the Company and Douglas Arner (Independent Non-Executive Director), dated February 13, 2018 *
10.13	Management Agreement between the Company and Guardian Capital Management Limited, dated March 1, 2017 *
10.14	Consulting Agreement between the Company and GloboAsia, LLC (includes provisions for the appointment of Keith Chan as Chief Scientific Officer) dated August 18, 2017 *

10.15	Management Agreement between the Company and APTUS CAPITAL LIMITED, dated October 26, 2010 *
10.16	First Addendum to the Management Agreement between the Company and APTUS CAPITAL LIMITED, dated February 10, 2012 *
10.17	Second Addendum to the Management Agreement between the Company and APTUS CAPITAL LIMITED, December 9, 2016 *
10.18	Subscription Agreement between the Company and Peace Range Limited, dated April 6, 2018 *
10.19	Share Charge Agreement between the Company, Jurchen Investment Corporation and Peace Range Limited, dated April 25, 2018 *
10.20	Deed of Guarantee of Jurchen Investment Corporation, acknowledged by Peace Range Limited, dated April 25, 2018 *
10.21	Charge Account Agreement between the Company and Peace Range Limited, dated April 25, 2018 *
10.22	Bond Certificate between the Company and Peace Range Limited, dated April 25, 2018 *
10.23	Escrow Agreement between the Company and Peace Range Limited, dated April 25, 2018 *
10.24	2017 Share Option Plan *
10.25	Form of Securities Purchase Agreement for the Series A Convertible Promissory Notes, dated May 15, 2018 *
10.26	Lock-up Agreement for Series A Convertible Promissory Notes, dated May 15, 2018 *
10.27	Exclusive License agreement for NLS-1 dated July 3, 2017 **
10.28	Addendum to License Agreement for NLS-1 dated February 9, 2018 **
10.29	Exclusive Patent License agreement for ALS-1 **
10.30	First Amendment to the Exclusive Patent License Agreement for ALS-1 dated June 7, 2018**
10.31	Exclusive Patent License agreement for ALS-4 **
10.32	First Amendment to the Exclusive Patent License Agreement dated June 7, 2018**
10.33	Sub-Tenancy Agreement for Guangdong Investment Tower *
14.1	Code of Business Conduct and Ethics of the Company *
21.1	List of Subsidiaries *
23.1	Consent of Marcum Bernstein & Pinchuk LLP **
23.2	Consent of Cayman Islands counsel of Aptorum Group Limited (included in Exhibit 5.1) **
23.3	Consent of US counsel of Aptorum Group Limited (included in Exhibit 5.2) **
24.1	Power of Attorney (included on signature page) *
99.1	Charter of the Audit Committee *
99.2	Charter of the Compensation Committee *
99.3	Charter of the Nominating and Corporate Governance Committee *

* Filed herewith.
** To be filed by Amendment.

Exhibit 3.1

Aptorum Group Limited

Second Amended and Restated Memorandum
and Articles of Association
(Amended and Restated by special resolutions dated _____ 2017)

Campbells

Floor 4, Willow House, Cricket Square
Grand Cayman KY1-9010
Cayman Islands
campbellslegal.com
12574-27374

Companies Law (as revised)
Company Limited by Shares
Second Amended and Restated Memorandum of Association
(Amended and Restated by special resolutions dated _____ 2017)

1 Company Name

The name of the Company is **Aptorum Group Limited**.

2 Registered Office

The registered office of the Company will be situate at the offices of Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands or such other place as the Directors may from time to time decide.

3 Objects

The objects for which the Company is established are unrestricted and the Company shall have full power and authority to carry out any object not prohibited by law as provided by Section 7(4) of the Companies Law (as revised).

4 Powers of Company

Except as prohibited or limited by the Companies Law (as revised) (as amended from time to time) and subject to the rules and regulations of the trading market on which the Company's outstanding shares then trade, if any, the Company shall have and be capable of from time to time and all times exercising any and all of the powers at any time or from time to time exercisable by a natural person or body corporate in doing in any part of the world whether as principal, agent, contractor or otherwise whatever may be considered by it necessary for the attainment of its objects and whatever else may be considered by it as incidental or conducive thereto or consequential thereon, including, but without in any way restricting the generality of the foregoing, the power to make any alterations or amendments to this memorandum of association and the articles of association of the Company and the power to pay all expenses of and incidental to the promotion, formation and incorporation of the Company; to register the Company to do business in any other jurisdiction; to sell, lease or dispose of any property of the Company; to draw, make, accept, endorse, discount, execute and issue promissory notes, debentures, bills of exchange, bills of lading, options, warrants and other negotiable or transferable instruments; to lend money or other assets and to act as guarantors; to borrow or raise money on the security of the undertaking or on all or any of the assets of the Company or without security; to invest monies of the Company in such manner as the directors determine; to promote other companies; to sell the undertaking of the Company for cash or any other consideration; to distribute assets in specie to shareholders of the Company; to make charitable or benevolent donations; to pay pensions or gratuities or provide other benefits in cash or kind to directors, officers, employees, past or present, and their families; to carry on any trade or business and generally to do all acts and things which, in the opinion of the Company or the directors, may be conveniently or profitably or usefully acquired and dealt with, carried on, executed or done by the Company in connection with the business aforesaid.

5 Limited Liability

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

6 Authorised Capital

The capital of the Company is USD 100,000,000.00 divided into 60,000,000 Class A Ordinary Shares with a nominal or par value of USD 1.00 each and 40,000,000 Class B Ordinary Shares with a nominal or par value of USD 1.00 each, provided always that the Company acting by its board of directors shall have power to purchase and/or redeem any or all of such shares and to increase or reduce the said capital of the Company and to sub-divide or consolidate the said shares or any of them subject to the provisions of the Companies Law and the articles of association and the rules of the applicable trading market on which the capital is then traded and to issue all or any part of its capital whether original, purchased, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided.

7 Part VII of the Companies Law (as revised)

If the Company is registered as an exempted company in accordance with Part VII of the Companies Law (as revised), the Company will comply with the provisions of such law relating to exempted companies and, subject to the provisions of the Companies Law and the Articles of Association, it shall have the power to register by way of continuation as a body corporate limited by shares under the laws of any jurisdiction outside the Cayman Islands and to be deregistered in the Cayman Islands.

8 Amendment

The Company shall have power to amend this memorandum of association by special resolution.

Companies Law (as revised)
Company Limited by Shares
Second Amended and Restated Articles of Association
(Amended and Restated by special resolutions dated _____ 2017)

1 Preliminary

1.1 The regulations contained in Table A of the Companies Law (as revised) do not apply to the Company and the following are the articles of association of the Company.

1.2 In these Articles:

(a) the following terms shall have the meanings set opposite if not inconsistent with the subject context:

"**Articles**"	means the articles of association of the Company as originally framed as from time to time amended by Special Resolution;
"**Audit Committee**"	means the committee appointed by the Board in accordance with Article 35 or a successor committee;
"**Auditors**"	means the persons for the time being performing the duties of auditors of the Company;
"**Board**"	means the board of Directors of the Company or the Directors present at a meeting of Directors of the Company at which a quorum is present;
"**Chairman**"	means the Chairman of the board of Directors from time to time;
"**Class A Ordinary Shares"**	means the Class A Ordinary Shares in the capital of the Company having a par value of USD 1.00 each having the rights, and subject to the restrictions, provided in these Articles;
"**Class B Ordinary Shares**"	means the Class B Ordinary Shares in the capital of the Company having a par value of USD 1.00 each having the rights, and subject to the restrictions, provided in these Articles;
"**Clearing House**"	means a clearing house recognised by the laws of a jurisdiction in which the shares of the Company (or depository receipts therefor) are listed or quoted on a stock exchange or interdealer quotation system in such jurisdiction;

"**Company**"	means the above-named Company;
"**Companies Law**"	means the Companies Law (2016 Revision) as amended, of the Cayman Islands;
"debenture"	includes debenture stock, mortgages, bonds and any other securities of the Company whether constituting a charge on the assets of the Company or not;
"**Designated Stock Exchange**"	means the Nasdaq Global Market or such other exchange or interdealer system upon which the Company's securities are listed or quoted;
"**Directors**"	means the persons for the time being occupying the position of directors of the Company, or as the case may be, the directors assembled as a board and the term a "Director" shall be construed accordingly and shall, where the context admits, include an alternate Director;
"**dividend**"	includes a distribution or interim dividend or interim distribution;
"**Electronic Record**"	has the same meaning as in the Electronic Transactions Law;
"**Electronic Transactions Law**"	means the Electronic Transactions Law of the Cayman Islands;
"**Exchange Act**"	means the United States Securities Exchange Act of 1934, as amended;
"**Head Office**"	means such office of the Company as the Directors may from time to time determine to be the principal office of the Company;
"**Issue Price**"	means the total consideration payable for the issue of Shares including for the avoidance of doubt both the par value and any premium payable;
"L**aw**"	means all applicable laws, rules and regulations, domestic or foreign, state, provincial, local or self-regulatory, including without limitation as to all applicable laws, rules and regulations of or related to the Companies Law, the United States, the SEC and the Designated Stock Market;
"**member**"	has the meaning assigned to it in the Companies Law and the term "shareholder" shall also mean a member;

"**Memorandum**"	means the Memorandum of Association of the Company;
"**Month**"	means calendar month;
"**NASDAQ**"	means the National Association of Securities Dealers Automated Quotations;
"**Ordinary Resolution**"	means a resolution: (i) passed by simple majority of such members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting of the Company on a show of hands or a poll and where a poll is taken regard shall be had in computing a majority to the number of votes to which each member is entitled; or (ii) approved in writing by all of the members entitled to vote at a general meeting of the Company in one or more instruments each signed by one or more of the members and the effective date of the resolution so adopted shall be the date on which the instrument, or the last of such instruments, if more than one, is executed.
"**paid-up**"	has the meaning assigned to it in the Companies Law currently meaning paid-up and/or credited as paid-up as to the nominal or par value only excluding any premium payable in respect of the issue of any shares;
"**Register**"	means the register of members of the Company required to be kept by the Companies Law; and includes (except where otherwise stated or the context otherwise requires) any branch or duplicate register of members;
"**registered office**"	means the registered office for the time being of the Company;
"**Registration Office**"	means in respect of any class of share capital such place as the Board may from time to time determine to keep a branch Register in respect of that class of share capital and where (except in cases where the Board otherwise directs the transfers or other documents of title or such class of share capital are to be lodged for registration and are registered;
"**SEC**"	means the United States Securities Exchange Commission;

"**Seal**"	means the common seal of the Company and includes every duplicate seal;
"**Secretary**"	includes an assistant secretary and any persons appointed to perform the duties of the secretary of the Company;
"**share**"	means a share in the Company and shall, where the context so permits, includes fractions of a share in the Company;
"**Special Resolution**"	has the meaning assigned to it in the Companies Law;
"**Treasury Share**"	means a share held in the name of the Company as a treasury share in accordance with the Companies Law.

(b) words importing the singular include the plural and vice versa;

(c) words importing any gender include all genders;

(d) words importing persons include corporations as well as any other legal or natural person;

(e) expressions referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form and include all modes of representing or reproducing words in visible form, including in the form of an Electronic Record;

(f) references to provisions of any law or regulation shall be construed as references to those provisions as amended, modified, re-enacted or replaced;

(g) any phrase commencing with the words "including", "include", "in particular" or any similar expression shall be deemed to be followed by the words "without limitation";

(h) headings are inserted for reference only and shall be ignored in construing the Articles;

(i) subject as aforesaid, any words or expressions defined in the Companies Law shall, if not inconsistent with the subject or context hereof, bear the same meanings as in the Articles;

(j) the word "may" shall be construed as permissive and the word "shall" shall be construed as imperative;

(k) where an Ordinary Resolution is expressed to be required for any purpose, a Special Resolution is also effective for that purpose; and

(l) where any period to lapse under the provisions of these Articles is counted by a number of days, the first day of such period counted shall be the day immediately after the notice is given or deemed to be given and the period of such notice shall be deemed to be complete and final at the end of the last day of such period. The relevant then permitted actions shall be effected the day immediately following such last day.

2 Commencement of Business

2.1 The business of the Company may be commenced as soon after incorporation as the Directors shall see fit, notwithstanding that part only of its shares may have been allotted.

2.2 The Directors may pay, out of the capital or any other monies of the Company, all expenses incurred in or about the formation and establishment of the Company including the expenses of registration.

3 Alteration of Articles

Subject to any other provision of these Articles, the Company may from time to time alter or add to these Articles by passing a Special Resolution so long as such alteration does not disparately impact the members' voting rights.

4 Issue of Shares, Principal and Branch Registers and Offices

4.1 Subject to the Law and to any direction that may be given by the Company in general meeting and without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, the shares of the Company shall be under the Directors' general and unconditional authority to allot and/or issue (with or without rights of renunciation), grant options over, offer or otherwise deal with or dispose of any unissued shares of the Company (whether forming part of the original or any increased share capital), either at a premium or at par, with or without preferred, deferred or other special rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise and to such persons, on such terms and conditions, and at such times as the Directors may decide and they may allot or otherwise dispose of them to such persons (including any Director) on such terms and conditions and at such time as the Directors may determine.

4.2 The Company may, at its discretion, issue fractions of a share and, save where the Articles otherwise provide, a fraction of a share shall have proportionately the same rights as a whole share of the same class.

4.3 The Directors may accept non-cash consideration for the issue of Shares.

4.4 The Company shall be prohibited from issuing shares, certificates or coupons in bearer form.

4.5 The Directors may accept contributions to the capital of the Company otherwise than in consideration of the issue of shares and the amount of any such contribution may be treated as share premium (in which case it shall be subject to the provisions of the Companies Law and these Articles applicable to share premium).

4.6 The Company shall maintain or cause to be maintained the Register in accordance with the Companies Law.

4.7 The Directors may determine that the Company shall maintain one or more branch registers of members in accordance with the Companies Law provided that a duplicate of such branch registers shall be maintained with the principal register in accordance with the Companies Law. The Directors shall also determine which register of members shall constitute the principal register and which shall constitute the branch register or registers, and may vary such determination from time to time.

4.8 Subject to the provisions of the Law, the Company by resolution of the Directors may change the location of its registered office.

4.9 The Company, in addition to its registered office, may establish and maintain such other offices, places of business and agencies in the Islands and elsewhere as the Directors may from time to time determine.

5 Treasury Shares

5.1 The Directors may, prior to the purchase, redemption or surrender of any share, determine that such share shall be held as a Treasury Share.

5.2 The Directors may resolve to cancel a Treasury Share or transfer a Treasury Share on such terms as they think proper (including, without limitation, for nil consideration).

6 Redemption, Purchase and Surrender of Own Shares

6.1 Subject to the provisions of the Companies Law, the Memorandum and these Articles:

(a) shares may be issued on the terms that they are, or at the option of the Company or the member are, liable to be redeemed on such terms and in such manner as the Company, by resolution, or as the Directors, before the issue of the shares, may determine; and

(b) the Company may purchase shares, including any redeemable shares, issued by the Company upon the terms and in such manner as the Directors or the Company, by resolution, may from time to time determine, and such authority may be general in respect of any number of purchases, for a set period, or indefinite;

(c) the Company may make payment in respect of any redemption or purchase of its own shares in any manner authorised by the Companies Law, including out of capital

(d) Subject to the provisions of these Articles, the rights attaching to any issued shares may, by Special Resolution, be varied so as to provide that such shares are, or at the option of the Company or the member are, liable to be redeemed on such terms and in such manner as the Company may, determine.

6.2 The Directors may accept the surrender for no consideration of any fully paid-up share.

6.3 The Directors may, when making a payment in respect of the redemption or purchase of shares, make such payment in cash or in specie (or partly in one and partly in the other).

6.4 Upon the date of redemption or purchase of a share, the holder shall cease to be entitled to any rights in respect thereof (excepting always the right to receive (i) the price therefor and (ii) any dividend which had been declared in respect thereof prior to such redemption or purchase being effected) and accordingly his name shall be removed from the Register with respect thereto and the share shall be cancelled.

7 Class A Ordinary Shares

7.1 Voting Rights

The holder of Class A Ordinary Shares shall have the right to one (1) vote for each such share and shall be entitled to notice of any shareholders' meeting and, subject to the terms of these Articles, to vote thereat.

7.2 Redemption

The Class A Ordinary Shares are not redeemable at the option of the holder.

7.3 Conversion

The Class A Ordinary Shares are not convertible into shares of any other class.

8 Class B Ordinary Shares

8.1 Voting Rights

The holder of Class B Ordinary Shares shall have the right to ten (10) votes for each such share, and shall be entitled to notice of any shareholders' meeting and, subject to the terms of these Articles, to vote thereat.

8.2 Redemption

The Class B Ordinary Shares are not redeemable at the option of the holder.

8.3 Conversion

The holders of the Class B Ordinary Shares shall have the conversion rights set out in the following paragraphs (the "**Conversion Rights**").

(a) *Right to Convert*

Each Class B Ordinary Share shall be convertible, at the option of the holder thereof, at any time after the date of issuance of such share at the Head Office of the Company or the office of any transfer agent for such shares, into such number of fully paid and non-assessable Class A Ordinary Shares on the basis that one (1) Class B Ordinary Share shall be converted into one (1) Class A Ordinary Share (being a 1:1 ratio and hereafter referred to as the "**Conversion Rate**"), on the date the written notice to convert (together with any certificate representing the Class B Ordinary Shares to which it relates, if any) is received, as provided for in these Articles, by the Company at its Head Office or by any transfer agent for the Class B Ordinary Shares. The Conversion Rate for Class B Ordinary Shares shall be subject to adjustment as set out in this Article 8.3.

(b) *Mechanics of Conversion*

Before any holder of Class B Ordinary Shares shall be entitled to voluntarily convert the same into Class A Ordinary Shares, such holder shall lodge, at the Company's Head Office or at the office of any transfer agent for the Class B Ordinary Shares, a written notice of the election to convert the same (together with any certificate, if any, representing the Class B Ordinary Shares to which it relates) and such written notice shall state therein the name or names that shall be entered on the Register and, if certificates are to be issued, the name or names in which the certificate or certificates for Class A Ordinary Shares are to be issued. A conversion shall be effected as a simultaneous redemption of the relevant Class B Ordinary Shares and the allotment and issue of the new Class A Ordinary Shares with the proceeds of such redemption of Class B Ordinary Shares being applied to purchase the new Class A Ordinary Shares. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of delivery of notice of conversion and, if certificates are then issued, such surrender of the certificate or certificates for the Class B Ordinary Shares to be converted, and the person or persons entitled to receive the Class A Ordinary Shares issuable upon such conversion shall be entered on the Register as the holder or holders of such Class A Ordinary Shares on such date. Certificates evidencing the Class A Ordinary Shares issued on conversion, and any remaining Class B Ordinary Shares of such Member may be issued in accordance with the terms of these Articles.

(c) *Conversion Price Adjustments of Class B Ordinary Shares for Certain Dilutive Splits, and Consolidations*

The Conversion Rate of the Class B Ordinary Shares shall be subject to adjustment from time to time as follows:

(i) If the Company on or after the date of the adoption of these Articles (the "**Adoption Date**"), fixes a record date for the effectuation of a split or subdivision of the outstanding Class A Ordinary Shares then, as of such record date (or the date of such split or subdivision if no record date is fixed), the Conversion Rate of the Class B Ordinary Shares shall be appropriately adjusted so that the number of Class A Ordinary Shares issuable on conversion of each share shall be increased in proportion to such increase of the aggregate of Class A Ordinary Shares outstanding.

(ii) If the number of Class A Ordinary Shares outstanding at any time after the Adoption Date is decreased by a consolidation or other combination of the outstanding Class A Ordinary Shares, then, following the record date of such combination, the Conversion Rate for the Class B Ordinary Shares shall be appropriately adjusted so that the number of Class A Ordinary Shares issuable on conversion of each share shall be decreased in proportion to such decrease in outstanding shares.

(d) *Recapitalisations*

If at any time or from time to time there shall be a recapitalisation of the Class A Ordinary Shares (other than a subdivision or combination provided for elsewhere in this Article 8.3), provision shall be made so that the holders of the Class B Ordinary Shares shall thereafter be entitled to receive upon conversion of the Class B Ordinary Shares the number of shares of the Company, to which a holder of Class A Ordinary Shares deliverable upon conversion would have been entitled on such recapitalisation. In any such case, appropriate adjustment shall be made in the application of the provisions of this Article 8.3 with respect to the rights of the holders of the Class B Ordinary Shares after the recapitalisation to the end that the provisions of this Article 8.3 (including adjustment of the Conversion Rate then in effect and the number of shares purchasable upon conversion of the Class B Ordinary Shares) shall be applicable after that event as nearly equivalent as may be practicable.

(e) *No Fractional Shares and Certificate as to Adjustments*

(i) No fractional shares shall be issued upon the conversion of any Class B Ordinary Shares, and the aggregate number of Class A Ordinary Shares to be issued to particular shareholders shall be rounded down to the nearest whole share and the Company shall pay in cash the fair market value of any fractional shares as of the time when entitlement to receive such fractions is determined. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of Class B Ordinary Shares the holder is at the time converting into Class A Ordinary Shares and the number of Class A Ordinary Shares issuable upon such conversion.

(ii) Upon the occurrence of each adjustment or readjustment of the Conversion Price of the Class B Ordinary Shares pursuant to this Article 8.3, the Company, at its expense, shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Class B Ordinary Shares a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Class B Ordinary Shares, furnish or cause to be furnished to such holder a like certificate setting forth (A) such adjustment and readjustment, (B) the Conversion Rate for such Class B Ordinary Shares at the time in effect, and (C) the number of Class A Ordinary Shares that at the time would be received upon the conversion of a Class B Ordinary Share.

(f) *Reservation of Shares Issuable Upon Conversion*

(i) The Company shall at all times reserve and keep available out of its authorised but unissued Class A Ordinary Shares, solely for the purpose of effecting the conversion of the Class B Ordinary Shares, such number of its Class A Ordinary Shares as shall from time to time be sufficient to effect the conversion of all outstanding Class B Ordinary Shares; and if at any time the number of authorised but unissued Class A Ordinary Shares shall not be sufficient to effect the conversion of all then outstanding Class B Ordinary Shares, in addition to such other remedies as shall be available to the holder of such Class B Ordinary Shares, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorised but unissued Class A Ordinary Shares to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite shareholder approval of any necessary amendment to the Memorandum and Articles.

(g) *No Impairment*

Subject to the right of the Company to amend its Memorandum and Articles or take any other corporate action upon obtaining the necessary approvals required by these Articles and applicable law, the Company will not, by amendment of these Articles or through any reorganisation, recapitalisation, transfer of assets, consolidation, merger, amalgamation, scheme of arrangement, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Article 8.3 and in the taking of all such action as may be necessary or appropriate to protect the conversion rights of the holders of Class B Ordinary Shares against impairment.

(h) *Waiver of Adjustment to Conversion Rate*

Notwithstanding anything herein to the contrary, any downward adjustment of the Conversion Rate of any of the Class B Ordinary Shares may be waived, either prospectively or retroactively and either generally or in a particular instance, by the consent or vote of the holders of Class B Ordinary Shares representing a majority of the votes attributable to all then outstanding Class B Ordinary Shares (voting together as a single class and on an as-converted basis). Any such waiver shall bind all future holders of Class B Ordinary Shares.

9 Variation of Rights of Shares

9.1 If at any time the share capital of the Company is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least two-thirds of the issued shares of that class or with the sanction of a resolution passed at a meeting of the holders of such class of shares by the holder or holders of at least two-thirds of such shares present in person or by proxy at such meeting. To the extent not inconsistent with this Article, the provisions of these Articles relating to general meetings shall apply to every such meeting of the holders of one class of shares except that the necessary quorum shall be one person holding or representing by proxy at least one third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll.

9.2 The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of the issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking pari passu therewith and, for the avoidance of doubt shall not be varied by the increase in the number of shares issuable under any employee share plan adopted by the Company from time to time.

9.3 For the purposes of a separate class meeting, the Directors may treat two or more or all the classes of Shares as forming one class of Shares if the Directors consider that such class of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

10 Commission on Sale of Shares

When permitted by Law the Company may pay to any person a commission in consideration of his subscribing or agreeing to subscribe (whether absolute or conditional) for any shares or debentures of the Company, or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares or debentures in the Company. Any such commission may be satisfied by the payment of cash or in fully paid-up shares or debentures of the Company or partly in one way and partly in the other.

11 Non-Recognition of Trusts

Except as required by law or otherwise provided by these Articles, no person shall be recognised by the Company as holding any shares upon any trust, and the Company shall not be bound by or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12 Certificates for Shares

12.1 Share certificates shall generally not be issued, unless the Directors determine to so issue either generally or in a specific circumstance. A certificate may be issued under Seal or executed in such other manner as the Directors may prescribe. Provided that in respect of a share or shares held jointly by several persons the Company shall not be bound to issue more than one certificate and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.

12.2 Certificates representing shares shall be in such form as shall be determined by the Directors. Such certificates shall be signed by such person or persons as are authorised from time to time by the Directors or by the Articles. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered in the Register. All certificates surrendered to the Company for transfer shall be cancelled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled. Notwithstanding the foregoing, if a share certificate is defaced, lost or destroyed, it may be renewed on such terms (if any) as to evidence and indemnity and the payment of out of pocket expenses of the Company incurred in investigating evidence as the Directors think fit.

13 Joint Ownership of Shares

If several persons are registered as joint holders of any shares they shall be severally as well as jointly liable for any liability in respect of such shares, but the first named upon the Register shall, as regards service or notices, be deemed the sole owner thereof. Any of such persons may give effectual receipt for any dividend or other distribution.

14 Lien

14.1 The Company shall have a first and paramount lien and charge on every share for all monies, whether presently payable or not, called or payable at a fixed time in respect of that share, and the Company shall also have a first and paramount lien and charge on all shares standing registered in the name of a member (whether solely or jointly with others) for all monies, liabilities or engagements presently owing by him or his estate to the Company either alone or jointly with any other person, whether a member or not; but the Directors may at any time declare any share to be wholly or in part exempt from the provisions of this Article. The Company's lien and charge, if any, on a share shall extend to all dividends or other monies payable in respect thereof. The registration of a transfer of any such share shall operate as a waiver of the Company's lien and charge (if any) thereon.

14.2 The Company may sell, in such manner as the Directors think fit, any shares on which the Company has a lien and charge, but no sale shall be made unless a sum in respect of which the lien and charge exists is presently payable, nor until the expiration of fourteen days after a notice in writing, stating and demanding payment of such part of the amount in respect of which the lien and charge exists as is presently payable, has been given to the registered holder or holders for the time being of the share, or the person, of which the Company has notice, entitled thereto by reason of his death or bankruptcy.

14.3 To give effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser thereof. The purchaser shall be registered as the holder of the shares comprised in any such transfer, and he shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

14.4 The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien and charge exists as is presently payable, and the residue, if any, shall (subject to a like lien and charge for sums not presently payable as existed upon the shares before the sale) be paid to the person entitled to the shares prior to the sale.

15 Calls on Shares

15.1 The Directors may from time to time make calls upon the members in respect of any monies unpaid on their shares for the Issue Price (whether on account of the nominal value of the shares or by way of premium or otherwise) and not by the conditions of allotment thereof made payable at fixed times. Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine. A person upon whom a call is made shall remain liable for calls made upon him notwithstanding the subsequent transfer of the shares in respect of which the call was made.

15.2 A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

15.3 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate fixed by the terms of allotment or issue of the share or in the notice of the call or at such rate as prescribed by the Designated Stock Exchange or as the Directors may otherwise determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.

15.4 Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date (whether on account of the nominal value of the share or by way of premium or otherwise) shall for the purposes of the Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

15.5 The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls or interest to be paid and the times of payment.

15.6 The Directors may, if they think fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, and upon all or any of the monies so advanced may (until the same would, but for such advance, become payable) pay interest at such rate as may be agreed upon between the Directors and the member paying such sum in advance.

15.7 No such sum paid in advance of calls shall entitle the member paying such sum to any portion of a dividend declared in respect of any period prior to the date upon which such sum would but for such payment become presently payable.

16 Transfer of Shares

16.1 Every instrument of transfer shall be left at the registered office for registration, accompanied by the certificate (if any) covering the shares to be transferred and such other evidence as the Directors may require to prove the title of the transferor to, or his right to transfer, the shares.

16.2 The instrument of transfer of any share (which need not be under Seal) shall be signed by or on behalf of the transferor and, unless the share is fully paid up or the transferee otherwise consents or agrees thereto, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect thereof. If the transferor or the transferee is a Clearing House or central depository house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the Board may approved from time to time.

16.3 Subject to such of the restrictions of the Articles as may be applicable, any member may transfer all or any of his shares by instrument in writing in any usual or common form or any other form which the Directors may approve or in a form prescribed by the Designated Stock Exchange. Upon every transfer of shares any certificate held by the transferor shall be given up to be cancelled and shall forthwith be cancelled accordingly and a new certificate may be issued. The Company shall also retain the transfer.

16.4 The Directors may, in their absolute discretion and without assigning any reason therefor, refuse to register any transfer of any share, whether or not it is a fully paid up share as to Issue Price.

16.5 Without limitation, the Directors may decline to recognise any instrument of transfer if:

(a) the instrument of transfer is not accompanied by the certificate covering shares to which it relates (if any), and/or such other evidence as the Directors may require to prove the title of the transferor to, or his right to transfer, the shares; or

(b) the instrument of transfer is in respect of more than one class of share.

16.6 If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

16.7 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year.

17 Transmission of Shares

17.1 In case of the death of a member, the survivor or survivors where the deceased was a joint holder, and the legal personal representatives of the deceased where he was a sole holder, shall be the only persons recognised by the Company as having any title to his interest in the shares but nothing herein contained shall release the estate of a deceased holder from any liability in respect of any share which had been held by him solely or jointly with other persons.

17.2 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may, upon such evidence being produced as may from time to time be properly required by the Directors to show his title to the share, elect either to be registered himself as holder of the share or to make such transfer of the share to such other person nominated by him as the aforesaid member could have made and to have such person registered as the transferee thereof, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by that member before his death or bankruptcy, as the case may be.

17.3 A person becoming entitled to a share by reason of the death or bankruptcy of a member shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company; provided always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within fourteen days the Directors may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share until the requirements of the notice have been complied with.

18 Forfeiture of Shares

18.1 If a member fails to pay any call or instalment of a call for any part of the Issue Price on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalments together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

18.2 The aforesaid notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or before the time appointed the shares in respect of which the call was made will be liable to be forfeited.

18.3 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited, by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared or other monies due in respect of the forfeited shares and not actually paid before forfeiture.

18.4 A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Directors think fit, and at any time before a sale or disposition the forfeiture may be cancelled on such terms as the Directors think fit.

18.5 A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies (including any unpaid component of the Issue Price and interest which shall continue to accrue) which, at the date of forfeiture, were payable by him to the Company in respect of the shares, but his liability shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares. The Directors may waive payment wholly or in part or enforce payment without any allowance for the value of the shares at the time of forfeiture or for any consideration received on their disposal. When any share shall have been forfeited, notice of the Directors' resolution to that effect shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof, shall forthwith be made in the Register. Where for the purposes of its disposal a forfeited share is to be transferred to any person the Directors may authorize any person to execute an instrument of transfer of the share to that person.

18.6 A declaration in writing that the declarant is a Director or Secretary of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of and he shall thereupon be registered as the holder of the share, and shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

19 Amendment of Memorandum of Association and Alteration of Capital

19.1 Subject to and insofar as permitted by provisions of the Companies Law, the Company may from time to time by Ordinary Resolution (or where an Ordinary Resolution is disallowed by the Companies Law and a Special Resolution is required, by Special Resolution) alter or amend its memorandum of association otherwise than with respect to its name and objects and may hereby, without restricting the generality of the foregoing:

(a) increase the share capital by such sum to be divided into shares of such amount or without nominal or par value as the resolution shall prescribe and with such rights priorities and privileges annexed thereto as may be determined;

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

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

(d) by subdivision of its existing shares or any of them divide the whole or any part of its share capital into shares of smaller amount than is fixed by the memorandum of association of the Company or into shares without nominal or par value;

(e) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of any shares so cancelled; and

(f) reduce its share capital and any capital redemption reserve fund subject to any consent, order, Court approval or other matter required by law.

19.2 All new shares created hereunder shall be subject to the same provisions with reference to the payment of calls, liens, transfer, transmission, forfeiture and otherwise as the shares in the original share capital.

19.3 Subject to the provisions of the Companies Law, the Company may by Special Resolution change its name or alter its objects.

20 General Meetings

20.1 The annual general meeting of the Company shall be held in each year other than the year in which these Articles were adopted at such time and place as determined by the Directors. The Directors may, whenever they think fit, convene an extraordinary general meeting. If at any time there are not sufficient Directors capable of acting to form a quorum, any Director or any one or more members may convene an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors.

20.2 The Directors shall, upon the requisition in writing of one or more members holding in the aggregate not less than one-tenth of such paid-up capital (as to Issue Price) of the Company as at the date of the requisition carries the right of voting at general meetings, convene an extraordinary general meeting. Any such requisition shall express the object of the meeting proposed to be called, and shall be left at or posted to the registered office and may consist of several documents in like form each signed by one or more requisitionists.

20.3 If the Directors do not proceed to convene a general meeting within twenty-one days from the date of such requisition being left as aforesaid, the requisitionist(s) or any one or more of them or any other member or members holding in the aggregate not less than one-tenth of such paid-up capital (as to Issue Price) of the Company as at the date of the requisition carries the right of voting at general meetings, may convene an extraordinary general meeting to be held at the registered office or at some convenient place at such time, subject to the Articles as to notice, as the person(s) convening the meeting fix. The requisitionists shall be reimbursed by the Company for all reasonable expenses incurred by them as a result of the failure by the Directors to convene the general meeting.

20.4 Subject to the provisions of the Companies Law relating to Special Resolutions, seven days' notice at the least specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business shall be given in manner hereinafter provided, or in such other manner (if any) as may be prescribed by the Company in general meeting, to such persons as are, under the Articles, entitled to receive such notices from the Company; but with the consent of members entitled to receive notice of some particular meeting or their proxies holding at least in the aggregate not less than ninety percent (90%) of the paid-up share capital of the Company (as to Issue Price) giving the right to attend and vote at general meetings of the Company, that meeting may be convened by such shorter notice and in such manner as those members or their proxies may think fit.

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

20.6 All business that is transacted at an extraordinary general meeting and all that is transacted at any annual general meeting, with the exception of the sanctioning of a dividend and the consideration of the accounts, balance sheet, the annual report of the Directors and the Auditors' report shall be deemed to be special.

20.7 When all members entitled to be present and vote sign either personally or by proxy the minutes of a general meeting, the same shall be deemed to have been duly held notwithstanding that the members have not actually come together or that there may have been technical defects in the proceedings and a resolution in writing (in one or more counterparts) signed by all members personally or by proxy as aforesaid (a person being a proxy for one or more members being entitled to sign such resolution on behalf of each such member) shall be as valid and effectual as if it had been passed at a meeting of the members duly called and constituted.

21 Proceedings at General Meetings

21.1 No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business; two (2) members present in person or by proxy, one of whom shall be the holder of the majority of the shares in the Company, shall be a quorum provided always that if the Company has one member of record the quorum shall be that one (1) member present in person or by proxy.

21.2 If, within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of member(s), shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting the members present shall be a quorum.

21.3 The Chairman, if any, of the board of Directors shall preside as Chairman at every general meeting of the Company, or if there is no such Chairman, or if he shall not be present within fifteen minutes after the time appointed for the holding of the meeting or is unwilling to act, the Directors present shall elect one of their number to be Chairman of the meeting.

21.4 If at any meeting no Director is willing to act as Chairman or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their number to be Chairman of the meeting.

21.5 The Chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

21.6 At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded

(a) by the Chairman; or

(b) by any member or members present in person or by proxy and representing not less than one tenth of the total voting rights of all the members having the right to vote at the meeting; or

(c) by a member or members holding shares conferring a right to vote at the meeting being shares on which an aggregate sum has been paid-up (as to Issue Price) equal to not less than one tenth of the total sum paid up (as to Issue Price) on all the shares conferring that right.

21.7 Unless a poll be so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or portion of the votes recorded in favour of or against such resolution. A demand for a poll may be withdrawn.

21.8 In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a casting vote.

21.9 A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and in such manner as the Chairman of the meeting directs and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with pending the taking of the poll.

21.10 If for so long as the Company has only one member:

(a) in relation to a general meeting, the sole member or a proxy for that member or (if the member is a corporation) a duly authorized representative of that member is a quorum; and

(b) the sole member may agree that any general meeting be called by shorter notice than that provided for by the Articles; and

(c) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).

22 Votes of Members

22.1 Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person or by proxy at a general meeting shall have one vote and on a poll every member present in person or by proxy shall have one vote for each share registered in his name on the Register.

22.2 In the case of joint holders the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register.

22.3 A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, by his committee, receiver, curator bonis, or other person in the nature of a committee, receiver or curator bonis appointed by that court, and any such committee, receiver, curator bonis or other person may, on a poll, vote by proxy.

22.4 No person shall be entitled to vote at any general meeting unless he is registered as a member in the Register on the date of such meeting and unless all calls or other sums presently payable by him in respect of shares of the Company have been paid.

22.5 No objection shall be raised to the qualifications of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting, whose decision shall be final and conclusive.

22.6 On a poll or on a show of hands votes may be given either personally or by proxy. On a poll, a member entitled to more than one vote need not, if he votes, use all his votes or cast all votes he uses the same way.

23 Proxies

23.1 The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing or, if the appointor is a corporation, either under seal or under the hand of an officer or attorney duly authorised. A proxy need not be a member of the Company. Deposit or delivery of a form of appointment of a proxy does not preclude a member from attending and voting at the meeting or at any adjournment of it.

23.2 The instrument appointing a proxy shall be deposited at the registered office or the Registration Office or at such other place as is specified for that purpose in the notice convening the meeting no later than four (4) hours prior to the commencement of the meeting at such time as scheduled,, or adjourned meeting, provided that the Chairman of the meeting may at his discretion direct that an instrument of proxy shall be deemed to have been duly deposited upon receipt of confirmation from the appointor that the instrument of proxy duly signed is in the course of transmission to the Company. The Directors may require the production of any evidence which they consider necessary to determine the validity of any appointment pursuant to this Article.

23.3 The instrument appointing a proxy may be in any form acceptable to the Directors and may be expressed to be for a particular meeting and/or any adjournment thereof or generally until revoked.

23.4 The instrument appointing a proxy shall be deemed to confer authority to demand and to join in demanding a poll.

23.5 A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

24 Corporations Acting by Representatives at Meetings and Clearing House

24.1 Any corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members and the person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could exercise if it were an individual member.

24.2 If a Clearing House (or its nominee(s)) or a central depository entity, being a corporation, is a member, it may authorise such persons at it thinks fit to act as its representatives at any meeting of the Company or at any meeting of any class of member provided that the authorisation shall specify the number and class of shares in respect of which each such representative is so authorised. Each person so authorised under the provisions of this Article shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same rights and powers on behalf of the Clearing House or central depository entity (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by the Clearing House or a central depository entity (or its nominee(s)) including the right to vote.

25 Directors

25.1 The Company shall have a Board of Directors consisting of not less than three (3) Directors. The Board may impose a maximum or minimum number of Directors required to hold office at any of time and vary such limits from time to time, so that the number of Directors shall not be less than three (3)**.**

25.2 The remuneration to be paid to the Directors shall be such remuneration as the Directors shall determine and as is in accordance with the Charter of the Compensation Committee of the Board (the "**Compensation Charter**"), as applicable and the Company's other corporate governance documents. Such remuneration shall be deemed to accrue from day to day. The Directors may also be paid travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any committee of the Directors or general meetings of the Company or in connection with the business of the Company or the discharge of their duties as a Director, or receive a fixed allowance in respect thereof as may be determined by the Directors from time to time or a combination of partly of one such method and partly the other. The Directors may provide benefits, whether by the payment of gratuities or pensions or by insurance or otherwise, for any existing Director or any Director who has held but no longer holds any executive office or employment with the Company or with any body corporate which is or has been a subsidiary of the Company or a predecessor in business of the Company or of any such subsidiary, and for any member of his family (including a spouse and a former spouse) or any person who is or was dependent on him, and may (as well before as after he ceases to hold such office or employment) contribute to any fund and pay premiums for the purchase or provision of any such benefit.

25.3 The shareholding qualification for Directors may be fixed by the Company in general meeting, and unless and until so fixed no qualification shall be required.

25.4 Subject to the Company's Code of Ethics, especially Article III thereof, a Director or alternate Director may be or become a Director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a Director or officer of, or from his interest in, such other company unless the Company otherwise directs in general meeting. Notwithstanding the foregoing, no "Independent Director" as defined in the rules of the Designated Stock Exchange or in Rule 10A-3 under the Exchange Act and with respect of whom the Board has determined constitutes an "Independent Director" for purposes of compliance with applicable law or the Company's listing requirements, shall without the consent of the Audit Committee take any of the foregoing actions or any other action that would reasonably be likely to affect such Director's status as an "Independent Director" of the Company;

25.5 The Directors may by resolution award special remuneration to any Director undertaking any special work or services which in the opinion of the Directors are beyond his ordinary routine work as a Director. Any fees paid to a Director who is also counsel or attorney-at-law to the Company, or otherwise serves it in a professional capacity, shall be in addition to his remuneration as a Director.

25.6 A Director or alternate Director may act by himself or his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director or alternate Director; provided that nothing herein obtained shall authorise a Director or alternate Director or his firm to act as Auditor of the Company; provided, further that such Director or alternate Director, as the case may be, obtains written approval from the Audit Committee before performing any such act or providing such services and accepting any remuneration therefor. All fees paid pursuant to this Article 25.6 are subject to, and shall be paid in accordance with the Compensation Charter.

26 Alternate Directors and Proxy Directors

26.1 A Director may by writing appoint any person to be an alternate Director in his place. Any appointment or removal of an alternate Director shall be by notice to the Company signed by the Director making or revoking the appointment or in any other manner approved by the Directors. The person so appointed shall be entitled to attend, speak and vote at meetings of the Directors, and at all meetings of committees of Directors that his appointor is a member of, when the Director appointing him is not personally present and to sign any written resolution of the Directors and shall automatically vacate his office on the expiration of the term for or the happening of the event until which he is by the terms of his appointment to hold office or if the appointor in writing revokes the appointment or himself ceases for any reason to hold office as a Director. An appointment of an alternate Director under this Article shall not prejudice the right of the appointor to attend and vote at meetings of the Directors and the powers of the alternate Director shall automatically be suspended during such time as the Director appointing him is himself present in person at a meeting of the Directors. An alternate Director shall be deemed to be appointed by the Company and not deemed to be the agent of the Director appointing him and shall alone be responsible for his own acts and defaults.

26.2 A Director may be represented at any meetings of the Directors by a proxy appointed by him in which event the presence or vote of the proxy shall for all purposes be deemed to be that of the Director.

26.3 The provisions of these Articles applicable to alternate Directors shall *mutatis mutandis* apply to the appointment of proxies by Directors, save that any person appointed as a proxy pursuant to paragraph 26.2 above shall be the agent of the Director, and not an officer of the Company.

27 Powers and Duties of Directors

27.1 The business of the Company shall be managed by the Directors (or a sole Director if only one is appointed) who may exercise all the powers of the Company save where inconsistent with the Companies Law or these Articles PROVIDED HOWEVER that no regulations made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made. The powers given by this Article shall not be limited by any special power given to the Directors by the Articles and a meeting of Directors at which a quorum is present may exercise all powers exercisable by the Directors.

27.2 Without limitation, the Directors may exercise all the powers of the Company to borrow or raise monies, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt liability or obligation of the Company or of any third party.

27.3 All cheques, promissory notes, drafts, bills of exchange or other negotiable instruments, and all receipts for monies paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time determine by resolution.

27.4 The Directors shall cause minutes to be made in books provided for the purpose:

(a) of all appointments of officers made by the Directors;

(b) of the names of the Directors or their alternates present at each meeting of the Directors and of any committee of the Directors;

(c) of all resolutions and proceedings at all meetings of the Company, and of the Directors, and of committees of Directors.

27.5 The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance, in accordance with the Compensation Charter.

28 Director or Officer Contracting with Company

28.1 So long as it does not adversely affect such person's performance of duties or responsibilities to the Company and so long as it is not in direct competition with the Company and the Company's business, no Director or officer shall be disqualified by his office from contracting and/or dealing with the Company as vendor, purchaser or otherwise; nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director or officer shall be in any way interested be or be liable to be avoided; nor shall any Director or officer so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director or officer holding that office or the fiduciary relationship thereby established. However, any such transaction that would reasonably be likely to affect a Director's status as an "Independent Director", or that would constitute a "related party transaction" pursuant to the laws or rules promulgated by the SEC or Designated Stock Exchange shall require the review and approval of the Audit Committee. The nature of the Director's interest must be disclosed by him at the meeting of the Directors at which the contract or arrangement is considered if his interest then exists, or in any other case, at the first meeting of the Directors after the acquisition of his interest. A Director, having disclosed his interest as aforesaid, shall not be counted in the quorum and shall refrain from voting as a Director in respect of any contract or arrangement in which he is so interested as aforesaid.

28.2 A general written notice to the Board and the Audit Committee that a Director is a member of a specified firm or company and is to be regarded as interested in all transactions with that firm or company shall be a sufficient disclosure under the immediately preceding Article as regards such Director and the said transactions and after such general notice it shall not be necessary for such Director to give a special notice relating to any particular transaction with that firm or company, so long as the transactions are approved by the Board. An interest of which a Director has no knowledge and of which it is unreasonable to expect him to have knowledge shall not be treated as an interest of his.

28.3 A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine.

29 Appointment and Removal of Directors

29.1 A Director may be appointed by Ordinary Resolution or by the Directors. Any appointment may be either to fill a casual vacancy or as an addition to the existing Directors but so that the total number of Directors (exclusive of alternate Directors) shall not at any time exceed the number fixed in accordance with these Articles.

29.2 A Director may be removed by the Directors or by Ordinary Resolution. In addition at any time and from time to time, the holder or holders of more than half of the paid-up share capital of the Company (as to Issue Price) having the right to attend and vote at general meetings of the Company may appoint any person to be a Director and may in like manner remove any Director and may in like manner appoint another person in his stead.

29.3 The Company may from time to time, by Ordinary Resolution, set, increase or reduce the maximum number of Directors who may constitute the board of Directors.

29.4 For so long as shares are listed on a Designated Stock Exchange, the Directors shall include at least such number of independent directors as applicable law, rules or regulations or the Designated Stock Exchange rules require as determined by the Board.

30 Board's Power to appoint Directors

30.1 Without prejudice to the Company's power to appoint a person to be a Director pursuant to these Articles, the Board shall have power at any time to appoint any person who is willing to act as a Director, either to fill a vacancy or as an addition to the existing Board, sujbect to the total number of Directors not exceeding any maximum number fixed by or in accordance with these Articles.

30.2 Any Director so appointed shall, if still a Director, retire at the next annual general meeting after his appointment and be eligible to stand for election as a Director at such meeting.

31 Appointment at Annual General Meeting

Unless re-appointed pursuant to the provisions of Article 29.1 or removed from office pursuant to the provisions of Article 32.1, each Director shall be appointed for a term expiring at the next-following annual general meeting of the Company. At any such annual general meeting, Directors will be elected by Ordinary Resolution. At each annual general meeting of the Company, each Director elected at such meeting shall be elected to hold office for one-year term and until the election of their respective successors in office or in removal pursuant to Articles 29.1 and 32.1.

32 Removal of Directors

32.1 Directors shall be removed in accordance with Article 29.2.

33 Resignation of Directors

33.1 A Director may at any time resign office by giving to the Company notice in writing or, if permitted pursuant to the notice provisions, in an Electronic Record delivered in either case in accordance with those provisions.

33.2 Unless the notice specifies a different date, the Director shall be deemed to have resigned on the date that the notice is delivered to the Company.

34 Termination of Directors

34.1 A Director may retire from office as a Director by giving notice in writing to that effect to the Company at the registered office, which notice shall be effective upon such date as may be specified in the notice, failing which upon delivery to the registered office.

34.2 Without prejudice to the provisions in these Articles for retirement, a Director's office shall be terminated forthwith if the Director:

(a) is prohibited by law from serving as a Director;

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

(c) dies or is found to be or becomes of unsound mind;

(d) resigns his office by notice in writing to the Company or otherwise pursuant to any agreement between the Company and such Director;

(e) is removed from office by notice of the holder or holders of more than half of the paid-up share capital of the Company (as to Issue Price) having the right to attend and vote at general meetings of the Company notwithstanding anything in the Articles or any agreement between the Company and such Director;

(f) is requested by all the other Directors (numbering at least two) to resign; or

(g) if he absents himself (without being represented by proxy or an alternate Director appointed by him) from three consecutive meetings of the Board without special leave of absence from the Directors, and they pass a resolution that he has by reason of such absence vacated office.

35 Proceedings of Directors

35.1 The Directors may meet together for the dispatch of business, adjourn and otherwise regulate their meetings as they think fit. The Directors shall meet at least twice a year or more frequently as may be required. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the Chairman shall have a second or casting vote. The Chairman or any Directors may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors. Every Director shall receive notice of a board meeting. Notice of a board meeting is deemed to be duly given to a Director if it is given to him personally or by word of mouth or by electronic communication to an address given by him to the Company for that purpose or sent in writing to him at his last known address or other address given by him to the Company for that purpose. A Director or his alternate may waive the requirement that notice be given to the Director of a meeting of the board of Directors or committee of the Directors, either prospectively or retrospectively.

35.2 The quorum necessary for the transaction of the business of the Directors shall be two Directors present in person or by this alternate provided that at least one (1) of whom shall be the Chairman. A Director and his appointed alternate Director being considered only one person for this purpose, PROVIDED ALWAYS that if there shall at any time be only a sole Director the quorum shall be one. If within half an hour from the time appointed for a meeting of Directors a quorum is not present the meeting shall be adjourned to such time and place as the Chairman may determine or failing which, to the same day of the next week at the same time and place. If no quorum is present at the adjourned meeting the meeting shall be dissolved. One person may represent more than one Director by alternate and for the purposes of determining whether or not a quorum is present and voting each appointment of an alternate shall be counted.

35.3 The continuing Directors or sole continuing Director may act notwithstanding any vacancy in their body but, if and so long as their number is reduced below the number fixed by or pursuant to the Articles as the necessary quorum of Directors, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that number, or of summoning a general meeting of the Company, but for no other purpose.

35.4 If no Chairman is appointed, Directors may elect a Chairman of their meetings and determine the period for which he is to hold office; but if no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the Directors present may choose one of their number to be Chairman of the meeting.

35.5 If not otherwise designated by the Board, a committee may elect a Chairman of its meetings; if no such Chairman is elected, or if at any meeting the Chairman is not present the members present may choose one of their number to be Chairman of the Meeting, in accordance with the committee's charter, if any.

35.6 A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present, and in the case of an equality of votes the Chairman shall have a second or casting vote.

35.7 All acts done by any meeting of the Directors or of a committee of the Directors (including any person acting as an alternate Director) shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any Director or alternate Director, and/or that they or any of them were disqualified, and/or had vacated their office and/or were not entitled to vote, be as valid as if every such person had been duly appointed and/or not disqualified to be a Director or alternate Director and/or had not vacated their office and/or had been entitled to vote, as the case may be.

35.8 A resolution in writing signed by all the Directors entitled to receive notice of a meeting of Directors (or their respective alternates) shall be as valid and effective for all purposes as a resolution of Directors duly passed at a meeting of the Directors duly convened, held and constituted. Any such resolution may consist of several documents, provided that each such document is signed by one or more Directors.

35.9 Any Director or Directors or any committee thereof may participate in any meeting of the board of Directors or of such committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other and participation in a meeting pursuant to this provision shall constitute presence in person at such meeting. All business transacted in this way by the Directors or a committee of Directors is for the purpose of the Articles deemed to be validly and effectively transacted at a meeting of the Directors or of a committee of Directors although fewer than two Directors or alternate Directors are physically present at the same place.

35.10 If and for so long as there is a sole Director of the Company:

(a) he may exercise all powers conferred on the Directors by the Articles by any means permitted by the Articles or the Companies Law;

(b) the quorum for the transaction of business is one; and

(c) all other provisions of the Articles apply with any necessary modification (unless the provision expressly provides otherwise).

36 Managing Director

36.1 The Directors may from time to time appoint one or more of their body to the office of managing director for such period and on such terms as they think fit and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. A Director so appointed shall be subject to the same provisions as regards removal and disqualification as the other Directors and his appointment shall be automatically determined if he ceases for any cause to be a Director.

36.2 A managing director shall receive such remuneration (whether by way of salary, commission or participation in profits, or partly in one way and partly in another) as the Directors may determine.

36.3 The Directors may entrust to and confer upon a managing director any powers, authorities and discretions exercisable by them upon such terms and conditions and with such restrictions as they may think fit, and either collaterally with or to the exclusion of their own powers and may from time to time revoke, alter, withdraw or vary all or any of such powers.

37 Presumption of Assent

A Director who is present at a meeting of the board of Directors at which action on any Company matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favour of such action.

38 Management

38.1 The Directors may from time to time provide for the management of the affairs of the Company in such manner as they think fit and the provisions contained in the three next following Articles shall be without prejudice to the general powers conferred by this Article.

38.2 The Directors from time to time and at any time may establish any committees, (including without limitation on Audit Committee) boards or agencies, may appoint any persons to be members of such committees or boards, may appoint any managers or agents, and may fix their remuneration. Any committee so formed shall in the exercise of powers so delegated conform to any regulations that may be imposed on it by the Directors.

38.3 The Directors from time to time and at any time may delegate to any such committee, board, manager or agent any of the powers, authorities and discretions for the time being vested in the Directors and may authorise the members for the time being of any such board, or any of them, to fill up any vacancy therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit, and the Directors may at any time remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby. Where a provision of the Articles refers to the exercise of a power, authority or discretion by the Directors and that power, authority or discretion has been delegated by the Directors to a committee, the provision shall be construed as permitting the exercise of the power, authority or discretion by the committee.

38.4 The Directors may from time to time and at any time by power of attorney appoint any company, firm or person or body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under the Articles) and for such period and subject to such conditions as they may think fit, and any such powers of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit and may also authorise any such attorney to delegate all or any of the powers, authorities and discretions vested in him.

38.5 Any such delegates as aforesaid may be authorised by the Directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.

39 Audit Committee

39.1 Without prejudice to the freedom of the Directors to establish any other committees, for so long as the shares of the Company (or depository receipts therefor) are listed or quoted on the Designated Stock Exchange, the Board shall establish and maintain an Audit Committee as a committee of the Board, the composition and responsibilities of which shall comply with the rules of the Designated Stock Exchange and the rules and regulations of the SEC.

39.2 The Board shall adopt a formal written audit committee charter and review and assess the adequacy of the formal written charter on an annual basis.

39.3 The Audit Committee shall meet at least once every financial quarter or more frequently as circumstances dictate.

39.4 For so long as the Shares of the Company (or depository receipts therefor) are listed or quoted on the Designated Stock Exchange, the Company shall conduct an appropriate review of all related party transactions on an ongoing basis and shall utilize the Audit Committee for the review and approval of potential conflicts of interest. Specifically, the Audit Committee shall approve any transaction or transactions between the Company and any of the following parties: (i) any shareholder owning an interest in the voting power of the Company or any subsidiary of the Company that gives such shareholder significant influence over the Company or any subsidiary of the Company, (ii) any Director or executive officer of the Company or any subsidiary of the Company and any relative of such Director or executive officer, (iii) any person in which a substantial interest in the voting power of the Company is owned, directly or indirectly, by any person described in (i) or (ii) or over which such a person is able to exercise significant influence, and (iv) any affiliate (other than a subsidiary) of the Company.

40 Officers

40.1 Officers of the Company may be elected by the Company in general meeting by Ordinary Resolution or appointed by the Directors and may consist of a president, one or more vice presidents, a Secretary, one or more assistant secretaries, a treasurer, one or more assistant treasurers and such other officers as the Company in general meeting by Ordinary Resolution or the Directors may from time to time think necessary and all such officers shall perform such duties as may be prescribed by the Company in general meeting by Ordinary Resolution or the Directors. They shall hold office until their successors are elected or appointed but any officer may be removed at any time by the Company in general meeting by Ordinary Resolution or by the Directors. If any office becomes vacant the Company in general meeting by Ordinary Resolution or the Directors may fill the same. Any person may hold more than one of these offices and no officer need be a member or Director.

41 The Seal

41.1 The Company may, if the Directors so determine, have a Seal. The Directors shall provide for the safe custody of the Seal which shall only be used with the authority of the Directors or a committee of the Directors authorised in that regard. Every instrument to which the Seal shall be affixed shall be signed by a Director or other person authorised by the Directors for that purpose. Notwithstanding the provisions hereof, a Director, Secretary or other officer may affix the Seal to returns, lists, notices, certificates or any other documents required to be authenticated by him under Seal or to be filed with the Registrar of Companies in the Cayman Islands or elsewhere under his signature alone.

41.2 The Company may exercise the powers conferred by the Companies Law with regard to having a duplicate seal for use abroad and such powers shall be vested in the Directors.

42 Dividends and Reserve

42.1 Subject to the Companies Law and these Articles, the Directors may from time to time declare dividends (including interim dividends) and distributions on issued shares of the Company and authorise payment of the same out of funds of the Company lawfully available therefor.

42.2 No dividend or distribution shall be paid except out of the profits of the Company, realised or unrealised, or out of the share premium account or as otherwise permitted by the Companies Law.

42.3 The Directors may, before declaring any dividends or distributions, set aside such sums as they think proper as a reserve or reserves which shall at the discretion of the Directors be applicable for any purpose of the Company and pending such application may, at the like discretion, be employed in the business of the Company.

42.4 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends or distributions, if dividends or distributions are to be declared on a class of shares they shall be declared and paid according to the amounts paid or credited as paid on the shares of such class issued on the record date for such dividend or distribution but no amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Article as paid on the share. If at any time the share capital is divided into different classes of shares the Directors may pay dividends on shares which confer deferred or non-preferred rights with regard to dividends as well as on shares which confer preferential rights with regard to dividends, but no dividend shall be paid on shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears. The Directors may also pay at intervals settled by them any dividend payable at a fixed rate if it appears that there are sufficient funds of the Company lawfully available for distribution to justify the payment. Provided the Directors act in good faith they shall not incur any liability to the holders of shares conferring preferred rights for any loss they may suffer by the lawful payment of a dividend on any shares having deferred or non-preferred rights.

42.5 The Directors may deduct from any dividend or distribution payable to any member all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

42.6 The Directors may declare that any dividend or distribution be paid wholly or partly by the distribution of specific assets and in particular of paid-up shares (as to issue price), debentures or debenture stock of any other company or in any one or more of such ways and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all members and may vest any such specific assets in trustees as may seem expedient to the Directors.

42.7 Any dividend, distribution, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder, or, in the case of joint holders, to the holder who is first named on the Register or to such person and to such address as such holder or joint holders may in writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. Any one of two or more joint holders may give effectual receipts for any dividends, distributions, bonuses or other monies payable in respect of the shares held by them as joint holders.

42.8 No dividend or distribution shall bear interest against the Company, save as otherwise provided.

42.9 Except as otherwise provided by the rights attached to any shares, dividends and other distributions may be paid in any currency. The Directors may determine the basis of conversion for any currency conversions that may be required and how any costs involved are to be met.

42.10 The Directors may, before resolving to pay any dividend or other distribution, set aside such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for any purpose of the Company and pending such application may, at the discretion of the Directors, be employed in the business of the Company.

42.11 Any dividend or distribution which cannot be paid to a member and/or which remains unclaimed after six months from the date on which such dividend or distribution becomes payable may, in the discretion of the Directors, be paid into a separate account in the Company's name, provided that the Company shall not be constituted as a trustee in respect of that account and the dividend or distribution shall remain as a debt due to the Member. Any dividend or distribution which remains unclaimed after a period of six years from the date on which such dividend or distribution becomes payable shall be forfeited and shall revert to the Company.

43 Payment by allotment of Shares

43.1 Whenever the Board has resolved that a dividend be paid or declared on any class of the share capital of the Company, the Board may further resolve either:

(a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof if the Board so determines) in cash in lieu of such allotment. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend to be satisfied by the allotment of shares as aforesaid) shall not be payable in cash on shares in respect whereof the cash election has not been duly exercised ("**the non-elected shares**") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the non-elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the non-elected shares on such basis; or

(b) that the members entitled to such dividend shall be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the Board may think fit. In such case, the following provisions shall apply:

(i) the basis of any such allotment shall be determined by the Board;

(ii) the Board, after determining the basis of allotment, shall give not less than ten (10) days' notice in writing to the holders of the relevant shares of the right of election accorded to them and shall send with such notice forms of election and specify the procedure to be followed and the place at which and the latest date and time by which duly completed forms of election must be lodged in order to be effective;

(iii) the right of election may be exercised in respect of the whole or part of that portion of the dividend in respect of which the right of election has been accorded; and

(iv) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on shares in respect whereof the Share election has been duly exercised ("**the elected shares**") and in satisfaction thereof shares of the relevant class shall be allotted credited as fully paid up to the holders of the elected shares on the basis of allotment determined as aforesaid and for such purpose the Board shall capitalise and apply out of any part of the undivided profits of the Company (including profits carried and standing to the credit of any reserves or other special account, share premium account, capital redemption reserve other than the Subscription Rights Reserve) as the Board may determine, such sum as may be required to pay up in full the appropriate number of shares of the relevant class for allotment and distribution to and amongst the holders of the elected shares on such basis.

43.2

(a) The shares allotted pursuant to the provisions this Article 43 shall rank pari passu in all respects with shares of the same class (if any) then in issue save only as regards participation in the relevant dividend or in any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneously with the payment or declaration of the relevant dividend unless, contemporaneously with the announcement by the Board of their proposal to apply the provisions of sub-paragraph (i) or (ii) of paragraph (b) of this Article 43 in relation to the relevant dividend or contemporaneously with their announcement of the distribution, bonus or rights in question, the Board shall specify that the shares to be allotted pursuant to the provisions of paragraph (a) of this Article shall rank for participation in such distribution, bonus or rights.

(b) The Board may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (a) of this Article 39, with full power to the Board to make such provisions as it thinks fit in the case of shares becoming distributable in fractions (including provisions whereby, in whole or in part, fractional entitlements are aggregated and sold and the net proceeds distributed to those entitled, or are disregarded or rounded up or down or whereby the benefit of fractional entitlements accrues to the Company rather than to the members concerned). The Board may authorise any person to enter into on behalf of all members interested, an agreement with the Company providing for such capitalisation and matters incidental thereto and any agreement made pursuant to such authority shall be effective and binding on all concerned.

43.3 The Board may resolve in respect of any one particular dividend of the Company that notwithstanding the provisions of paragraph (a) of this Article 43 a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

43.4 The Board may on any occasion determine that rights of election and the allotment of shares under this Article 39 shall not be made available or made to any shareholders with registered addresses in any territory where, in the absence of a registration statement or other special formalities, the circulation of an offer of such rights of election or the allotment of shares would or might, in the opinion of the Board, be unlawful or impracticable, and in such event the provisions aforesaid shall be read and construed subject to such determination. Members affected as a result of the foregoing sentence shall not be or be deemed to be a separate class of members for any purpose whatsoever.

43.5 Any resolution declaring a dividend on shares of any class may specify that the same shall be payable or distributable to the persons registered as the holders of such shares at the close of business on a particular date, notwithstanding that it may be a date prior to that on which the resolution is passed, and thereupon the dividend shall be payable or distributable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares. The provisions of this Article shall mutatis mutandis apply to bonuses, capitalisation issues, distributions of realised capital profits or offers or grants made by the Company to the members.

44 Accounts

44.1 The Directors shall cause proper books of account to be kept with respect to:

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

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

(c) the assets and liabilities of the Company.

44.2 Proper books shall not be deemed to be kept if there are not kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions.

44.3 The books of account shall be kept at such place or places as the Directors think fit, and shall always be open to the inspection of the Directors. The books of accounts shall be retained for five (5) years from the date of their preparation, or such other period as specified by the Companies Law.

44.4 The Directors shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Companies Law or authorised by the Directors or by the Company in general meeting.

44.5 The Directors shall from time to time cause to be prepared and to be laid before the Company in general meeting profit and loss accounts, balance sheets, group accounts (if any) and such other reports and accounts as may be required by Companies Law.

45 Audit

45.1 Subject to applicable law and the rules of the Designated Stock Exchange, the Directors may appoint an Auditor or Auditors on such terms as the Directors determine who shall hold office until otherwise resolved.

45.2 Every Auditor shall have the right of access at all times to the books and accounts and vouchers of the Company and shall be entitled to require from the Directors and officers of the Company such information and explanation as may be necessary for the performance of the duties of the auditors.

45.3 Auditors shall at any time during their term of office, upon request of the Directors or any general meeting of the members, make a report on the accounts of the Company in general meeting during their tenure of office.

46 Fiscal Year

The fiscal year of the Company shall end on the 31st day of December in each year unless the Directors prescribe some other period therefor.

47 Capitalisation of Profit and Share Premium

47.1 The Directors or the Company in general meeting, by Ordinary Resolution upon the recommendation of the Directors, may resolve that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts (including, without limitation, the share premium account and capital redemption reserve fund) or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free from distribution amongst the members who would have been entitled thereto if distributed by way of dividend and in the same proportions on condition that the same be not paid in cash but be applied in or towards paying up any amounts for the time being unpaid on any shares held by such members respectively or paying up in full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid-up (as to Issue Price) to and amongst such members in the proportions aforesaid, or partly in the one way and partly in the other, and the Directors shall give effect to such resolution. Provided that a share premium account and a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus shares.

47.2 Whenever such a resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto, with full power to the Directors to make such provision by the issue of fractional certificates or by payment in cash or otherwise as they think fit for the class of shares or debentures becoming distributable in fractions, and also to authorise any person to enter into, on behalf of all the members entitled thereto, an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up (as to Issue Price), of any further shares or debentures to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any part of the amounts remaining unpaid on their existing shares, and any agreement made under such authority shall be effective and binding on all such members.

47.3 The Directors shall in accordance with the Companies Law establish a share premium account and shall carry to the credit of such account from time to time a sum equal to the amount or value of the premium paid on the issue of any share and may treat any contributed capital or capital surplus as if it were credited to such account. There shall be debited to any share premium account:

(a) on the redemption or purchase of a share the difference between the nominal value of such share and the redemption or purchase price provided always that at the discretion of the Directors such sum may be paid out of the profits of the Company or, if permitted by the Companies Law, out of capital; and

(b) any other amounts paid out of any share premium account as permitted by the Companies Law.

48 Subscription Rights Reserve

48.1 The following provisions shall have effect to the extent that they are not prohibited by and are in compliance with the Companies Law.

48.2 If, so long as any of the rights attached to any warrants issued by the Company to subscribe for shares of the Company shall remain exercisable, the Company does any act or engages in any transaction which, as a result of any adjustments to the subscription price in accordance with the provisions of the conditions of the warrants, would reduce the subscription price to below the par value of a share, then the following provisions shall apply:

(a) as from the date of such act or transaction the Company shall establish and thereafter (subject as provided in this Article 48) maintain in accordance with the provisions of this Article 48 a reserve (the "**Subscription Rights Reserve**") the amount of which shall at no time be less than the sum which for the time being would be required to be capitalised and applied in paying up in full the nominal amount of the additional shares required to be issued and allotted credited as fully paid pursuant to sub-paragraph (c) below on the exercise in full of all the subscription rights outstanding and shall apply the Subscription Rights Reserve in paying up such additional shares in full as and when the same are allotted;

(b) the Subscription Rights Reserve shall not be used for any purpose other than that specified above unless all other reserves of the Company (other than share premium account) have been extinguished and will then only be used to make good losses of the Company if and so far as is required by the Companies Law;

(c) upon the exercise of all or any of the subscription rights represented by any warrant, the relevant subscription rights shall be exercisable in respect of a nominal amount of shares equal to the amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be the relevant portion thereof in the event of a partial exercise of the subscription rights) and, in addition, there shall be allotted in respect of such subscription rights to the exercising warrantholder, credited as fully paid, such additional nominal amount of shares as is equal to the difference between:

(i) the said amount in cash which the holder of such warrant is required to pay on exercise of the subscription rights represented thereby (or, as the case may be, the relevant portion thereof in the event of a partial exercise of the subscription rights); and

(ii) the nominal amount of shares in respect of which such subscription rights would have been exercisable having regard to the provisions of the conditions of the warrants, had it been possible for such subscription rights to represent the right to subscribe for shares at less than par and immediately upon such exercise so much of the sum standing to the credit of the Subscription Rights Reserve as is required to pay up in full such additional nominal amount of shares shall be capitalised and applied in paying up in full such additional nominal amount of shares which shall forthwith be allotted credited as fully paid to the exercising warrantholders; and

(d) if, upon the exercise of the subscription rights represented by any warrant, the amount standing to the credit of the Subscription Rights Reserve is not sufficient to pay up in full such additional nominal amount of shares equal to such difference as aforesaid to which the exercising warrantholder is entitled, the Board shall apply any profits or reserves then or thereafter becoming available (including, to the extent permitted by the Companies Law, share premium account) for such purpose until such additional nominal amount of shares is paid up and allotted as aforesaid and until then no dividend or other distribution shall be paid or made on the fully paid shares of the Company then in issue. Pending such payment and allotment, the exercising warrant holder shall be issued by the Company with a certificate evidencing his right to the allotment of such additional nominal amount of shares. The rights represented by any such certificate shall be in registered form and shall be transferable in whole or in part in units of one share in the like manner as the shares for the time being are transferable, and the Company shall make such arrangements in relation to the maintenance of a register therefor and other matters in relation thereto as the Board may think fit and adequate particulars thereof shall be made known to each relevant exercising warrantholder upon the issue of such certificate.

48.3 Shares allotted pursuant to the provisions of this Article shall rank pari passu in all respects with the other shares allotted on the relevant exercise of the subscription rights represented by the warrant concerned. Notwithstanding anything contained in paragraph (a) of this Article, no fraction of any share shall be allotted on exercise of the subscription rights.

48.4 The provision of this Article as to the establishment and maintenance of the Subscription Rights Reserve shall not be altered or added to in any way which would vary or abrogate, or which would have the effect of varying or abrogating the provisions for the benefit of any warrantholder or class of warrantholders under this Article without the sanction of a special resolution of such warrantholders or class of warrantholders.

48.5 A certificate or report by the Auditors for the time being of the Company as to whether or not the Subscription Rights Reserve is required to be established and maintained and if so the amount thereof so required to be established and maintained, as to the purposes for which the Subscription Rights Reserve has been used, as to the extent to which it has been used to make good losses of the Company, as to the additional nominal amount of shares required to be allotted to exercising warrantholders credited as fully paid, and as to any other matter concerning the Subscription Rights Reserve shall (in the absence of manifest error) be conclusive and binding upon the Company and all warrantholders and shareholders.

49 RECORD DATE

49.1 For the purpose of determining members entitled to attend meetings, receive payment of any dividend or capitalisation or for any other purpose, the Directors may provide that the Register may, after compliance with any notice requirement of the Designated Stock Exchange, be suspended or closed for transfers for a stated period which shall not in any case exceed thirty (30) days in any year as the Board may determine. In lieu of, or apart from, closing the Register, the Directors may fix in advance or arrears a date as the record date for any such determination of members provided that the record date for a meeting may not be earlier than the date of notice of such meeting.

49.2 If the Register is not so closed and no record date is fixed for the determination of members entitled to attend meetings, receive payment of a distribution or capitalisation, the date on which the notice of the meeting is given or resolution of the Directors declaring such dividend or capitalisation is adopted, as the case may be, shall be the record date for such determination of members.

49.3 A determination of the members of record entitled to notice of or to vote at a meeting of the members shall apply at any adjournment of the meeting, provided however, that the Board may fix a new record date for the adjourned meeting.

50 Notices

50.1 A notice may be given by the Company to any member either personally or by sending it by courier, post, cable, telex, telefax or e-mail to him or to his registered address, or (if he has no registered address) to the address, if any, within or without the Cayman Islands supplied by him to the Company for the giving of notice to him. A notice may also be served by advertisement in appropriate newspapers in accordance with the requirements of the Designated Stock Exchange or, to the extent permitted by the applicable laws, by placing it on the Company's website and giving to the member a notice stating that the notice and other document(s) are available there (a "**notice of availability**"). The notice of availability may be given to the member by any of the means set out above.

50.2 Where a notice is sent by courier, service of the notice shall be deemed to be effected by delivery of the notice to a courier company, and shall be deemed to have been received on the third day (not including Saturdays or Sundays or public holidays) following the day on which the notice was delivered to the courier. Where a notice is sent by post, service of the notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice, and to have been effected in the case of a notice of a meeting at the expiration of fourteen days after the letter containing the same is posted, and in any other case at the time at which the letter would be delivered in the ordinary course of post. Any letter sent to an address outside the Cayman Islands shall be sent by courier or airmail.

50.3 Where a notice is sent by cable, telex, telefax or e-mail, service of the notice shall be deemed to be effected by properly addressing and sending such notice and to have been effected on the day received or, if such day is not a working day, on the next working day.

50.4 A notice may be given by the Company to the person or persons where the Company has been advised are entitled to a share in consequence of the death or bankruptcy of a member by sending it through the post in prepaid letter addressed to them by name, or by the title of representatives of the deceased or trustee of the bankrupt, or by any like description, at the address, if any, within or without the Cayman Islands supplied for that purpose by the persons claiming to be so entitled, or (until such an address has been supplied) by giving the notice in any manner in which the same might have been given if the death or bankruptcy had not occurred.

50.5 A notice shall be sufficiently given by the Company to the joint holders of record of a share by giving the notice to the joint holder first named on the Register in respect of the share.

50.6 Notice of every general meeting shall be given in any manner hereinbefore authorised to:

(a) every person shown as a member in the Register subject, in each case, to the immediately preceding Article; and

(b) every person upon whom the ownership of a share devolves by reason of his being a legal personal representative or a trustee in bankruptcy of a member where the member but for his death or bankruptcy would be entitled to receive notice of the meeting.

50.7 No other person shall be entitled to receive notices of general meetings.

50.8 A member who is present, either in person or by proxy, at any meeting of the Company or of the holders of any class of shares in the Company shall be deemed to have received notice of the meeting, and, where requisite, of the purpose for which it was called.

50.9 Every person who becomes entitled to any share shall be bound by any notice in respect of that share which, before his name is entered in the Register, has been given to the person from whom he derives his title.

50.10 Subject to the rights attached to shares, the Directors may fix any date as the record date for a dividend, allotment or issue. The record date may be on or at any time before or after a date on which the dividend, allotment or issue is declared, made or paid.

51 Winding Up

51.1 If the Company is, or is likely to become, unable to pay its debts, the Directors shall have power to present a winding up petition in the name of the Company and/or to apply for the appointment of provisional liquidators in respect of the Company.

51.2 If the Company shall be wound up, the liquidator may, with the sanction of an Ordinary Resolution of the Company and any other sanction required by law, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the members as the liquidator, with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

51.3 If the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively. And if in a winding up the assets available for distribution amongst the members shall be more than sufficient to repay the whole of the capital at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

52 Indemnity

52.1 Every Director, Secretary, or other officer of the Company (including alternate directors, proxy directors and former directors and officers), any trustee for the time being acting in relation to the Company (including any nominee shareholder holding shares in the Company) and their heirs and personal representatives (each an "**Indemnified Person**") shall be entitled to be indemnified out of the assets of the Company against all actions, proceedings, costs, damages, expenses, claims, losses or liabilities which they or any of them may sustain or incur by reason of any act done or omitted in or about the execution of the duties of their respective offices or trusts or otherwise in relation thereto, including any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which he is acquitted except to the extent that any of the foregoing arise through his dishonesty.

52.2 No Indemnified Person shall be liable (a) for any loss, damage or misfortune whatsoever which may happen to or be incurred by the Company in the execution of the duties, powers, authorities or discretions of his office or in relation thereto, (b) for the acts, receipts, neglects, defaults or omissions of any other such Director or person or (c) by reason of his having joined in any receipt for money not received by him personally or (d) for any loss on account of defect of title to any property of the Company or (e) on account of the insufficiency of any security in or upon which any money of the Company shall be invested or (f) for any loss incurred through any bank, broker or other agent or (g) for any loss occasioned by any negligence, default, breach of duty, breach of trust, error of judgement or oversight on his part or (h) for any other loss or damage due to any such cause as aforesaid except to the extent that any of the foregoing arise through his dishonesty.

52.3 The Company shall advance to each Indemnified Person reasonable attorneys' fees and other costs and expenses incurred in connection with the defence of any action, suit, proceeding or investigation involving such Indemnified Person for which indemnity will or could be sought. In connection with any advance of any expenses hereunder, the Indemnified Person shall execute an undertaking to repay the advanced amount to the Company if it shall be determined by final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification pursuant to this Article. If it shall be determined by a final judgment or other final adjudication that such Indemnified Person was not entitled to indemnification with respect to such judgment, costs or expenses, then such party shall not be indemnified with respect to such judgment, costs or expenses and any advancement shall be returned to the Company (without interest) by the Indemnified Person.

52.4 The Directors, on behalf of the Company, may purchase and maintain insurance for the benefit of any Director or other officer of the Company against any liability which, by virtue of any rule of law, would otherwise attach to such person in respect of any negligence, default, breach of duty or breach of trust of which such person may be guilty in relation to the Company.

53 Registration by Way of Continuation

53.1 The Company, if registered as an exempted company under the Companies Law, may by Special Resolution resolve to be registered by way of continuation in a jurisdiction outside the Cayman Islands which permits or does not prohibit the transfer of the Company to such jurisdiction.

53.2 In furtherance of a resolution passed pursuant to the immediately preceding Article, the Directors shall cause an application to be made to the Registrar of Companies to de-register the Company in the Cayman Islands or such other jurisdiction in which it is for the time being incorporated, registered or existing and may cause all further steps as they consider appropriate to be taken to effect the transfer by way of continuation of the Company.

54 Untraceable Members

54.1 Without prejudice to the rights of the Company in this Article 54, the Company may cease sending cheques for dividend entitlements or dividend warrants by post if such cheques or warrants have been left uncashed on two (2) consecutive occasions. However, the Company may exercise the power to cease sending cheques for dividend entitlements or dividend warrants after the first occasion on which such a cheque or warrant is returned undelivered.

54.2 The Company shall have the power to sell, in such manner as the Board thinks fit, any shares of a member who is untraceable, but no such sale shall be made unless:

(a) all cheques or warrants in respect of dividends of the shares in question, being not less than three (3) in total number, for any sum payable in cash to the holder of such shares sent during the relevant period in the manner authorized by these Articles have remained uncashed;

(b) so far as it is aware at the end of the relevant period, the Company has not at any time during the relevant period received any indication of the existence of the member who is the holder of such shares or of a person entitled to such shares by death, bankruptcy or operation of law; and

(c) the Company, if so required by the rules governing the listing of the shares on the Designated Stock Exchange, has given notice to, and caused advertisement in newspapers to be made in accordance with the requirements of the Designated Stock Exchange of its intention to sell such shares in the manner required by the Designated Stock Exchange, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such advertisement.

For the purpose of the foregoing, the "**relevant period**" means the period commencing twelve (12) years before the date of publication of the advertisement referred to in paragraph (c) of this Article and ending at the expiry of the period referred to in that paragraph.

54.3 To give effect to any such sale the Board may authorize some person to transfer the said shares and an instrument of transfer signed or otherwise executed by or on behalf of such person shall be as effective as if it had been executed by the registered holder or the person entitled by transmission to such shares, and the purchaser shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings relating to the sale. The net proceeds of the sale will belong to the Company and upon receipt by the Company of such net proceeds. No trust shall be created in respect of such debt and no interest shall be payable in respect of it and the Company shall not be required to account for any money earned from the net proceeds which may be employed in the business of the Company or as it thinks fit. Any sale under this Article 54 shall be valid and effective notwithstanding that the Member holding the Shares sold is dead, bankrupt or otherwise under any legal disability or incapacity.

55 Disclosure

The Directors and the officers including any secretary or assistant secretary and/or any its service providers (including the registered office provider for the Company), shall be entitled to disclose to any regulatory or judicial authority, or to any stock exchange on which the shares may from time to time be listed, any information regarding the affairs of the Company including, without limitation, any information contained in the Register and books of the Company.

56 Merger and Consolidation

The Company shall, with the approval of a Special Resolution, have the power to merge or consolidate with one or more constituent companies (as defined in the Companies Law), upon such terms as the Directors may determine.

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Exhibit 4.1

Share Certificate

Number **Shares**

Aptorum Group Limited
(the "**Company**")

Incorporated under the laws of the Cayman Islands

The capital of the Company is US$100,000,000.00 divided into 60,000,000 Class A Ordinary Shares with a nominal or par value of USD 1.00 each and 40,000,000 Class B Ordinary Shares with a nominal or par value of USD1.00 each

This is to certify that is the registered holder of fully paid US$1.00 [Class x] shares in the Company subject to the Memorandum and Articles of Association thereof.

Dated: _____

Director _____

Secretary _____
for **Campbells Secretaries Limited**

THIS NOTE AND THE SECURITIES ISSUABLE UPON THE CONVERSION HEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR UNDER THE SECURITIES LAWS OF ANY STATE. THESE SECURITIES MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, PLEDGED OR HYPOTHECATED EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT OR AN EXEMPTION THEREFROM.

THIS NOTE AND THE SECURITIES ISSUALBE UPON THE CONVERSION HEREOF AND WARRANT SHARES MAY NOT BE OFFERED OR SOLD IN HONG KONG BY MEANS OF ANY DOCUMENT OTHER THAN (I) IN CIRCUMSTANCES WHICH DO NOT CONSTITUTE AN OFFER TO THE PUBLIC WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32, LAWS OF HONG KONG), OR (II) TO "PROFESSIONAL INVESTORS" (AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571, LAWS OF HONG KONG)), OR (III) IN OTHER CIRCUMSTANCES WHICH DO NOT RESULT IN THE DOCUMENT BEING A "PROSPECTUS" WITHIN THE MEANING OF THE COMPANIES (WINDING UP AND MISCELLANEOUS PROVISIONS) ORDINANCE (CAP. 32, LAWS OF HONG KONG) AND NO ADVERTISEMENT, INVITATION OR DOCUMENT RELATING TO THE SECURITIES MAY BE ISSUED OR MAY BE IN THE POSSESSION OF ANY PERSON FOR THE PURPOSE OF ISSUE (IN EACH CASE WHETHER IN HONG KONG OR ELSEWHERE), WHICH IS DIRECTED AT, OR THE CONTENTS OF WHICH ARE LIKELY TO BE ACCESSED OR READ BY, THE PUBLIC IN HONG KONG (EXCEPT IF PERMITTED TO DO SO UNDER THE LAWS OF HONG KONG) OTHER THAN WITH RESPECT TO THE SECURITIES WHICH ARE OR ARE INTENDED TO BE DISPOSED OF ONLY TO PERSONS OUTSIDE HONG KONG OR ONLY TO "PROFESSIONAL INVESTORS" AS DEFINED IN THE SECURITIES AND FUTURES ORDINANCE (CAP. 571, LAWS OF HONG KONG).

APTORUM GROUP LIMITED

SERIES A CONVERTIBLE PROMISSORY NOTE

USD$_____

May 15, 2018 ("**Issuance Date**")

FOR VALUE RECEIVED, APTORUM GROUP LIMITED, a Cayman Islands company limited by shares with its registered address at c/o Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands (the "**Company**"), promises to pay to _____with a principal office at _____, or its successor or permitted assigns ("**Investor**" or "**Holder**"), in lawful money of the United States of America the principal sum of _____U.S. Dollars (USD$_____ (the "**Principal Amount**"), together with interest from the Issuance Date of this Series A Convertible Promissory Note (this "**Note**") as set forth below.

The following is a statement of the rights of Investor and the conditions to which this Note is subject, and to which Investor, by the acceptance of this Note, agrees:

1. Payments.

(a) *Interest.* Subject to Section 3, for the period commencing on the Issuance Date of this Note and until the Interest Payment Date, interest shall accrue on the outstanding unconverted and unpaid Principal Amount at 1% per annum and shall be compounded annually. "**Interest Payment Date**" means the first to occur of (i) the Maturity Date, and (ii) the date of any conversion of this Note in full pursuant to the terms hereof, and (iii) the date of any other repayment or redemption of this Note in full in accordance with the terms hereof. Interest with respect to any partial year shall be computed on the basis of a 360-day year comprised of 30-day months (or in the case of a partial month, the actual number of days elapsed therein).

(b) *Payment Schedule.* Subject to the rights of Investor in Section 3, unless otherwise converted, redeemed or repaid pursuant to the terms of this Note, the full outstanding and unpaid Principal Amount shall be repaid in full by the Company on the Maturity Date. Any accrued and unpaid interest on the Note is due and payable by the Company in cash on the Interest Payment Date.

(c) *Prepayment*. Company shall have the right to prepay this Note in full or any portion thereof at its then outstanding Principal Amount and accrued interest, at any time after the Issuance Date and prior to the Maturity Date or the date on which this Note is fully converted, whichever is earlier, provided that the Company give written notice to the Purchasers at least ten (10) business days before the prepayment.

(d) Whenever any amount expressed to be due by the terms of this Note is due on any day which is not a Business Day, the same shall instead be due on the next succeeding day which is a Business Day, and interest shall accrue during such extension. Investor shall notify the Company in writing no less than five (5) Business Days prior to any scheduled or agreed payment under this Note of the details of the account of Investor to which such payment shall be made, though the failure to provide such information on a timely basis will not relieve the Company's obligation to make such payment under this Note (to the extent such obligation remains outstanding) promptly upon receipt of such information.

2. Events of Default. The occurrence of any of the following shall constitute an "**Event of Default**" under this Note:

(a) *Failure to Pay*. The Company shall fail to pay to the Investor when due any Principal Amount, any interest payment or other cash payment required under this Note (if any), and such failure shall not have been cured within three (3) days after the due date; or

(b) *Breaches of Covenants*. The Company shall fail to observe or perform in any material respect any of the covenants, obligations, conditions or agreements contained in Sections 4, 5, 7(a), 7(c) and 7(d) of this Note and such failure shall continue for thirty (30) days after the Company's receipt of written notice from the Investor of such failure; or

(c) *Voluntary Bankruptcy or Insolvency Proceedings*. The Company, or any of its Significant Subsidiaries, or any group of subsidiaries of the Company that together would constitute a Significant Subsidiary, shall (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian of itself or of all or substantially all of its property, (ii) admit in writing its inability to pay its debts generally as they mature, (iii) make a general assignment for the benefit of its creditors, (iv) be dissolved or liquidated, or (v) commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to any such relief or to the appointment of or taking possession of its property by any official in an involuntary case or other bankruptcy proceeding commenced against it, in the case of each of (i) through (v), other than in connection with a solvent dissolution, liquidation, reorganization or similar corporate proceedings; or

(d) *Involuntary Bankruptcy or Insolvency Proceedings*. Proceedings for the appointment of a receiver, trustee, liquidator or custodian of the Company or any of its Significant Subsidiaries or any group of subsidiaries that together would constitute a Significant Subsidiary or of all or substantially all of the Company's property, or an involuntary case or other proceedings seeking liquidation, reorganization or other relief with respect to the Company, any of its Significant Subsidiaries or any group of subsidiaries that together would constitute a Significant Subsidiary or its or their debts under any bankruptcy, insolvency or other similar law now or hereafter in effect shall be commenced and an order for relief entered or such proceeding shall not be stayed, dismissed or discharged within sixty (60) days of commencement; or

(e) *Cross Default*. Any default by the Company or any Significant Subsidiary with respect to any mortgage, agreement or other instrument under which there is outstanding, or by which there is secured or evidenced, any indebtedness for borrowed money incurred or guaranteed by the Company and/or any such Significant Subsidiary in excess of USD$500,000 (or the foreign currency equivalent thereof) in the aggregate, whether such indebtedness now exists or shall hereafter be created, (A) resulting in such indebtedness becoming or being declared due and payable before its maturity or (B) constituting a failure to pay such indebtedness when due and payable, whether at its stated maturity, upon required repurchase, upon acceleration or otherwise, in each case in accordance with such mortgage, agreement or instrument; or

(f) *Adverse Judgment*. A final judgment for the payment of USD$500,000 (or the foreign currency equivalent thereof) or more (excluding any amounts covered by insurance) is rendered against the Company or any Significant Subsidiary, which judgment is not paid, bonded or otherwise discharged or stayed within sixty (60) days after the earlier of (i) the date on which the right to appeal thereof has expired if no such appeal has commenced and (ii) the date on which all rights to appeal have been extinguished.

3. Rights of Investor upon an Event of Default.

(a) Upon the occurrence of any Event of Default (other than an Event of Default described in Sections 2(c) or 2(d)) and at any time thereafter during the continuance of such Event of Default, Investor may, by written notice to the Company, declare all outstanding and unconverted and unpaid Principal Amount and accrued and unpaid interest payable by the Company hereunder to be immediately due and payable without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. Upon the occurrence of any Event of Default described in Sections 2(c) or 2(d), immediately and without notice, all outstanding and unconverted and unpaid Principal Amount and accrued and unpaid interest payable by the Company hereunder shall automatically become immediately due and payable, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding.

(b) In the case of an Event of Default under Section 2(a), during the period when such Event of Default is continuing and not cured, in lieu of (and not in addition to) the interest rate described in Section 1(a), interest shall accrue at 10% per annum on any such undisputed Principal Amount or interest (or portion thereof) that remains overdue.

(c) Upon the occurrence and during the continuance of any Event of Default, Investor may also exercise any other right, power or remedy granted to it by law, either by suit in equity or by action at law, or both.

4. Conversion.

(a) *Automatic Conversion.* All outstanding Notes (including the outstanding and unpaid Principal Amount and excluding any then-accrued and unpaid interest) shall be converted automatically into the number of fully paid and non-assessable shares (the "**Conversion Shares**") of Class A ordinary share with a nominal or par value at USD$1.00 each (the "**Class A Shares**") without any action by the Holders and whether or not the document representing such Notes are surrendered to the Company or its transfer agent, upon the commencement of trading on a U.S. national securities exchange of the Company's securities to be issued in an initial public offering ("**IPO**") at a price of 56% discount to the actual price per Class A Share to be issued in the IPO (the "Conversion Price"). The Conversion Price may be adjusted after the Issuance Date and prior to the initial closing of the IPO in accordance with Exhibit B. As soon as practicable after the occurrence of an automatic conversion, the Company shall send a written notice substantially in the form attached hereto as Exhibit A (the "**Conversion Notice**") to all Holders notifying them to surrender the original form of the Note (or an affidavit of loss mutilation or destruction, together with an undertaking to provide customary indemnification to the Company in respect thereof) to the Company in exchange a certificate or certificates for the number of full shares of Conversion Shares issuable upon the conversion of Notes pursuant to this Section 4.

(b) *Intentionally Left Blank.*

(c) *Conversion Procedure.*

(i) In connection with any conversion pursuant to Section 4(a), as soon as reasonably practicable following the receipt of a Conversion Notice, Investor shall surrender to the Company this Note (or a notice to the effect that the original Note has been lost, stolen or destroyed and an agreement acceptable to the Company whereby Investor agrees to indemnify the Company from any loss incurred by it in connection with such loss or destruction of this Note).

(ii) Promptly following such surrender of the Note to the Company, (A) the Company shall update its transfer agent to record the number of Conversion Shares to which Investor shall be entitled upon such conversion, issued as fully paid to Investor and deliver to Investor a certified true copy of such updated shareholder list, (B) the Company shall issue and deliver to Investor a certificate or certificates for the Conversion Shares, and a check payable to Investor for any cash amounts payable as described in Section 4(c)(iii).

(iii) No fractional shares or securities shall be issued upon conversion of this Note. In lieu of the Company issuing any fractional shares to Investor upon the conversion of this Note, the Company shall pay to Investor an amount equal to the product obtained by multiplying the applicable Conversion Price in such conversion, by the fraction of a share or such other security not issued pursuant to the previous sentence.

(d) *Reservation of Shares Issuable Upon Conversion.* The Company shall at all times reserve and keep available out of its authorized but unissued Class A Shares solely for the purpose of effecting the conversion of this Note such number of Class A Shares as shall from time to time be sufficient to effect the conversion of the Note; and if at any time the number of authorized but unissued Class A Shares shall not be sufficient to effect the conversion of the entire outstanding Principal Amount of this Note, without limitation of such other remedies as shall be available to the holder of this Note, Company will use its reasonable best efforts to take such corporate action as may, in the opinion of counsel, be necessary to increase its authorized but unissued Class A Shares to such number of shares as shall be sufficient for such purposes.

(e) Whenever the Conversion Price is adjusted as herein provided, the Company shall promptly prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price, the manner of calculation of such adjusted Conversion Price and the date on which such adjustment becomes effective, and shall promptly send such notice to the Investor.

5. Discharge of Obligations. Upon the earlier of (i) the full conversion of this Note and the Company's delivery of the required consideration, if any, in respect thereof pursuant to Section 4 and (ii) the full repayment or redemption of the outstanding and unpaid Principal Amount and any then-accrued and unpaid interest under this Note in accordance with the terms of this Note, the Company shall be forever released from all its obligations and liabilities under this Note and this Note shall be deemed of no further force or effect, without any further action of any party, whether or not the original of this Note has been delivered to the Company for cancellation.

6. "Lock-UP" Agreement. Investor hereby agrees to enter into a lock-up agreement under which Investor agrees not to sell or otherwise transfer or dispose of the Note and the Conversion Shares during six-month period commencing on the date of the commencement of trading on a national securities exchange of the Company's shares in connection with the IPO.

7. Protective Provisions.

(a) *Indebtedness*. Investor's consent will be required for the Company to (i) incur any additional borrowing or issue any additional debt securities ranking *pari passu* with this Note in excess of US$20,000,000 in the aggregate in one or a series of related transactions, and (ii) incur any borrowing or issue any debt securities ranking senior to this Note, including any secured borrowing or debt securities.

(b) *Information*. The Company will deliver to Investor the documents and information set out in the Securities Purchase Agreement dated November _____, 2017 between the Company and the Investor (the "Securities Purchase Agreement"), and the Investor shall be entitled to the same information rights set out in Securities Purchase Agreement, subject to the same terms, conditions, restrictions and exceptions as set out in the Securities Purchase Agreement.

(c) *Stay, Extension and Usury Laws.* The Company covenants (to the extent it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law or other law that would prohibit or forgive the Company from paying all or any portion of the principal of or interest on this Note as contemplated herein, wherever enacted, now or at any time hereafter in force, or that may affect the covenants or the performance of this Note; and the Company (to the extent it may lawfully do so) hereby expressly waives all benefit or advantage of any such law, and covenants that it will not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Investor, but will suffer and permit the execution of every such power as though no such law had been enacted.

(d) *Corporate Existence; Assumption of Obligations by Successor Company*. During the term of this Note, the Company shall (i) do or cause to be done all things reasonably necessary to preserve and keep in full force and effect its corporate existence, or (ii) make adequate provisions such that the resulting, surviving or transferee Person (the "**Successor Company**"), if not the Company, shall expressly assume, by a duly executed amendment delivered to the Investor and reasonably satisfactory in form to the Investor, all of the obligations of the Company under this Note, and upon such assumption, such Successor Company shall succeed to and, except in the case of a lease of all or substantially all of the Company's properties and assets, shall be substituted for the Company, with the same effect as if it had been named herein as the party of the first part. Such Successor Company thereupon may cause the Note to be signed and reissued in its own name, with such changes in phraseology and form (but not in substance) as may be appropriate. The Note as so re-issued shall in all respects have the same benefit as though it had been issued at the date of the execution hereof. In the event of any such Reorganization or election relating to a Change of Control to which the foregoing clause (ii) is applicable, upon compliance with the foregoing clause (ii) the Person named as the "Company" in the first paragraph of this Note (or any successor that shall thereafter have become such in the manner prescribed in this Section) may be dissolved, wound up and liquidated at any time thereafter and, except in the case of a lease, such Person shall be released from its liabilities as obligor and maker of this Note and from its obligations under this Note.

(e) *Notice to Investor Prior to Certain Actions.* In case of: (x) any action by the Company that would require an adjustment to the Conversion Price pursuant to the terms hereof; (y) a Change of Control or Reorganization; or (z) voluntary or involuntary dissolution, liquidation or winding up of the Company, then, in each case (unless notice of such event is otherwise required pursuant to another provision of this Note) and to the extent applicable, the Company shall send to the Investor, a notice stating the date on which a record is to be taken for the purpose of such action by the Company or, if a record is not to be taken, the date as of which the holders of Class A Shares of record are to be determined for the purposes of such action by the Company no later than the earlier of (1) the date notice of such date is required to be provided under applicable law or applicable rules of any stock exchange the Class A Shares are listed on at such time and (2) such date is publicly announced by the Company. In addition, the Company shall notify the Investor of any IPO Commencement Date within two (2) Business Days of such date.

(f) *Tax Matters*. The Company has not made, nor will it without the prior writer consent of Investor make, any election to be treated as other than a corporation for all U.S. federal and applicable state and local income tax purposes. The Company shall use commercially reasonable efforts to avoid classification as a "passive foreign investment company" (a "**PFIC**") as defined in Section 1297 of the U.S. Internal Revenue of Code of 1986, as amended (the "**Code**") for the current and any future taxable year. Within ninety (90) days from the end of each taxable year of the Company beginning with the tax year in which this Note is issued, including, for the avoidance of doubt, taxable years prior to, including and after any conversion pursuant to Section 4 hereof, the Company shall determine, in consultation with a reputable accounting or law firm, whether it was a PFIC in such taxable year. If it is determined that the Company was a PFIC in such taxable year (or if a governmental authority informs the Company that it has so determined), the Company shall, within ninety (90) days from the end of such taxable year, inform Investor of such determination and shall provide or cause to be provided such information as Investor may reasonably request to enable Investor (or its direct or indirect owners) to elect to treat the Company as a "qualified electing fund" (within the meaning of Section 1295 of the Code), and shall provide to Investor a complete and accurate "PFIC Annual Information Statement" for the Company as described in Section 1.1295-1(g)(1) of the U.S. Treasury Regulations.

(g) *Termination*. The provisions of Sections 7(a), 7(b) and 7(e) shall terminate and be of no further force and effect upon the closing of an IPO.

8. Representations and Warranties.

(I) Representations and Warranties of the Company.

The Company hereby represents and warrants to the Investor as of the Issuance Date as follows:

(a) *Organization and Qualification.* The Company is a company duly organized and validly existing under the laws of the Cayman Islands. The Company has the requisite corporate power to carry on its business as now conducted.

(b) *Capitalization.* The Company has provided to Investor the fully-diluted capitalization of the Company containing a list of all outstanding shareholders of the Company as of the Issuance Date and immediately following the issuance of this Note (the "**Capitalization Tables**"). Except as set forth in the Capitalization Tables, in the Option Plan or in the Transaction Documents, there are no outstanding preemptive rights, options, warrants, notes, conversion privileges or rights (including but not limited to rights of first refusal or similar rights), orally or in writing, to purchase or acquire any securities from the Company including, without limitation, any ordinary or preferred shares, or any securities convertible into or exchangeable or exercisable for ordinary or preferred shares.

(c) *Authorization.* All corporate action on the part of the Company, its directors and its shareholders necessary for the authorization of this Note and the delivery and performance of all obligations of the Company hereunder, including the reservation of the Class A Shares issuable upon conversion of the Notes has been taken or will be taken prior to the issuance of such Conversion Shares. This Note constitutes a valid and binding obligation of the Company enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally, general equitable principles and federal and state securities laws. The Conversion Shares, when issued in compliance with the provisions hereof will be validly issued, fully paid and non-assessable and free of any liens or encumbrances.

(d) *Governmental Consents*. All material consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of the Company in connection with the issuance of this Note and the Conversion Shares or the consummation of any other transaction contemplated hereby have been obtained or will be effective at such time as required by applicable law.

(e) *Compliance with Other Instruments*. Other than authorizations, approvals, consents and waivers that have been obtained prior to the Issuance Date, the issuance of this Note and the Conversion Shares will not (i) result in any violation of or be in conflict with, or constitute, with or without the passage of time and giving of notice, a default under, any provision, instrument, judgment, decree, order or writ binding on the Company, (ii) result in the creation of any lien, charge or encumbrance upon any assets of the Company, or (iii) result in the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval required by the Company, its business or operations or any of its assets or properties, in the case of each of (i) through (iii), except as would not materially and adversely affect the rights of the Investor or the Company's ability to perform its obligations hereunder. The issuance of this Note and the subsequent issuance of the Conversion Shares (if any) are not and will not be subject to any preemptive rights or rights of first refusal that have not been properly waived or complied with.

(f) *Financial Statements*. The Company has delivered to the Investor the unaudited consolidated balance sheet of the Company and its subsidiaries as of December 31, 2016, and statements of income and cash flows for the six-month period ended June 30, 2017 (the "**Financial Statements**"). The Financial Statements were prepared in all material respects in conformity with GAAP consistently applied, having regard to the purpose for which they were created, are consistent in all material respects with the books and records of the Company, and fairly present in all material respects (except as may be indicated in the notes thereto) the financial position of the Company and its subsidiaries as of the dates thereof and the results of operations and cash flows of the Company and its subsidiaries for the periods shown therein (subject to the absence of footnotes and normal year-end adjustments in the case of the unaudited statements). None of the Company and its subsidiaries have any material liabilities of any kind whatsoever, whether accrued, contingent, absolute, known, unknown, determined, determinable or otherwise, that are required to be set forth in the Financial Statements pursuant to GAAP, and there is no existing condition, situation or set of circumstances which could reasonably be expected to result in such a liability, other than liabilities provided for in the Financial Statements, or otherwise incurred in the ordinary course since June 30, 2017.

(g) *Compliance with Law.* Each of the Company and its subsidiaries have conducted its business in accordance with applicable laws and regulations in all material respects, including (a) the U.S. Foreign Corrupt Practices Act of 1977, any rules or regulations under this law, or any other applicable anti-corruption or anti-kickback law or regulation and (b) the economic sanctions administered by the U.S. Office of Foreign Assets Control.

(II) Representations and Warranties of the Investor.

The Investor hereby represents and warrants to the Company as of the Issuance Date as follows:

(a) *Organization and Qualification.* The Investor is a company duly organized and validly existing under the laws of its jurisdiction of incorporation. The Investor has the requisite corporate power to carry on its business as now conducted.

(b) *Authorization.* All corporate action on the part of the Investor, its directors and its shareholders necessary for the authorization of this Note and the delivery and performance of all obligations of the Investor hereunder has been taken. This Note constitutes a valid and binding obligation of the Investor enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization and similar laws affecting creditors' rights generally and general equitable principles.

(c) *Governmental Consents*. All material consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of the Investor in connection with the issuance, execution and performance of this Note or the consummation of any other transaction contemplated hereby have been obtained or will be effective at such time as required by applicable law.

(d) *Compliance with Other Instruments*. The Investors' execution and delivery of this Note and the performance by the Investors of its obligations hereunder will not (i) result in any violation of or be in conflict with, or constitute, with or without the passage of time and giving of notice, a default under, any provision, instrument, judgment, decree, order or writ binding on the Investor or its Affiliates, (ii) result in the creation of any lien, charge or encumbrance upon any assets of the Investor or its Affiliates, or (iii) result in the suspension, revocation, impairment, forfeiture, or nonrenewal of any material permit, license, authorization or approval required by the Investor, its Affiliates and their business or operations or any of their assets or properties, in the case of each of (i) through (iii), except as would not materially and adversely affect the rights of the Company or the Investor's ability to perform its obligations hereunder.

(e) *Investigation; Economic Risk*. The Investor is able to fend for itself in the transactions contemplated by this Note and has the ability to bear the economic risks of its investment in this Note and the Conversion Shares.

(f) *Purchase for Own Account*. The Investor is, or will be, acquiring this Note and the Conversion Shares for its own account, not as a nominee or agent, and not with a view to or in connection with the sale or distribution of any part thereof. By executing this Note, the Investor further represents that it does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participation to such person or any third person, with respect to any such securities, assets or property.

(g) *Investment Experience*. The Investor has experience in evaluating and investing in transactions of securities in companies and has such knowledge and experience in financial and business matters.

9. Definitions. Except as set forth below, capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Securities Purchase Agreement (as defined below).

"**Affiliate**" shall mean, in respect of a Person, any other Person that, directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such Person.

"**Business Day**" shall mean a day (other than Saturdays, Sundays or statutory holidays) on which banks generally are open to the public for business in Hong Kong and the United States of America.

"**Control**" shall mean, with respect to any Person, having the ability to direct the management and affairs of such Person, whether through the ownership of voting securities or by contract, and such ability shall also be deemed to exist when any Person or "group" (as that term is used in Sections 13(d) and 14(d) of the United States Securities Exchange Act of 1934, as amended) attains a level of ownership of more than 50% of the voting securities on a fully-diluted and as-converted basis, or the economic rights and benefits, of such Person; and "**Controlled**" shall be construed accordingly.

"**Change of Control**" shall mean (i) any merger or consolidation, scheme of arrangement or other similar transaction (including, without limitation, an acquisition of the Company by way of a share acquisition), of the Company or any of its subsidiaries with or into another entity outside the Group, where such merger or consolidation, scheme of arrangement or other similar transaction (including, without limitation, an acquisition of the Company by way of a share acquisition), results in a change of Control of the Company, (ii) the sale, license or lease of all or substantially all of the Company's and its subsidiaries' assets in one transaction or a series of related transactions, or (iii) the sale (or exclusive license) of all or substantially all of the Company's intellectual property, provided that, for purposes of this Note, any internal restructuring of the Group, the IPO and any restructuring in connection with the IPO (each an "**Internal Restructuring**") shall not be deemed a Change of Control.

"**Group**" shall mean, collectively, the Company, its subsidiaries and any other Person (excluding any natural person) Controlled by the Company.

"**GAAP**" means the United States generally accepted accounting principles applied on a consistent basis during the periods involved.

"**IPO Commencement Date**" shall mean the date on which the Company first files publicly any preliminary registration statement, prospectus or other similar document with any applicable securities regulator or stock exchange in connection with an IPO.

"**Maturity Date**" shall mean the earlier of the 12th month anniversary of the Issuance Date and the date when the Company redeems this Note at its outstanding Principal Amount, provided that the Company has not consummated the IPO within 12 months of the Issuance Date; otherwise, the Maturity Date means the date of the initial closing of the IPO of the Company.

"**Option Plan**" shall mean the share incentive plan established by the Company on October 13, 2017, as amended.

"**Class A Shares**" shall mean the Class A ordinary shares in the share capital of the Company, with a par value of USD$1.00 each, with the rights and privileges as set forth in the Articles.

"**Class B Shares**" shall mean the Class B ordinary shares in the share capital of the Company, with a par value of USD$1.00 each, with the rights and privileges as set forth in the Articles.

"**Person**" shall mean any corporation, company, partnership, firm, limited liability company, other business organization, entity, government, state or agency of state or any joint venture, association, works council or employee representative body (whether or not having separate legal personality) and any individual.

"**Reorganization**" shall mean any capital reorganization, reclassification, recapitalization or statutory exchange of the shares of the Company in such a way that holders of Class A Shares shall be entitled to receive shares, securities or assets in exchange for Class A Shares (in each case other than an Internal Restructuring).

"**Significant Subsidiary**" shall mean any subsidiary of the Company that meets the definition of "significant subsidiary" in Article 1, Rule 1-02 of Regulation S-X under the United States Securities Exchange Act of 1934, as amended, as in effect on the date of this Note.

"**Transaction Documents**" shall mean, collectively, (i) the Company's Memorandum and Articles of Association of the Company, each as may be amended or restated from time to time (the "**Articles**"), (ii) a securities purchase agreement among the Company and Investors dated May 15, 2018 (the "Securities Purchase Agreement"), (iii) a lock-up agreement among the Company and Investors dated May 15, 2018 and (iv) an escrow deposit agreement among the Company, Signature Bank and Boustead.

"**Voting Ordinary Shares**" shall mean the voting ordinary shares of the Company carrying one vote per share as set forth in the Articles.

10. Miscellaneous.

(a) *Successors and Assigns*. Subject to the restrictions on transfer described in this Section 10(a), the rights and obligations of the Company and Investor shall be binding upon and benefit the successors, permitted assigns, heirs, administrators and permitted transferees of the parties. Neither this Note nor any of the rights, interests or obligations hereunder may be assigned or transferred, by operation of law or otherwise, in whole or in part, by the Company or Investor without the prior written consent of the other party; provided that, (i) the Investor or any of its direct or indirect permitted transferees under this Section 10(a)(i) may assign its rights and interests (together with the related obligations) in connection with a transfer of this Note in whole or in part to an Affiliate of the Investor (provided that there shall be no more than four (4) transfers pursuant to this Section 10(a)(i) in the aggregate) (each, a "**Permitted Transfer**"); provided, however, that (A) the Company is given a written notice at the time of each Permitted Transfer stating the name and address of the transferee and identifying the amount of the Note being transferred; and (B) any such transferee shall receive such rights and interests, subject to all the terms and conditions of this Note, including the provisions of this Section 10, and agree to abide by this Note by executing a joinder agreement substantially in the form of Exhibit C hereto, and (ii) for purposes of this Note, a Change of Control shall not be deemed to be an assignment or transfer and shall not be subject to this Section 10(a), and following such Change of Control, the rights and obligations of the Company shall be binding upon and benefit the successor of the Company or such other surviving or resulting entity of such Change of Control. Any permitted transferee of Investor shall be subject to all the terms and conditions of this Note and such transferee shall agree to abide by the terms of this Note by executing a joinder agreement substantially in the form of Exhibit C hereto. At any time that the Investor elects to transfer less than all of this Note in accordance with this Section 10, upon written notice to the Company, the Company will (x) issue a new note (consistent in all respects with this Note other than with respect to principal amount) to the transferee in the aggregate principal amount equal to such portion of this Note that the Investor requests to be transferred to the transferee and (y) will issue a new note (consistent in all respects with this Note other than with respect to principal amount) to the Investor in the aggregate principal amount equal to such portion of the Note not transferred to the transferee.

(b) *Waiver and Amendment*. This Note and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement between the parties with regard to the subjects hereof and thereof. Any provision of this Note may be amended and the observance of any term may be waived (either generally or in a particular instance and either retroactively or prospectively), with the written consent of the Company and Investor. No delay or omission on the part of either party hereto in exercising any right hereunder shall operate as a waiver of such right or of any other right. A waiver on any one occasion shall not be construed as a bar to or waiver of any such right and/or remedy in any future occasion.

(c) *Confidentiality*.

(i) Disclosure of Terms. Each party hereto acknowledges that the terms and conditions of this Note, the Transaction Documents, and all exhibits, schedules, restatements and amendments hereto and thereto, including their existence and any negotiations in connection with them, shall be considered confidential information and shall not be disclosed by it to any third party except in accordance with the provisions set forth below.

(ii) Permitted Disclosures. The confidentiality obligations set out in this Section 10(c) do not apply to:

(A) information which was in the public domain or otherwise known to the relevant party before it was furnished to it by the other party or, after it was furnished to that party, entered the public domain otherwise than as a result of (i) a breach by that party of this Section 10(c), or (ii) a breach of a confidentiality obligation by that party, where the breach was known to that party;

(B) disclosure which is necessary in order to comply with any applicable law, the order of any competent court or authority, the requirements of a stock exchange, parliamentary body, governmental agency or to obtain tax or other clearances or consents from any relevant authority or in connection with responding to any request from any tax authority; or

(C) disclosure by either party hereto to its Affiliates, and its and their employees, financial advisers, consultants, auditors, insurers and legal or other advisers and to their respective existing and potential investors.

(iii) Announcements.

(A) No party shall make or authorize the making of any announcement concerning the existence or subject matter of this Note unless the other party shall have given their prior consent to such announcement (such consent not to be unreasonably withheld or delayed).

(B) Section 10(c)(iii)(A) shall not apply to:

(1) any information which is required to be announced pursuant to any applicable laws or any requirement of any competent governmental or statutory authority or rules or regulations of any relevant regulatory, administrative or supervisory body (including without limitation, any relevant stock exchange or securities council); or

(2) any information which is required to be announced pursuant to any legal process issued by any court or tribunal of competent jurisdiction.

(d) *Applicable Law: Disputes*. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action, any claim that it is not personally subject to the jurisdiction of any such court, that such Action is improper or is an inconvenient venue for such Action. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action to enforce any provisions of the Transaction Documents, the prevailing party in such Action shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action.

(e) *WAIVER OF JURY TRIAL*. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY UNDER THIS AGREEMENT, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.

(f) *Notices*. Except as may be otherwise provided herein, all notices, requests, waivers and other communications made pursuant to this Note shall be in writing and shall be conclusively deemed to have been duly given: (a) when hand delivered to a party; (b) when sent by facsimile at the number set forth below, upon a successful transmission report being generated by the sender's machine; (c) when sent by email at the time the email is sent (provided that a copy of the notice is sent by another method referred to in this Section 10(f) within one (1) Business Day of sending the email) or (d) three (3) Business Days after deposit with an internationally reputable delivery service provider, postage prepaid, provided that the sending party receives a confirmation of delivery from the delivery service provider.

To the Company:	Aptorum Group Limited 17th Floor, Guangdong Investment Tower 148 Connaught Road Central, Hong Kong Telephone: +852 2117 6611 Facsimile: +852 2850 7286 Attention: Investor Relations Email: investor.relations@aptorumgroup.com
To Investor:	_____ _____ _____ Telephone: _____ Facsimile: _____ Attention: _____ Email: _____
with copies (which will not constitute notice) to the following:	Hunter Taubman Fischer & Li LLC 1450 Broadway, 26th Floor New York, New York 10018 Attention: Louis E. Taubman (General Counsel) Facsimile: 212-202-6380 Email: LTaubman@htflawyers.com

A party may change or supplement the addresses and numbers given above, or designate additional addresses and numbers, for purposes of this Section 10(f) by giving the other parties written notice of the new address or number (as relevant) in the manner set forth above.

(g) *Payment*. Unless converted pursuant to the terms hereof, payment shall be made in lawful tender of the United States.

(h) *Expenses*. All costs and expenses incurred in connection with this Note shall be paid by the party incurring such cost or expense.

(i) *Counterparts*. This Note may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, when taken together, shall constitute but one and the same Note.

(Signature Page Follows)

IN WITNESS WHEREOF, the Company has executed and delivered this Note the date and year first above written.

THE COMPANY

APTORUM GROUP LIMITED
a Cayman Islands company

By: _____
Name: Ian Huen
Title: Executive Director & CEO

SIGNATURE PAGE TO CONVERTIBLE PROMISSORY NOTE

EXHIBIT A TO NOTES

CONVERSION NOTICE

Dear Noteholder,

We refer to the Convertible Promissory Note (the "**Note**") dated May 15, 2018 issued by the Aptorum Group Limited (the "**Company**") to you. Capitalized terms used but not defined in this Conversion Notice shall have the meanings specified in the Note.

We hereby give you the Conversion Notice pursuant to Section 4 of the Note that this Note has been automatically converted into _____ shares of Class A Shares at a price of $_____[1] per Class A Share on _____, 20____.

Please kindly deliver the original form of this Note (or an affidavit of loss mutilation or destruction, together with an undertaking to provide customary indemnification to the Company in respect thereof) to :

Aptorum Group Limited
17th Floor, Guangdong Investment Tower
148 Connaught Road
Central, Hong Kong
Telephone: +852 2117 6688
Facsimile: +852 2850 7286
Attention: Investor Relations
Email address: investor.relations@aptorumgroup.com

Yours faithfully,

Aptorum Group Limited

Name: Ian Huen
Title: Executive Director & CEO

[1] The initial conversion price shall be equal to a 56% discount to the actual price per Class A Share at the applicable initial public offering and at the commencement of trading on a U.S. national securities exchange of the Company's securities to be issued in such offering.

EXHIBIT B TO NOTES
ADJUSTMENTS TO CONVERSION PRICE

1. In case the Company, at any time or from time to time, shall subdivide its outstanding Class A Shares into a greater number of shares (by any share split, share dividend or otherwise), the Conversion Price in effect immediately prior to such subdivision shall be proportionately reduced and, conversely, in case the Company, at any time or from time to time, shall combine its outstanding Class A Shares into a smaller number of shares (by any reverse share split or otherwise), the Conversion Price in effect immediately prior to such combination shall be proportionately increased. In the case of any such subdivision, no further adjustment shall be made pursuant to Section 2 below by reason thereof.

2. If, the Company, at any time or from time to time, shall effect any capital reorganization, reclassification, recapitalization or statutory exchange of the shares of the Company in such a way that holders of Class A Shares shall be entitled to receive shares, securities or assets in exchange for Class A Shares (in each case other than an Internal Restructuring) (a "**Reorganization**"), then, lawful and adequate provisions shall be made whereby the Investor shall thereupon have the right to receive, upon the basis and upon the terms and conditions specified herein and in lieu of the Voting Ordinary Shares immediately theretofore receivable upon the full conversion of any unpaid and unconverted Principal Amount then remaining outstanding, such shares, securities or assets as may be issued or payable in exchange for a number of outstanding Voting Ordinary Shares equal to the number of Voting Ordinary Shares immediately theretofore receivable for such full conversion of such unpaid and unconverted Principal Amount remaining outstanding had such Reorganization not taken place.

3. Prior to the IPO, except as provided in Section 4 below and except in the case of an event described in Sections 1 or 2 above, if the Company shall issue or sell, or is, in accordance with this Section 3, deemed to have issued or sold, any new Class A Share for a consideration per share less than the Conversion Price in effect immediately prior to such issuance or sale (the "**Pre-Adjustment Conversion Price**"), then, upon such issuance or sale (or deemed issuance or sale), the Conversion Price shall be determined as follows:

   NCP = OCP * (OS + (NP/OCP))/(OS + NS)

   WHERE:

   NCP = the new Conversion Price,

   OCP = the Pre-Adjustment Conversion Price,

   OS = the total outstanding Class A Shares immediately before the issuance or sale of the new Class A Shares *plus* the total Class A Shares issuable upon conversion of all the outstanding preference shares and exercise of outstanding options and convertible securities,

   NP = the total consideration received for the issuance or sale of the new Class A Shares, and

   NS = the number of new Class A Shares issued or sold.

For purposes of this Section 3, the following shall also be applicable:

(i) *Issuance of Rights or Options*

If the Company at any time or from time to time, shall in any manner grant (whether directly or by assumption in a merger or otherwise) any warrants or other rights to subscribe for or to purchase, or any options for the purchase of, Class A Shares or any shares or security convertible into or exchangeable for Class A Shares (such warrants, rights or options being called "**Options**" and such convertible or exchangeable shares or securities being called "**Convertible Securities**"), in each case for consideration per share (determined as provided in this paragraph and in Section 3(v) below) less than the Conversion Price then in effect, whether or not such Options or the right to convert or exchange any such Convertible Securities are immediately exercisable, then the total maximum number of Class A Shares issuable upon the exercise of such Options, or upon conversion or exchange of the total maximum amount of such Convertible Securities issuable upon exercise of such Options, shall be deemed to have been issued as of the date of granting of such Options, at a price per share equal to the amount determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the granting of such Options, plus the minimum aggregate amount of additional consideration payable to the Company upon the exercise of all such Options, plus, in the case of such Options which relate to Convertible Securities, the minimum aggregate amount of additional consideration, if any, payable upon the issuance or sale of such Convertible Securities and upon the conversion or exchange thereof, by (B) the total maximum number of Class A Shares deemed to have been so issued. Except as otherwise provided in Section 3(iii) below, no adjustment of the Conversion Price shall be made upon the actual issuance of such Class A Shares or of such Convertible Securities upon exercise of such Options or upon the actual issuance of such Class A Shares upon conversion or exchange of such Convertible Securities.

(ii) *Issuance of Convertible Securities*

If the Company at any time or from time to time, shall in any manner issue or sell any Convertible Securities for consideration per share (determined as provided in this paragraph and in Section 3(v) below) less than the Conversion Price then in effect, whether or not the rights to exchange or convert any such Convertible Securities are immediately exercisable, then the total maximum number of Class A Shares issuable upon conversion or exchange of all such Convertible Securities shall be deemed to have been issued as of the date of the issuance or sale of such Convertible Securities, at a price per share equal to the amount determined by dividing (A) the total amount, if any, received or receivable by the Company as consideration for the issuance or sale of such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof, by (B) the total maximum number of Class A Shares deemed to have been so issued; provided, that (1) except as otherwise provided in Section 3(iii) below, no adjustment of the Conversion Price shall be made upon the actual issuance of such Class A Shares upon conversion or exchange of such Convertible Securities and (2) if any such issuance or sale of such Convertible Securities is made upon exercise of any Options to purchase any such Convertible Securities, no further adjustment of the Conversion Price shall be made by reason of such issuance or sale.

(iii) *Change in Option Price or Conversion Rate*

If, at any time or from time to time, there shall occur a change in (A) the maximum number of Class A Shares issuable in connection with any Option referred to in Section 3(i) above or any Convertible Securities referred to in Section 3(i) or Section 3(ii) above, (B) the purchase price provided for in any Option referred to in Section 3(i) above, (C) the additional consideration, if any, payable upon the conversion or exchange of any Convertible Securities referred to in Section 3(i) or Section 3(ii) above or (D) the rate at which Convertible Securities referred to in Section 3(i) or Section 3(ii) above are convertible into or exchangeable for Class A Shares (in each case, other than in connection with an event described in Section 4 below), then the Conversion Price in effect at the time of such event shall be readjusted to the relevant Conversion Price that would have been in effect at such time had such Options or Convertible Securities that are still outstanding provided for such changed maximum number of shares, purchase price, additional consideration or conversion rate, as the case may be, at the time initially granted, issued or sold, but only if as a result of such adjustment the Conversion Price then in effect is thereby reduced; and on the termination of any such Option or any such right to convert or exchange such Convertible Securities, the Conversion Price then in effect hereunder shall be increased to the Conversion Price that would have been in effect at the time of such termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such termination (i.e., to the extent that fewer than the number of Class A Shares deemed to have been issued in connection with such Option or Convertible Securities were actually issued), never been issued or sold or been issued or sold at such higher price, as the case may be.

(iv) *Share Dividends*

If the Company, at any time or from time to time, shall declare or make, or fix a record date for the determination of holders of Class A Shares entitled to receive, a dividend or make any other distribution upon any shares of the Company payable in Class A Shares, Options or Convertible Securities, any Class A Shares, Options or Convertible Securities, as the case may be, issuable in payment of such dividend or distribution shall be deemed to have been issued or sold without consideration, the Conversion Price will be adjusted pursuant to this Section 3; provided, that no adjustment shall be made to the conversion price as a result of such dividend or distribution if the holders of the Note are entitled to, and do, receive such dividend or distribution in accordance with Article 42 of the Articles; and, provided, further, that if any adjustment is made to the Conversion Price as a result of the declaration of a dividend and such dividend is not effected, the Conversion Price shall be appropriately readjusted to the Conversion Price that would have been in effect had such dividend not been declared.

(v) *Consideration for Shares*

If the Company, at any time or from time to time, shall issue or sell, or is deemed to have issued or sold, any Class A Shares for cash, the consideration received therefor shall be deemed to be the amount received or to be received by the Company therefor (determined with respect to deemed issuances and sales in connection with Options and Convertible Securities in accordance with clause (A) of Section 3(i) or Section 3(ii) above, as appropriate) as determined in good faith by the board of directors of the Company. In case any Class A Shares shall be issued or sold, or deemed issued or sold, for a consideration other than cash, the amount of the consideration other than cash received by the Company (the "**Board**") shall be deemed to be the fair value of such consideration received or to be received by the Company (determined with respect to deemed issuances and sales in connection with Options and Convertible Securities in accordance with clause (A) of Section 3(i) or Section 3(ii) above, as appropriate) as determined in good faith by the Board and the holders of a majority of the Class A Shares then outstanding. In case any Options shall be issued in connection with the issuance and sale of other securities of the Company, together comprising one integral transaction in which no specific consideration is allocated to such Options by the parties thereto, such Options shall be deemed to have been issued for such consideration as determined in good faith by the Board and the holders of a majority of the Class A Shares then outstanding.

(vi) *Record Date*

If the Company, at any time or from time to time, shall take a record of the holders of its Class A Shares for the purpose of entitling them (A) to receive a dividend or other distribution payable in Class A Shares, Options or Convertible Securities or (B) to subscribe for or purchase Class A Shares, Options or Convertible Securities, then such record date shall be deemed to be the date of the issuance or sale of the Class A Shares deemed to have been issued or sold upon the declaration of such dividend or the making of such other distribution or the granting of such right of subscription or purchase, as the case may be.

(vii) *Treasury Shares*

The number of Class A Shares outstanding at any given time shall not include shares owned or held by or for the account of the Company; provided, that the disposition of any such shares shall be considered an issuance or sale of Class A Shares for the purpose of this Section 3.

(viii) *Other Issuances or Sales*

In calculating any adjustment to the Conversion Price pursuant to this Section 3: any Options or Convertible Securities that provide, as of the effective date of such adjustment, for the issuance upon exercise, conversion or exchange thereof of an indeterminable number of Class A Shares shall (together with the Class A Shares issuable upon exercise, conversion or exchange thereof) be disregarded; provided, that at such time as the number of Class A Shares issuable upon exercise, conversion or exchange of such Options or Convertible Securities becomes determinable, the Conversion Price shall be adjusted as provided in Section 3(iii) above.

4. Certain Issues or Transfer Excepted

Anything in this Note to the contrary notwithstanding, the Company shall not be required to make any adjustment of the Conversion Price in the case of the issuance or transfer of (i) Class A Shares upon conversion of this Note; (ii) Class A Shares or other awards to acquire Class A Shares under the Option Plan and any other employee incentive plan of the Company and/or outside of the Option Plan as approved in accordance with the Articles, or (iii) any Class A Shares issued by the Company in exchange for the assets or shares of another Person in connection with the acquisition of such Person by the Company, whether by merger, purchase of all or substantially all of the assets of such Person, or otherwise, which acquisition has been approved in accordance with the Articles.

Capitalized terms used in this Exhibit B but not defined herein have the meanings given to them in the Note.

EXHIBIT C TO NOTES

JOINDER AGREEMENT

This Joinder Agreement ("**Joinder Agreement**") is executed by the undersigned (the "**Transferee**") pursuant to the terms of that certain Convertible Promissory Note dated as of May 15, 2018 (as may be amended, restated or otherwise modified form time to time, the "**Note**") by and between Aptorum Group Limited, a company limited by shares incorporated in the Cayman Islands (the "**Company**") and _____("**Investor**"), and in consideration of the Note purchased by the Transferee and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Note. By the execution of this Joinder Agreement, the Transferee agrees as follows:

1. Acknowledgment. Transferee acknowledges that Transferee is acquiring _____ in Principal Amount of the Note and the rights, interests and obligations thereunder from _____ (the "**Transferor**"), subject to the terms and conditions of the Note (the "**Transfer**").

2. Agreement. Immediately upon the Transfer, Transferee (i) agrees that the Transferee shall be bound by and subject to the terms of the Note applicable to the Transferor, including those set forth in the Lock-Up Agreement, if applicable and in such case, to provide the Company with a copy of the Lock-Up Agreement signed by the Transferee at the time of such transfer, and (ii) hereby adopts the Note and shall have all of the rights and obligations of the "Investor" thereunder with the same force and effect as if Transferee were originally a party thereunder in the capacity of the Investor and agrees to duly and punctually perform and discharge all liabilities and obligations whatsoever from time to time to be performed or discharged by Transferee under or by virtue of the Note in all respects as if named as a party therein. The Transferee hereby ratifies, as of the date hereof, and agrees to be bound by, all of the terms, provisions and conditions contained in the Note.

3. Notice. Any notice required or permitted by the Note shall be given to Transferee at the address listed beside Transferee's signature below.

4. Joinder Agreement to be Construed in Conjunction with Agreement. This Joinder Agreement shall hereafter be read and construed in conjunction and as one document with the Note and references in the Note to "the Note" or "this Note", and references in all other instruments and documents executed thereunder or pursuant to the Note, shall for all purposes refer to the Note incorporating and as supplemented by this Joinder Agreement. Except to the extent that it is expressly amended by this Joinder Agreement, the Note and all other documents or instruments executed pursuant to, or in connection with, the Note shall remain in full force and effect.

5. Governing Law. This Joinder Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York without reference to its conflict of laws principles.

IN WITNESS WHEREOF, the undersigned has executed this Joinder Agreement as of the date written below.

Signature: _____

Date:

Exhibit 10.1

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

25 September 2017

Attn: Mr. Chung Yuen Ian Huen

Dear Mr. Huen,

Appointment Letter

We are pleased and welcome your acceptance to be appointed as the Chief Executive Officer and an Executive Director of **Aptorum Group Limited** ("**AGL**" or the "**Company**"). You shall also be required to be appointed as Executive Director of the group companies of AGL from time to time. You shall be employed full-time under the hiring entity APTUS Management Limited ("**AML**"), a wholly owned subsidiary of the Company. The Company is incorporated with limited liabilities under the laws of Cayman Islands and AML is duly incorporated with limited liabilities in Hong Kong. The Company also has subsidiary companies in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your employment under AML and appointment by AGL, and the terms and conditions as set out herewith (the "**Agreement**").

This letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Position and Appointment

(a) You will be appointed to act as the **Chief Executive Officer ("CEO")** and **Executive Director ("ED")** on the board of directors (the "Board") of the Company ("Appointments" or "Roles").

(b) The Appointment is subject to the Company's Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(c) You shall be an Officer of the Company as covered in the Rule 16a-1(f) under the Securities and Exchange Act of 1934.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company's shareholders at the Company's Annual General Meeting (the "AGM"). It is further subject to your agreement to apply yourself and discharge your duties as an Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement

Your official date of appointment as the CEO and Executive Director of the Company shall commence on **1 October 2017** ("Effective Date"), as mutually agreed upon between yourself and the Executive Board of Directors of the Company.

4. Duties and Responsibilities

(a) You shall be the key member ultimately responsible for the day-to-day management decisions and supervisory requirements of the Group. You shall be responsible for leading the development and execution of the Group's long term strategy across all its business segments with a view to creating shareholder value.

(b) As the CEO of the Company, you shall be responsible towards the overall strategic direction of business development activities, and the implementation of long and short term plans for the Group. Other members of the Board shall also draw upon your leadership, insight, and expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

(c) You shall act as a direct liaison between the Board and management of the Company and Group, and communicate to the Board on behalf of the management.

(d) You shall communicate on behalf of the Company and Group to shareholders, employees, Government authorities, other stakeholders and the public.

(e) You are expected to fulfill management duties as required by the Company, the shareholders of the Company, and members of the Non-Executive Board, on a day-to-day basis during official office hours where necessary. Your contribution shall be vital and appreciated in regards to the execution of business decisions made by the Executive Board.

(f) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules and responsibilities stipulated by the U.S. Securities and Exchange Commission ("SEC"), and the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(g) In concert with Board members, you are to develop Board agendas and to request that special meeting of the Board be called when appropriate. You shall also determine the date, time, and location of the annual meeting of shareholders and to develop the agenda for the meeting.

(h) Subsequent to the Listing, you as an ED along with other Directors of the board are to meet when possible in executive session, where such sessions should occur at least four times a year. Furthermore, you are to sit on the committees of the Board where appropriate as determined by the Board.

Additionally, you shall during your Appointment:

(i) Ensure the Company is appropriately organized and staffed, and has authority to hire and terminate staff as necessary to enable it to achieve the approved strategy.

(j) In conjunction with other members of management, ensure that expenditures of the Company are within the authorized annual budget of the Company.

(k) Assess the principal risks of the Company and to ensure that these risks are being monitored and managed.

(l) Ensure effective internal controls and management information systems are in place.

(m) Ensure that the Company has appropriate systems to enable it to conduct its business activities both lawfully and ethically.

(n) Observe and comply with the Company’s adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(o) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence and jurisdictions in which operate on behalf of the Group.

(p) Confirm you are able to, and will devote sufficient time to perform your Roles.

(q) Consider the interests of the Company and its employees when implementing executive decisions.

(r) Keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that you and management of the Company are adequately informed.

(s) Ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgment.

(t) Ensure the integrity of all public disclosure of the Company.

(u) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(v) Declare any conflicts that are apparent at present, or become apparent, between the Group and your external activities, interests, or roles. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(w) Obtain clearance from the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing and shall adhere to the Insider Trading Policy as adopted by the Company.

(x) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Salary and Cash Bonus

(a) Your starting salary will be **HKD 180,000** per month, paid out in an equivalent amount of thirteen (13) months per calendar year.

(b) Annual increment of your salary will be assessed on the basis of professional merit and the Group's performance, and is awarded at the discretion of the Board of Directors of the Company and as approved by the Compensation Committee.

(c) With completion of one full year's service (or a pro-rata portion thereof if service is less than one year), you may be entitled to a bonus as determined at the full discretion of the Board of Directors of the Company and approval of the Compensation Committee. Any bonus will only be payable only if you are still in the employment of the Company on the bonus payment date which shall be payable in December or subsequent January of each calendar year.

6. Share Bonus:

You shall be entitled to receive share bonuses for your services rendered as an ED with the amount, cap, timing of payouts, vesting rate and schedule, subject to the full discretion of the Company and approval of the Compensation Committee. All terms and conditions of share bonuses shall be assessed based on the overall financial position and performance of the Group, as well as your contribution and performance upon rendering services by yourself during your Appointment under this Agreement. Any particulars associated to your eligibility to share bonuses shall be definitively defined at a future date as mutually agreed upon between yourself and the Executive Board of Directors, and as approved by the Compensation Committee.

7. Share Option

You shall be granted an option to purchase Class A ordinary shares of the authorized share capital in the Company as pursuant to the particulars described by the Company's Share Option Plan subject to the ongoing effect of your Appointments.

8. Restriction on Other Activities

(a) During your employment, you shall diligently and faithfully serve the Company and not act in any way which is in conflict with the interest of the Group.

(b) You shall not during your employment be engaged or interested directly or indirectly in any capacity in any other trade, business, occupation, or assignment outside the Company, unless otherwise approved and consented by the Board of Directors in writing.

(c) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of companies or any major external appointments and promptly inform the Board of acceptance of any such appointment.

9. Privacy of Information

(a) You shall not except as authorized by the Company or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your appointment hereunder.

(c) The Company however, agrees to provide you with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles of the Group.

10. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage through the period of your Appointments.

11. Termination

Your Appointments with the Company and Group may only be terminated:

(a) By you after giving the Company not less than three (3) months' notice in writing;

(b) By the Company after giving you three (3) months' notice in writing; or

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency or jurisdictions in which you operate on behalf of the Group.

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company and Group;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name:
Position: Director

Date

Agreed and accepted by:

Name: Huen Chung Yuen Ian
HKID No.:

Date

Exhibit 10.2

APTUS Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611● Fax: (852) 2850 7286

1st September 2017

Ms. Sabrina Khan

Dear Ms. Khan,

Employment Letter

We are pleased and welcome your acceptance to be appointed as the Chief Financial Officer for **APTUS Holdings Limited ("AHL"** or the **"Company")**. You shall be employed full-time under the hiring entity **APTUS Management Limited ("AML")**, a wholly owned subsidiary of the Company. The Company is incorporated with limited liabilities under the laws of Cayman Islands and AML is duly incorporated with limited liabilities in Hong Kong. The Company also has subsidiary companies in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "APTUS" or the "Group".

The following letter seeks to illustrate the context of your employment under AML and appointment by AHL, and the terms and conditions as set out herewith (the "Agreement").

1. The Group

APTUS and its affiliates focus on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the market place; and to assist in furthering the research capabilities of institutions the Group works with.

2. Position and Responsibilities

(a) You will be enlisted to act as the **Chief Financial Officer** for the Company.

(b) You shall report to Mr. Ian Huen, the Chief Executive Officer and Executive Director of the Group.

(c) As the Chief Financial Officer of the Company, you shall be responsible towards overseeing the finance and accounting, administrative, and risk management operations of the Company, including but not limited to the development of financial and operational strategies, metrics tied to such strategies, and the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results.

(d) Your role is a management role and you shall be expected to oversee, manage, and motivate the staff of the Finance and Accounting department to execute and achieve departmental milestones and targets, while collaborating with other members of the Company to further Group objectives.

(e) Your principal accountabilities include:

(i) Planning: Assist in formulating the Group's future direction, monitor and manage the capital request and budgeting processes;

(ii) Operations: Participate in key decisions as a member of the management team, oversee the Group's transaction processing systems, implement operational best practices;

(iii) Financial Information: Oversee the issuance of financial information, report financial results to the Board of Directors;

(iv) Risk Management: Understand and mitigate key elements of the Group's risk profile, construct and monitor reliable control systems, ensure that record keeping meets the requirements of auditors and regulatory bodies, report risk issues to the Board of Directors;

(v) Funding: Monitor cash balances and cash forecasts, arrange debt and equity financing when relevant;

(vi) Third Parties: Maintain banking relationships, represent the Company and the Group with investment bankers and investors when relevant.

(f) You are expected to fulfill operational and leadership duties as requested by the Chief Executive Officer, the Company, the shareholders of the Company, and members of the Executive and Non-Executive Board, on a day-to-day basis during official office hours where necessary. Your contribution shall be vital and appreciated in regards to the execution of business decisions made by the Executive Board.

(g) You shall:

(i) Observe and comply with all statutory rules, and regulations where applicable as governed by the internal policies and guidelines of the Company, and the laws of Hong Kong Special Administrative Region;

(ii) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

3. Date of Commencement

Your official date of appointment as the Chief Financial Officer of the Company shall commence on **[_____]** ("Effective Date"), as mutually agreed upon between yourself and the Executive Board of Directors of the Company.

4. Salary and Cash Bonus

(a) Your starting salary will be **HKD 102,500** (Hong Kong Dollars One Hundred Two Thousand Five Hundred) per month, paid out in an equivalent amount of twelve months per calendar year.

(b) Annual increment of your salary will be assessed on the basis of professional merit and the Group's performance, and is awarded at the discretion of the Board of Directors of the Company and approved by the remuneration committee.

(c) With completion of one full year's service (or a pro-rata portion thereof if service is less than one year), you may be entitled to a bonus as determined at the full discretion of the Board of Directors of the Company and approval of the remuneration committee. Any bonus will only be payable only if you are still in the employment of the Company on the bonus payment date which shall be payable in December or subsequent January of each calendar year.

5. Stock Bonus:

You may be entitled to receive stock bonuses with the amount, cap, timing of payouts, vesting rate and schedule, subject to the full discretion of the Company. All terms and conditions of stock bonuses shall be assessed based on the overall financial position and performance of the Company, as well as your contribution and performance upon rendering services by yourself during your employment under this Agreement. Any particulars associated to your eligibility to stock bonuses shall be definitively defined in a subsequent "Stock Option and Stock Bonus Addendum" at a future date as mutually agreed upon between yourself and the Executive Board of Directors and approved by the remuneration committee.

6. Stock Option

You may be granted an option to purchase shares of the stock in the Company with the particulars of: the amount (percentage of issued and outstanding stock of the Company), the term, extended terms (if any), option pricing and valuation method, and any other particulars associated to eligibility of stock option purchases, shall be definitively defined in a subsequent "Stock Option and Stock Bonus Addendum" at a future date as mutually agreed upon between yourself and the Executive Board of Directors.

7. Mandatory Provident Fund

You will be entitled to become a member of AML's standard Mandatory Provident Fund scheme in accordance with the Company's policy and the statutory requirements.

8. Medical Insurance

You will be admitted to the Group's Medical scheme, which provides reimbursement of consultation and hospitalization expenses in accordance with the terms of the scheme. Your role shall entitle you to the highest coverage bracket available to the Group's management personnel, where the service provider and scheme may be subject to review or alteration in alignment to Group business needs and conditions.

9. Restriction on Other Activities

(a) During your employment, you shall diligently and faithfully serve the Company and not act in any way which is in conflict with the interest of the Group.

(b) You shall not during your employment be engaged or interested directly or indirectly in any capacity in any other trade, business, occupation or assignment of whatsoever nature outside the Company, unless otherwise approved and consented by the Board of Directors in writing.

10. Privacy of Information

(a) You shall not except as authorized by the Company or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Group and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, monies, securities, records or other property which you then have or should have in your possession upon termination of your appointment hereunder.

(c) The Company however, agrees to provide you with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your role as the Chief Financial Officer of the Company.

11. Annual Holiday

You shall be entitled to an annual leave of 21 working days (exclusive of statutory holidays) during each twelve-month period to be taken at such time as the Group shall consider most convenient having regard to the requirements of the business of the Companies. The said holiday shall not be accumulated beyond each twelve-month period and if not taken in full in any particular period you shall not be entitled to salary or remuneration in lieu of taking such holiday.

12. Termination

Your appointment as the Chief Financial Officer of the Company may be terminated:

(a) By you after giving the Company not less than three (3) months' notice in writing;

(b) By the Company after giving you three (3) months' notice in writing; or

(c) By the Company without notice or compensation in the event of your dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of Hong Kong Special Administrative Region.

APTUS Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611● Fax: (852) 2850 7286

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTUS MANAGEMENT LIMITED

Name: Huen Chung Yuen Ian
Position: Director & CEO

Date

Agreed and accepted by:

Name: Sabrina Khan
HKID No.:

Date

Exhibit 10.3

APTUS Management Limited
17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

24 April 2018

Ms. Khan Sabrina
Present

Dear Sabrina,

Addendum to Employment Letter (the "Addendum")

This letter supplements and serves to be an addendum to the Employment Letter dated 1 September 2017 ("Employment Letter") executed between yourself and APTUS Management Limited (the "Company") in relation to your employment as the Chief Financial Officer. This Addendum should be read together with, and forms part of, the Employment Letter.

This Addendum serves to describe the following amendments and/or additions to the Employment Letter.

i. Change of the Date of Commencement

Pursuant to Clause 3 of Employment Letter, the official commencement date of your employment shall be on **16 October 2017** (the "Effective Date").

ii. Adjustment of "Salary and Cash Bonus"

Pursuant to Clause 4 of Employment Letter, your base salary will be adjusted to **HKD 122,500** with effect from 1 April 2018.

Please signify your acceptance of the above amendments described in this Addendum by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTUS MANAGEMENT LIMITED

Huen Chung Yuen Ian
Director

Agreed and accepted by:

Khan Sabrina
HKID No. Z002647(7)

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

25 September 2017

Attn: Mr. Lui Wang Yip Darren

Dear Mr. Lui,

Appointment Letter

We are pleased and welcome your acceptance to be appointed as the President, Chief Business Officer, and an Executive Director of **Aptorum Group Limited** ("**AGL**" or the "**Company**"). You shall also be required to be appointed as Executive Director of the group companies of AGL from time to time. You shall be employed full-time under the hiring entity APTUS Management Limited ("**AML**"), a wholly owned subsidiary of the Company. The Company is incorporated with limited liabilities under the laws of Cayman Islands and AML is duly incorporated with limited liabilities in Hong Kong. The Company also has subsidiary companies in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your employment under AML and appointment by AGL, and the terms and conditions as set out herewith (the "**Agreement**").

This letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Position and Appointment

(a) You will be appointed to act as the **President**, **Chief Business Officer ("CBO")** and **Executive Director ("ED")** of the Company ("Appointments" or "Roles").

(b) The Appointment is subject to the Company's Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(c) You shall be an Officer of the Company as covered in the Rule 16a-1(f) under the Securities and Exchange Act of 1934.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company's shareholders at the Company's Annual General Meeting (the "AGM"). It is further subject to your agreement to apply yourself and discharge your duties as an Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement

Your official date of appointment as the President, CBO, and Executive Director of the Company shall commence on **1 October 2017** ("Effective Date"), as mutually agreed upon between yourself and the Executive Board of Directors of the Company.

4. Duties and Responsibilities

(a) You shall be a key member of the day-to-day management and supervisory body of the Company, which will help lead and spearhead the strategic management, steering, and execution of business, medical, and financial initiatives of the Group.

(b) As the CBO of the Company, you shall be responsible towards the management and supervision of the Group, and overall strategic direction of business development activities of the Group. Other members of the Board shall draw upon your business insight and financial expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

(c) You are expected to fulfill operational and management duties as required by the Company, the shareholders of the Company, and members of the Non-Executive Board, on a day-to-day basis during official office hours where necessary. Your contribution shall be vital and appreciated in regards to the execution of business decisions made by the Executive Board.

(d) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules and responsibilities stipulated by the U.S. Securities and Exchange Commission ("SEC"), and the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(e) Subsequent to the Listing, you as an ED along with other Directors of the board are to meet when possible in executive session, where such sessions should occur at least four times a year.

Additionally, you shall during your Appointment:

(f) Observe and comply with the Company's adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(g) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence and jurisdictions in which operate on behalf of the Group.

(h) Confirm you are able to, and will devote sufficient time to perform your Roles.

(i) Consider the interests of the Company and its employees when implementing executive decisions.

(j) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(k) Declare any conflicts that are apparent at present, or become apparent, between the Group and your external activities, interests, or roles. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(l) Obtain clearance from the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing and shall adhere to the Insider Trading Policy as adopted by the Company.

(m) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Salary and Cash Bonus

(a) Your starting salary will be **HKD 150,000** per month, paid out in an equivalent amount of thirteen (13) months per calendar year.

(b) Annual increment of your salary will be assessed on the basis of professional merit and the Group's performance, and is awarded at the discretion of the Board of Directors of the Company and as approved by the Compensation Committee.

(c) With completion of one full year's service (or a pro-rata portion thereof if service is less than one year), you may be entitled to a bonus as determined at the full discretion of the Board of Directors of the Company and approval of the Compensation Committee. Any bonus will only be payable only if you are still in the employment of the Company on the bonus payment date which shall be payable in December or subsequent January of each calendar year.

6. Share Bonus:

You shall be entitled to receive share bonuses for your services rendered as an ED with the amount, cap, timing of payouts, vesting rate and schedule, subject to the full discretion of the Company and approval of the Compensation Committee. All terms and conditions of share bonuses shall be assessed based on the overall financial position and performance of the Group, as well as your contribution and performance upon rendering services by yourself during your Appointment under this Agreement. Any particulars associated to your eligibility to share bonuses shall be definitively defined at a future date as mutually agreed upon between yourself and the Executive Board of Directors, and as approved by the Compensation Committee.

7. Share Option

You shall be granted an option to purchase Class A ordinary shares of the authorized share capital in the Company as pursuant to the particulars described by the Company's Share Option Plan subject to the ongoing effect of your Appointments.

8. Restriction on Other Activities

(a) During your employment, you shall diligently and faithfully serve the Company and not act in any way which is in conflict with the interest of the Group.

(b) You shall not during your employment be engaged or interested directly or indirectly in any capacity in any other trade, business, occupation, or assignment outside the Company, unless otherwise approved and consented by the Board of Directors in writing.

(c) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of companies or any major external appointments and promptly inform the Board of acceptance of any such appointment.

9. Privacy of Information

(a) You shall not except as authorized by the Company or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your appointment hereunder.

(c) The Company however, agrees to provide you with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles of the Group.

10. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage through the period of your Appointments.

11. Termination

Your Appointments with the Company and Group may only be terminated:

(a)By you after giving the Company not less than three (3) months' notice in writing;

(b)By the Company after giving you three (3) months' notice in writing; or

(c)By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency or jurisdictions in which you operate on behalf of the Group.

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company or Group;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Lui Wang Yip Darren
HKID No.: Z302315(0)

Date

Exhibit 10.5

APTUS Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

31st August 2017

Dr. Clark Cheng

Dear Dr. Cheng,

Employment Letter

We are pleased and welcome your acceptance to be appointed as an Executive Director of the Board of Directors for both **APTUS Holdings Limited ("AHL")** and **Aptorum Medical Limited ("APML")** (whereby together shall be known as the "Companies")**.** You shall be employed full-time under the hiring entity **APTUS Management Limited ("AML")**, a wholly owned subsidiary of AHL. Additionally, you shall be appointed the designation of **Chief Medical Officer** of AHL. The Companies are incorporated with limited liabilities under the laws of Cayman Islands and AML is duly incorporated with limited liabilities in Hong Kong. The Companies have affiliate companies in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "APTUS" or the "Group".

The following letter seeks to illustrate the context of your employment with AML, and appointment by AHL and APML, and the terms and conditions as set out herewith (the "Agreement").

1. The Group

APTUS and its affiliates focus on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the market place; and to assist in furthering the research capabilities of institutions the Group works with.

2. Position and Responsibilities

(a) You will be enlisted to act as an **Executive Director** on the Board of Directors for both AHL and APML, and appointed as the **Chief Medical Officer ("CMO")** of AHL (collectively the **"Roles"**).

(b) You shall be a member of the management team of the Companies, which will have a duty to oversee and manage the operations of the Group.

(c) As an Executive Director of the Companies and CMO of AHL, you shall be responsible towards the management and supervision of the Companies, particularly in aspects associated to the business, research, and development activities of the Companies. Other members of the Executive Board shall draw upon your academic insight and medical expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Group where appropriate and required.

(d) You are expected to fulfill operational and management duties as requested by the Companies, the shareholders of the Companies, and members of the Non-Executive Board, on a day-to-day basis during official office hours where necessary. Your contribution shall be vital and appreciated in regards to the execution of business decisions made by the Executive Board.

(e) You shall:

(i) Observe and comply with all statutory rules, and regulations where applicable as governed by the internal policies and guidelines of the Company, and the laws of Hong Kong Special Administrative Region;

(ii) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

3. Date of Commencement

Your official date of appointment of the said Roles for the Companies shall commence on _____ ("Effective Date"), as mutually agreed upon between yourself and the Executive Board of Directors of the Companies.

4. Salary and Cash Bonus

(a) Your starting salary will be **HKD 150,000** (Hong Kong Dollars One Hundred Fifty Thousand) per month paid out in twelve instalments per calendar year.

(b) Annual increment of your salary will be assessed on the basis of professional merit and the Group's performance, and is awarded at the discretion of the Board of Directors of the Companies and approval of the remuneration committee.

(c) With completion of one full year's service (or a pro-rata portion thereof if service is less than one year), you may be entitled to a bonus as determined at the full discretion of the Board of Directors of the Companies and approval of the remuneration committee. Any bonus will only be payable only if you are still in the employment of the Companies on the bonus payment date which shall be payable in December or subsequent January of each calendar year.

5. Stock Bonus:

You shall be entitled to receive upon employment a stock bonus in the amount of 5% of issued ordinary share capital of Aptorum Medical Limited, with investor rights on a parri passu basis to founding shareholders of APML. Such said shares shall be allocated to your provided shareholder name at a timely but practical date subsequent to the Effective Date of this Agreement.

At each anniversary date from the Effective Date, your ownership APML is eligible to increase by 1% of issued ordinary share capital per year up to a maximum additional amount of 5% of issued ordinary share capital by the 5th anniversary from the Effective Date. Effective ownership is subjected to dilution effects in alignment of all ordinary shareholders in the event of external financing activities whereby ordinary shares are to be issued to new investors.

All terms and conditions of stock bonuses shall be assessed based on the overall financial position and performance of the Group, as well as your contribution and performance upon rendering services by yourself during your employment under this Agreement.

6. Stock Option

You may be granted an option to purchase shares of the stock in the Companies with the particulars of: the amount (percentage of issued and outstanding stock of the Companies), the term, extended terms (if any), option pricing and valuation method, and any other particulars associated to eligibility of stock option purchases, shall be definitively defined in a subsequent "Stock Option and Stock Bonus Addendum" at a future date as mutually agreed upon between yourself and the Executive Board of Directors.

7. Mandatory Provident Fund

You will be entitled to become a member of AML's Mandatory Provident Fund scheme in accordance with the company's policy and the statutory requirements.

8. Medical Insurance

You will be admitted to the Group's Medical scheme, which provides reimbursement of consultation and hospitalization expenses in accordance with the terms of the scheme.

9. Restriction on Other Activities

(a) During your employment, you shall diligently and faithfully serve the Companies and not act in any way which is in conflict with the interest of the Group.

(b) You shall not during your employment be engaged or interested directly or indirectly in any capacity in any other trade, business, occupation or assignment of whatsoever nature outside the Companies, unless otherwise approved and consented by the Board of Directors in writing.

10. Privacy of Information

(a) You shall not except as authorized by the Companies or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Group and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your appointment hereunder.

(c) The Companies however, agrees to provide you with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles for the Companies.

11. Annual Holiday

You shall be entitled to an annual leave of 20 working days (exclusive of statutory holidays) during each twelve-month period to be taken at such time as the Group shall consider most convenient having regard to the requirements of the business of the Companies. The said holiday shall not be accumulated beyond each twelve-month period and if not taken in full in any particular period you shall not be entitled to salary or remuneration in lieu of taking such holiday.

12. Termination

Your appointment as an Executive Director of the Companies and CMO of AHL may individually or wholly be terminated:

(a) By you after giving one or both Companies not less than three (3) months' notice in writing respectively;

(b) By one or both the Companies after giving you three (3) months' notice in writing respectively; or

(c) By both the Companies without notice or compensation in the event of your dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Companies, or those as governed by the laws of Hong Kong Special Administrative Region.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTUS MANAGEMENT LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Clark Cheng
HKID No.:

Date

Exhibit 10.6

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

25 September 2017

Attn: Dr. Clark Cheng

Dear Dr. Cheng,

Addendum to Appointment Letter (the "Addendum")

This letter supplements and serves to be an addendum to the Appointment Letter dated 31 August 2017 executed between yourself and APTUS Management Limited as appended in Appendix A; and in relation to your Appointments as the Chief Medical Officer ("**CMO**") of Aptorum Group Limited (formerly APTUS Holdings Limited) ("**AGL**"), and as an Executive Director of both AGL and Aptorum Medical Limited ("**AML**") (whereby together is known as the "Companies"). This Addendum should be read together with, and forms part of, the Appointment Letter.

This Addendum is to be effected on the date of which you agree with the Board of Directors on the commencement date of your Appointments as pursuant to Clause 3 of the Appointment Letter.

Words and expressions defined in the Appointment Letter shall have the same meanings in this Addendum. All other provisions contained in the Appointment Letter, unless inconsistent with the provisions set forth in this Addendum shall continue to apply.

This Addendum serves to describe the following amendments and/or additions to the Appointment Letter:

i. Company Name Change

All references to APTUS Holdings Limited ("AHL") shall be removed in its entirety and replaced with "Aptorum Group Limited ("AGL")".

ii. Clause 1: "The Group"

The following paragraph is to be added subsequent to the single paragraph in the original clause:

*"AGL is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**)."*

iii. Clause 2: "Position and Responsibilities"

The original clause shall be removed in its entirety. The title of the clause shall be renamed **"Position and Appointment"** and subsequent bullet points are to be added as follows:

"

*(a) You will be appointed to act as the **Chief Medical Officer ("CMO")** of AGL and **Executive Director ("ED")** of both the Companies AGL and AML ("Appointments" or "Roles").*

(b) *The Appointment is subject to the Company's Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.*

(c) *You shall be an Officer of the Company as covered in the Rule 16a-1(f) under the Securities and Exchange Act of 1934.*

(d) *The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company's shareholders at the Company's Annual General Meeting (the "AGM"). It is further subject to your agreement to apply yourself and discharge your duties as an Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing."*

iv. Expanded "Duties and Responsibilities"

The following points shall be added as a clause titled "Duties and Responsibilities" subsequent to Clause 3 "Date of Commencement":

"

(a) *You shall be a key member of the day-to-day management and supervisory body of the Company, which will help lead and spearhead the strategic management, steering, and execution especially in relation to medical initiatives of the Group.*

(b) *As the CMO of the Company, you shall be responsible towards the management and supervision of the Group, and overall strategic direction of clinical and medical administration activities of the Group. Other members of the Board shall draw upon your medical expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.*

(c) *You are expected to fulfill operational and management duties as required by the Company, the shareholders of the Company, and members of the Non-Executive Board, on a day-to-day basis during official office hours where necessary. Your contribution shall be vital and appreciated in regards to the execution of business decisions made by the Executive Board.*

(d) *You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules and responsibilities stipulated by the U.S. Securities and Exchange Commission ("SEC"), and the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.*

(e) *Subsequent to the Listing, you as an ED along with other Directors of the board are to meet when possible in executive session, where such sessions should occur at least four times a year.*

Additionally, you shall during your Appointment:

(f) Observe and comply with the Company's adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(g) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence and jurisdictions in which operate on behalf of the Group.

(h) Confirm you are able to, and will devote sufficient time to perform your Roles.

(i) Consider the interests of the Company and its employees when implementing executive decisions.

(j) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(k) Declare any conflicts that are apparent at present, or become apparent, between the Group and your external activities, interests, or roles. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(l) Obtain clearance from the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing and shall adhere to the Insider Trading Policy as adopted by the Company.

(m) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements."

v. Clause 4: "Salary and Cash Bonus"

References to "Compensation Committee" shall be added to paragraph (b) as follows:

"(b) Annual increment of your salary will be assessed on the basis of professional merit and the Group's performance, and is awarded at the discretion of the Board of Directors of the Company and as approved by the Compensation Committee."

Paragraph (c) shall be removed in its entirety and replaced by:

"(c) With completion of one full year's service (or a pro-rata portion thereof if service is less than one year), you may be entitled to a bonus as determined at the full discretion of the Board of Directors of the Company and approval of the Compensation Committee. Any bonus will only be payable only if you are still in the employment of the Company on the bonus payment date which shall be payable in December or subsequent January of each calendar year."

vi. Clause 5: "Stock Bonus"

All references to *"Stock Bonus"* shall be replaced with *"Share Bonus"*.

vii. Clause 6: "Stock Option"

All references to *"Stock Option"* shall be replaced with *"Share Option"*. *Additionally,* the contents of this clause shall be removed in its entirety and replaced by:

"You shall be granted an option to purchase Class A ordinary shares of the authorized share capital in the Company as pursuant to the particulars described by the Company's Share Option Plan subject to the ongoing effect of your Appointments."

viii. Addition of clause: "Restriction on Other Activities"

The following clause titled "Restriction on Other Activities" shall be added between clauses 6 and 7 of the original Appointment Letter:

"

(a) During your employment, you shall diligently and faithfully serve the Company and not act in any way which is in conflict with the interest of the Group.

(b) You shall not during your employment be engaged or interested directly or indirectly in any capacity in any other trade, business, occupation, or assignment outside the Company, unless otherwise approved and consented by the Board of Directors in writing.

(c) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of companies or any major external appointments and promptly inform the Board of acceptance of any such appointment.

ix. Addition of clause: "Insurance and Indemnity"

The following clause titled "Insurance and Indemnity" shall be added subsequent to clause 7 of the original Appointment Letter:

"The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage through the period of your Appointments."

x. Clause 8: "Termination"

Paragraph (c) shall be removed in its entirety and replaced by:

"

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency or jurisdictions in which you operate on behalf of the Group.

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company or Group;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) *Are disqualified from acting as a director."*

Please signify your acceptance of the above amendments described in this Addendum by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Clark CHENG
HKID No.:

Date

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

APPENDIX A

[Appointment Letter dated 31 August 2017 executed between Clark CHENG and APTUS Management Limited]

Exhibit 10.7

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

30 October 2017

Attn: Dr. Clark Cheng

Dear Dr. Cheng,

Second Addendum to Appointment Letter (the "2nd Addendum")

This letter supplements and serves to be an addendum to the Appointment Letter dated 31 August 2017 executed between yourself and APTUS Management Limited, and the Addendum to Appointment Letter dated 25 September 2017, executed between yourself and Aptorum Group Limited, both appended in Appendix A; and in relation to your Appointments as the Chief Medical Officer ("**CMO**") of Aptorum Group Limited ("**AGL**"), and as an Executive Director of both AGL and Aptorum Medical Limited ("**AML**") (whereby together is known as the "Companies"). Collectively, the Addendum, and this 2nd Addendum should be read together with, and forms part of, the Appointment Letter.

This 2nd Addendum is to be effected on the date when first fully executed by both yourself on behalf of the Consultant, and the Company.

Words and expressions defined in the Appointment Letter or the Addendum shall (both herein appended in Appendix A) have the same meanings in this 2nd Addendum. All other provisions contained in the Appointment Letter or the Addendum, unless inconsistent with the provisions set forth in this 2nd Addendum shall continue to apply.

This 2nd Addendum serves to describe the following amendments and/or additions to the Appointment Letter and/or the Addendum:

i. Change in the appointed counter-party:

All references to Clark Cheng, "You", or "Your" as a natural individual (HKID No. Z243983(3)) (**the "Individual"**), unless otherwise described, shall be removed and replaced with, or refer to "Cheng, Clark", a unlimited company duly incorporated in Hong Kong with a registered business address at Flat D, 5/F Block 6, Hillview Court, Ka Shue Road, Clear Water Bay, Sai King, New Territories, Hong Kong and with the Certificate No. 56061911 (**the "Consultant"**).

ii. Clause iii of the Addendum and Clause 2 of the Appointment Letter both titled "Position and Responsibilities":

Both clauses shall be renamed to "Scope of Service".

All references to "You" or the Individual under the said clauses shall refer the Clark Cheng, as the Individual and sole director of the Consultant being appointed to render services provided under the Appointment.

iii. Clause iv of the Addendum titled 'Expanded "Duties and Responsibilities"':

All contents of this clause shall be consolidated under the clause titled "Scope of Service" as described above.

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

All references to "You" or the Individual under the said clauses shall refer the Clark Cheng, as the Individual and sole director of the Consultant being appointed to render services provided under the Appointment.

iv. Clause v of the Addendum and Clause 4 of the Appointment Letter both titled "Salary and Cash Bonus"

Both clauses shall be renamed "Service Fees and Compensation".

All references to "Salary" shall be removed in entirety and replaced with "Service Fees"; All references to "Bonus" shall be in the context of monetary compensation (if any), to be paid to the Consultant.

v. Clause vi of the Addendum and Clause 5 of the Appointment Letter both titled "Stock Bonus"; and Clause vii of the Addendum and Clause 6 of the Appointment Letter both titled "Stock Option":

All entitlements in the above said clauses refer to compensation and potential ownership to be rewarded to the Consultant and not the Individual, subject to the same terms, conditions, and restrictions as stipulated in the respective and original clauses of The Appointment Letter.

vi. Clause 7 of the Appointment Letter: "Mandatory Provident Fund"

This clause shall be removed in its entirety. For avoidance of doubt, neither the Consultant nor the Individual will be required to make periodic contributions, nor shall the Consultant or the Company be subjected to statutory requirements of the Mandatory Provident Fund Schemes Ordinance, nor shall the Company be obligated to make contributions to the beneficiary of the Consultant.

Please signify your acceptance of the above amendments described in this 2nd Addendum by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: HUEN Chung Yuen Ian
Position: Director

Date

Agreed and accepted for on behalf of:

CHENG, CLARK

Name: Clark CHENG
HKID No.: Z243983(3)
Position: Sole Director

Date

Aptorum Group Limited
Aptus Management Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

APPENDIX A

[Appointment Letter dated 31 August 2017 executed between Clark CHENG and APTUS Management Limited]

[The Addendum dated 25 September 2017 executed between Clark CHENG and Aptorum Group Limited]

Exhibit 10.8

APTUS Holdings Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

18th August 2017

Dr. Keith Chan, Ph.D.

Dear Dr. Chan,

Appointment Letter

We are pleased and welcome your acceptance to be appointed as a Chief Scientific Officer of APTUS Holdings Limited (the "Company"), a company incorporated with limited liabilities under the laws of Cayman Islands, with wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "APTUS" or the "Group".

The following letter (the "Letter") seeks to illustrate the context of your appointment by the Company. However, this letter shall be read together as one instrument with, and supplement, the **Consultancy Agreement (the "Agreement") dated 18th August 2017** and executed between the Company and GloboAsia LLC. The Agreement is attached herein as Appendix A.

1. The Company and the Group

APTUS and its affiliates focus on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the market place; and to assist in furthering the research capabilities of institutions the Group works with.

2. Position and Responsibilities

(a) You will be enlisted to act as a **Chief Scientific Officer** of the Company.

(b) You shall be a member of the management team of the Company, which will contribute to the management, steering, and execution of business and medical initiatives of the Company.

(c) As a Chief Scientific Officer of the Company your role involves managing the regulatory aspects of APTUS' clinical programs including, but not limited to, the liaison with regulatory authorities such as the U.S. Food & Drug Administration (FDA) or the China Food & Drug Administration (cFDA).

(d) As you are not an Executive Director on the Board of Directors for the Company, you ultimately do not have legal nor professional authority to dictate the commercial decisions of the Executive Board.

(e) You shall:

(i) Provide your services in all aspects of the Group where reasonably sought at least for one working day per week;

(ii) Be responsive to the Group's needs and interests, whereby your deliverables to APTUS should be provided in good faith so that effort and quality is commensurable to compensation provided to you, with details described more fully below;

(iii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence;

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

3. Date of Commencement

Your official date of appointment as a Chief Scientific Officer of the Company shall correspond to the Date of Commencement as effected by the Agreement.

4. Compensation

All Compensation shall be received on your behalf by GloboAsia LLC with terms as stipulated in the particulars of the Agreement.

5. Stock Bonus:

All Stock Bonus shall be received on your behalf by GloboAsia LLC with terms as stipulated in the particulars of the Agreement.

6. Expense Reimbursements

All Expense Reimbursements shall be received on your behalf by GloboAsia LLC with terms as stipulated in the particulars of the Agreement.

7. Privacy of Information

(a) You shall not except as authorized by the Company or its affiliates, or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Group and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order for you to fulfill your role as a Chief Scientific Officer of the Company.

8. Term and Termination

The particulars of your Appointment's Term and Termination shall correspond to the particulars stipulated in the Agreement.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTUS HOLDINGS LIMITED

Name: HUEN Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Dr. Keith CHAN, Ph.D.

Date

APTUS Holdings Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

APPENDIX A

[Consultancy Agreement dated 18th August 2017, executed between the Company and GloboAsia LLC.]

Exhibit 10.9

Aptorum Group Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

18 September 2017

Attn: Mr. Charles A. Bathurst

Dear Mr. Bathurst,

Appointment Letter for Independent Non-Executive Director

We are pleased and welcome your acceptance to be appointed as an Independent Non-Executive Director of Aptorum Group Limited (the "Company"), a company incorporated with limited liabilities under the laws of the Cayman Islands, with wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your appointment by the Company, and the terms and conditions as set out herewith. It is agreed that on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

For the purposes of independence, this letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Appointment

(a) You will be nominated by the Nominating Committee and appointed by the Board of Directors of the Company (the "Board") to act as an **Independent Non-Executive Director ("INED")** of the Company.

(b) You shall agree to being appointed by the Board as a member and/or chair of the following committees:

a. **Chair and member** of the Audit Committee;
b. **Member** of the Nominating and Corporate Governance Committee; and
c. **Member** of the Compensation Committee;

Whereby all three committees shall collectively be depicted as the "Committees"; and roles for (a) and (b) shall collectively be described as the "Appointment" or "Roles".

(c) The Appointment is subject to the Company's Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company's shareholders at the Company's Annual General Meeting (the "AGM"). It is further subject to your agreement to apply yourself and discharge your duties as a Non-Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement and Term

The official commencement date of your Appointment shall be on **15 October 2017** (the "Effective Date"), or as mutually agreed upon between yourself and the Executive Board of Directors of the Company. The Term of this Appointment shall be **3 years** from the Effective Date and subject to the terms of Termination and the re-election by the Company's shareholders at the AGM as set forth in 2(d) herein above.

4. Duties and Responsibilities

As an INED of the Company:

(a) You have the same general legal responsibilities to the Company as any other Director and will advise where necessary, the Executive Board of Directors of the Company.

(b) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules stipulated by the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(c) You shall remain mindful and ensure your status of independence remains compliant as stipulated by requirements of Nasdaq Rule 5605(a)(2) and Securities Exchange Act Rule 10A-3. Should your independent status cease to remain compliant, you must notify the Board of the Company of such said change as soon as practical, and if subsequent to the Listing, notification must additionally be made to Nasdaq no later than the sooner of (i) the next annual shareholders meeting or (ii) one year from occurrence of the event causing failure to comply. You shall further facilitate any director independence disclosures in annual meeting proxy statements or annual report on Form 10-K, including transactions and arrangements considered by the Board in assessing director independence.

(d) Subsequent to the Listing, you along with other Directors of the Board, are to meet when possible in executive session, where such sessions should occur at least four times a year. Additionally, you are to meet with other INEDs without executive management at least twice a year.

(e) Additionally, you may be sought within reason, to engage in ad hoc strategic discussions that may require you reviewing and execution of documents pertinent to Board decisions. Such meetings shall take place in person, or by telephone conferencing, at a sensible time of day in relation to your primary place of residence.

(f) You shall not directly be responsible for the management of the Company. Your role is neither operational nor managerial in nature however; members of the Executive Board may draw upon your professional insight and business expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

As the Chair and/or member of the said Committees described in Clause 2(b):

(g) You shall review and uphold the functions of your relevant committee(s) as pursuant to individually adopted Audit, Compensation, and Nominating and Corporate Governance Committee Charters (“Charters”) that shall be made available to you upon a practical date subsequent to your Appointment and before the Listing.

(h) You must along with other Committee members, review annually and assess the adequacy of the same said Charters.

(i) You must along with other Committee members, ensure compliance with Nasdaq listing rules at all times subsequent to the Listing with respect to Committee composition requirements, and assist the Company in regaining compliance if required by curing the event that caused failure to comply within the time frame provided by the Nasdaq Regulatory Authority.

(j) You must refrain from accepting any direct or indirect consulting, advisory, or other compensatory fee from the Company or the Group subsequent to the Listing, other than fees for director service as described more fully below in Clause 5.

(k) Additionally as the Audit Committee Chair and member, you must refrain from participating in preparation of financial statements of the Company or the Group. However, along with other members you shall be directly responsible for appointing and terminating the Company’s independent auditor(s).

(l) You shall maintain your financial literacy and expertise requirements in order to maintain your individual financial sophistication and qualify as the Audit Committee financial expert.

(m) You shall assist the Audit Committee in review of related person transactions and conducting oversight for potential conflict of interest situations on an ongoing basis, and more generally, oversight with respect to the code of conduct compliance by senior management of the Company.

Additionally, you shall during the Term of your Appointment:

(i) Observe and comply with the Company's adopted adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(ii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence;

(iii) Confirm you are able to, and will devote sufficient time to perform your Roles.

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(v) Declare any conflicts that are apparent at present, or become apparent, between the Group and your other business interests. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(vi) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments.

(vii) Obtain clearance from the Chairman of the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing.

(viii) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Fees and Expenses

(a) The combined basic fee for being an INED of the Company and your roles as chair and/or member of relevant Committees is **GBP 35,000 per annum** (GBP Sterling Thirty Five Thousand), paid to you by the Company in arrears in twelve monthly installments on or about the last business day of each month.

(b) You will be entitled to bonus during the Appointment and entitled to participate in any share plan operated by the Company. You will also be entitled to an increase in basic fees during the Appointment. For the avoidance of doubt, your entitlement as stated in this paragraph is in relation to your capacity as independent non-executive director only.

(c) The Company will reimburse all reasonable travelling, hotel and other expenses incurred by you in connection with the Company's business on production of appropriate receipts.

6. Privacy of Information

(a) You shall not except as authorized by the Group or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your Appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your Appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles with the Company.

7. Data Protection

(a) By executing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative, and management purposes and in particular to the processing of any sensitive personal data as and when appropriate.

(b) You consent to the transfer of such personal information to other offices the Company may have or to other third parties for administrative purposes and other purposes in connection with the Appointment, where it is necessary or desirable to do so.

8. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage for the full Term of the Appointment.

9. Termination

Your Appointment with respect to the Roles with the Company may only be terminated:

(a) By you after giving the Company not less than two (2) months' notice in writing;

(b) By the Company after giving you two (2) months' notice in writing; or

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency;

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Charles A. Bathurst

Date

Exhibit 10.10

Aptorum Group Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

24 September 2017

Attn: Dr. Mirko Scherer

Dear Dr. Scherer,

Appointment Letter for Independent Non-Executive Director

We are pleased and welcome your acceptance to be appointed as an Independent Non-Executive Director of Aptorum Group Limited (the "Company" , formerly known as Aptus Holdings Limited), a company incorporated with limited liabilities under the laws of the Cayman Islands, with wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your appointment by the Company, and the terms and conditions as set out herewith. It is agreed that on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

For the purposes of independence, this letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Appointment

(a) You will be nominated by the Nominating Committee and appointed by the Board of Directors of the Company (the "Board") to act as an **Independent Non-Executive Director ("INED")** of the Company.

(b) To the extent required if the required quorum for the below committees is not reached for a board meeting, you shall agree to being appointed by the Board as a member and/or chair of the following committees:

a. Nominating and Corporate Governance Committee; and

b. Compensation Committee.

Whereby both committees shall collectively be depicted as the “Committees”; and roles for (a) and (b) (if relevant) shall collectively be described as the “Appointment” or “Roles”.

(c) The Appointment is subject to the Company’s Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company’s shareholders at the Company’s Annual General Meeting (the “AGM”). It is further subject to your agreement to apply yourself and discharge your duties as a Non-Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement and Term

The official commencement date of your Appointment shall be on **15 October 2017** (the “Effective Date”), or as mutually agreed upon between yourself and the Executive Board of Directors of the Company. The Term of this Appointment shall be **3 years** from the Effective Date and subject to the terms of Termination and the re-election by the Company’s shareholders at the AGM as set forth in 2(d) herein above.

4. Duties and Responsibilities

As an INED of the Company:

(a) You have the same general legal responsibilities to the Company as any other Director and will advise where necessary, the Executive Board of Directors of the Company.

(b) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules stipulated by the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(c) You shall remain mindful and ensure your status of independence remains compliant as stipulated by requirements of Nasdaq Rule 5605(a)(2) and Securities Exchange Act Rule 10A-3. Should your independent status cease to remain compliant, you must notify the Board of the Company of such said change as soon as practical, and if subsequent to the Listing, notification must additionally be made to Nasdaq no later than the sooner of (i) the next annual shareholders meeting or (ii) one year from occurrence of the event causing failure to comply. You shall further facilitate any director independence disclosures in annual meeting proxy statements or annual report on Form 10-K, including transactions and arrangements considered by the Board in assessing director independence.

(d) Subsequent to the Listing, you along with other Directors of the Board, are to meet when possible in executive session, where such sessions should occur at least four times a year. Additionally, you are to meet with other INEDs without executive management at least twice a year.

(e) Additionally, you may be sought within reason, to engage in ad hoc strategic discussions that may require you reviewing and execution of documents pertinent to Board decisions. Such meetings shall take place in person, or by telephone conferencing, at a sensible time of day in relation to your primary place of residence.

(f) You shall not directly be responsible for the management of the Company. Your role is neither operational nor managerial in nature however; members of the Executive Board may draw upon your professional insight and business expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

Should at any period within the Term you be appointed as a Chair and/or member of the said Committees described in Clause 2(b):

(g) You shall review and uphold the functions of your relevant committee(s) as pursuant to individually adopted Compensation, and Nominating and Corporate Governance Committee Charters (“Charters”) that shall be made available to you upon a practical date subsequent to your Appointment and before the Listing.

(h) You must along with other Committee members, review annually and assess the adequacy of the same said Charters.

(i) You must along with other Committee members, ensure compliance with Nasdaq listing rules at all times subsequent to the Listing with respect to Committee composition requirements, and assist the Company in regaining compliance if required by curing the event that caused failure to comply within the time frame provided by the Nasdaq Regulatory Authority.

(j) You must refrain from accepting any direct or indirect consulting, advisory, or other compensatory fee from the Company or the Group subsequent to the Listing, other than fees for director service as described more fully below in Clause 5.

Additionally, you shall during the Term of your Appointment:

(i) Observe and comply with the Company’s adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(ii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence;

(iii) Confirm you are able to, and will devote sufficient time to perform your Roles.

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(v) Declare any conflicts that are apparent at present, or become apparent, between the Group and your other business interests. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(vi) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments.

(vii) Obtain clearance from the Chairman of the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing.

(viii) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Fees and Expenses

(a) The basic fee for being an INED of the Company is **USD 30,000 per annum** (U.S. Dollars Thirty Thousand), paid to you by the Company in arrears in twelve monthly installments on or about the last business day of each month.

(b) You will be entitled to bonus during the Appointment and entitled to participate in any share plan operated by the Company. You will also be entitled to an increase in basic fees during the Appointment. For the avoidance of doubt, your entitlement as stated in this paragraph is in relation to your capacity as independent non-executive director only.

(c) The Company will reimburse all reasonable travelling, hotel and other expenses incurred by you in connection with the Company's business on production of appropriate receipts.

6. Privacy of Information

(a) You shall not except as authorized by the Group or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your Appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your Appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles with the Company.

7. Data Protection

(a) By executing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative, and management purposes and in particular to the processing of any sensitive personal data as and when appropriate.

(b) You consent to the transfer of such personal information to other offices the Company may have or to other third parties for administrative purposes and other purposes in connection with the Appointment, where it is necessary or desirable to do so.

8. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage for the full term of the Appointment.

9. Termination

Your Appointment with respect to the Roles with the Company may only be terminated:

(a) By you after giving the Company not less than two (2) months' notice in writing;

(b) By the Company after giving you two (2) months' notice in writing; or

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency;

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Dr. Mirko Scherer

Date

Exhibit 10.11

Aptorum Group Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

18 September 2017

Attn: Dr. Wu Che Yuen Justin

Dear Dr. Wu,

Appointment Letter for Independent Non-Executive Director

We are pleased and welcome your acceptance to be appointed as an Independent Non-Executive Director of Aptorum Group Limited (the "Company"), a company incorporated with limited liabilities under the laws of the Cayman Islands, with wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your appointment by the Company, and the terms and conditions as set out herewith. It is agreed that on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

For the purposes of independence, this letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Appointment

(a) You will be nominated by the Nominating Committee and appointed by the Board of Directors of the Company (the "Board") to act as an **Independent Non-Executive Director ("INED")** of the Company.

(b) You shall agree to being appointed by the Board as a member and/or chair of the following committees:

a. **Chair and member** of the Compensation Committee;
b. **Member** of the Audit Committee; and
c. **Member** of the Nominating and Corporate Governance Committee;

Whereby all three committees shall collectively be depicted as the “Committees”; and roles for (a) and (b) shall collectively be described as the “Appointment” or “Roles”.

(c) The Appointment is subject to the Company’s Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company’s shareholders at the Company’s Annual General Meeting (the “AGM”). It is further subject to your agreement to apply yourself and discharge your duties as a Non-Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement and Term

The official commencement date of your Appointment shall be on **15 October 2017** (the “Effective Date”), or as mutually agreed upon between yourself and the Executive Board of Directors of the Company. The Term of this Appointment shall be **3 years** from the Effective Date and subject to the terms of Termination and the re-election by the Company’s shareholders at the AGM as set forth in 2(d) herein above.

4. Duties and Responsibilities

As an INED of the Company:

(a) You have the same general legal responsibilities to the Company as any other Director and will advise where necessary, the Executive Board of Directors of the Company.

(b) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules stipulated by the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(c) You shall remain mindful and ensure your status of independence remains compliant as stipulated by requirements of Nasdaq Rule 5605(a)(2) and Securities Exchange Act Rule 10A-3. Should your independent status cease to remain compliant, you must notify the Board of the Company of such said change as soon as practical, and if subsequent to the Listing, notification must additionally be made to Nasdaq no later than the sooner of (i) the next annual shareholders meeting or (ii) one year from occurrence of the event causing failure to comply. You shall further facilitate any director independence disclosures in annual meeting proxy statements or annual report on Form 10-K, including transactions and arrangements considered by the Board in assessing director independence.

(d) Subsequent to the Listing, you along with other Directors of the Board, are to meet when possible in executive session, where such sessions should occur at least four times a year. Additionally, you are to meet with other INEDs without executive management at least twice a year.

(e) Additionally, you may be sought within reason, to engage in ad hoc strategic discussions that may require you reviewing and execution of documents pertinent to Board decisions. Such meetings shall take place in person, or by telephone conferencing, at a sensible time of day in relation to your primary place of residence.

(f) You shall not directly be responsible for the management of the Company. Your role is neither operational nor managerial in nature however; members of the Executive Board may draw upon your professional insight and business expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

As the Chair and/or member of the said Committees described in Clause 2(b):

(g) You shall review and uphold the functions of your relevant committee(s) as pursuant to individually adopted Audit, Compensation, and Nominating and Corporate Governance Committee Charters ("Charters") that shall be made available to you upon a practical date subsequent to your Appointment and before the Listing.

(h) You must along with other Committee members, review annually and assess the adequacy of the same said Charters.

(i) You must along with other Committee members, ensure compliance with Nasdaq listing rules at all times subsequent to the Listing with respect to Committee composition requirements, and assist the Company in regaining compliance if required by curing the event that caused failure to comply within the time frame provided by the Nasdaq Regulatory Authority.

(j) You must refrain from accepting any direct or indirect consulting, advisory, or other compensatory fee from the Company or the Group subsequent to the Listing, other than fees for director service as described more fully below in Clause 5.

(k) Additionally as an Audit Committee member, you must refrain from participating in preparation of financial statements of the Company or the Group. However, along with other members you shall be directly responsible for appointing and terminating the Company's independent auditor(s).

(l) You shall maintain your financial literacy and expertise requirements in order to maintain your individual financial sophistication and qualify as an Audit Committee member.

(m) You shall assist the Audit Committee in review of related person transactions and conducting oversight for potential conflict of interest situations on an ongoing basis, and more generally, oversight with respect to the code of conduct compliance by senior management of the Company.

Additionally, you shall during the Term of your Appointment:

(i) Observe and comply with the Company's adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(ii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence;

(iii) Confirm you are able to, and will devote sufficient time to perform your Roles.

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(v) Declare any conflicts that are apparent at present, or become apparent, between the Group and your other business interests. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(vi) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments.

(vii) Obtain clearance from the Chairman of the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing.

(viii) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Fees and Expenses

(a) The combined basic fee for being an INED of the Company and your roles as chair and/or member of relevant Committees is **USD 30,000 per annum** (U.S. Dollars Thirty Thousand), paid to you by the Company in arrears in twelve monthly installments on or about the last business day of each month.

(b) You will be entitled to bonus during the Appointment and entitled to participate in any share plan operated by the Company. You will also be entitled to an increase in basic fees during the Appointment. For the avoidance of doubt, your entitlement as stated in this paragraph is in relation to your capacity as independent non-executive director only.

(c) The Company will reimburse all reasonable travelling, hotel and other expenses incurred by you in connection with the Company's business on production of appropriate receipts.

6. Privacy of Information

(a) You shall not except as authorized by the Group or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your Appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your Appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles with the Company.

7. Data Protection

(a) By executing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative, and management purposes and in particular to the processing of any sensitive personal data as and when appropriate.

(b) You consent to the transfer of such personal information to other offices the Company may have or to other third parties for administrative purposes and other purposes in connection with the Appointment, where it is necessary or desirable to do so.

8. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage for the full Term of the Appointment.

9. Termination

Your Appointment with respect to the Roles with the Company may only be terminated:

(a) By you after giving the Company not less than two (2) months' notice in writing;

(b) By the Company after giving you two (2) months' notice in writing; or

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency;

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Wu Che Yuen Justin

Date

Exhibit 10.12

Aptorum Group Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

13 February 2018

Attn: Prof. Douglas W. Arner

Dear Prof. Arner,

Appointment Letter for Independent Non-Executive Director

We are pleased and welcome your acceptance to be appointed as an Independent Non-Executive Director of Aptorum Group Limited (the "Company"), a company incorporated with limited liabilities under the laws of the Cayman Islands, with wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as "Aptorum" or the "Group".

The following letter seeks to illustrate the context of your appointment by the Company, and the terms and conditions as set out herewith. It is agreed that on acceptance of this offer, this letter will constitute a contract for services and not a contract of employment.

For the purposes of independence, this letter will supersede all previous appointment contract or agreement, if applicable, entered into between yourself and the Company (or its affiliated subsidiaries). By signing this letter and therefore accepting the appointment as stated, you agree to terminate all other previous appointments with the Group commencing from the Effective Date.

1. The Company and the Group

Aptorum focuses on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the marketplace; and to assist in furthering the research capabilities of institutions the Group works with.

The Company is a privately held company that has engaged in plans to pursue an initial public offering on the Nasdaq Global Market in the near future (**the "Listing"**).

2. Appointment

(a) You will be nominated by the Nominating Committee and appointed by the Board of Directors of the Company (the "Board") to act as an **Independent Non-Executive Director ("INED")** of the Company.

(b) You shall agree to being appointed by the Board as a member and/or chair of the following committees:

a. **Chair and member** of the Nominating and Corporate Governance Committee;

b. **Member** of the Audit Committee; and

c. **Member** of the Compensation Committee;

Whereby all three committees shall collectively be depicted as the “Committees”; and roles for (a) and (b) shall collectively be described as the “Appointment” or “Roles”.

(c) The Appointment is subject to the Company’s Memorandum and Articles of Association ("Articles") and nothing in this letter shall be taken to exclude or vary the terms of the Articles as they apply to your Appointment.

(d) The continuation of the Appointment is contingent to your ongoing fulfillment of your obligations and successful re-election by the Company’s shareholders at the Company’s Annual General Meeting (the “AGM”). It is further subject to your agreement to apply yourself and discharge your duties as a Non-Executive Director in accordance with the Articles of the Company and the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law"), as well as you upholding the high standards of corporate governance as set forth in the Nasdaq Listing Rule 5600 Series subsequent to the Listing.

3. Date of Commencement and Term

The official commencement date of your Appointment shall be on **1 March 2018** (the “Effective Date”), or as mutually agreed upon between yourself and the Executive Board of Directors of the Company. The Term of this Appointment shall be **3 years** from the Effective Date and subject to the terms of Termination and the re-election by the Company’s shareholders at the AGM as set forth in 2(d) herein above.

4. Duties and Responsibilities

As an INED of the Company:

(a) You have the same general legal responsibilities to the Company as any other Director and will advise where necessary, the Executive Board of Directors of the Company.

(b) You will exercise your powers of your Appointment having regard to the relevant obligations under prevailing law and regulation, including the Cayman Islands Company Law, and while in pursuit of and subsequent to the Listing, also the rules stipulated by the Nasdaq Regulatory Authority; including but not limited to the Listing Rule 5600 Series.

(c) You shall remain mindful and ensure your status of independence remains compliant as stipulated by requirements of Nasdaq Rule 5605(a)(2) and Securities Exchange Act Rule 10A-3. Should your independent status cease to remain compliant, you must notify the Board of the Company of such said change as soon as practical, and if subsequent to the Listing, notification must additionally be made to Nasdaq no later than the sooner of (i) the next annual shareholders meeting or (ii) one year from occurrence of the event causing failure to comply. You shall further facilitate any director independence disclosures in annual meeting proxy statements or annual report on Form 6-K, including transactions and arrangements considered by the Board in assessing director independence.

(d) Subsequent to the Listing, you along with other Directors of the Board, are to meet when possible in executive session, where such sessions should occur at least four times a year. Additionally, you are to meet with other INEDs without executive management at least twice a year.

(e) Additionally, you may be sought within reason, to engage in ad hoc strategic discussions that may require you reviewing and execution of documents pertinent to Board decisions. Such meetings shall take place in person, or by telephone conferencing, at a sensible time of day in relation to your primary place of residence.

(f) You shall not directly be responsible for the management of the Company. Your role is neither operational nor managerial in nature however; members of the Executive Board may draw upon your professional insight and business expertise where suitable. You shall provide guidance, steering, and access of expert networks to the Company where appropriate and required.

As the Chair and/or member of the said Committees described in Clause 2(b):

(g) You shall review and uphold the functions of your relevant committee(s) as pursuant to individually adopted Audit, Compensation, and Nominating and Corporate Governance Committee Charters ("Charters") that shall be made available to you upon a practical date subsequent to your Appointment and before the Listing.

(h) You must along with other Committee members, review annually and assess the adequacy of the same said Charters.

(i) You must along with other Committee members, ensure compliance with Nasdaq listing rules at all times subsequent to the Listing with respect to Committee composition requirements, and assist the Company in regaining compliance if required by curing the event that caused failure to comply within the time frame provided by the Nasdaq Regulatory Authority.

(j) You must refrain from accepting any direct or indirect consulting, advisory, or other compensatory fee from the Company or the Group subsequent to the Listing, other than fees for director service as described more fully below in Clause 5.

(k) Additionally as an Audit Committee member, you must refrain from participating in preparation of financial statements of the Company or the Group. However, along with other members you shall be directly responsible for appointing and terminating the Company's independent auditor(s).

(l) You shall maintain your financial literacy and expertise requirements in order to maintain your individual financial sophistication and qualify as an Audit Committee member.

(m) You shall assist the Audit Committee in review of related person transactions and conducting oversight for potential conflict of interest situations on an ongoing basis, and more generally, oversight with respect to the code of conduct compliance by senior management of the Company.

Additionally, you shall during the Term of your Appointment:

(i) Observe and comply with the Company's adopted Code of Business Conduct and Ethics, where that any waivers given to directors or executive officers must be approved by the Board.

(ii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of your residence;

(iii) Confirm you are able to, and will devote sufficient time to perform your Roles.

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

(v) Declare any conflicts that are apparent at present, or become apparent, between the Group and your other business interests. Should any potential conflicts of interest arise, you will disclose this to the Board as soon as they become apparent.

(vi) Consult with the Chairman of the Board prior to accepting any other (or further) directorships of publicly quoted companies or any major external appointments.

(vii) Obtain clearance from the Chairman of the Board prior to dealing in publicly traded shares in the Company subsequent to the Listing.

(viii) Observe and comply with the disclosure requirements and obligations of you and/or your affiliated party(s) as applicable in accordance with U.S. securities laws, regulations and SEC disclosure requirements.

5. Fees and Expenses

(a) The combined basic fee for being an INED of the Company and your roles as chair and/or member of relevant Committees is **USD 30,000 per annum** (U.S. Dollars Thirty Thousand), paid to you by the Company in arrears in twelve monthly installments on or about the last business day of each month.

(b) You will be entitled to bonus during the Appointment and entitled to participate in any share plan operated by the Company. You will also be entitled to an increase in basic fees during the Appointment. For the avoidance of doubt, your entitlement as stated in this paragraph is in relation to your capacity as independent non-executive director only.

(c) The Company will reimburse all reasonable travelling, hotel and other expenses incurred by you in connection with the Company's business on production of appropriate receipts.

6. Privacy of Information

(a) You shall not except as authorized by the Group or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Company and shall keep with complete secrecy confidential information entrusted to you and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of your appointment without limit in time.

(b) You shall not either during the period of your Appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, moneys, securities, records or other property which you then have or should have in your possession upon termination of your Appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order to enable you to fulfill your Roles with the Company.

7. Data Protection

(a) By executing this letter, you consent to the Company holding and processing information about you for legal, personnel, administrative, and management purposes and in particular to the processing of any sensitive personal data as and when appropriate.

(b) You consent to the transfer of such personal information to other offices the Company may have or to other third parties for administrative purposes and other purposes in connection with the Appointment, where it is necessary or desirable to do so.

8. Insurance and Indemnity

The Company shall establish directors' and officers' liability coverage and it is intended to maintain such coverage for the full Term of the Appointment.

9. Termination

Your Appointment with respect to the Roles with the Company may only be terminated:

(a) By you after giving the Company not less than two (2) months' notice in writing;

(b) By the Company after giving you two (2) months' notice in writing; or

(c) By the Company with immediate effect in the event that you:

(i) Conduct dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency;

(ii) Commit a material breach of your obligations under this letter;

(iii) Commit any serious or repeated breach or non-observance of your obligations to the Company;

(iv) Are convicted of a criminal offence other than an offence under road traffic legislation in the jurisdiction of your residency or elsewhere for which a fine or non-custodial penalty is imposed;

(v) Declare bankruptcy or have made an arrangement with or for the benefit of your creditors; or

(vi) Are disqualified from acting as a director.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this letter.

Yours faithfully,

For and on behalf of

APTORUM GROUP LIMITED

Name: Huen Chung Yuen Ian
Position: Director

Date

Agreed and accepted by:

Name: Douglas W. Arner

Date

Exhibit 10.13

Deacons D3: 22.03 2017

DATED 2017

APTUS HOLDINGS LIMITED

and

GUARDIAN CAPITAL MANAGEMENT LIMITED

MANAGEMENT AGREEMENT

Deacons
5th Floor
Alexandra House
18 Chater Road
Central
Hong Kong
Fax : +852 2810 0431
Tel : +852 2825 9211

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AN AGREEMENT made the day of 2017.

BETWEEN:-

(1) **APTUS HOLDINGS LIMITED** a company incorporated under the laws of the Cayman Islands whose registered office is at c/o Campbell Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands (the "**Company**"); and

(2) **GUARDIAN CAPITAL MANAGEMENT LIMITED** a company incorporated under the laws of Hong Kong whose principal place of business is at 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong (the "**Manager**").

WHEREBY IT IS AGREED AND DECLARED as follows:-

1. **INTERPRETATION**

1.1 In this Agreement the following words and expressions shall, where not inconsistent with the context, have the following meanings respectively:-

"**Articles**"	means the Articles of Association for the time being of the Company and any reference herein to an Article shall be taken to refer to the Articles unless otherwise specified;
"**Auditors**"	means such entity for the time being acting as auditors of the Company;
"**Effective Date**"	means the date of execution of this Agreement, or such earlier or later date as agreed by the Company and the Manager;
"**Investment Objective and Strategy**"	means the investment objectives and strategy of the Company as agreed between the Company and the Manager from time to time and set out in Schedule 1 attached to this Agreement;
"**Investments**"	means investments of any type held directly or indirectly by or on behalf of the Company;
"**Investment Restrictions**"	means the investment restrictions (if any) as agreed between the Company and the Manager and set out in Schedule 1 attached to this Agreement, within which the Investments must be managed;
"**Laws**"	means the laws of Hong Kong (including delegated legislation and regulations of any competent authority) and any other applicable laws and regulations for the time being in force;

"**Proper Instructions**"	means written, faxed or e-mailed instructions in respect of any of the matters referred to in this Agreement signed or emailed or purporting to be signed or emailed by such one or more person or persons as the Company shall from time to time have authorised to give the particular class of instructions in question. In instances indicated in advance by the Company, the Manager may also act pursuant to telephonic instructions given by designated persons and such telephonic instructions shall be deemed to be "Proper Instructions" within the meaning of this definition. Different persons may be authorised to give instructions for different purposes and such persons may also include officers of corporations other than the Company so authorised by the Company. A certified copy of a resolution of the Company may be received and accepted by the Manager as conclusive evidence of the authority of any such person to act and may be considered as in full force and effect until receipt of written notice to the contrary;
"**Securities**"	means shares, debentures and other securities of any class issued by the Company, including, without limitation the Shares;
"**Share**"	means an ordinary share in the capital of the Company;

1.2 References to Clauses are to Clauses of this Agreement.

1.3 The headings to the Clauses of this Agreement are for convenience only and shall not affect the construction or interpretation thereof.

1.4 Unless the context otherwise requires words and expressions contained in this Agreement shall bear the same meaning as in the Articles PROVIDED THAT any alteration or amendment of the Articles shall not be effective for the purposes of this Agreement unless the party hereto affected (to the extent that its rights or duties hereunder are affected by such alteration or amendment) shall, by endorsement hereon or otherwise, have consented thereto.

1.5 References to "HK$" and to "HK dollars" are to Hong Kong dollars, the lawful currency of Hong Kong.

2. APPOINTMENT OF THE MANAGER

2.1 The Company HEREBY APPOINTS the Manager and the Manager shall act with effect from the Effective Date as manager of the Company upon the terms hereinafter contained and in accordance with the Laws, the Articles, the Investment Objectives and Strategy and the Investment Restrictions until its appointment shall be terminated as hereinafter provided and the Manager hereby accepts such appointment and agrees to assume the obligations set forth herein.

2.2 For the purpose of carrying out its functions, powers and obligations stated herein, the Company hereby undertakes and agrees with the Manager that the Company will from time to time provide the latest editions of the documents relating to the Company, including but not limited to its Articles, all lawful resolutions of the Company and other lawful orders and discretions given to the Manager from time to time by the Company in the form of Proper Instructions and all other information documents or materials in its possession as may reasonably be necessary to enable the Manager to carry out its duties hereunder.

3. **FUNCTIONS, POWERS AND OBLIGATIONS OF THE MANAGER**

3.1 During the continuance of its appointment the Manager shall (subject to the overall policy and supervision of the Company and subject to Clause 3.4) have full power, authority and right, either itself or wholly or in part through its authorised agents or delegates, to manage the investment and re-investment of the Investments with a view to achieving the then current Investment Objective and Strategy, to provide recommendations on the investment and business strategy of the Company, to manage all or a part of the general business, operations and administration of the Company, and to perform such other functions, duties, powers and discretions as may be required of the Manager under this Agreement and/or as may otherwise be agreed between the parties from time to time.

3.2 The Manager shall keep or cause to be kept on behalf of the Company such books, records and statements expressed in such currencies as may be necessary to give a complete record of all transactions carried out by the Manager on behalf of the Company and such other books, records and statements as may be required by the Laws, the Articles and otherwise as may be agreed between the parties and shall permit the Company and its employees and agents and the Auditors to inspect such books, records and statements at all reasonable times.

3.3 Without limiting the generality of Clause 3.1, the Manager shall have and is hereby granted the authority, power and right for the account and/or in the name of the Company but subject to the supervision of the Company and the Laws:-

3.3.1 to issue orders and instructions with respect to the transfer or disposition of the Investments, moneys and other assets of the Company;

3.3.2 to purchase (or otherwise acquire), sell (or otherwise dispose of) and invest in the Investments, moneys and other assets for the account of the Company and effect foreign exchange transactions on behalf of the Company and for the account of the Company in connection with any such purchase, other acquisition, sale or other disposal or the protection of the value of Investments;

3.3.3 to take such steps as may be necessary or appropriate in relation to the Company's assets and rights (including for the protection or maintenance of intellectual property assets and other intangible assets), including without limitation, attending to any relevant filings, registrations and administrative or operational matters, taking legal proceedings against third parties and/or entering into and maintaining any relevant licences, permits or approvals for intellectual property assets;

3.3.4 to enter into, make and perform all contracts, agreements and other undertakings as may in the opinion of the Manager be necessary or advisable or incidental to the carrying out of its functions and duties under this Agreement in accordance with the rules, regulations and practices of relevant markets; and

3.3.5 to negotiate in accordance with the instructions of the Company all borrowing arrangements of the Company and to supervise the implementation of such arrangements.

3.4 The Manager shall observe and comply with the Laws, the Articles and the Investment Restrictions and all lawful resolutions of the Company and other lawful orders and directions given to it from time to time by the Company in the form of Proper Instructions and all activities engaged in by the Manager hereunder shall at all times be subject to the control of and review by the Company and without limiting the generality of the foregoing the Company may from time to time:-

3.4.1 prohibit the Manager from investing in any Investment or in any currency or country or with any institution;

3.4.2 require the Manager to sell or transfer any Investment or (subject to the availability of funds) to purchase any Investment;

3.4.3 define the Investment Objective and Strategy of the Company and specify the manner in which it wishes the Manager to give effect to such policy within approved credit limits, provided that any changes to the Investment Objective and Strategy shall only be made with the approval of the Manager (such approval not to be unreasonably withheld);

3.4.4 withdraw from the management of the Manager money or other assets which up to the time of such withdrawal were being managed by the Manager;

3.4.5 instruct the Manager as to the exercise of the rights attached to the Investments managed by the Manager; and

3.4.6 change the Investment Restrictions with the approval of the Manager (such approval not to be unreasonably withheld);

and the Manager shall and shall procure that any person firm or company to whom it delegates any of its functions hereunder shall give effect to all such decisions.

3.5 Subject to the terms of this Agreement, to such orders and directions as may from time to time be given by the Company and to the overall policy and supervision of the Company, in exercising its rights and carrying out its duties hereunder the Manager is authorised to act for the Company and on the Company's behalf either itself or wholly or in part through its authorised agents or delegates in the same manner and with the same force and effect as the Company might or could do.

3.6 Where there are rights of voting conferred by relevant Investments, such voting rights shall be exercised in such manner as the Manager may determine (subject to the right of the Company to give instructions) and subject as aforesaid the Manager may in its discretion refrain from the exercise of such voting rights. The Company shall from time to time upon written request from the Manager execute and deliver or, if appropriate, cause to be executed and delivered, to the Manager or its nominees such powers of attorney or proxies authorising such attorney or proxies to exercise any rights conferred by, or otherwise act in respect of all or any part of the Investments.

3.7 The Manager shall provide all necessary office facilities, equipment and personnel to enable it to carry out its functions hereunder and shall liaise with the Auditors and other service providers of the Company as reasonably required so as to enable them to perform their respective duties and obligations.

4. **CONTINUATION AND EXERCISE OF MANAGER'S POWERS**

4.1 The authorities herein contained are continuing ones and shall remain in full force and effect until revoked by termination of this Agreement as hereinafter provided, but such revocation shall not affect any liability in any way resulting from transactions initiated prior to such revocation.

5. **FEES OF THE MANAGER**

5.1 In consideration of the performance of the Manager’s services under this agreement, the Company agrees to pay to the Manager such fees as set out in Schedule 2 (as may be amended from time to time by the Company and the Manager).

6. **EXPENSES**

6.1 So far as permitted by the Laws the Company undertakes to pay or reimburse the Manager in respect of all the out-of-pocket expenses incurred by it, in the performance of its duties including (without limitation):-

6.1.1 all expenses of every nature of or incidental to deposits of cash made by the Company;

6.1.2 any stamp and other duties, taxes, governmental charges, commissions, brokerage, transfer fees, registration or licensing fees and other charges payable in respect of the acquisition, licensing, developing, holding or realisation of any Investment, asset or right and any foreign exchange transactions carried out in connection therewith;

6.1.3 all taxes and corporate fees payable by the Company to any government or official department, body or organisation or other authority or to any agency of such government, department, body or organisation or authority whether in the Cayman Islands or elsewhere;

6.1.4 all fees and expenses incurred in relation to the incorporation and initial organisation of the Company, the initial issue of its Securities, the listing of the Company on any exchange (including any restructuring or other actions taken in connection with such listing), the production, printing and distribution of any prospectuses or any placing or explanatory memorandum or any other similar document and the advertising and promotion generally of Securities of the Company;

6.1.5 all expenses incurred or to be incurred in the alteration or amendment of the Articles and or the offering document (if any) of the Company including the costs of any meetings convened to sanction the same;

6.1.6 the Manager's legal and professional expenses incurred in relation to the negotiation, preparation and settling of this Agreement and the proper performance of its duties hereunder and all legal and professional expenses necessarily incurred or to be incurred in the preparation of any documents amending the provisions of this Agreement;

6.1.7 all audit fees of the Company and legal expenses in connection with the Company's corporate existence, corporate and financial structure and relations with its shareholders and third parties and all other professional and other charges in respect of services rendered to the Company at the request of the Company;

6.1.8 interest on and charges and expenses of the Company of arranging, and arising out of, all borrowings made by the Company (if any);

6.1.9 all charges for postage, photocopy, telephone, printing, faxing and other communications charges incurred by the Manager in the proper performance of its duties hereunder;

6.1.10 the fees and expenses of any service provider of the Company, and with the consent of the Company (not to be unreasonably withheld), any other person; and

6.1.11 all other expenses, costs, fees or charges paid by the Manager on behalf of the Company but so that the liability of the Company is limited to expenses authorised to be paid out of the assets of the Company by the applicable laws of its jurisdiction of incorporation.

7. SERVICES OF THE MANAGER NOT TO BE EXCLUSIVE

7.1 The services of the Manager to the Company hereunder are not to be deemed exclusive and the Manager shall be free to render similar services to others so long as its services hereunder are not impaired thereby and to retain for its own use and benefit all fees or other moneys payable thereby and the Manager shall not be deemed to be affected with notice of or to be under any duty to disclose to the Company any fact or thing which comes to the notice of the Manager or any servant or agent of the Manager in the course of the Manager rendering similar services to others or in the course of its business in any other capacity or in any manner whatsoever otherwise than in the course of carrying out its duties hereunder.

7.2 In connection with its activities hereunder, the Manager shall have no duty (a) to ascertain whether any director, officer or employee of the Manager possesses any information which has not been publicly disclosed and which, if generally known, might have significant impact on any decision whether to acquire, retain or dispose of or otherwise deal with any property in connection with this Agreement or (b) to take into account any such information in making a recommendation as to the sale or purchase of any Investments.

8. POWER OF DELEGATION

8.1 The Manager shall have full power to delegate the whole or any part of its function hereunder to any person firm or company.

8.2 The Manager shall be entitled to obtain investment, management and other advice from such source or sources and on such terms as it thinks fit to perform its duties and obligations hereunder (including, without prejudice to the generality of the foregoing, full power to appoint one or more investment advisers, approved by the Company, to advise as to the investment and re-investment of the Investments).

9. CONFLICTS OF INTEREST

9.1 The Manager will not and will procure that any of its Associated Persons (as defined below) and any person to whom it delegates investment management functions will not (a) deal with the Company as beneficial owner on the sale or purchase to or from the Company (except on a basis approved by the Company from time to time), or (b) without the consent of the Company otherwise deal with the Company as principal PROVIDED THAT:-

9.1.1 the Manager, any of its Associated Persons and/or any person to whom it delegates investment management functions (together, hereinafter called the “interested party”) may acquire or dispose of any investments upon its own account notwithstanding that the same or similar investments may be held by or for the account of or otherwise connected with the Company and nothing herein contained shall prevent an interested party from acquiring, holding or disposing of investments notwithstanding that such investments have been acquired at prices lower than those paid by or on behalf of the Company in respect of the acquisition of investments of the same class or disposed of at prices higher than those received by or on behalf of the Company by virtue of a transaction effected by the Company at or about the same time PROVIDED THAT the acquisition by an interested party of such investments is in accordance with the terms and conditions on which such investments have been offered or made available on an arm's length basis and the investments of the same class held by the Company were acquired on the best terms reasonably obtainable having regard to the interests of the Company;

9.1.2 an interested party may become the owner of Securities and may hold, dispose or otherwise deal with the same as it thinks fit;

9.1.3 nothing herein contained shall prevent an interested party, in its capacity as agent for a third party, from selling investments to or vesting investments in the Company or from contracting or entering into any financial, banking, currency or other transaction with the Company or any investor(s) in the Company or any company or body any of whose securities are held by or for the account of or otherwise connected with the Company and the interested party shall not be called upon to account in respect of any such contract or transaction or benefit derived therefrom PROVIDED THAT nothing herein contained shall permit any such sale or vesting or the entering into of any such contract or transaction as aforesaid with the Company unless such transaction is on the best terms reasonably obtainable with reliable counterparties having regard to the interests of the Company or the size and nature of the transaction; and

9.1.4 nothing herein contained shall prevent an interested party from receiving any commissions which it may negotiate in relation to any sale or purchase of investments effected by it for the account of the Company as agent for the Company or a third party and the interested party shall be entitled to retain for its own benefit any profit or benefit derived therefrom PROVIDED THAT the amount of such commission is not in excess of rates commonly receivable by security dealers in transactions of the kind contemplated and that in effecting any such sales or purchases the interested party shall do so on the best terms reasonably obtainable having regard to the interests of the Company as aforesaid and provided further that such commission does not arise in circumstances in which the Company could itself have acquired such investments without payment of commission.

9.2 The Manager, its Associated Person and/or any person to whom it delegates investment management functions reserves the right to effect transactions by or through the agency of another person with whom the Manager and/or its Associated Person have an arrangement under which that party will from time to time provide to or procure for the Manager and/or its Associated Person goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Company or of the Manager its Associated Person in providing services to the Company. The Manager and its Associated Person shall not receive any direct payment from such party. The Manager and/or its Associated Person may however undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

9.3 As used in this Clause 9 Associated Person means:-

9.3.1 a person or company beneficially owning, directly or indirectly, 20 per cent. or more of the ordinary share capital of the Manager or able to exercise, directly or indirectly, 20 per cent. or more of the total votes in the Manager;

9.3.2 any person or company controlled by a person who meets one or both of the descriptions given in Clause 9.3.1;

9.3.3 any company 20 per cent. or more of whose ordinary share capital is beneficially owned, directly or indirectly, by the Manager, and any company 20 per cent. or more of the total votes in which can be exercised, directly or indirectly, by the Manager; or

9.3.4 any director or officer of the Manager or of any associated person of the Manager, as defined in Clauses 9.3.1, 9.3.2 and 9.3.3.

10. **LIABILITY OF THE MANAGER**

10.1 The Manager shall not be liable to the Company or any investor in the Company or otherwise for any error of judgment or for any loss suffered by the Company or any such investors in connection with the subject matter of this Agreement or in the course of the discharge of the Manager's functions hereunder (including in particular, but without limiting the foregoing, any loss suffered or incurred by the Company or any investor in the Company following upon or arising out of any estimation, determination or calculation made by the Manager or any delay in the making or implementation of any such estimation, determination or calculation or in effecting payments or instructing the Company's bankers or other service providers of the Company to effect payments or in countermanding payment instructions or any loss or other disadvantage suffered or incurred by the Company or any investor in the Company following upon or arising out of any foreign exchange transactions or any delay in effecting or failure to effect foreign exchange transactions or the bankruptcy or insolvency of or failure to pay by foreign exchange dealers or any bank or other institution or country or governmental department or authority in which the moneys of the Company are from time to time invested or deposited or generally in relation to the purchase, holding or sale of any investments, assets or rights by the Company or any failure on the part of the Manager to make necessary registrations of prospectuses or other similar documents or any action or omission taken or suffered by the Manager in good faith in reliance on or in accordance with the opinion or advice of legal counsel, the Auditors or other competent professional advisors) howsoever any such loss may have occurred unless such loss arises from fraud, bad faith, wilful default or negligence in the performance or non-performance by the Manager or persons designated by it of its obligations or functions.

10.2 Subject to Clause 6, the Company hereby undertakes to hold harmless and indemnify the Manager against all actions proceedings claims costs demands and expenses which may be brought against suffered or incurred by the Manager by reason of its performance or non-performance of its obligations or functions under the terms of this Agreement (other than due to fraud, bad faith, wilful default or negligence on the part of the Manager or persons designated by it) including all legal professional and other expenses incurred by the Manager or persons designated by it in the performance of its obligations or functions and including indemnity obligations owed by the Manager to persons designated by it (except such as shall arise from fraud, bad faith, wilful default or negligence in the performance or non-performance of such obligations or functions) and in particular (but without limitation) this protection and indemnity shall extend to any such items aforesaid as shall arise as a result of any such loss suffered or incurred by the Company or any investor in the Company as is mentioned specifically in Clause 10.1 or any loss delay misdelivery or error in transmission of any cable or telegraphic communication or as a result of acting upon any forged document or signature but not tax on the overall income or profits of the Manager.

10.3 Notwithstanding any other provision of this Agreement, the Manager shall not be liable to the Company or any investor in the Company or otherwise for any taxation assessed upon or payable by the Company wheresoever the same may be assessed or imposed and whether directly or indirectly except for such taxation as shall be attributable to fraud, bad faith, wilful default or negligence in the performance or non-performance by the Manager or persons designated by it of its obligations or functions. The Company shall indemnify and keep indemnified the Manager from and against all taxes not attributable to fraud, bad faith, wilful default or negligence as aforesaid (wheresoever and by whomsoever imposed) on profits or gains of the Company which may be assessed upon or become payable by the Manager and against all costs claims demands actions and proceedings in connection therewith.

10.4 For the avoidance of doubt it is hereby agreed and declared that references to the Manager in this Clause shall be deemed to include references to the officers, servants, agents and delegates of the Manager. Any such person, not being a party to this Agreement, may enforce any rights granted to it pursuant to this Clause in its own right as if it were a party to this Agreement.

10.5 Any indemnity expressly given to the Manager in this Agreement is in addition to and without prejudice to any indemnity provided by the Laws and (unless Clause 13.3.2 applies) shall survive termination of this Agreement.

10.6 The Manager shall send to the Company as soon as possible all claims, demands, summonses, writs and related documents which it receives from third parties and in respect of which it may be indemnified in this Agreement and shall give such assistance as the Company may reasonably require in defending or resisting the same and the Manager shall not admit liability or offer any settlement without the written consent of the Company which may, if it so desires, take over the defence of any such actions or prosecute any such claim in the name of the Manager.

10.7 The Manager shall be entitled to rely on and shall not incur any liability in respect of any act or omission in reliance upon Proper Instructions or upon any document reasonably believed in good faith to be authentic and not fraudulent but may require documents to be authenticated to its reasonable satisfaction.

11. LEGAL ACTION BY THE MANAGER

11.1 The Manager shall not be required to take any legal action unless fully indemnified to its reasonable satisfaction for all costs and liabilities that may be incurred or suffered by the Manager and not attributable to its fraud, bad faith, wilful default or negligence in the performance or non-performance of its obligations or functions and if the Company requires the Manager to take any action of whatsoever nature which in the reasonable opinion of the Manager might make the Manager liable for the payment of money or liable in any other way the Manager shall be and be kept indemnified in any reasonable amount and form satisfactory to the Manager as a prerequisite to taking action.

12. **ASSIGNMENT**

12.1 The Manager may with the consent in writing of the Company assign all its rights and obligations hereunder to any other company, person, firm or institution acceptable to the Company and permitted under the Laws and the assignee shall, upon filing with the Company an instrument in writing whereby it shall assume the obligations of the Manager hereunder and agree to be bound by the provisions hereof, become the successor to the Manager hereunder and thereafter such successor may exercise all of the powers and enjoy all of the rights and be subject to all of the duties and obligations of the Manager hereunder as fully as though originally named as a party to this Agreement.

13. **RESIGNATION AND TERMINATION**

13.1 The Manager shall be entitled to resign its appointment hereunder by notice in writing to the Company:-

13.1.1 by giving not less than one month's notice to expire at any time;

13.1.2 at any time if the Company shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or be unable to pay its debts or commit any act of bankruptcy under the laws of the Cayman Islands or if a receiver is appointed of any of the assets of the Company or if some event having an equivalent effect occurs;

13.1.3 at any time if the Company shall commit any material breach of its obligations under this Agreement and (if such breach shall be capable of remedy) shall fail within 15 days of receipt of notice served by the Manager requiring it so to do to make good such breach;

13.1.4 at any time if the Manager ceases to be permitted to act as such under the Laws.

13.2 The Company may terminate the appointment of the Manager by giving not less than one month's notice in writing to the Manager to expire at any time.

13.3 The Company may without such notice as is referred to in Clause 13.2 terminate the appointment of the Manager at any time by giving notice in writing to the Manager in any of the following events:-

13.3.1 if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Company) or is unable to pay its debts or commits any act of bankruptcy or if a receiver is appointed of any of the assets of the Manager or if some event having an equivalent effect occurs;

13.3.2 if the Manager shall commit any material breach of its obligations under this Agreement and (if such breach shall be capable of remedy) shall fail within 15 days of receipt of notice served by the Company requiring it so to do to make good such breach; or

13.3.3 if the Manager ceases to be permitted to act as such under the Laws.

13.4 On termination of the appointment of the Manager under the provisions of this Clause 13 the Manager shall be entitled to receive all fees and other moneys accrued due up to the date of such termination but shall not be entitled to compensation in respect of such termination; and the Manager shall deliver or procure to be delivered to the Company, or as it shall direct, all books of account, records, registers, correspondence, documents and assets relating to the affairs of or belonging to the Company in the possession of or under the control of the Manager or its nominees or delegates and shall take all necessary steps to vest in the Company or any new Manager any assets previously held in the name of or to the order of the Manager on behalf of the Company and the Manager shall not be entitled to any lien in respect of any of the foregoing. Termination is without prejudice to accrued rights and provisions intended to survive termination and to the right of the Manager to settle outstanding obligations for transactions in progress.

14. CONFIDENTIALITY AND REPUTATION

14.1 The parties hereto shall not (except under compulsion of law or in accordance with the Laws) either before or after the termination of this Agreement disclose to any person not authorised by the relevant party to receive the same any confidential information relating to such party or to the affairs of such party of which the party disclosing the same shall have become possessed during the period of this Agreement and each party shall use all reasonable endeavours to prevent any such disclosure as aforesaid.

14.2 The parties shall not knowingly do or suffer any act or matter or thing which would or might reasonably be expected to prejudice materially or bring into disrepute the business or reputation of the other party.

15. MISCELLANEOUS PROVISIONS

15.1 No failure on the part of a party to exercise, and no delay on its part in exercising, any right or remedy under this Agreement will operate as a waiver thereof nor will any single or partial exercise of any right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

15.2 Any provision of this Agreement may be amended only if the parties so agree in writing.

15.3 The illegality, invalidity or unenforceability of any provision of this Agreement under the law of any jurisdiction shall not affect its legality, validity or enforceability under the law of any other jurisdiction nor the legality, validity or enforceability of any other provision.

15.4 Except to the extent that the Laws admit variations by contract and are so varied by the terms of this Agreement, the powers, duties, rights and obligations of the parties under this Agreement shall be overridden by, and to the extent that they may conflict, be subject to, the Laws and the Manager shall have all the powers and perform its functions in accordance with the Laws.

15.5 This Agreement may be entered into in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same document.

15.6 The Manager undertakes that no advertisement, statement, circular, booklet, prospectus, explanatory memorandum or other document will be published and no money will be raised by the Manager on behalf of the Company unless and until all necessary consents and permissions of whatever jurisdiction have been obtained in connection therewith and the Manager further undertakes to comply with all securities and other laws and regulations which may be applicable to the Manager or the Company in connection with the offering and issue of Securities of the Company.

16. NOTICES

16.1 Any notice given hereunder shall be in writing and shall be served by hand at or by being sent by fax (to such fax number as each party may nominate in writing from time to time for receipt of notices) or by prepaid airmail post to the principal place of business specified herein or last notified to the sender by the addressee. Any such notice shall be deemed duly served at the time of delivery (if delivered by hand), upon confirmation by telephone (if sent by fax) or five days after the date of posting (if sent by prepaid airmail post). Evidence that the notice was properly addressed, stamped and put into the post shall be conclusive evidence of posting. This Clause is without prejudice to the ability to give or receive Proper Instructions in accordance with the definition of that term.

17. LAW OF THE CONTRACT

17.1 This Agreement shall be governed by and construed in accordance with the laws of Hong Kong.

17.2 The Company and the Manager hereby irrevocably submit to the non-exclusive jurisdiction of the courts of Hong Kong for the settlement of any dispute or difference arising between the parties hereto, provided always that any party shall be at liberty to take proceedings against the other party in whatever other jurisdiction that other party may from time to time be resident.

18. EXCLUSION OF THIRD PARTY RIGHTS

18.1 Except as expressly provided in Clause 10.4, a person who is not a party to this Agreement shall not have any rights to enforce any of the provisions of this Agreement, and the application of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the laws of Hong Kong) and/or any comparable law in any jurisdiction giving to or conferring on third parties the right to enforce any term of this Agreement is expressly excluded.

18.2 Notwithstanding any term of this Agreement, the consent or notice to any person who is not a party to this Agreement (including without limitation any of the Indemnified Persons other than the Investment Manager) is not required for any termination, rescission or agreement to any variation, waiver, assignment, novation, release or settlement under this Agreement at any time.

IN WITNESS whereof this Agreement has been entered into the day and year first above written.

EXECUTED by **APTUS HOLDINGS LIMITED**

Signature of Director	Signature of Witness
Name of Director	Name of Witness

EXECUTED by **GUARDIAN CAPITAL MANAGEMENT LIMITED**

Signature of Director	Signature of Witness
Name of Director	Name of Witness

Schedule 1 – Investment Guidelines

Investment Objective and Strategy of the Company

The Company is a holding company that will own and oversee the management, operations and investments of its subsidiaries. The Company's investment objective is to generate long-term capital appreciation by acquiring, holding and/or investing in, by itself or through one or more of its subsidiaries or other investment vehicles, a wide range of Investments, assets and/or rights, with a focus on the healthcare industry.

While there is no limitation on the means by which the Company may seek to achieve the Company's investment objective, it is currently expected that the Company (or its subsidiaries or investment vehicles) may:-

1. invest in a portfolio of Investments predominantly comprised of both private and public healthcare related stocks; and/or

2. acquire and hold certain intangible assets (including intellectual property rights) associated with early stage medical technologies, research, and companies.

The Company may target a range of technologies, research, and/or companies for investment, including the licensing and sublicensing of therapeutic drug candidates and medical devices designed to address a broad range of medical indications, and the acquisition of intellectual properties, and commercialization and/or distribution rights to technologies and products. For drug candidates, the Company may invest into pre-clinical, clinical, or commercial assets without any restriction. For medical equipment and devices, the Company may also invest into assets that are yet to be prototype-enabled or which are within any stage of their product development cycles. The Company may, from time to time, vary the aforementioned investment strategy and approach, for the purposes of achieving its investment objective.

The Company will seek to:-

1. facilitate the financing needs of companies engaged in the development of product candidates which address significant unmet medical needs and that require a unique pairing of knowledge and resources;

2. finance and incubate portfolio companies that commit to creating innovative solutions for health care advancement;

3. finance academic research, inventors, and institutions focusing on medical innovations with the potential for commercial development; and/or

4. pursue any other strategies and approaches deemed appropriate by the Manager having regard to investment objectives of the Company.

Cash, liquidity, and risk management functions will be performed by the Manager to facilitate all or part of the aforementioned initiatives.

Investment Restrictions

There are currently no Investment Restrictions instituted by the Company or the Manager.

The Company is free to invest as it sees fit into and to dispose of any asset class (tangible or intangible), market, geographic region, and across the capital market investment spectrum in so far that it is believed to further the Company's objectives in enhancing value for the shareholders of the Company, by facilitating portfolio companies, inventors, researchers, or commercial partners in advancing medical technologies, products, and services.

Schedule 2 – Remuneration of the Manager

In consideration of the services to be performed by the Manager hereunder, the Manager shall be entitled to receive a fixed amount of management fee of HK$500,000 per calendar month from the Company. Such management fee shall accrue and be payable monthly in arrears on the last day of each month or, if such day is not a business day in Hong Kong, on the next following business day in Hong Kong.

There is currently no separate performance fee payable by the Company.

The parties may agree from time to time in writing such other remuneration of the Manager and the related calculation or payment methods.

Exhibit 10.14

APTUS Holdings Limited
Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong
Tel: (852) 2117 6611 ● Fax: (852) 2850 7286

18th August 2017

GloboAsia LLC
11427 Potomac Oaks Drive
Rockville, MD 20850, USA

Attn: Dr. Keith Chan, Ph.D.

Consultancy Agreement

We are pleased and welcome the acceptance of GloboAsia LLC **("GloboAsia")**, with its business address at 11427 Potomac Oaks Drive, Rockville, MD 20850, USA, to enter into this Consultancy Agreement **(the "Agreement")** with APTUS Holdings Limited **(the "Company")**, a company incorporated with limited liabilities under the laws of Cayman Islands, with its business address at Unit B, 17/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. The Company has wholly owned subsidiaries in the Cayman Islands, Hong Kong, and Macau, whereby collectively, shall be depicted as **"APTUS"** or the **"Group"**.

The following seeks to illustrate the context of the Agreement and the services to be rendered by GloboAsia for the Company, and the terms and conditions as set out herewith.

1. The Company and the Group

APTUS and its affiliates focus on the licensing of, and acquisition of early stage preclinical assets with the intention to engage in drug research, development, and commercialization purposes. Assets are acquired via open and public platforms such as the technology transfer offices of accredited universities and academic institutions. In addition, the Group seeks to be a facilitator across the financing spectrum for biotech companies, entrepreneurs, and commercializing agents, to bolster innovations adding value to health care needs in the market place; and to assist in furthering the research capabilities of institutions the Group works with.

2. Scope of Services

(a) GloboAsia agrees to enter into this Agreement to provide certain consultancy, advisory, and management services to APTUS through correspondence and man-hours as represented by Dr. Keith Chan ("Dr. Chan").

(b) Dr. Chan is to be enlisted and act as a **Chief Scientific Officer** of the Company, or otherwise agreed from time to time (the "Appointment").

(c) He shall advise where necessary, the Executive Board of Directors of the Company and its affiliates.

(d) As a Chief Scientific Officer of the Company Dr. Chan's role involves managing the regulatory aspects of APTUS' clinical programs including, but not limited to, the liaison with regulatory authorities such as the U.S. Food & Drug Administration (FDA) or the China Food & Drug Administration (cFDA).

(e) As he is not an Executive Director on the Board of Directors for the Company, he ultimately does not have legal nor professional authority to dictate the commercial decisions of the Executive Board.

(f) He shall:

(i) Provide services on behalf of GloboAsia in all aspects for the Group where reasonably sought at least for one working day per week;

(ii) Be responsive to the Group's needs and interests, whereby deliverables to APTUS should be provided in good faith so that effort and quality is commensurable to fees provided to GloboAsia, with details described more fully below;

(iii) Observe and comply with all statutory rules, and regulations where applicable as governed by the laws of his residence and that of GloboAsia's incorporation;

(iv) Provide traceable contact during and after office hours, on weekdays and weekends, or during public holidays, whereby your availability may occasionally and reasonably be sought.

3. Date of Commencement

GloboAsia shall officially commence its services to the Company beginning on **18th August 2017**, or as mutually agreed upon between Dr. Chan and the Executive Board of Directors of the Company.

4. Service Fees

(a) Service Fees shall be provided to GloboAsia with the expectation that its representative(s) devotes at least one working date per week in providing services to the Company and its affiliates, or a suitable amount of time to adequately fulfill duties outlined in the Scope of Services for the Company; Such duties may include, but not limited to, the overall steering in regulatory matters, the attendance of meetings, reviewing documentation associated to the Group's licensing, research & development, and other operational activities where necessary.

(b) Such Service Fees shall equate to a **monthly rate of US$10,000 (USD Ten Thousand)** and shall be duly paid to GloboAsia in full on the last business day of each calendar month subsequent to aforementioned commencement date, and subject to the ongoing effect of the Appointment as pursuant to Section 8. Term and Termination.

5. Stock Bonus:

GloboAsia may be entitled to receive stock bonuses with the amount, cap, timing of payouts, vesting rate and schedule, subject to the full discretion of the Company. All terms and conditions of stock bonuses shall be assessed based on the overall financial position and performance of the Group, as well as your contribution and performance upon rendering services by your representative(s) during the appointment under this Agreement. Any particulars associated to your eligibility to stock bonuses shall be definitively defined in a subsequent "Stock Option and Stock Bonus Addendum" at a future date as mutually agreed upon between GloboAsia and the Executive Board of Directors the Company.

6. Expense Reimbursements

GloboAsia is entitled to apply for reimbursement to expense outlays from time to time, deriving from expenses such as traveling and transportation costs, accommodation cost, and other expenses where reasonably incurred in relation to your representative(s) rendering said services for the Company and its affiliates in accordance to duties and tasks described in Section 2. Scope of Services.

7. Privacy of Information

(a) GloboAsia and its representative(s) shall not except as authorized by the Company or its affiliates, or required by your responsibilities reveal to any person or company any of the trade secrets or any information concerning the organization, business, finances, transactions or affairs of the Group which may come to your knowledge during your contract with the Group and shall keep with complete secrecy confidential information entrusted to you or your representative(s) and shall not use or attempt to use any such information in any manner which may injure or cause loss either directly or indirectly to the Group or may be likely to do so. This restriction shall continue to apply if and when after the termination of this appointment without limit in time.

(b) GloboAsia and its representative(s) shall not either during the period of this appointment or afterwards use or permit to be used any books, documents, moneys, assets, records or other property belonging to or relating to any dealings, affair or business of the Group other than for the benefit of the Group. You shall immediately deliver and return to the Group all such books, documents, monies, securities, records or other property which you then have or should have in your possession upon termination of this appointment hereunder.

(c) The Company however, agrees to provide you in good faith with any information concerning areas of interest and relevance of the Group as required by you in order for you to fulfill the Scope of your Services for the Group.

8. Term and Termination

This appointment of GloboAsia by the Company shall persist for a period of **2 years** from the Date of Commencement (the "Term") as defined within this Appointment Letter. The terms and conditions of this Appointment Letter shall remain in effect until expiration of the Term, unless it is terminated prior to expiration subsequent to the following circumstances:

(a) By GloboAsia after giving the Company not less than two (2) months' notice in writing;

(b) By the Company after giving GloboAsia two (2) months' notice in writing; or

(c) By the Company without notice or compensation in the event of any dishonesty, fraud, gross negligence, willful default or refusal to carry out any lawful order or instructions, or the repeated breach of any rules or regulations of the Company, or those as governed by the laws of your residency or incorporation by GloboAsia or its representative(s).

Renewal of this appointment shall be negotiated three months prior to the expiration of the Term, and subject to the mutual agreement between the Company and GloboAsia as defined in writing.

Please signify your acceptance of the above terms and conditions by signing and returning to us the enclosed duplicate copy of this Agreement.

Yours faithfully,

For and on behalf of **APTUS HOLDINGS LIMITED**	Agreed on behalf of **GLOBOASIA LLC**
Name: HUEN Chung Yuen Ian Position: Director & CEO	Name: Dr. Keith CHAN, Ph.D. Position:
Date	Date

Exhibit 10.15

STRIKER CAPITAL MANAGEMENT LIMITED

and

STRIKER ASIA OPPORTUNITIES FUND CORPORATION

MANAGEMENT AGREEMENT

[ ] October, 2010

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MANAGEMENT AGREEMENT

STRIKER ASIA OPPORTUNITIES FUND CORPORATION

AGREEMENT (the "Agreement") dated as of by and between Striker Capital Management Limited, a limited liability company organized under the laws of Hong Kong whose registered office is at 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong (the "Investment Manager") and Striker Asia Opportunities Fund Corporation, a limited liability company organized under the laws of the Cayman Islands whose registered office is at 4th Floor, Scotia Centre, P.O. Box 268, Grand Cayman KY1-1104, Cayman Islands (the "Company").

WHEREAS, the Company has been formed as an open-ended investment company, the objective of which is to achieve capital appreciation in accordance with the investment objectives and programme as more fully described in the Private Placing Memorandum of the Company dated **[date]** (the "Private Placing Memorandum"), the receipt of which by the Investment Manager is hereby acknowledged; WHEREAS, the Company desires to avail itself of the experience, advice and assistance of the Investment Manager with respect to the investment of its assets and the performance of investment management, placement and other services on behalf of the Company; and

NOW, THEREFORE, in consideration of the mutual premises and covenants contained herein, the parties hereby agree to the following terms and conditions. Terms not otherwise defined herein shall be used herein as defined in the Articles of Association of the Company (the "Articles") (and words and expressions contained in this Agreement but not contained in the Articles shall bear the same meaning as in the Private Placing Memorandum) PROVIDED THAT any alteration or amendment of the Articles or the Private Placing Memorandum shall not be effective for the purposes of this Agreement unless the party hereto affected (to the extent that its rights or duties hereunder are affected by such alteration or amendment) shall, by endorsement hereon or otherwise, have consented thereto.

PART 1. INVESTMENT MANAGEMENT SERVICES

1.1 *Investment Programme*

In accordance with the investment objectives, policies, guidelines and restrictions which are set forth in the Private Placing Memorandum or which are otherwise communicated to the Investment Manager in writing, and under the ultimate supervision of the Board of directors of the Company, the Investment Manager shall develop, update and effect an overall investment strategy for the investment of the assets of the Company.

1.2 *Authority of the Investment Manager*

The Investment Manager shall have full discretion and authority, without obtaining the Company's prior approval, but subject as aforesaid, to invest the assets of the Company in such manner as the Investment Manager considers appropriate, subject to the investment objectives, policies, guidelines and restrictions as set forth in the Private Placing Memorandum (which may be amended from time to time). In furtherance of, and subject to the foregoing, the Company hereby designates and appoints the Investment Manager as its agent and attorney-in-fact, with full power and authority and without the need for further approval of the Company (except as may be required by law), to carry out the following with respect to the assets of the Company:

a) to effect purchases and sales (including short sales) of (i) equity or debt securities, as well as warrants, convertible securities or other securities which combine features of equity and debt securities, denominated in any currency, of publicly-listed or privately owned companies anywhere in the world, (ii) any put or call options thereon (including the writing of options), or (iii) any futures contracts or contracts to borrow such securities;

b) to engage in foreign currency transactions in the spot, forward and outright markets;

c) to make all decisions relating to the manner, method and timing of investment transactions, and the selection of brokers and dealers for the execution, clearance and settlement of any transactions;

d) to borrow from banks, brokers or other financial institutions and pledge assets of the Company in connection therewith;

e) to direct custodians to deliver funds or securities for the purpose of effecting transactions, and to instruct custodians to exercise or abstain from exercising any privilege or right attaching to such assets;

f) to appoint Mr. Chung Yuen Ian HUEN and Mr. Don K. W. SO (collectively, the "Key Investment Personnel") as the investment personnel responsible for making investment decisions in respect of the assets of the Company;

g) to promptly notify the Company if any of the Key Investment Personnel will be unable to continue to involve in making investment decisions in respect of the assets of the Company as a result of any of the following reasons:

1. the resignation of such person ; or

2. such person becoming of unsound mind or a patient for any purpose relating to mental health and the directors of the Investment Manager resolve that his office be vacated; or

3. the death of such person.

h) unless otherwise instructed by the Company, to make and execute, in the name and on behalf of the Company, all such documents and take all other such actions which the Investment Manager considers necessary or advisable to carry out its duties hereunder. For the avoidance of doubt, the Investment Manager shall not, without the approval of the Company, enter into a side letter arrangements with the shareholders of the Company.

1.3 *Delegation*

a) In connection with the provision of the services set forth in Sections 1.1 and 1.2 hereof, the Investment Manager shall have full authority and discretion to delegate its responsibilities and obligations to third parties. The performance of the responsibilities and obligations by such third parties shall be subject to the oversight and supervision of the Investment Manager. Except to the extent caused directly by the Investment Manager's negligence, fraud or willful default, the Investment Manager shall not be liable for the acts and omissions of such third parties.

b) The Investment Manager shall be entitled to obtain investment and other advice from such source or sources and on such terms as it thinks fit (including, without prejudice to the generality of the foregoing, full power to appoint one or more investment advisers, approved by the Company, to advise as to the investment and re-investment of the Investments).

1.4 *Custody*

Portfolio securities and other financial assets of the Company shall be maintained at all times in the custody of the Administrator or in the custody of one or more banks, trust companies, brokerage firms or other financial institutions as shall have been selected for that purpose by the Company.

1.5 *Investments for the Accounts of Others*

a) The services of the Investment Manager to the Company under this Agreement are not to be deemed exclusive. It is understood that the Investment Manager and its affiliates may effect investment transactions for their own account and for the accounts of other customers, and the Company further understands and agrees that nothing herein shall restrict the ability of the Investment Manager and its affiliates to engage in any such transactions notwithstanding the fact that the Company may have or may take a position of any kind; provided, however, that neither the Investment Manager nor any of its affiliates shall, without the consent of the Company, cause the Company to purchase any asset from or sell any asset to the Investment Manager or any of its affiliates or any other person or entity for which the Investment Manager or its affiliates is acting, unless such transaction involves the purchase or sale of a security listed on a recognized securities exchange and such transaction is effected at current market prices.

b) The Investment Manager hereby agrees to act on a fair and equitable basis in allocating suitable investment and trading opportunities among the account of the Company and any other accounts managed by the Investment Manager. In furtherance of the foregoing, the Investment Manager will consider participation by the Company in all appropriate opportunities within the purpose and scope of the Company's objectives, which are under consideration for the accounts of other clients of the Investment Manager. When the Investment Manager determines that it would be appropriate for the Company and any such other accounts to participate in an investment opportunity, the Investment Manager will seek to execute orders on a basis consistent with the principles of fairness and equity.

1.6 *Establishment of subsidiaries*

The Investment Manager may, if in its discretion it determines that it is in the best interest of the Company to do so, establish one or more sub-accounts or arrange for the establishment of or acquisition of one or more business entities, which will be wholly-owned by the Company and whose assets will be managed by the Investment Manager, through which the Company may invest its assets in any jurisdiction.

PART 2. ADMINISTRATIVE SERVICES

2.1 The Investment Manager shall be responsible for assisting the Company in selecting the appropriate entities to perform all necessary custodian and registrar services and certain administrative services for the Company.

2.2 The Investment Manager shall take reasonable measures to (i) monitor the performance by the Administrator of their duties with respect to the Company, (ii) coordinate such performance with the performance of the services contemplated hereunder, and (iii) assist the Company in procuring the future performance of administrative services whenever necessary.

2.3 The Investment Manager shall hold and store certain information for the Company, reconcile financial statements of the Company with the Administrator and with brokers, and send acceptances of trades placed where applicable. Upon the reasonable request of the Company, it shall perform other administrative services appropriate in connection with the operations of the Company.

PART 3. PLACEMENT AND ADVISORY SERVICES

3.1 *Provision of Placement Duties and Advisory Services*

In accordance with provisions of the Articles, and under the ultimate supervision of the Board of directors of the Company from time to time as provided therein, the Investment Manager shall be responsible for performing (or procuring the performance of), and is hereby authorized and empowered to perform (or procure the performance of), all duties and functions necessary or appropriate in connection with the placement of the Participating Shares and advising the Company on general matters affecting its structure and operations, including from time to time advising the Board of directors of the Company concerning:

a) the suitability of the Company's structure and operating procedures in light of the expectations of prospective investors;

b) steps which may be taken to enhance the marketability of the Participating Shares and to improve investor relations;

c) general economic and financial developments in international securities and capital markets affecting the Company's investment programme.

3.2 *Placement of Participating Shares*

The Investment Manager shall act as the exclusive placing agent for the Company's Participating Shares in accordance with all relevant and applicable law. The Investment Manager shall use its best efforts to procure applications for the purchase of Participating Shares by eligible investors, either directly or through securities dealers and other financial institutions selected by the Investment Manager pursuant to Section 3.3 hereof ("authorized dealers"). The Participating Shares shall be offered at the subscription price and on the terms and conditions set forth herein and in the Private Placing Memorandum. All applicants shall be subject to acceptance by the Company (it being understood that the Company shall have the right to reject applications or to receive or accept on behalf of the Company any funds or other property tendered as payment for Participating Shares).

3.3 *Authorized Dealers*

a) The Investment Manager may appoint securities dealers and other financial institutions as authorized dealers to solicit applications to purchase the Participating Shares, one or more of whom may be affiliates of the Investment Manager. The Investment Manager shall use reasonable efforts to ensure that any such authorized dealer shall conduct solicitation activities in accordance with all of the conditions, restrictions and limitations applicable to the Investment Manager's direct placement activities as set forth in this Agreement or in the Private Placing Memorandum.

b) The Investment Manager shall pay commissions, if any, to any such authorized dealers solely out of the proceeds received by the Investment Manager as either Management Fees, the Performance Fees and/or the Initial Charge (as described in Section 4 hereof).

c) The Investment Manager shall promptly furnish to the Company a copy of any written agreement (and a written summary of any oral agreement) with any authorized dealer relating to the solicitation of applications for the Participating Shares.

3.4 *Offering Materials*

a) The Investment Manager shall deliver, or arrange for the delivery by any authorized dealer selected by the Investment Manager, to each person to whom the Participating Shares are offered a copy of the Company's most recently published Private Placing Memorandum which the Company shall have provided to the Investment Manager.

b) If any form of offering materials (including any form of advertisement or other solicitation materials calculated to result in an expression of interest in subscribing for the Participating Shares) concerning the Company or the Participating Shares other than the Private Placing Memorandum is required or permitted to be given to any prospective investor under the laws of any jurisdiction in which the Participating Shares are offered by or through the Investment Manager, the Investment Manager agrees that any such document (i) shall not contain any information concerning the Company or the Participating Shares which is inconsistent with the Private Placing Memorandum, and (ii) shall comply in all respects with the laws of the jurisdiction in which it is furnished. The Investment Manager shall not (and shall not permit any authorized dealer appointed by the Investment Manager to) publish or furnish any such offering literature which contains any reference to the Company without the prior approval of the Company.

c) The Investment Manager acknowledges and agrees that no person is authorized to make any representations, whether written or oral, concerning the Company and the Participating Shares which are inconsistent with the Private Placing Memorandum and that all offers of the Participating Shares shall be made in conformity with the terms and conditions set forth therein.

3.5 *Certain Legal Restrictions*

a) None of the Participating Shares shall be offered by the Investment Manager or any authorized dealer to any person who is not reasonably believed by the Investment Manager or the authorized dealer to be an eligible investor as set forth in the Private Placing Memorandum. Furthermore, none of the Participating Shares shall be offered or sold to any person to whom it would be illegal to offer of sell the Participating Shares.

b) The Participating Shares and the Company have not been and will not be registered or qualified for offer and sale under the applicable laws of any jurisdiction governing the offer or sale of investment company shares or other securities. Neither the Investment Manager nor any authorized dealer shall (i) solicit any applications or otherwise extend any offers for the purchase of the Participating Shares, or (ii) deliver (or have in their possession for the purpose of delivery) the Private Placing Memorandum or any other offering literature relating to the Company or the Participating Shares, to any person in any jurisdiction in which such solicitation or delivery would be unlawful. The Investment Manager represents to the Company that it has informed itself as to the applicable legal restrictions governing the offer and sale of the Participating Shares under the laws of any jurisdiction in which it intends to place share applications and that based on the methods of placement contemplated by the Investment Manager, the sale of the Participating Shares by the Company to any person in any such jurisdiction will not be in violation of any applicable laws by reason of the activities of the Investment Manager. The Investment Manager undertakes to comply with the foregoing representations in connection with its placement activities (including the appointment of any authorized dealers) during the term of this Agreement.

PART 4. COMPENSATION

For its services hereunder, the Investment Manager shall be entitled to receive from the Company:

4.1 *Management Fee*

The Investment Manager will receive a basic management fee (the "Management Fee") equal to 1.5 per cent. per annum of the Net Asset Value (before deduction of any accrued Management Fee and Performance Fee (as defined below)) accrued and calculated on the basis of the Net Asset Value of the Company as at each Valuation Point and payable monthly in arrears. If the Investment Management Agreement is terminated as of a date other than the last day of a month, the Management Fee will be prorated through the termination date. A pro rata fee will also be charged to reflect subscriptions as of any date other than the beginning of a month. Such monthly Management Fee shall be payable generally in arrears on the first Business Day of each calendar month.

4.2 *Performance Fee*

a) The Investment Manager will also receive a Performance Fee (the "Performance Fee") from the Company calculated on a Share-by-Share basis so that each Participating Share is charged a Performance Fee which equates as nearly as reasonably practicable with that Participating Share's performance. The Performance Fee for each Performance Period (as defined in the Private Placing Memorandum) in respect of each Participating Share will be equal to 20% of the appreciation in the Net Asset Value per Participating Share (before deduction of any accrued performance fee) during the Performance Period above the High Water Mark of that Participating Share. The High Water Mark is the greater of:

   (i) the Net Asset Value per Participating Share of the relevant class at the time of issue of that Participating Share; and

   (ii) the highest Net Asset Value per Participating Share of the relevant class (after deduction of any accrued Performance Fee) in respect of which a Performance Fee (other than a Performance Fee Redemption (as defined below)) have been paid at the end of any previous Performance Period (if any) during which such Participating Share was in issue.

The Performance Fee in respect of each Performance Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

The Performance Fee is normally payable in arrears within 20 Business Days of the end of each Performance Period. However, in the case of Participating Shares redeemed part way through a Performance Period, the Performance Fee accrued in respect of those Participating Shares is payable within 20 Business Days after the date of redemption.

If an investor subscribes for Participating Shares at a time when the NAV per Participating Share is other than the Peak Net Asset Value per Participating Share, certain adjustments as described in the Private Placing Memorandum (the Peak Net Asset Value being defined therein) will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager.

The Investment Manager may reallocate all or part of such fees to third parties assisting in the placement of Participating Shares.

The Investment Manager has no obligation to restore to the Company any Performance Fee previously accrued in one financial year, notwithstanding a loss in a subsequent financial year.

b) In the event that this Agreement is terminated part way through a Performance Period, the Company shall pay, in respect of all Participating Shares, the Performance Fee accrued as at the last Valuation Point before such termination (subject to any adjustments as set out in the Private Placing Memorandum).

c) The Company acknowledges that the Performance Fee may create an incentive for the Investment Manager to make investments that may involve more risk than would be the case in the absence of a fee based on the performance of the Company. In addition, the Performance Fee shall be based on unrealized as well as realized, appreciation and depreciation of the investments of the Company.

d) The Performance Fee shall be computed in a manner consistent with the Articles and the Private Placing Memorandum.

4.3 *Initial Charge*

The Investment Manager will also be entitled to receive an initial charge (the "Initial Charge") of up to 3 per cent. of the subscription proceeds for the issue of the relevant Participating Shares.

PART 5. GENERAL PROVISIONS

5.1 *Expenses*

a) Except as otherwise provided below, the Investment Manager shall bear all of its own costs and expenses incurred in the performance of its services provided pursuant to this Agreement, including those attributable to such officer personnel, office space, office equipment and office services as may be required by the Investment Manager.

b) Except as set forth above, the Company shall bear the following costs and expenses:

- the preliminary expenses of the Company (including fees in connection with the incorporation of the Company in the Cayman Islands), the costs incurred in connection with the preparation and execution of the material contracts referred to below under paragraph 1 of the section headed "General Information" in the Private Placing Memorandum and other initial documents, and all initial legal and printing costs;
- the charges and expenses of legal advisers and auditors;
- brokers' commissions (if any), borrowing charges on securities sold short and any issue or transfer taxes or stamp duties chargeable in connection with any securities transactions;
- all taxes and corporate fees payable to governments or agencies;
- the fees of the Directors (which are not expected to exceed US$25,000 per Director per annum) and the reasonable travel and per diem expenses of the Directors;
- interest on borrowings, including borrowings from the Prime Brokers/Custodian;
- communication expenses with respect to investor services including periodic investor meetings and all expenses of meetings of Shareholders and of preparing, printing and distributing financial and other reports, proxy forms, prospectuses and similar documents;
- the cost of insurance (if any) for the benefit of the Directors;
- the cost of printing and distributing the annual and statements;

- investment specific research and investment consultancy expenses;
- due diligence expenses for on-site research and due diligence;
- litigation and indemnification expenses and extraordinary expenses not incurred in the ordinary course of business;
- the cost of obtaining and maintaining any future listing of the Participating Shares on any stock exchange; and
- all other operating and administrative expenses.

5.2 *Soft Commissions*

The Investment Manager and/or any company associated with it may effect transactions by or through the agency of another person with whom the Investment Manager and/or any company associated with it may have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and/or any company associated with it goods, services and other benefits, such as research and advisory services, computer hardware, telecommunications equipment, software, database services and other similar services, the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Company or of the Investment Manager and/or any company associated with it in providing services to the Company. The Manager and/or any company associated with it shall not receive any direct payment from such party. The Manager and/or any company associated with it may however undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments. In any event, the execution of transactions will be consistent with best execution standards, and brokerage rates will not be in excess of customary institutional full-service brokerage rates.

5.3 *Rebates*

The Investment Manager and/or any company associated with it may enter into portfolio transactions for or with the Company either as agent in which case they may receive and retain customary brokerage commission and/or cash commission rebates, or with the approval of the directors of the Company, deal as a principal with the Company in accordance with normal market practice, provided that commissions charged to the Company in these circumstances do not exceed customary full service brokerage rates.

5.4 *Scope of Liabilities*

The Investment Manager shall not be liable to the Company or its shareholders for any losses, damages, expenses or claims occasioned by any acts of omissions of the Investment Manager in connection with the performance of its services hereunder, other than as a result of its own wilful default, fraud or negligence and contains provisions for the indemnification of the Investment Manager by the Company hereunder.

5.5 *Indemnification*

a) The Company shall indemnify the Investment Manager (which shall include, solely for purposes of this Section 5.3, the Investment Manager's directors, officers, employees and shareholders) and hold the Investment Manager harmless from and against any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted in connection with the Investment Manager's serving or having served in good faith pursuant to this Agreement; provided, however, that the Investment Manager shall not be entitled to any such indemnification with respect to any expense, loss, liability or damage which was caused by the Investment Manager's own willful default, fraud or negligence.

b) The Investment Manager shall indemnify the Company against, and hold it harmless from, any expense, loss, liability or damage arising out of any claim asserted or threatened to be asserted by any third party as a consequence (i) of any misstatement of any material fact or any other misrepresentation concerning the Company or the Participating Shares by the Investment Manager or (ii) willful default, fraud or negligence on the part of the Investment Manager.

c) In the event that either party hereto is or becomes a party to any action or proceeding in respect of which it may be entitled to seek indemnification hereunder (the "indemnitee"), the indemnitee shall promptly notify the other party (the "indemnitor") thereof. The indemnitor shall be entitled to participate in any such suit or proceeding and, to the extent that it may wish, to assume the defense thereof with counsel reasonably satisfactory to the indemnitee. After notice of an election by the indemnitor so to assume the defense thereof, the indemnitor will not be liable to the indemnitee hereunder for any legal or other expenses subsequently incurred by the indemnitee in connection with the defense thereof other than reasonable costs of investigation or reasonable legal expenses incurred as a result of (i) potential conflicts of interest between the indemnitee and indemnitor or (ii) the protection of proprietary or privacy interests of other clients of the indemnitee. The indemnitor shall advance to the indemnitee the reasonable costs and expenses of investigating and/or defending such claim, subject to receiving a written undertaking from the indemnitee to repay such amounts if and to the extent of any subsequent determination by a court or other tribunal of competent jurisdiction that the indemnitee was not entitled to indemnification hereunder.

d) The indemnitor shall not be liable hereunder for any settlement of any action or claim effected without its written consent thereto.

5.6 *Independent Contractor*

For all purposes of this Agreement, the Investment Manager shall be an independent contractor and not an employee or agent of the Company nor shall anything herein be construed as making the Company a partner or co-venturer with the Investment Manager or any of its affiliates.

5.7 *Information Concerning Activities*

The Investment Manager shall provide to the Company from time to time information regarding the Investment Manager and any authorized dealers and concerning the activities undertaken by them for the Company as the Company may reasonably request.

5.8 *Term, Termination and Renewal*

a) This Agreement shall have an initial term of five (5) years. Thereafter, this Agreement will be automatically renewed for successive five-year periods, subject to termination as of the close of any calendar year by either party upon not less than four (4) months' prior written notice to the other.

b) The Company or the Manager may terminate this Agreement at any time by notice to the other party, if the other party commits any material breach of its obligations under this Agreement and (if such breach shall be capable of remedy) shall fail within [thirty] days of receipt of notice requiring it so to do to make good such breach; or if the other party shall go into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy under the laws of the relevant jurisdiction; or if a receiver is appointed of any of the assets of the other party or if some event having an equivalent effect occurs. The Investment Manager may also terminate this Agreement at any time by notice to the Company if the Investment Manager ceases to be permitted to render the services contemplated under this Agreement pursuant to the applicable laws of the relevant jurisdiction.

c) In the event of any termination of this Agreement, the provisions of Part 5 shall survive. All amounts accrued and otherwise payable to the Investment Manager shall be due and payable to the Investment Manager as of the date of termination (subject to any adjustments as set out in the Private Placing Memorandum).

5.9 *Modification, Waiver*

Except as otherwise expressly provided herein, this Agreement shall not be amended, nor shall any provision of this Agreement be considered modified or waived, unless evidenced by a writing signed by the party to be charged with such amendment, waiver or modification.

5.10 *Binding Effect; Assignment*

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, but the rights and obligations hereunder shall not be assignable, transferable or delegable without the written consent of the other party hereto and any attempted assignment, transfer or delegation thereof without such consent shall be void. The foregoing shall not prevent an assignment by the Investment Manager to any of its affiliates without obtaining the written consent of the Company.

5.11 *Governing Law*

This Agreement shall be governed by and construed in accordance with the substantive laws of the Cayman Islands.

5.12 *Counterparts*

This Agreement may be signed in any number of counterparts. Any single counterpart or a set of counterparts signed in either case by the parties hereto, shall constitute a full and original Agreement for all purposes and all such counterparts together shall constitute one and the same Agreement.

5.13 *Entire Agreement*

This Agreement contains the entire Agreement between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

STRIKER CAPITAL MANAGEMENT LIMITED
(the "Investment Manager")

By: _____
Name: Michael Ching
Title: Executive Director

STRIKER ASIA OPPORTUNITIES FUND CORPORATION
(the "Company")

By: _____
Name: John Lewis
Title: Director

Exhibit 10.16

ADDENDUM TO THE INVESMENT MANAGEMENT AGREEMENT

THIS ADDENDUM TO THE INVESTMENT MANAGEMENT AGREEMENT (this "Addendum") is made and entered into as of the ____ day of _____, 2012 by and between Striker Capital Management Limited (the "Investment Manager") and Striker Asia Opportunities Fund Corporation (the "Company").

WHEREAS, the parties have entered into an Investment Management Agreement dated 26th October, 2010 (the "Agreement"); and

WHEREAS, the Agreement provides for investment management services by the Investment Manager for the Company; and

WHEREAS, the Investment Manager, given its adoption to a more conservative approach to the Company's portfolio structure and investment style, wishes to adjust the Management Fee and the Performance Fee, in accordance with this Addendum, as further described herein.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, the parties agree as follows:

1. Capitalized terms not defined herein have the meanings set forth in the Agreement.

2. Section 4.1 in the Agreement is deleted and replaced with the followings:

   The Investment Manager will receive a basis management fee (the "Management Fee") equal to 2.5 per cent. per annum of the Net Asset Value (before deduction of any accrued Management Fee and Performance Fee (as defined below)) accrued and calculated on the basis of the Net Asset Value of the Company as at each Valuation Point and payable monthly in arrears. If the Investment Management Agreement is terminated as of a date other than the last day of a month, the Management Fee will be prorated through the termination date. A pro rata fee will also be charged to reflect subscriptions as of any date other than the beginning of a month. Such monthly Management Fee shall be payable generally in arrears on the first Business Day of each calendar month.

3. First paragraph of Section 4.2(a) in the Agreement is deleted and replaced with the followings:

The Investment Manager will also receive a Performance Fee (the "Performance Fee") from the Company calculated on a Share-by-Share basis so that each Participating Share is charged a Performance Fee which equates as nearly as reasonably practicable with that Participating Share's performance. The Performance Fee for each Performance Period (as defined in the Private Placing Memorandum) in respect of each Participating share will equal to 15% of the appreciation in the Net Asset Value per Participating Share (before deduction of any accrued of any accrued performance fee) during the Performance Period above the High Water Mark of that Participating Share. The High Water Mark is the greater of:

(i) the Net Asset Value per Participating Share of the relevant class at the time of issue of that Participating Share; and

(ii) the highest Net Asset Value per Participating Share of the relevant class (after deduction of any accrued Performance Fee) in respect of which a Performance Fee (other than a Performance Fee Redemption (as defined below)) shall have been paid at the end of any previous Performance Period (if any) during which such Participating Share was in issue.

4. Except as expressly set forth herein, the terms and conditions of the Agreement shall continue in full force and effect.

5. This Addendum may be executed in one or more counterparts, each of which when executed shall be deemed to be an original, but all of which taken together shall constitute one and the same instrument.

6. In the event of a conflict between the Agreement and this Addendum, the terms and conditions of this Addendum shall control.

WHEREFORE, the parties hereto have executed this Addendum as of the date first stated above.

STRIKER CAPITAL MANAGEMENT LIMITED
(the "Investment Manager")

By: _____
Name: Michael Ching
Title: Executive Director

STRIKER ASIA OPPORTUNITIES FUND CORPORATION
(the "Company")

By: _____
Name:
Title: Director

Exhibit 10.17

SECOND ADDENDUM TO THE INVESTMENT MANAGEMENT AGREEMENT

THIS SECOND ADDENDUM TO THE INVESTMENT MANAGEMENT AGREEMENT (this "2nd Addendum") is made and entered into as of the ____ day of _____, 2016 by and between Guardian Capital Management Limited (the "Investment Manager") and Striker Asia Opportunities Fund Corporation (the "Company").

WHEREAS, the parties have entered into an Investment Management Agreement dated 26 October 2010 (the "Agreement"), and an addendum to the Investment Management Agreement dated 10 February 2012 ("1st Addendum"); and

WHEREAS, the Agreement collectively with 1st Addendum and 2nd Addendum, together provides for investment management services by the Investment Manager for the Company; and

WHEREAS, the Investment Manager wishes to terminate Performance Fee, in accordance with this 2nd Addendum, as further described herein with full effect as of **1 January 2017**.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants, the parties agree as follows:

1. Capitalized terms not defined herein have the meanings set forth in the Agreement.

2. References to Performance Fee in **Point 3** of the 1st Addendum, and all sub-sections of **Section 4.2** of the Agreement shall be deleted in entirety.

3. Except as expressly set forth herein, the terms and conditions of the Agreement, read together with the 1st Addendum, shall continue in full force and effect.

4. This 2nd Addendum may be executed in one or more counterparts, each of which when executed shall be deemed to be original, but all of which taken together shall constitute one and the same instrument.

5. In the event of a conflict between the Agreement or the 1st Addendum, and this 2nd Addendum, the terms and conditions of this 2nd Addendum shall control.

WHEREFORE, the parties hereto have executed this 2nd Addendum as of the date first stated above.

GUARDIAN CAPITAL MANAGEMENT LIMITED
(the "Investment Manager")

By: _____
Name: HUEN Chung Yuen Ian
Title: Managing Director

STRIKER ASIA OPPORTUNITIES FUND CORPORATION
(the "Company")

By: _____
Name: Kenrick Henry Fok
Title: Authorised Signer

Exhibit 10.18

EXECUTION VERSION

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SUBSCRIPTION AGREEMENT

APTORUM GROUP LIMITED

as Issuer

and

JURCHEN INVESTMENT CORPORATION

as Guarantor

and

PEACE RANGE LIMITED

as Subscriber

US$15,000,000 8.00 per cent. Convertible Bonds due 2019 convertible into shares of Aptorum Group Limited

6 April 2018

CONTENTS

THIS AGREEMENT is made on 6 April 2018 (the "**Signing Date**") between

(1) **APTORUM GROUP LIMITED**, a Cayman Islands exempted limited liability company with Hong Kong business registration number no. F0023235 with a registered address of Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands (the "**Issuer**");

(2) **JURCHEN INVESTMENT CORPORATION** a company incorporated with limited liability under the laws of British Virgin Islands with business registration no. 511328 with a registered office is at Vistra Corporation Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands (the "**Guarantor**"); and

(3) **PEACE RANGE LIMITED** a company incorporated under the laws of the British Virgin Islands with business registration no. 1839278 with a registered address at [ ](the "**Subscriber**").

RECITALS

(A) The Issuer, the Guarantor and the Subscriber have agreed to enter into this Agreement whereby the Issuer has agreed to issue US$15,000,000 in aggregate principal amount ("**Principal Amount**") of 8.00 per cent. convertible bonds (the "**Bonds**") due 2019 convertible into fully paid Class A ordinary shares of the Issuer (the "**Shares**") as governed by the terms and subject to the terms and conditions in relation to the Bonds set out in Schedule 1 to this Agreement (the "**Conditions**").

(B) The Subscriber has agreed to subscribe the Principal Amount of the Bonds on the Issue Date.

(C) The Bonds will be guaranteed by the Guarantor pursuant to a deed of guarantee ("**Deed of Guarantee**") entered into by the Issuer and the Guarantor in favour of the holders of the Bonds.

(D) The Bonds will be convertible into Shares upon and subsequent to the listing of the Issuer on NASDAQ or any principal stock exchange or securities market satisfactory to the Subscriber.

(E) The Issuer, the Guarantor and the Subscriber wish to record the arrangements agreed between them for the issue of, and subscription for, the Bonds as set out below.

THE PARTIES AGREE AS FOLLOWS

1. **INTERPRETATION**

1.1 In this Agreement (including the recitals hereto), the following expressions have the following meanings:

"Account Bank" has the meaning given to it in the Conditions;

"Accounting Items" means the (I) net profit after tax, (II) cash, (III) investment and (IV) net asset value as stated in any relevant financial statement, and "**Accounting Item**" means any one of them;

"Account Charge" has the meaning given to it in the Conditions;

"Applicable Laws" means with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgments, decrees, orders or notices of any government agency that is applicable to and binding on such person;

"Affiliate" means, in relation to any specified person, any Person that directly or indirectly Controls the specified person or is directly or indirectly Controlled by the specified person, or any Person that is under direct or indirect common Control with the specified person;

"Alternative Stock Exchange" has the meaning given to it in the Conditions;

"Bondholder" has the meaning given to it in the Conditions;

"Business Days" has the meaning given to it in the Conditions;

"Claim" means, in relation to a person, any claim, allegation, cause of action, proceeding, liability, suit or demand made against the person concerned, however it arises and whether it is present or future, fixed or unascertained, actual or contingent;

"Control" means possession, directly or indirectly, of the power to direct or cause the direction of the operations and management or policies of a person, whether through the ownership of voting securities, by contract or otherwise, and **"Controlled"** and **"Controls"** shall be construed accordingly;

"Conversion Price" has the meaning given to it in the Conditions;

"Conversion Right" has the meaning given to it in the Conditions;

"Debt Service Reserve Account" has the meaning given to it in the Conditions;

"Direct Shareholder" means, in respect of the Subscriber, the limited partnership that directly owns 100% of the legal interest in the Subscriber as of the Signing Date;

"Encumbrance" means any encumbrance or security interest of any kind whatsoever including but not limited to a mortgage, charge, pledge, lien, hypothecation, restriction, claim, defect, right to acquire, agreement for sale and purchase, right of first refusal, right of pre-emption, option, conversion right, third party right or interest; and with respect to Intellectual Property, preference granted to third party, sub-licensing or royalty arrangement; right of set-off or counterclaim, equity, trust arrangement or any other type of preferential agreement (such as a retention of title arrangement), lease, tenancy, licence or other right of occupation, easement, restrictive covenant, caveat or similar restriction over property, any security or other interest or arrangement of any kind that in substance secures the payment of money or the performance of an obligation, or that gives a creditor priority over unsecured creditors in relation to any property or any other agreement affecting the same having similar effect or any other rights exercisable by or Claims by third parties;

"Employees' Share Options" has the meaning given to it in the Conditions;

"Executed Private Placements" has the meaning given to it in the Conditions;

"Exposure" has the meaning given to it in the Conditions;

"**First Interest Payment Date**" has the meaning given to it in the Conditions;

"Group" has the meaning given to it in the Conditions;

"Intellectual Property" has the meaning given to it in the Conditions;

"Licenced IP" means any and all Intellectual Property that is licensed by or otherwise permitted to be exploited commercialized and/or use by the relevant licensor(s) under any Licence;

"Licences" means the agreements that the relevant members of the Group have entered into prior to the Signing Date and disclosed by the Issuer to the Subscriber prior to the Signing Date, and **"Licence"** means any one of them;

"Interest Period" has the meaning given to it in the Conditions;

"IPO Share Price" has the meaning given to it in the Conditions;

"Material Adverse Effect" means a material adverse effect on the condition (financial or otherwise), business, properties, prospects, result of operations, profitability, shareholders' equity or general affairs of the Issuer or of any other member of the Group taken as a whole, or the ability of the Issuer or of any other member of the Group to perform their respective obligations under the Transaction Documents or the Bonds (as applicable), or which are otherwise material in the context of the issue, offering and distribution of the Bonds;

"Market Capitalisation at IPO" has the meaning given to it in the Conditions;

"NASDAQ" means the Nasdaq Stock Market;

"Other Share Options" has the meaning given to it in the Conditions;

"**Permitted Offerings**" has the meaning given to it in the Conditions;

"Permitted Use of Proceeds" has the meaning given to it in the Conditions;

"**Post-IPO Secondary Offerings**" has the meaning given to it in the Conditions;

"Private Placements" has the meaning given to it in the Conditions;

"Related Person" has the meaning given to it in the Conditions;

"Release Conditions" has the meaning given to it in the Conditions;

"Outstanding" has the meaning given to it in the Conditions;

"QIPO" has the meaning given to it in the Conditions;

"Share Charge" has the meaning given to it in the Conditions;

A **"Subsidiary"** has the meaning given to it in the Conditions;

"Subsidiary Share Grants and Share Options" has the meaning given to it in the Conditions;

"Warrants" has the meaning given to it in the Conditions; and

"US dollars" and **"US$"** are to the lawful currency for the time being of the United States of America.

1.2 Capitalized terms used but not otherwise defined herein have the meanings given to them in the Conditions.

1.3 The Issuer, the Guarantor and the Subscriber are collectively referred to herein as the "**Parties**" and each individually as a "**Party**".

1.4 References in this agreement to this Agreement or any other document are to this Agreement or those documents as amended, supplemented, restated or replaced from time to time and include any document which amends, supplements, restates or replaces them.

1.5 The schedules are part of this agreement and have effect accordingly.

1.6 References to any person shall include its successors in title, permitted assigns and permitted transferees.

1.7 Save as otherwise expressly stated herein, references to any statute or statutory provision includes a reference to that statute or statutory provision as from time to time amended, extended or re-enacted.

1.8 In this Agreement, references to:

(a) Recitals and Clauses are to the recitals and clauses of this Agreement;

(b) the singular includes the plural and vice versa;

(c) words importing gender or the neuter include both genders and the neuter; and

(d) persons include bodies corporate or unincorporate.

1.9 Headings shall be ignored in construing this Agreement.

2. ISSUE AND SUBSCRIPTION

2.1 Agreement to Issue Bonds

Subject to the satisfaction (or waiver) of the conditions set forth in Clause 11.1, the Issuer agrees to issue the Bonds in the Principal Amount to the Subscriber on the date falling 21 Business Days after the Signing Date, or such other date as the Issuer and the Subscriber may agree in writing (the "**Issue Date**") for completion of the subscription in accordance with Clause 12 ("**Issue**").

2.2 Agreement to subscribe and pay for Bonds

Subject to the terms of this Agreement, the Subscriber agrees to subscribe and pay for the Bonds in the Principal Amount at the Subscription Price (as defined below) to the order of the Issuer, subject to the Conditions, on the Issue Date.

2.3 Subscription

Subject to the satisfaction (or waiver) of the conditions set forth in Clause 11.1, the Bonds will be subscribed at a price equal to 100.0 per. cent of the Principal Amount of the Bonds on the Issue Date less (i) a fee of 2.00 per cent. of the Principal Amount (the "**Structuring Fee**") payable to the Subsidiaries and (ii) any Subscriber's Expenses (as defined in Clause 13.3) (the amount of which shall be agreed in writing between the Issuer and the Subscriber five Hong Kong business days prior to the Issue Date) (the "**Subscription Price**").

2.4 Shares

The Issuer agrees that the Shares will, when allotted and issued, rank *pari passu* in all respects with the other shares then in issue or to be issued by the Issuer as at the Issue Date until the conversion of all the Bonds into Shares, including the rights to vote and to participate in all dividends and other distributions declared, made or paid at any time after the allotment and issue.

2.5 Transaction Documents and Contracts

(a) The Issuer and the Subscriber shall enter into this Agreement in respect of the Bonds.

(b) Upon the Issue:

(i) the terms and conditions of the Bonds shall be substantially in the form of the Conditions set out in Schedule 1 hereto; and

(ii) the Issuer will enter into (and provide the Subscriber with copies of) the Deed of Guarantee, the Share Charge and the Account Charge. No amendment shall be made to such terms and conditions without the prior written approval of the Subscriber.

This Agreement, the Deed of Guarantee, the Share Charge, the Account Charge, an escrow agreement dated the Issue Date among the Guarantor, the Subscriber and The Law Debenture Trust (Asia) Limited as escrow agent in connection with the Share Charge, and each of the other agreements entered into by the Parties in connection with the transactions contemplated by this Agreement are together referred to as the "**Contracts**". The Contracts and the Bonds are together referred to as the "**Transaction Documents**".

3. REPRESENTATIONS AND WARRANTIES OF THE ISSUER AND GUARANTOR

3.1 Each of the Issuer and Guarantor jointly and severally represents, warrants and undertakes to the Subscriber that:

(a) **Incorporation**

Each of the Issuer, the Guarantor and their respective Subsidiaries is a separate legal and independent entity duly incorporated or established and validly existing under the laws of its jurisdiction of incorporation, is in compliance with all laws and regulations to which it is subject, is not in liquidation or receivership, has full power and authority to own its properties and to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it and has full power and authority to enter into and perform its obligations under the Transaction Documents.

(b) **Validity of Transaction Documents**

This Agreement has been duly authorised, executed and delivered by each of the Issuer and the Guarantor and constitutes, and the other Transaction Documents to which any of the Issuer or any member of the Group is a party have been duly authorised by each of the Issuer or such member of the Group (as the case may be), and upon due execution and delivery prior to or on the Issue Date will constitute, valid and legally binding and enforceable obligations of the Issuer or such member of the Group (as the case may be).

(c) **Validity of the Bonds**

The Bonds have been duly authorised by the Issuer and, when duly executed, issued and delivered in accordance with the Conditions, the Bonds will constitute valid and legally binding obligations of the Issuer.

(d) **Status**

(i) The Bonds (when issued) will constitute direct, senior, unconditional and unsubordinated obligations of the Issuer, secured as set out in the Conditions and will at all times rank at least *pari passu* with all other present and future unsubordinated obligations of the Issuer (including but not limited to the Executed Private Placements) other than those preferred by statute or applicable law.

(ii) The payment obligations of the Guarantor under the Deed of Guarantee when entered into shall, save for such exceptions as may be provided by applicable legislation and subject to Condition 2(b) of the Conditions, at all times rank at least equally with all other present and future unsecured and unsubordinated obligations of the Guarantor.

(e) **Authorised Share Capital**

As at the Signing Date and Issue Date, the authorised share capital of the Issuer is 27,864,135, of which 5,426,381 shares are designated as Class A ordinary shares and 22,437,754 shares are designated as Class B ordinary shares. The Issuer shall maintain at all times sufficient authorised but unissued share capital to satisfy the issue of Shares at the Conversion Price.

(f) **Shares**

The Shares resulting from exercise of the Conversion Right, when allotted, issued and delivered in the manner contemplated by the Bonds:

(i) will be duly and validly allotted and issued, fully-paid or credited as fully paid and non-assessable;

(ii) will rank *pari passu* and carry the same rights and privileges in all respects with all other Shares then in issue and shall be entitled to all dividends and other distributions declared, paid or made thereon;

(iii) subject to any restriction under applicable laws and lock-up restrictions as agreed by the Subscriber in Clause 9.2, will be freely transferable, free and clear of all liens, charges, Encumbrances, security interests or claims of third parties and will not be subject to calls for further funds; and

(iv) shall be registered in the registration statement on Form F-1 which the Issuer will submit to the U.S. Securities and Exchange Commission for the purpose of the intended QIPO.

(g) **No interest in other companies**

(i) As at the Issue Date, none of the Issuer or any other member of the Group (other than the Guarantor) owns any interest in any other company, partnership, joint venture, trust, profit-sharing arrangement or other legal entity other than (a) the Subsidiaries of the Issuer and (ii) the entities disclosed to the Subscriber.

(ii) As at the Issue Date, the Guarantor does not own any interest in any other company, partnership, joint venture, trust, profit-sharing arrangement or other legal entity other than (a) the Issuer and its Subsidiaries and (b) the entities disclosed to the Subscriber.

(h) **Pre-emptive Rights and Options**

(i) The issue of the Bonds and the Shares will not be subject to any pre-emptive or similar rights;

(ii) Save for the Permitted Offerings that otherwise comply with the Conditions and this Agreement, there are no outstanding securities issued or contracted to be issued by the Issuer or any other member of the Group (other than the Guarantor) convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, shares of the Issuer or any other member of the Group (other than the Guarantor) and the Issuer has obtained or will obtain all consents required under the Executed Private Placements or Private Placements for the Issuer to issue the Bonds and enter into the transaction contemplated by the Bonds and the Transaction Documents;

(iii) Save for the Permitted Offerings that otherwise comply with the Conditions and this Agreement, there are no arrangements approved by the board of directors of the Issuer or any other member of the Group (other than the Guarantor) or a general meeting of shareholders of the Issuer or any other member of the Group (other than the Guarantor) providing for the issue or purchase of, or subscription for, Ordinary Shares or securities issued by the Issuer or any other member of the Group (other than the Guarantor) convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, shares of the Issuer or any other member of the Group (other than the Guarantor); and

(iv) Other than in relation to the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with the Conditions and this Agreement, no issued or unissued share capital of the Issuer or any other member of the Group (other than the Guarantor) is or, so long as any Bond remains Outstanding, will be under option or agreed conditionally or unconditionally to be put under option.

(i) **Restrictions**

There are no restrictions on transfers of the Bonds or the voting or transfer of any of the Ordinary Shares or payments of dividends with respect to the Ordinary Shares pursuant to the Issuer's memorandum and articles of association, or pursuant to any agreement or other instrument to which the Issuer is a party or by which it may be bound.

(j) **Capitalisation**

All the outstanding shares, capital stock and other equity interests of the Issuer and each other member of the Group have been duly and validly authorised and issued, are fully paid and non-assessable, and were issued in compliance with applicable laws; all such shares, capital stock and equity interests are owned directly or indirectly by the relevant holders, free and clear of Encumbrances, restrictions on transfer or restrictions on voting.

(k) **Laws and Listing Rules**

Each of the Issuer and the other members of the Group, and, to the best of the Issuer's knowledge having made all reasonable enquiries, their respective directors and officers is in compliance with and will comply with all applicable laws and, upon and subsequent to the occurrence of a QIPO, the listing rules of NASDAQ or the New York Stock Exchange and any relevant regulatory authority in respect of the Listing (including, without limitation, the Financial Industry Regulatory Authority and the U.S. Securities and Exchange Commission) or, as the case may be, the Alternative Stock Exchange (the "**Listing Rules**") and the Issuer will comply with all applicable laws and the applicable requirements of the Listing Rules in connection with the issue, offering and sale of the Bonds and the issue of the Shares.

(l) **Consents**

Save for:

(i) the approval for listing of and dealing in the Shares to be granted by the NASDAQ, the New York Stock Exchange and any relevant regulatory authority in respect of the Listing (including, without limitation, the Financial Industry Regulatory Authority and the U.S. Securities and Exchange Commission) or, as the case may be, the Alternative Stock Exchange subsequent to the occurrence of a QIPO;

(ii) the registration of the Account Charge with the Companies Registries of Hong Kong within one calendar month of the date of the Account Charge; and

(iii) the registration requirements set out in Clause 4.8 of this Agreement,

no consent, clearance, approval, authorisation, order, registration or qualification of or with any court, governmental agency or regulatory body having jurisdiction over the Issuer or any relevant member of the Group is required and no other action or thing is required to be taken, fulfilled or done (including without limitation the obtaining of any consent or licence or the making of any filing or registration) for the execution and delivery by the Issuer or any relevant member of the Group of the Contracts, the issue, sale and delivery of the Bonds, the issue of the Shares to any subscriber, the carrying out of the other transactions contemplated by the Transaction Documents or the Bonds or the compliance by the Issuer or any relevant member of the Group with the Conditions.

(m) **Compliance**

The execution, delivery and performance of the Contracts, the issue and delivery of the Bonds, the issue of the Shares resulting from exercise of the Conversion Rights, the carrying out of the other transactions contemplated by the Transaction Documents and the compliance by the Issuer or any other member of the Group with the Conditions do not and will not:

(i) conflict with or result in a breach of any of the terms or provisions of, or constitute a default (nor has any event occurred which, with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement would result in a default) by the Issuer or any other member of the Group under, (a) the documents constituting the Issuer or the Guarantor, or (b) any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement or other agreement, obligation, condition, covenant or instrument to which the Issuer or any other member of the Group is a party or by which any of their respective assets are bound (collectively, the "**Existing Obligations**") which, in the case of (b) only, has had or reasonably could be expected to have a Material Adverse Effect; or

(ii) violate any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign, having jurisdiction over the Issuer or any other member of the Group or any of their respective assets, provided that such violations either (A) have resulted in a loss to the Issuer and/or any other member of the Group having an aggregate value of at least (if such loss is related to financing or operational matters) US$400,000, or (if such loss is in respect of all other kinds of loss) US$250,000, or (B) had or is reasonably expected to have a Material Adverse Effect; or

(iii) upon and subsequent to the occurrence of a QIPO, infringe the rules and regulations of any stock exchange on which securities of the Issuer are listed as determined by the relevant stock exchange.

(n) **Financial Statements**

(i) That the audited financial statements of the Issuer as of and for the two years ended 31 December 2015 and 2016 were prepared under the International Financial Reporting Standards, and the unaudited financial statements of the Issuer as of and for the two months ended 28 February 2017 and the unaudited consolidated financial statements of the Issuer and its Subsidiaries as of and for the ten months ended 31 December 2017 were prepared in accordance with the requirements of law and the Generally Accepted Accounting Principles (United States)(together, the "**GAAP**") (together, the "**Financial Statements**"), and that they present fairly the financial condition of the Issuer and the Group as at the dates which they were prepared and the results of the operations of the Group in respect of the periods for which they were prepared, and that there has been no Material Adverse Effect or development involving a prospective Material Adverse Effect since 31 December 2017.

(ii) Each of the Issuer and the Guarantor has reviewed the management accounts of the Issuer as of and for the two months ended 28 February 2017 and the consolidated management accounts of the Issuer and its Subsidiaries as of and for the ten months ended 31 December 2017 prepared in accordance with the requirements of law and with the GAAP (the "**Management Accounts**") and such accounts present fairly and accurately in all material respects the financial position of the Issuer as at 31 December 2017, and the results of operations and changes in financial position of the Issuer for the periods in respect of which they have been prepared.

(iii) None of the Accounting Items stated in the audited financial statements of the Issuer as of and for the two months ended 28 February 2017, and the audited consolidated financial statements of the Issuer and its Subsidiaries as of and for the ten months ended 31 December 2017 (together, the "**2017 Financial Statements**"), as compared to the Management Accounts, shall vary by more than US$1,500,000 (any such difference shall be irrespective of any goodwill impact due to any changes in the business nature of any member of the Group), and there is no material adverse change or development involving a prospective Material Adverse Effect since 31 December 2017.

(iv) The Management Accounts have been prepared and presented on a basis consistent with the accounting policies normally adopted by the Issuer and the Guarantor and applied in preparing the audited financial statements of the Issuer.

(v) Since 31 December 2017 there has been no change (nor any development or event involving a prospective change of which the Issuer or the Guarantor is, or might reasonably be expected to be, aware) which has a Material Adverse Effect to the condition (financial or other), prospects, results of operations, general affairs or profitability of the Issuer or of the Group, respectively.

(o) **Internal Accounting and Disclosure Controls**

Each of the Issuer and each other member of the Group maintains a system of internal control and accounting controls sufficient to provide reasonable assurances that:

(i) transactions are executed in accordance with management's general or specific authorisations and in compliance with applicable laws, rules and regulations;

(ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability;

(iii) access to material assets is permitted only in accordance with management's general or specific authorisation;

(iv) the recorded accountability for material assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and

(v) each of the Issuer and each other member of the Group has made and kept books, records and accounts which, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets of such entity and provide a sufficient basis for the preparation of the Group's consolidated financial statements in accordance with GAAP.

(p) **Contingent Liabilities**

Save as disclosed in the Financial Statements and for any contingent liabilities and payment obligations which may arise from the provision of financing guarantees in the ordinary course of business of the Issuer and any other member of the Group, there are no outstanding guarantees or contingent payment obligations of the Issuer and such other members of the Group in respect of indebtedness of third parties (if such indebtedness is related to financing or operational matters) exceeding US$400,000, or (in respect of all other kinds of indebtedness) US$250,000, or other than those disclosed in the Financial Statements referred to in Clause 3.1(n); the Issuer and each other member of the Group is in compliance with all of its obligations under any outstanding guarantees or contingent payment obligations as disclosed in the Financial Statements referred to in Clause 3.1(n).

(q) **Off-balance Sheet Arrangements**

Neither the Issuer nor any other member of the Group has any off-balance sheet transactions which, individually or in the aggregate, would, or is likely to, have a Material Adverse Effect, and neither the Issuer nor any other member of the Group has any relationships with unconsolidated entities that are contractually limited to narrow activities that facilitate the transfer of or access to assets by the Issuer or such other member of the Group, such as structured finance entities and special purpose entities that could have a Material Adverse Effect on the liquidity of the Issuer or such other member of the Group or the availability thereof or the requirements of the Issuer or such other member of the Group for capital resources. For the purposes of this Clause 3.1(q), the issue of the Bonds, the giving of the Deed of Guarantee, Account Charge and/or the Share Charge by the Issuer or the Guarantor, as the case may be, as contemplated in the Transaction Documents shall not be deemed as off-balance sheet transactions.

(r) **Title**

Each of the Issuer and each other member of the Group has good title to all real property, personal property and any other assets owned by it or any rights or interests thereto, in each case as is necessary to conduct the business now operated by it ("**Assets**"); and save for any charges created by operation of law and other than those set out in the Financial Statements, there are no Encumbrances or other third party rights or interests, conditions, planning consents, orders, regulations, defects or other restrictions affecting any of the Issuer or the relevant member of the Group, which could have a Material Adverse Effect on the value of such Assets, or limit, restrict or otherwise have a Material Adverse Effect on the ability of the Issuer or the relevant member of the Group to utilise or develop any such Assets and, where any such Assets are held under lease, each lease is a legal, valid, subsisting and enforceable lease.

(s) **Status of the charged security**

Each of the Guarantor and the Issuer (as applicable) has and will have, directly or indirectly, as of the Issue Date, good and valid title, free and clear of all liens, Encumbrances, security interest or claims, to (i) the assets charged in favour of the Subscriber pursuant to the Share Charge and Account Charge respectively, and (ii) to the extent applicable, Assets owned by the Guarantor and the Issuer (as the case may be) or any rights or interests thereto.

(t) **Approvals**

To the Issuer's and the Guarantor's best knowledge, information and belief (after due enquiry):

(i) the Issuer and each other member of the Group possess all certificates, authorisations, licences, orders, consents, approvals and permits ("**Approvals**") issued by, and has made all declarations and filings with, all appropriate national, state, local and other governmental and regulatory or self-regulatory agencies and bodies, all exchanges and all courts and other tribunals, domestic and foreign, necessary to own or lease, as the case may be, and to operate its assets and to conduct the business now operated by them;

(ii) the Issuer and each other member of the Group are in compliance with the terms and conditions of all such Approvals;

(iii) all of such Approvals are valid and in full force and effect; and

(iv) neither the Issuer nor any other member of the Group has received any notice of proceedings relating to the revocation or modification of any such Approvals or is otherwise aware that any such revocation or modification is contemplated or threatened,

except for any non-possession, non-compliance, invalidity, revocation, modification or proceedings (that if determined adversely to the Issuer or any member of the Group) would not individually or in the aggregate have any Material Adverse Effect.

(u) **Taxes and Assessments**

To the Issuer's and the Guarantor's best knowledge, information and belief (after due enquiry):

(i) all returns, reports and filings which ought to have been made by or in respect of the Issuer and each other member of the Group for taxation purposes have been made and all such returns, reports and filings are correct in all material respects and on a proper basis and are not the subject of any dispute with the relevant revenue or other appropriate authorities and to the best knowledge, information and belief of the Issuer and the Guarantor (after due inquiry) do not reveal any circumstances likely to give rise to any such dispute and the provisions, charges, accruals and reserves included in the financial statements are sufficient to cover all taxation of the Issuer and each other member of the Group existing in all accounting periods ended on or before the accounting reference date to which the financial statements relate whether payable then or at any time thereafter. No liability for tax which has not been provided for in the financial statements of the Issuer or any other member of the Group has arisen or has been asserted by the tax authorities against the Issuer or any other member of the Group which would have a Material Adverse Effect.

(ii) the Issuer and each other member of the Group have duly and in a timely manner paid all taxes that have become due, including, without limitation, all taxes reflected in the tax returns referred to in Clause 3.1(u)(i) above, or any assessment, proposed assessment, or notice, either formal or informal, received by the relevant member of the Group except for any such taxes that are being contested in good faith and by appropriate proceedings or where the failure to file or make payment would not, individually or in the aggregate, have a Material Adverse Effect.

(v) **Taxes/Duties**

To the Issuer's and the Guarantor's best knowledge, information and belief (after due enquiry), no tax or duty (including any stamp or issuance or transfer tax or duty, any service tax and any tax or duty on capital gains or income, whether chargeable on a withholding basis or otherwise) is assessable or payable in, and no withholding or deduction for any taxes, duties, assessments or governmental charges of whatever nature is imposed or made for or on account of any income, registration, transfer, service or turnover taxes, customs or other duties or taxes of any kind, levied, collected, withheld or assessed by or within, Cayman Islands, British Virgin Islands, United States or Hong Kong or any other relevant jurisdiction or by any sub-division of or authority therein or thereof having power to tax, in connection with the creation, issue or offering of the Bonds, the Shares or the execution or delivery of the Contracts, the Bonds or the performance of the obligations hereunder or thereunder (including, without limitation, issuance of the Shares and payment of any bonus thereunder).

(w) **Litigation**

To the Issuer's and the Guarantor's best knowledge, information and belief (after due enquiry), there are no pending actions, suits or proceedings against or affecting the Issuer or any other member of the Group or any of their respective assets, which if determined adversely to the Issuer, the Guarantor or any other member of the Company would individually or in the aggregate have a Material Adverse Effect and, to the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), no such actions, suits or proceedings are threatened or contemplated.

(x) **Investigation**

To the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), there are no police, legal, governmental, stock exchange or regulatory inquiries or investigations nor any pending actions, suits or proceedings against or affecting the Issuer or any other member of the Group or any of their respective directors or officers (in their capacities as such), or assets, which, if determined adversely to the Issuer or any other member of the Group or any of their respective directors, officers or assets, would individually or in the aggregate have a Material Adverse Effect, and no such investigations, actions, suits or proceedings are threatened or contemplated.

(y) **Environmental laws**

To the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), save and except where any non-compliance with Environmental Laws, non-possession, invalidity, revocation, modification, failure to receive required permits, licences or other approvals, or liability would not, individually or in the aggregate, have a Material Adverse Effect, the Issuer and each other member of the Group (i) have received, are in compliance with and will comply with all necessary permits, licences or other approvals required of them under applicable Environmental Laws to conduct their businesses and (ii) have not received notice of any actual or potential liability under any Environmental Law.

For the purpose of this Clause 3.1(y), "**Environmental Laws**" means any and all supra-national, national, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licences, agreements or other governmental restrictions relating to the protection of the environment (including, without limitation, human, animal and plant life, ambient air, surface water, ground water, or land), the protection of property and proprietary rights or for the compensation of harm to the environment whether by clean-up, remediation, containment or other treatment or the payment of monies to any competent authority.

(z) **Insurance**

To the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), the Issuer and each other member of the Group have in place all insurance policies necessary for the conduct of their businesses as currently operated and for compliance with all requirements of law, such policies are in full force and effect, and all premiums with respect thereto have been paid, and no notice of cancellation or termination has been received with respect to any such policy, and the Issuer and each other member of the Group have complied in all material respects with the terms and conditions of such policies.

(aa) **Licences**

(i) Upon the terms and conditions of each Licence, the relevant member of the Group is granted an exclusive and worldwide right to exploit, commercialise and use the Licenced IP.

(ii) As at the Signing Date, no member of the Group has received any notice or is aware of any circumstance which could be expected to adversely affect any member of the Group's right to exploit, commercialise and use the Licensed IP pursuant to the relevant Licence.

(iii) Each Licence constitutes legal, valid and binding obligations of the parties to the respective Licence, enforceable against each party to the respective Licence in accordance with its terms. No Licence is voidable or liable to rescission for any reason.

(iv) No Licence contains terms entitling any of the other parties to take a step unfavourable to any member of the Group (such as to terminate or suspend the agreement or arrangement, or to require a payment or the adoption of less favourable terms) because of the subscription of the Bonds or any other transactions contemplated by this Agreement or compliance with any provision of this Agreement.

(v) No Licence is affected by waiver by any party thereto of any of its provisions, that could result in a Material Adverse Effect.

(vi) No Licence or its performance or the use of any Licenced IP by the relevant member of the Group contravenes any Applicable Law.

(vii) To the best knowledge, information and belief of each member of the Group (after using best endeavours to complete all inquiries necessary for such confirmation), no Licence or its performance or the use of any Licenced IP by the relevant member of the Group infringes any right of any third party.

(viii) As at the Issue Date, each:

(A) licensee to each Licence; and

(B) to the best knowledge, information and belief of each member of the Group (after using best endeavours to complete all inquiries necessary for such confirmation), each licensor to each Licence,

has duly complied with all its obligations under the respective Licence.

(ix) To the best knowledge, information and belief of the Issuer and the Guarantor (after using their best endeavours to complete all inquiries necessary for such confirmation), no event has occurred which may be a ground for unilateral termination of any Licence by the licensor.

(x) As at the Signing Date, no member of the Group has received any written notice:

(A) alleging that any member of the Group is in breach of or in default under any Licence; or

(B) of termination of any Licence.

(xi) No member of the Group nor (to any member of the Group's knowledge) any other party to a Licence is in breach of or in default under, or but for the requirements of notice or lapse of time or both would be in breach of or in default under, a Licence.

(xii) No event has occurred or is alleged to have occurred which would (or would but for a requirement to give notice or but for lapse of time or both) be an event of default, or would give rise to an obligation to repay, or would lead to an Encumbrance becoming enforceable, in connection with any Licence, such as a Contract for financial accommodation. For the avoidance of doubt, the Encumbrance under this Clause 3.1(aa)(xii) shall not cover any Encumbrance held by or owed to a licensor pursuant to a License.

For the purpose of this Clause 3.1(aa)(xii) only, "**Contract**" means each agreement, arrangement, contract, covenant, deed, instrument, lease, licence, security, trust, understanding or undertaking to which any member of the Group is a party or which binds any member of the Group or any of its assets or under which any member of the Group has rights, and if the context so requires, includes a past Contract.

(xiii) To the best knowledge, information and belief of the Issuer and the Guarantor (after using best endeavours to complete all inquiries necessary for such confirmation), there is no event, fact or circumstance which would entitle a licensor of any Licence to terminate or suspend the agreement or arrangement, or require the acceleration of a payment or the adoption of less favourable terms pursuant to the terms of a License.

(xiv) There has not been any act or omission by any member of the Group which would entitle a licensor to any Licence to terminate or suspend the agreement or arrangement, require the acceleration of a payment or the adoption of less favourable terms pursuant to the terms of the License.

(xv) There is no litigation pending or threatened in connection with or arising out of any Licence. There is no dispute or Claim connected with or arising out of any Licence which may give rise to litigation that could result in a Material Adverse Effect. Nothing has happened which may give rise to litigation concerning any Licence.

(xvi) There has been no legal or arbitral dispute, or any other dispute that could result in a Material Adverse Effect, between any member of the Group and any licensor or other party to any Licence about the validity of the Licence, the interpretation of the Licence or the performance of the Licence by any party.

(xvii) As at the Issue Date, no member of the Group has received any notice under a Licence (such as a notice of termination, of intention to terminate, or of non-renewal, a show cause notice, a notice of exercise of an option, a notice to repay a loan, or a notice concerning enforcement of a guarantee or of an Encumbrance over any asset.

(bb) **Licenced IP**

Each Licenced IP as at the Issue Date:

(i) is legally and beneficially owned by the entity/entities who is the licensor under each respective Licence and the Issuer and the respective member of the Group shall exercise commercially reasonable efforts to procure the licensor to use its best endeavours to fully protect each Licenced IP;

(ii) is not subject to any Encumbrance or third party interest; for clarify, the Encumbrance under this Clause 3.1(bb)(ii) shall not include any Encumbrance held by or owed to a licensor pursuant to the relevant License;

(iii) is valid and subsisting;

(iv) to the best knowledge, information and belief of the Issuer and the Guarantor (after using best endeavours to complete all inquiries necessary for such confirmation), does not infringe any Intellectual Property or third party rights;

(v) is not liable to cancellation, forfeiture or modification for any reason;

(vi) is not subject to any challenge (such as a challenge to its validity or to its registration) made or threatened; and

(vii) to the best knowledge, information and belief of the Issuer and the Guarantor (after using best endeavours to complete all inquiries necessary for such confirmation), is not subject to any third party infringement or wrongful use.

(cc) **Related Party Transactions**

Neither the Issuer nor any other member of the Group is engaged and so long as any Bond remains Outstanding, will engage, in any transactions with any related party on terms that are less favourable to the Issuer or the relevant member of the Group than those available from other parties on an arm's length basis and such transactions as described in the audited consolidated financial statements of the Issuer, the Guarantor and the Group are true, complete and accurate and not misleading in any material respect. All related party transactions have been negotiated in good faith and on an arm's length basis.

(dd) **Events of Default**

Prior to the Issue Date, no event has occurred or circumstance arisen which, had the Bonds already been issued, could reasonably be expected to (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement): (i) constitute an event described under "**Events of Default**" in Condition 11; or (ii) require an adjustment of the initial Conversion Price.

(ee) **Labour Disputes**

No labour dispute having a Material Adverse Effect with the employees of the Issuer or any other member of the Group exists or, to the best knowledge, information and belief of the Issuer and the Guarantor (after due inquiry), is imminent. To the best knowledge, information and belief of the Issuer and the Guarantor (after due inquiry), neither the Issuer nor the Guarantor is aware of any existing or threatened labour disturbance by the employees of any principal suppliers, manufacturers or contractors of any member of the Group which could result in a Material Adverse Effect.

(ff) **Information**

All information supplied or disclosed in writing or orally by the Issuer, each other member of the Group and their respective representatives to the Subscriber, their respective agents or professional advisers is true and accurate in all material respects and not misleading in any respect and all forecasts, opinions and estimates relating to the Issuer and each other member of the Group so supplied or disclosed have been made after due, careful and proper consideration, are based on reasonable assumptions and represent reasonable and fair expectations honestly held based on facts known to such persons (or any of them); there has been no development or occurrence relating to the financial or business condition of the Issuer or any other member of the Group (including, without limitation, with respect to any corporate event, acquisition, disposal or related matter) which is not in the public domain and which would reasonably be expected to be material to the Subscriber; and each of the Issuer and the Guarantor has disclosed all information regarding the financial or business condition of the Group, which is relevant and material in relation to the Group, in the context of the issue or offering of the Bonds.

Notwithstanding the above, all information supplied or disclosed by the Issuer, each other member of the Group and their respective representatives to the Subscriber pursuant to the terms of the Transaction Documents shall be subject to the applicable laws and/or regulation or rules of NASDAQ, an Alternative Stock Exchange, the Financial Industry Regulatory Authority or the U.S. Securities and Exchange Commission.

(gg) **Anti-Money Laundering**

To the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), the operations of the Issuer and each other member of the Group are and have been conducted at all times, and so long as any Bond remains Outstanding, will be, in compliance with all applicable anti-money laundering laws, regulations, rules and guidelines in Hong Kong, the Cayman Islands, the British Virgin Islands and the United States, and in each other jurisdiction in which such entity, conducts business (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Issuer or any other member of the Group with respect to any of the Money Laundering Laws is pending or, to the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), threatened or contemplated.

(hh) **Foreign Corrupt Practices**

Neither the Issuer, any other member of the Group nor any director, officer, or to the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), any director, officer, employee, or agent, is aware of or has taken any action, and so long as any Bond remains Outstanding, will take any action, directly or indirectly, that would result in a violation by such persons of:

(i) the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder (the "**FCPA**"), including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorisation of the payment of any money, or other property, gift, promise to give, or authorisation of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the FCPA; or

(ii) any provision of equivalent laws of any other jurisdiction in which the Issuer or any other member of the Group conducts its business or operations,

and, to the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), their respective Affiliates have conducted their businesses in compliance with the FCPA and such other equivalent laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

(ii) **Sanctions administered by OFAC**

Neither the Issuer, any other member of the Group nor any director, officer, or to the best knowledge, information and belief of the Issuer and the Guarantor (after due enquiry), any agent, employee, is an individual or entity ("**Person**") that is, or is owned or controlled by a Person that is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("**OFAC**") or any sanctions administered by the European Union or the United Nations (collectively, the "**Sanctions**") or located, organised or resident in a country or territory that is the subject of Sanctions.

(jj) **Private Placements**

(i) The information disclosed to the Subscriber with respect to the Private Placements ("**Disclosure on Private Placements**") is complete, true, accurate and not misleading; and

(ii) The terms of any Private Placements that the Issuer will or may enter into subsequent to the Signing Date shall be substantially the same as or no more favourable than the terms disclosed in the Disclosure on Private Placements.

(kk) **Other Transactions**

Neither the Issuer nor any other member of the Group is, and so long as any Bond remains Outstanding, will be, a party to any other transaction which, if executed in accordance with its terms, has or would have a Material Adverse Effect.

(ll) **Use of Proceeds**

The use by the Issuer or any other member of the Group of the proceeds from the issue of the Bonds for Permitted Use of Proceeds will not violate any existing laws or regulations of any relevant jurisdiction.

(mm) **No General Solicitation**

Neither the Issuer, any of other member of the Group, nor any person acting on its or their behalf, has engaged, and so long as any Bond remains Outstanding, will, in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act of 1933 as amended (the "**Securities Act**") in connection with the offer or sale of the Bonds or the Shares.

(nn) **Non-Integration**

Neither the Issuer, the Guarantor, any of its Affiliates, nor any person acting on its or their behalf has made or will make offers or sales of any security, or solicited or will solicit offers to buy, or otherwise negotiated or will negotiate in respect of, any security, under circumstances that would require the registration of the Bonds or the Shares upon conversion of the Bonds under the Securities Act.

(oo) **No Registration Required**

Subject to the representations and warranties of the Subscriber herein, the offer and issuance by the Issuer of the Bonds or the Shares upon conversion of the Bonds in the manner contemplated by this Agreement is exempt from registration under the Securities Act pursuant to Section 4(a)(2) of the Securities Act and/or Regulation S promulgated pursuant to the Securities Act.

(pp) **Directed Selling Efforts**

Neither the Issuer, the Guarantor, any of its Affiliates, nor any person acting on its or their behalf has engaged or will engage in any directed selling efforts (as defined in Regulation S under the Securities Act ("**Regulation S**")) with respect to the Bonds and the Shares and the Issuer and they have complied and will comply with the offering restrictions requirement of such Regulation.

(qq) **Foreign Issuer and U.S. Market Interest**

The Issuer is a "foreign issuer" (as such term is defined in Regulation S) which reasonably believes that there is no "substantial U.S. market interest" (as such term is defined in Regulation S) in its debt securities.

3.2 Each of the representations and warranties contained in each of Clause 3.1 shall be construed separately and independently.

3.3 It is acknowledged that the Subscriber has entered into this Agreement in reliance upon the representations and warranties contained in, or given pursuant to, Clause 3.1.

3.4 **Repetition**

Unless otherwise specified therein, the representations and warranties contained in, or given pursuant to, Clause 3.1 shall be made on the Signing Date and be deemed to have been repeated on the Issue Date and on a continuous basis so long as any Bond remains Outstanding, taking into account facts and circumstances subsisting on the Issue Date and any relevant dates until the Expiration Date.

3.5 **Indemnity**

The commitment of the Subscriber under this Agreement is being made on the basis of the foregoing representations, warranties, undertakings and agreements of the Issuer and the Guarantor with the intention that such representations and warranties shall remain true and accurate in all material respects on such dates when they are repeated with reference to the facts and circumstances then subsisting and that the undertakings and agreements shall have been performed as set out herein and the Issuer (failing whom, the Guarantor) undertakes to pay the Subscriber on demand an amount which is equal to any liability and damages suffered and any cost, claim, loss or expenses (including, without limitation, legal fees, costs and expenses) (a "**Loss**") incurred by the Subscriber in respect of or in connection with any breach or alleged breach of any of the representations, warranties, undertakings or agreements contained in, this Agreement or any certificate issued by the Issuer and the Guarantor, as the case may be.

4. **UNDERTAKINGS OF THE ISSUER AND THE GUARANTOR**

Each of the Issuer and the Guarantor undertakes with the Subscriber to comply with the following obligations:

4.1 **Taxes**

The Issuer (failing whom, the Guarantor) shall pay:

(a) any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties in Hong Kong, the Cayman Islands, the British Virgin Islands and the United States and all other relevant jurisdictions payable on or in connection with the creation and issue of the Bonds, the issue of the Shares or the execution or delivery of the Transaction Documents; and

(b) in addition to any amount payable by it under this Agreement, any value added, service, turnover or similar tax payable in respect thereof (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it).

The Subscriber shall pay all, if any, taxes imposed and arising by reference to any disposal or deemed disposal of a Bond or interest therein otherwise than in connection with the exercise of Conversion Rights by the Subscriber.

4.2 **Warranties**

The Issuer (failing whom, the Guarantor) shall forthwith notify the Subscriber if at any time prior to payment of the Subscription Price to the Issuer on the Issue Date anything occurs which renders or may render untrue or incorrect in any respect any of its representations, warranties, undertakings, agreements and indemnities herein and will forthwith take such steps as the Subscriber may reasonably require to remedy the fact.

4.3 **Use of Proceeds**

The Issuer (failing whom, the Guarantor) shall use the net proceeds from the issue of the Bonds for the Permitted Use of Proceeds, provided that neither the Issuer nor any other member of the Group shall knowingly use, directly or indirectly, the proceeds of the offering of the Bonds hereunder, or knowingly lend, contribute or otherwise make available such proceeds to any member of the Group, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC or any Sanctions.

4.4 **Limitation on indebtedness**

So long as the Subscriber continues to have an Exposure,

(a) before the occurrence of the QIPO, none of the Issuer or any other member of the Group, without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed), shall enter into or incur any Financial Indebtedness.

(b) following the occurrence of the QIPO, none of the Issuer or any other member of the Group shall, without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed), enter into or incur any Financial Indebtedness unless:

(i) any such Financial Indebtedness is, in aggregate, less than US$60,000,000; and

(ii) the Issuer shall at all times maintain a ratio of total consolidated liabilities to total consolidated assets of the Issuer (as calculated by reference to its most recent audited financial statements) of not more than 50.0 per cent.

In these Conditions, "**Financial Indebtedness**" means any indebtedness for monies borrowed or raised, which shall include any interest or premium to be paid thereunder. Any limitation under Clauses 4.4(a) and 4.4(b) shall not apply to:

(I) the issue of the Bonds;

(II) the entry into the Share Charge or Account Charge or any other security interests in relation to the Bonds;

(III) the Private Placements;

(IV) the Employees' Share Options;

(V) the Other Share Options and Warrants;

(VI) the Subsidiary Share Grants and Share Options; or

(VII) the QIPO.

(items (I) to (VII) above collectively known as "**Permitted Offerings**").

4.5 **Limitation on equity offerings**

Employees' Share Options

So long as the Subscriber continues to have an Exposure, the Issuer and the Guarantor undertake that:

(a) the total number of Ordinary Shares to be issued under any such Employees' Share Options shall not exceed 5.0 per cent. of the total aggregate number of Ordinary Shares in issue immediately following the QIPO on a fully diluted basis taking into account the total number of Ordinary Shares at issue following the QIPO, any Ordinary Shares falling to be issued pursuant to the Permitted Offerings; and

(b) any Permitted Offerings, if fully exercised for Ordinary Shares, would not trigger any Change of Control.

Other Share Options and Warrants

So long as the Subscriber continues to have an Exposure, the Issuer and the Guarantor undertake that:

(c) any Other Share Options and Warrants shall be granted by the Issuer only and not by the Issuer's Subsidiaries; and

(d) the total number of Ordinary Shares to be issued under any such Other Share Options and Warrants shall not exceed 5.0 per cent. of the total aggregate number of Ordinary Shares in issue immediately following the QIPO on a fully diluted basis taking into account the total number of Ordinary Shares at issue following the QIPO, any Ordinary Shares falling to be issued pursuant to the Permitted Offerings; and

(e) any Permitted Offerings, if fully exercised for Ordinary Shares, would not trigger any Change of Control.

Subsidiary Share Grants and Share Options

So long as the Subscriber continues to have an Exposure, the Issuer and the Guarantor undertake that:

(f) any Subsidiary Share Grants and Share Options shall be granted by the Issuer's Subsidiaries only and not by the Issuer; and

(g) any Permitted Offerings, if fully exercised for shares, would not trigger any Change of Control.

Permitted Offerings

Notwithstanding the above, the Issuer and the Guarantor undertake and will procure that if any of the Permitted Offerings occurs after the occurrence of the QIPO, the market capitalisation of the Issuer (translated if necessary into US dollars at the then prevailing relevant exchange rate) calculated based on the issue price per Share immediately following such Permitted Offering (being the product of the issue price per Share at the relevant time multiplied by the total number of Ordinary Shares in issue following such Permitted Offering) shall be equal to or greater than the Issuer's Market Capitalisation at IPO.

Limitation before and after QIPO

So long as the Subscriber continues to have an Exposure, and other than in relation to the Permitted Offerings that otherwise comply with these Conditions,

(h) before the occurrence of the QIPO,

(i) none of the Issuer and any other member of the Group (other than the Guarantor) shall, without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed), offer (publicly or privately), or enter into any transaction which is designed to, or might reasonably be expected to, result in any public or private offering by any other member of the Group (other than the Guarantor), or announce any public or private offering of, any shares or securities convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, any shares issued by, or shares held by, the Issuer or any other member of the Group (other than the Guarantor); or issue any additional shares of other class(es) in its capital (other than the Shares), including without limitation any Class B ordinary shares of the Issuer; and

(ii) no shares of the Issuer and any other member of the Group (other than (I) the Guarantor and (II) the Issuer in respect of the QIPO) shall, without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed), be listed, quoted, admitted to trading or dealt in on any stock exchange.

(i) following the occurrence of the QIPO, the Issuer may have its Shares listed, quoted, admitted to trading or dealt in on a stock exchange other than the stock exchange in respect of the Listing by way of secondary listing, or conduct any private placement or public offering of its Shares (each a "**Post-IPO Secondary Offering**"), provided that:

(iii) the offering size for such Post-IPO Secondary Offering (being the product of the issue price for such offering multiplied by the number of shares to be issued in such Post-IPO Secondary Offering), as determined by an Independent Investment Bank and/or Independent Firm of Auditors, shall be less than US$50,000,000; and

(iv) the offering price per Share at such Post-IPO Secondary Offering shall not be below the IPO Share Price in the opinion of an Independent Investment Bank and/or Independent Firm of Auditors; and

(v) the market capitalisation of the Issuer (translated if necessary into US dollars at the then prevailing relevant exchange rate) calculated based on the issue price per Share for the relevant Post-IPO Secondary Offering following such Post-IPO Secondary Offering (being the product of the issue price per Share multiplied by the total number of Shares in issue following such Post-IPO Secondary Offering), as determined by an Independent Investment Bank and/or Independent Firm of Auditors, shall be greater than the Issuer's Market Capitalisation at IPO.

(j) Subject to Condition 4.5(i) above, other than the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with these Conditions, following the occurrence of the QIPO, none of the Issuer or any other member of the Group (other than the Guarantor) shall, offer (publicly or privately), or enter into any transaction which is designed to, or might reasonably be expected to, result in any public or private offering by any other member of the Group (other than the Guarantor), or announce any public or private offering of, any shares or securities convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, any shares issued by, or shares held by, the Issuer or any other member of the Group (other than the Guarantor); or issue any additional shares of other class(es) in its capital (other than the Shares), including without limitation any Class B ordinary shares of the Issuer.

4.6 **Corporate actions**

So long as any Bonds remain Outstanding, neither the Issuer nor any member of the Group shall enter into any form of corporate reorganisation, including but not limited to merging, consolidating or amalgamating any business currently controlled by any member of the Group, or any part of it, with any other business that is not controlled by any member of the Group, entering into any share swap transaction, demerger or divestiture with any other business that is not controlled by any member of the Group, unless any such corporate reorganisation is entered into among the members of the Group.

4.7 **Announcements**

Unless required by any law, regulation or listing rules binding on the Issuer or the Guarantor (including any disclosure and/or publication requirement binding on the Issuer or the Guarantor in respect of the Listing), or otherwise consented in writing by the Subscriber (which consent shall not be unreasonably withheld or delayed), none of the Issuer or any other members of the Group or any other parties acting on its or their behalf shall issue any announcement concerning the Bonds. The Issuer or the Guarantor may make any announcement based on information that has previously come into the public domain.

Notwithstanding the above, the Issuer may disclose the terms and conditions of the Transaction Documents and the background of the initial Bondholders: (i) in any governmental filing or to other authorities as required by the applicable laws and/or regulation or rules of NASDAQ, an Alternative Stock Exchange, the Financial Industry Regulatory Authority or the U.S. Securities and Exchange Commission and (ii) in connection with any action or claim to enforce its rights thereunder. The Issuer may disclose the terms and conditions of the Transaction Documents to underwriters, investors, lenders and financial advisors in preforming due diligence in any other transaction otherwise permitted in the Subscription Agreement or these Conditions.

4.8 **Registration of the Share Charge**

The Guarantor undertakes that it will as soon as reasonably practicable and, in any event, within ten Business Days of the date of the Share Charge (i) register or cause to be registered with the Registrar of Corporate Affairs in the BVI, and update of its register of charges with details of the security interests created by, the Share Charge, in accordance with the BVI Business Companies Act, (ii) use its best endeavours to complete such registration and obtain a registration record from its registered agent in the BVI and a certificate of registration of charge from the Registrar of Corporate Affairs in the BVI, (iii) deliver to the Subscriber copies of such registration record, certificate of registration of charge, and a certificate signed by a director or duly authorised officer of the Guarantor confirming the completion of the registration of the Share Charge and (iv) comply with all applicable laws of the British Virgin Islands ("**BVI laws**") and regulations in relation to the Share Charge.

4.9 **Registration of the Account Charge**

The Issuer undertakes that it will, after execution of the Account Charge, (i) register or cause to be registered with the Companies Registry of Hong Kong the Account Charge within one (1) calendar month of the date of the Account Charge and (ii) deliver to the Subscriber a certificate signed by a director or duly authorised officer of the Issuer confirming the completion of the registration of the Account Charge.

4.10 **Debt Service Reserve Account**

(a) Prior to the Issue Date, the Issuer (failing whom, the Guarantor) shall have deposited into the Debt Service Reserve Account the total amount of (i) the Structuring Fee, *plus* (ii) the Subscriber's Expenses, *plus* (iii) an amount in US dollars equal to the aggregate amount of interest due and payable for two consecutive Interest Periods commencing from, and including, the Issue Date.

(b) Upon payment of the Subscription Price of the Bonds by the Bondholders on the Issue Date pursuant to this Agreement, the Issuer (failing whom, the Guarantor) shall procure that on the Issue Date, such net proceeds of the issue of the Bonds shall be deposited in the Debt Service Reserve Account.

(c) In the event that the Maturity Date is extended to the Extended Maturity Date as defined and subject to Condition 9, each of the Issuer and Guarantor undertakes to procure that the aggregate amount of interest due and payable for the Interest Period commencing on, and including, the Scheduled Maturity Date and ending on, and including, the Extended Maturity Date shall be deposited and made immediately available as a condition of such extension in the Debt Service Reserve Account to the satisfaction of the Bondholders.

(d) The Debt Service Reserve (or the relevant part thereof) will be released from the Debt Service Reserve Account on satisfaction of any one of the Release Conditions in accordance with the Account Charge.

(e) If any Bond has been converted into Shares on a Conversion Upon QIPO or exercise of a Conversion Right or redeemed in accordance with the Conditions, the Debt Service Reserve (or the relevant part thereof) may be released in accordance with the Account Charge from the Debt Service Reserve Account in an amount *pro rata* to the principal amount of the Bond or Bonds being converted or redeemed, as the case may be.

(f) On the date falling two Business Days prior to each Interest Payment Date commencing on, and including the First Interest Payment Date and ending on, and including the Maturity Date, the Account Bank shall upon instructions being provided by the Issuer and/or Bondholders in accordance with the Account Charge release from the Debt Service Reserve Account and pay to the account of the Bondholders such amount of the proceeds deposited in the Debt Service Reserve Account as is equal to the aggregate amount of interest due and payable on the immediately following Interest Payment Date or, as the case may be, the Maturity Date, in accordance with Condition 6.

(g) Any operational costs and expenses or bank account service fees to be imposed or charged by the Account Bank in respect of the Debt Service Reserve Account shall be agreed in writing with the Account Bank prior to the establishment of such account. If such costs, expenses and fees are to be borne by the Issuer, the Issuer shall settle such amounts with funds other than the Debt Service Reserve.

(h) So long as any Bond remains Outstanding, neither the Issuer nor any member of the Group shall, without the prior written consent of the Bondholders, change (nor instruct the Account Bank to change) any bank mandate or authorised signatory in respect of the Debt Service Reserve Account.

(i) At the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other dates on which the principal, interest or premium on the Bonds are payable by the Issuer pursuant to these Conditions, as the case may be, the Issuer may repay and redeem the Bonds that remain Outstanding with the Debt Service Reserve pursuant to the Account Charge.

4.11 **Listing applications**

Each of the Issuer and Guarantor shall use their respective best endeavours to obtain all approvals required for (i) the shares of the Issuer to be listed or quoted or dealt in NASDAQ or an Alternative Stock Exchange as soon as practicable after the Issue Date, and (ii) the listing of and permission to deal in the Shares to be allotted and issued for the purposes of the conversion of the Bonds.

So long as any Bond remains Outstanding, as soon as practicable upon the request of the Subscriber from time to time, each of the Issuer and Guarantor shall furnish the Subscriber with any submissions, documents or materials in connection with the listing applications abovementioned.

4.12 **Financial Statements etc.**

So long as any Bond remains Outstanding, the Subscriber shall have the right to request from each of the Issuer and the Guarantor, in each case in the English language, a copy of:

(a) the relevant annual audited consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in shareholders' equity of the Issuer and the Guarantor together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them within 120 days after the end of their respective financial years;

(b) subject to the applicable laws, by-laws, regulations and rules of the relevant jurisdiction or stock exchange binding on the Issuer or the Guarantor, including those with respect to the disclosure of non-public information,

(i) the quarterly (or any other interim reporting period required by applicable law or regulations) unaudited consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in shareholders' equity of the Issuer together with any statements, reports (including any directors' and auditors' review reports, if any) and notes attached to or intended to be read with any of them within 60 days after the end of their respective financial years; and

(ii) as soon as practicable upon the request of the Subscriber from time to time, each of the Issuer and Guarantor shall furnish the Subscriber with any documentation or materials in relation to the key performance indicators of the Issuer or any other member of the Group (other than the Guarantor).

4.13 **Disposals by any member in the Group (other than the Guarantor)**

Disposals of Intellectual Property

So long as the Subscriber continues to have an Exposure,

(a) before the occurrence of the QIPO, none of the Issuer or any member in the Group (other than the Guarantor) will, without the prior written consent of the Subscriber (such consent shall not be unreasonably withheld or delayed), enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell (through any kind of trade sale, placement or otherwise), lease, transfer, grant any sub-licence of or dispose of (through any kind of offering, reverse takeover or otherwise) any Intellectual Property, unless such proposed sale, lease, transfer or disposal is made by a member of the Group to the Issuer and/or its Subsidiaries.

(b) following the occurrence of the QIPO, the Issuer or its Subsidiaries may conduct any such transaction as referred to in Clause 4.13(a) above without the prior written consent of the Subscriber provided that:

(i) the consideration to be received for the relevant Intellectual Property under the proposed transaction, as determined by an Independent Investment Bank and/or Independent Firm of Auditors, is more than 75.0 per cent. of the Issuer's Market Capitalisation at IPO; or

(ii) such proposed sale, lease, transfer or disposal is made by a member of the Group to the Issuer and/or its Subsidiaries.

Disposals of assets (other than Intellectual Property)

So long as the Subscriber continues to have an Exposure,

(c) Subject to Clauses 4.4, 4.5, 4.13(a) and 4.13(b), the Issuer will not, and will ensure that no members of the Group (other than the Guarantor) will, enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any assets (including without limitation any investment securities and machinery but excluding any cash), unless such proposed sale, lease, transfer or disposal:

(i) is made in the ordinary course of business of the Group and will not result in, or be expected to result in:

(A) the total consolidated assets of the Issuer being equal to or less than 60.0 per cent. of the total consolidated assets as shown in its audited consolidated financial statements of the Group as of and for the year ended 31 December 2017; and

(B) the sale price of such asset shall not be equal to or less than 60.0 per cent. of its fair value as shown in the audited consolidated financial statements of the Group as of and for the year ended 31 December 2017; or

(ii) is of assets in exchange for or to be replaced by other assets comparable or superior as to type, value and quality; or

(iii) is made by a member of the Group to another member of Group.

Disposals of subsidiaries

Subject to Clauses 4.4, 4.5, 4.13(a) and 4.13(b), so long as the Subscriber continues to have an Exposure,

(d) before the occurrence of the QIPO, other than the Permitted Offerings that otherwise comply with these Conditions, no member of the Group (other than the Guarantor) shall dispose any of its legal or beneficial interest in any company, partnership, joint venture, trust, profit-sharing arrangement or other legal entity without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed).

(e) following the occurrence of the QIPO, other than the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with these Conditions, the Issuer or its Subsidiaries may conduct any transaction as referred to in Clause 4.13(d) without the prior written consent of the Subscriber provided that the consideration to be received for the relevant subsidiaries under the proposed transaction, as determined by an Independent Investment Bank and/or Independent Firm of Auditors, is more than 75.0 per cent. of the Market Capitalisation at IPO.

4.14 **Disposals by the Guarantor**

So long as the Subscriber continues to have an Exposure, the Guarantor shall not dispose any of its legal or beneficial interest in the Issuer without the prior written consent of the Subscriber (which shall not be unreasonably withheld or delayed) unless:

(a) such disposal occurs after the occurrence of the QIPO; and

(b) such disposal shall not trigger a Change of Control.

4.15 **Consent from lenders**

The Issuer undertakes to obtain all consents and approvals required in relation to the issue of the Bonds and the performance of the Issuer's and the Guarantor's obligations under the Transaction Documents (including but not limited to any consents and approvals required from all relevant lenders of the Private Placements and any lenders to any member of the Group).

5. **GUARANTOR'S BUYBACK RIGHT**

The Subscriber hereby grants an option to the Guarantor, following the enforcement of the Share Charge by the Subscriber, for the Guarantor (or its nominated affiliate) to purchase the Issuer's Class B ordinary shares charged under the Share Charge (the "**Charged Shares**") provided that:

(a) the total consideration payable by the Guarantor (or its affiliates, as the case may be), for the Charged Shares shall be the higher of (A) the highest quotation of the Charged Shares obtained by the Subscriber from any potential purchasers, and (B) the total amount of any outstanding Secured Obligations (as defined in the Share Charge); and

(b) the other terms offered by the Guarantor (or its affiliate, as the case may be) in respect of the purchase of the Charged Shares shall be substantially the same as those offered to the Subscriber by any potential purchasers of the Charged Shares.

6. SUBSCRIBER'S RIGHTS

6.1 Right of nomination in respect of board members

(a) Subject to Clauses 6.1(c) and 6.1(d), regardless of whether any of the Bonds is redeemed or converted into Shares, the Guarantor agrees that it shall exercise its voting rights in any general meeting of the Issuer to appoint (A) one observer or (B) one non-executive director, in each case nominated by the Subscriber to the board of directors of the Issuer (and shall cause the Issuer to exercise its voting rights in any general meeting of any Subsidiaries to appoint one such observer or one such non-executive director to the board of directors of any of its Subsidiaries). The appointment of such candidate nominated by the Subscriber shall be subject to the consent of the Guarantor (such consent shall not be unreasonably withheld or delayed). Each of the Issuer and the Guarantor consents to each of Paul Heffner, Barry Lau and Reuben Lee sitting (and one of which at a time will sit) as a non-executive director or observer in the Issuer's board of directors. In the event that the Subscriber nominates a non-executive director to the board of directors of the Issuer or its Subsidiaries, in the avoidance of conflicts of interest, *inter alias*, such non-executive director is required to disclose to the board the Subscriber's equity and security interests in other relevant companies.

(b) If any such candidate nominated by the Subscriber is appointed as an observer to the Issuer's board of directors, the Subscriber shall have the right to appoint a substitute non-executive director to replace such observer.

(c) Following the occurrence of a QIPO, if the Bondholders cease to have an Exposure, the Guarantor shall have the right to remove such observer or non-executive director nominated by the Subscriber and/or the Transferee, as the case may be, from the relevant board of directors in accordance with Clauses 6.1(a) and 6.1(d).

(d) If and only if the Subscriber transfers all of the aggregate outstanding amount of the Bonds to any third party (the "**Transferee**") in accordance with the Conditions, the Issuer agrees that such Transferee shall be entitled to the nomination right as provided in Clause 6.1(a) above and the Subscriber shall cease to have such nomination right upon such transfer. The Issuer will, promptly following request by the Subscriber, do all such acts and/or execute all such documents (including corporate authorisations) as is necessary for the purposes of conferring such right on the Transferee.

(e) Following the Issue Date, up to the Expiration Date, any change in the composition of the board of directors of the Issuer or the Guarantor without any prior written consent of the Subscriber (such consent shall not be unreasonably withheld or delayed) will trigger an Event of Default pursuant to the Conditions.

6.2 **Right to subscribe for shares subsequent to QIPO**

(a) Following the occurrence of a QIPO, regardless of whether the Issuer has redeemed any or all of the Bonds during the Conversion Period in accordance with or as provided in the Conditions, up to one year following a QIPO, the Subscriber shall have the right from and including the date of any such redemption, up to and including the date on which the Conversion Period for such Bonds would otherwise have ended to subscribe for such number of Shares that would have been resulted from the exercise of the Conversion Rights attaching to such redeemed Bonds at the relevant Conversion Price as determined in accordance with the Conditions as if none of such Bond had been redeemed by the Issuer (the "**Subscription Right**"). The provision of Condition 7 shall continue to apply with full force and effect in relation to such subscription rights notwithstanding any redemption of the relevant Bonds as though such provisions were set out in full herein.

(b) If the Subscriber transfers any of the Bonds to any Transferee in accordance with the Conditions, the Issuer agrees that such Transferee shall be entitled to the Subscription Right in respect of such number of Shares that would have been resulted from the exercise of the Conversion Rights attaching to the principal amount of the Bond or Bonds such Transferee at the time holds. The Issuer will, promptly following request by the Subscriber, do all such acts and/or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as is necessary for the purposes of conferring such right on the Transferee.

(c) Any Subscription Right attached to a Bond shall extinguish after the Subscriber or the Transferee, as the case may be, exercises such subscription right in respect of the relevant Bond.

6.3 **Tag-along rights before the QIPO**

If the Guarantor proposes to sell or transfer its legal or beneficial interest in the Issuer to a third party (other than a Related Person) before the occurrence of the QIPO, the Guarantor shall:

(a) procure that any such sale or transfer shall not trigger a Change of Control under the Conditions;

(b) give the Subscriber a written notice of such proposed transfer at least 30 days prior to effecting such transfer; and

(c) promptly cause any such intended Transferee to offer in writing to purchase from the Subscriber a *pro rata* portion of the Subscriber's Shares on the terms that are substantially the same (including with respect to price, representations, warranties and indemnification) as those offered to the Guarantor but the Subscriber shall not be obliged to sell or transfer its shares to the offeror.

7. **ESG**

The Issuer shall use its best endeavours to comply with the ESG guidelines as set out in Schedule 3 hereto.

8. **SUBSCRIBER'S REPRESENTATIONS AND WARRANTIES**

8.1 **Authorisation**

The Subscriber is an independent entity duly incorporated or established and validly existing under the laws of its jurisdiction of incorporation, is in compliance with all laws and regulations to which it is subject, is not in liquidation or receivership, has full power and authority to own its properties and to conduct its business and is lawfully qualified to do business in those jurisdictions in which business is conducted by it and has full power and authority to enter into and perform its obligations under the Transaction Documents.

8.2 **Validity of Transaction Documents**

This Agreement and the other Transaction Documents to which the Subscriber is a party have been duly authorised, executed and delivered by the Subscriber and, upon due execution and delivery prior to or on the Issue Date will constitute, valid and legally and binding obligations of the Subscriber.

8.3 **Compliance**

The execution and delivery of this Agreement and the Transaction Documents, and compliance with their terms by the Subscriber do not and will not infringe any existing applicable law, rule, regulation, judgment, order, authorisation or decree of any government, governmental or regulatory body or court, domestic or foreign, of Hong Kong.

8.4 **OFAC/FCPA compliance**

To the best knowledge, information and belief of the Subscriber (after due and careful inquiry), as of the Issue Date,

(a) none of the Subscriber or its Direct Shareholder is under investigations for breach of the OFAC and/or FCPA; and

(b) none of the investors of the Subscriber is on the Specially Designated and Block Persons List, or from the Sanctioned Countries, where:

"**Complete Specially Designated Nationals List**" means the list bearing the same name published on https://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx as of the Signing Date.

"**Sanctioned Countries**" means Balkans, Belarus, Burma (Myanmar), Cote d' Ivoire (Ivory Coast), Cuba, Democratic Republic of Congo, Iran, Iraq, Lebanon, Liberia, Libya, North Korea, Somalia, Sudan, Syria and Zimbabwe.

8.5 Each of the representations and warranties contained in each of Clauses 8.1 to 8.4 shall be construed separately and independently.

8.6 It is acknowledged that the Issuer and Guarantor have entered into this Agreement in reliance upon the representations and warranties contained in, or given pursuant to, Clauses 8.1 to 8.4.

9. SUBSCRIBER'S UNDERTAKINGS

9.1 **Conversion of Bonds**

The Subscriber shall, and shall procure any Transferee to, undertake any and all actions required for and to cause such Transferee to undertake any and all actions required for the Conversion Upon QIPO under Condition 7.

9.2 **Lockup period**

Provided that no Event of Default has occurred and is continuing, following the exercise of Conversion Right by the Subscriber, the Subscriber shall not, and shall procure that its Transferee(s) shall not, directly or indirectly, sell or otherwise transfer any Shares during a period of up to 90 calendar days following the first Trading Day after the occurrence of a QIPO.

9.3 **Change of control in the Subscriber**

If the Direct Shareholder of the Subscriber as at the Signing Date ceases to hold more than 50.0 per cent. of the Voting Rights in the Subscriber, the Subscriber shall give a written notice to the Issuer specifying such change within 15 Business Days after such change becomes effective.

9.4 **Release conditions**

If any Release Condition has been satisfied and the Subscriber's consent is required from the Subscriber to release the Debt Service Reserve pursuant to this Agreement and/or the Account Charge, the Subscriber shall not (and if the Bonds are transferred to a Transferee, shall procure that its Transferee(s) shall not) unreasonably withhold or delay its consent.

9.5 **OFAC/FCPA**

If the Subscriber is aware of any investigation taken against it in relation to breach of OFAC or FCPA, the Subscriber shall notify the Issuer in writing as soon as practicable after it becomes aware of such investigation.

10. SUBSCRIBER'S ACKNOWLEDGEMENT

10.1 **Certificates of Shares**

The Subscriber acknowledges that the certificates evidencing the Shares underlying such Bond, when issued and delivered, may bear the following or any similar legend:

(a) "The securities represented hereby may not be transferred unless (i) such securities have been registered for sale pursuant to the Securities Act, (ii) such securities may be sold pursuant to Rule 144 or Regulation S under said Act, or (iii) the Issuer has received an opinion of counsel reasonably satisfactory to it that such transfer may lawfully be made without registration under the Securities Act or qualification under applicable state securities laws."; and

(b) any legend required by regulatory authorities of any applicable jurisdiction in connection with the issuance or sale of the Shares.

10.2 **Listing and conduct of business of the Issuer**

The Subscriber acknowledges (i) the Issuer's plan to achieve a QIPO, and (ii) that the Issuer shall conduct its ordinary course of business (including but not limited to its right to enter into arm's-length transactions with third parties with respect to its Intellectual Property) subject to this Agreement and the Conditions.

11. **CONDITIONS PRECEDENT**

11.1 The obligations of the Subscriber to subscribe and pay for the Bonds are conditional upon:

(a) **Other Transaction Documents**

On or before the Issue Date, the execution and delivery of the Transaction Documents, each in a form satisfactory to the Subscriber, by the respective parties.

(b) **Business and financial due diligence**

On or before the Issue Date, the Subscriber having received due diligence reports and/or financial statements in relation to the business, operation and financial status of the Issuer and the Group in form and substance satisfactory to the Subscriber. None of the Accounting Items stated in the 2017 Financial Statements shall vary by more than US$1,500,000 (any such difference shall be irrespective of any goodwill impact due to any changes in the business nature of any member of the Group), as compared to the Management Accounts, and there is no material adverse change or development involving a prospective Material Adverse Effect since 31 December 2017.

(c) **ESG due diligence**

On or before the Issue Date, the Subscriber having received due diligence reports on ESG of the Issuer and the Group (other than the Guarantor) in form and substance satisfactory to the Subscriber. This condition precedent shall be deemed satisfied unless otherwise communicated by the Subscriber to the Issuer in writing prior to the Issue Date.

(d) **Perfection of Security**

On or before the Issue Date, the perfection of the Share Charge and Account Charge having been completed, including without limitation the necessary registration and filing.

(e) **No change in senior management**

Mr. Ian Huen and Mr. Darren Lui having continued to hold the position of chief executive director and president respectively, and to be actively involved in the management or operation, of the Issuer.

(f) **No litigation**

There are no police, legal, arbitral, governmental or any regulatory investigations or pending claims, actions, suits or proceedings against or affecting the Issuer or any other member of the Group or any of their respective directors, officers or any of their respective properties or to the best knowledge of the Issuer and the Guarantor (after due and careful inquiry), the employees, which, if determined adversely to the Issuer or any other member of the Group or any of their respective directors, officers or any of their respective properties, would individually or in the aggregate have a Material Adverse Effect, and, to the best of the Issuer's and the Guarantor's knowledge (after due and careful inquiry), no such investigations, actions, suits or proceedings are threatened or contemplated.

(g) **Debt Service Reserve Account**

(i) Before the Issue Date, the Debt Service Reserve Account having been funded in accordance with Clauses 4.10, 12.1 and 12.2; and

(ii) On or before the Issue Date, the Subscriber having obtained adequate control as a secured creditor over the Debt Service Reserve Account.

(h) **No material adverse change**

After the Signing Date up to and including the Issue Date, there shall not have occurred any change (nor any development or event involving prospective change) in the condition (financial or other), prospects, results of operations or general affairs of the Issuer or the Group which has a Material Adverse Effect in the context of the issue of the Bonds.

(i) **Officer's certificates**

On the Signing Date and on the Issue Date, there having been delivered to the Subscriber a certificate substantially in the form attached as Schedule 2 hereto dated such dates and signed by an authorised officer of the Issuer and the Guarantor respectively.

(j) **Legal opinions**

On or before the Issue Date, there having been delivered to Subscriber, in form and substance satisfactory to the Subscriber and dated the Issue Date, of:

(i) legal opinion from Ashurst Hong Kong, legal advisors to the Subscriber as to Hong Kong law; and

(ii) legal opinion of Ogier, legal advisors to the Subscriber as to the laws of British Virgin Islands and Cayman Islands.

This condition precedent shall be deemed satisfied unless otherwise communicated by the Subscriber to the Issuer in writing prior to the Issue Date.

(k) **Guarantor's existing loans**

Before the Issue Date, the Guarantor having repaid or settled all of its the existing loans by way of debt-to-equity swap or otherwise, as supported by evidence to the satisfaction of the Subscriber.

(l) **Compliance**

On the Issue Date, (i) the representations and warranties of the Issuer and the Guarantor in the Transaction Documents being true, accurate and correct in all respects and not misleading in any respect at, and as if made on, such date; and (ii) the Issuer and the Guarantor having performed all of their respective obligations under the Transaction Documents to be performed on or before such date.

11.2 **Waiver**

If any of the conditions set out in Clause 11.1 is not satisfied on or before the Issue Date, the Subscriber may in its discretion and by notice to the Issuer waive satisfaction of any of the above conditions or of any part of them.

12. **ISSUANCE**

12.1 On the date falling three Hong Kong business days prior to the Issue Date, the Issuer (failing whom, the Guarantor) shall deposit into the Debt Service Reserve Account the total amount of (i) the Structuring Fee, *plus* (ii) the amount of Subscriber's Expenses (the amount of which shall be agreed in writing between the Issuer and the Subscriber five Hong Kong business days prior to the Issue Date), *plus* (iii) an amount in US dollars equal to the aggregate amount of interest due and payable for two consecutive Interest Periods commencing from, and including, the Issue Date.

12.2 On the Issue Date, against compliance with Clauses 12.1, 12.3 and 12.4, respectively, by the Issuer or the Guarantor, the Subscriber shall pay the Subscription Price in immediately available funds to the Issuer into the Debt Service Reserve Account on the Issue Date. Evidence of such payment shall be satisfied by the delivery to the Issuer of an irrevocable instruction giving effect to the above and shall constitute a complete discharge of the Subscriber's payment obligations in respect of the Bonds.

12.3 On the Issue Date, against compliance with Clause 12.2 by the Subscriber, the Issuer shall:

(a) deliver the Bond Certificate representing the aggregate principal amount of the Bonds duly executed on behalf of the Issuer;

(b) procure the entry in the register of Bondholders of the name of the Subscriber as the registered holder of the Bonds issued on the Issue Date; and

(c) deliver to the Subscriber each of the Contracts other than this Agreement, duly executed by each party thereto other than the Subscriber.

12.4 Delivery of the Bond Certificate and completion of the register of Bondholders shall constitute the issue and delivery of the Bonds issued on the Issue Date.

13. EXPENSES AND PAYMENTS

13.1 Structuring Fee

On the Issue Date, the Issuer (failing whom, the Guarantor) shall pay to the Subscriber the Structuring Fee, which shall be deducted from the proceeds of the issue of the Bonds payable by the Subscriber on the Issue Date.

13.2 Issuer's General Expenses

The Issuer (failing whom, the Guarantor) is responsible for paying the (i) fees and expenses of the legal, accountancy and other professional advisers instructed by the Issuer in connection with the creation and issue and offering of the Bonds, (ii) upon and subsequent to the occurrence of a QIPO, fees and expenses of the listing and conversion of the Shares on NASDAQ or an Alternative Stock Exchange, and (iii) costs incurred by it in connection with the preparation and execution of the Transaction Documents.

13.3 Subscriber's Expenses

(a) Regardless of whether the arrangements for the subscription and issue of the Bonds have been completed, the Issuer (failing whom, the Guarantor) shall pay:

(i) the out-of-pocket costs and expenses incurred by the Subscriber (including its directors, officers and employees and legal, accountancy and other third party professional advisers instructed by any of them) in connection with or arising out of the issuance and offering of the Bonds, including, but not limited to, legal, due diligence and other professional fees and expenses incurred by the Subscriber; and

(ii) all other out-of-pocket costs and expenses incurred by the Subscriber in connection with or arising out of the issuance and offering of the Bonds hereunder for which provision is not otherwise made in this Clause 13.3,

(collectively, "**Aggregate Subscriber's Expenses**", subject to an aggregate limit of US$250,000). The Subscriber's Expenses means the Aggregate Subscriber's Expenses *less* US$180,000 (which has been paid by the Issuer to the Subscriber prior to the Signing Date).

(b) Notwithstanding the foregoing, the Issuer (failing whom, the Guarantor) shall also reimburse to the Subscriber any costs and expenses in relation to the on-going monitoring of the business operation and performance of the Group incurred by the Subscriber following the Issue of the Bonds, subject to a limit of US$25,000 per annum.

13.4 Payment

All payments due under this Agreement are to be made in US dollars and are stated exclusive of any applicable tax whether income taxes, withholding taxes, value added taxes, goods and services taxes, business or services taxes or similar taxes other than taxes imposed in respect of net income by a taxing jurisdiction wherein the recipient is incorporated or resident for tax purposes ("**Taxes**"). If any deduction or withholding for or on account of Taxes is required to be made from any payment to the Subscriber, then the Issuer (failing whom, the Guarantor) shall pay an additional amount so that the Subscriber receives, free from any such withholding, deduction, assessment or levy, the full amount of the payments set out herein. The Issuer (failing whom, the Guarantor) shall make appropriate payments and returns in respect of such Taxes and provide the Subscriber with an original or authenticated copy of the tax receipt.

14. TERMINATION

14.1 Expiration

This Agreement shall expire on the latest of (i) the Maturity Date, and (ii) the date on which the Subscriber has fully exercised the subscription right as provided in Clause 6.2 (the "**Expiration Date**").

14.2 Survival of representations and obligations

Notwithstanding completion of the arrangements for the subscription and issue of the Bonds, at any time before the Expiration Date, Clauses 3 (Representations and Warranties of the Issuer and the Guarantor), 4 (Undertakings of the Issuer and the Guarantor), 5 (Subscriber's Rights), 7 (ESG), 8 (Subscriber's Representations, Warranties and Undertakings), 13.3 (Subscriber's Expenses), 14 (Termination), 15 (Communications) and Clauses 16 to 20 continue with full force and effect. For the avoidance of doubt, Clause 5 (Subscriber's Rights) shall survive and in full force and effect despite the Bonds being fully redeemed, converted and/or repaid up to the period stated in Clause 6 of this Agreement.

14.3 Ability of the Subscriber to Terminate

Notwithstanding anything contained herein, the Subscriber may, by notice to the Issuer and the Guarantor, given at any time prior to the Issue Date, terminate this Agreement, in any of the following circumstances:

(a) there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties, representations and undertakings contained in this Agreement or any failure to perform any of the Issuer's or the Guarantor's undertakings or agreements in this Agreement; or

(b) any of the conditions specified in Clause 11.1 have not been satisfied or waived by the Subscriber on or prior to the Issue Date; or

(c) in the opinion of the Subscriber, there shall have been such a change, whether or not foreseeable at the Signing Date, in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Bonds or dealings in the Bonds in the secondary market.

14.4 Termination due to the failure to set up the Debt Service Reserve Account prior to Issue Date

If the Debt Service Reserve Account is not set up to the satisfaction of the Subscriber prior to the Issue Date, this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that the Issuer shall remain liable for the payment of (i) a termination fee of 0.50 per cent. of the aggregate principal amount of US$15,000,000 (the "**Termination Fee**") and (ii) all costs and expenses referred to in Clauses 13.2, 13.3(a) and any applicable taxes under 13.4.

14.5 **Consequences of Termination by Subscriber**

Subject to Clause 14.4 above, upon such notice being given by the Subscriber pursuant to Clause 14.3, this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that:

(a) if the Agreement is terminated pursuant to Clause 14.3(a) or 14.3(b), the Issuer (failing whom, the Guarantor) shall remain liable for the payment of (i) the Structuring Fee, (ii) the Termination Fee and (iii) all costs and expenses referred to in Clauses 13.2, 13.3(a) and 13.4.

(b) if the Agreement is terminated pursuant to Clause 14.3(c), the Issuer (failing whom, the Guarantor) shall remain liable for the payment of all costs and expenses referred to in Clauses 13.2, 13.3(a) and 13.4.

14.6 **Ability of the Issuer to Terminate**

(a) Notwithstanding anything contained herein, the Issuer or the Guarantor may, by notice to the Subscriber, given at any time prior to the Issue Date, terminate this Agreement, if there shall have come to the notice of the Issuer or the Guarantor any breach of, or any event rendering untrue or incorrect in any respect, any of the Subscriber's warranties or representations contained in this Agreement.

(b) Subject to Clause 14.4 above, upon such notice being given by the Issuer or the Guarantor pursuant to Clause 14.6(a), this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that the Issuer (failing whom, the Guarantor) shall remain liable for the payment of all costs and expenses referred to in Clauses 13.2, 13.3(a) and 13.4.

15. COMMUNICATIONS

15.1 **Addresses**

Any communication shall be given by letter or fax in the case of notices

to the Issuer, to it at:

Aptorum Group Limited
Address: 17/F, Guangdong Investment Tower
148 Connaught Road Central
Hong Kong
Fax no.: (+852) 2850 7286
Attention: Mr. Ian Huen, CEO & Executive Director

to the Guarantor, to it at:

Jurchen Investment Corporation
Address: 17/F, Guangdong Investment Tower
148 Connaught Road Central
Hong Kong
Fax no.: (+852) 2850 7286
Attention: Mr. Ian Huen, Director

to the Subscriber, to it at:

Peace Range Limited
Address:

Fax no.:
Attention: Mr. Andy Cheuk / Mr. Philip Wong

15.2 **Effectiveness**

Any such communication shall take effect, in the case of a letter, at the time of delivery, and in the case of fax, at the time of despatch.

15.3 **Confirmations**

Any communication not by letter shall be confirmed by letter but failure to send or receive the letter of confirmation shall not invalidate the original communication.

16. **ENTIRE AGREEMENT**

This Agreement, together with any documents referred to in it, constitutes the whole agreement between the parties relating to the issue of and the subscription for the Bonds and supersedes and extinguishes any other prior drafts, agreements, undertakings, representations, warranties and arrangements of any nature, whether in writing or oral, relating to the issue of, and the subscription for, the Bonds.

17. **TIME**

Any date or period specified herein may be postponed or extended by mutual agreement among the Parties but, as regards any date or period originally fixed or so postponed or extended, time shall be of the essence.

18. **GOVERNING LAW AND JURISDICTION**

18.1 **Governing law**

This Agreement and any non-contractual obligations arising out of or in connection with this Agreement shall be governed by and construed in accordance with Hong Kong laws.

18.2 **Arbitration**

(a) Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.

(b) The law of this arbitration clause shall be Hong Kong law.

(c) The seat of arbitration shall be Hong Kong.

(d) The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

(e) For the avoidance of doubt, any dispute, controversy, difference or claim arising out of or relating to the Account Charge or Share Charge shall be referred to and finally resolved by the courts of Hong Kong pursuant to the provisions of the Account Charge or Share Charge, as the case may be.

19. **GENERAL**

19.1 **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

19.2 **Assignment**

No party shall (nor shall it purport to) assign, transfer, charge, put in trust or otherwise deal with the benefit of all or any of its rights or interests under this Agreement, nor subcontract or otherwise deal with all or any of its obligations under this Agreement.

19.3 **Variation and Waiver**

No variation of this Agreement shall be effective unless made in writing, expressed to be a variation of this Agreement and signed on behalf of the parties. No failure or delay by any party in exercising any right, power or remedy provided by law or under this Agreement shall operate as a waiver of that right, power or remedy or of some other right, power or remedy nor shall any partial exercise thereof preclude any further exercise of the same or of some other right, power or remedy. The rights and remedies provided under this Agreement are cumulative and are not exclusive of any rights and remedies provided by law or otherwise. Any waiver of any right, power or remedy under this Agreement shall be in writing and may be given subject to such conditions as the grantor may in its absolute discretion decide. Any such waiver (unless otherwise specified) shall only be a waiver in the particular instance and for the particular purpose for which it was given.

19.4 **Invalidity**

Each of the provisions of this Agreement is severable. If any provision is held to be invalid or unenforceable in any respect, but would be valid and enforceable if deleted in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable. Without prejudice to the foregoing, if any provision is held to be invalid or unenforceable, such provision shall to that extent be deemed not to form part of this Agreement, but the validity and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired (as long as the fundamental relations between the parties are not materially altered).

20. **THIRD PARTY RIGHTS**

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Ordinance.

THIS AGREEMENT has been entered into on the date stated at the beginning

Issuer

Aptorum Group Limited

By _____
Name:
Title:

Guarantor

Jurchen Investment Corporation

By _____
Name:
Title:

Subscriber

Peace Range Limited

By _____
Name:
Title:

Schedule 1

TERMS AND CONDITIONS

Schedule 2

OFFICER'S CERTIFICATE

To:

Peace Range Limited

Attention: Mr. Andy Cheuk / Mr. Philip Wong

(the "**Subscriber**")

[Signing Date]/[Issue Date] 2018

Dear Sirs

Subscription Agreement relating to US$15,000,000 8.00 per cent. Convertible Bonds due 2019 convertible into shares of the Issuer

Pursuant to the Subscription Agreement dated 6 April 2018 (the "**Subscription Agreement**") made between the Issuer, the Guarantor and the Subscriber, we hereby confirm that as at today's date:

1. the representations and warranties of each of the Issuer and the Guarantor in the Subscription Agreement are true, accurate and correct in all respects and not misleading in any respect as of today's date; and

2. each of the Issuer and the Guarantor has performed all of their respective obligations under the Subscription Agreement as of today's date.

Terms defined in the Subscription Agreement have the same meanings in this letter except where otherwise defined in this letter.

Yours faithfully

Aptorum Group Limited

By _____
Name:
Title:

Jurchen Investment Corporation

By _____
Name:
Title:

Schedule 3

ESG Guideline

The following ESG Guidelines are extracted from, and shall be read in conjunction with, the ESG due diligence report issued by Pacific Risk Advisors dated 27 February 2018.

RECOMMENDED E&S ACTIONS

#	Topic	Recommended Actions	Priority
1	**E&S Licences & Registrations** - IFC PS1	Ensure all required E&S related licences and registrations are obtained from the regulatory authorities for all laboratory locations in Hong Kong. Copies of valid E&S licenses and registrations should be provided to Peace Range Limited's E&S Officer for record.	HIGH Internal Resources
2	**E&S Policy** - IFC PS1	Formalise the E&S Policy and include provision for periodic policy review, implementation monitoring, up-date, target setting, and oversight of the company's supply chain. The Policy should be reviewed at least annually, dated and signed by a senior management representative.	LOW Internal Resources
3	**E&S Management System** - IFC PS1	Develop an E&S Management System (ESMS) commensurate to the nature and scale of Aptorum Group Limited's operations (Office, Laboratory, etc.) and cover oversight of Aptorum Group Limited's subsidiaries, and Contract Research Organisations. The management system should include (i) policy; (ii) identification of risks and impacts; (iii) management programs; (iv) organizational capacity and competency; (v) emergency preparedness and response; (vi) stakeholder engagement; and (vii) monitoring and review. Where necessary, existing procedures, such as those outlined in the HKSTP SHE Handbook should be incorporated into the company's ESMS.	MEDIUM Internal Resources, or USD 25,000-50,000 if developed externally (depended on the extent of existing documentation).
4	**Supply Chain/CRO E&S Assessment & Monitoring** - IFC PS1	As part of the ESMS development, establish a formal procedure for the E&S assessment, monitoring and oversight of Contract Research Organisations/Supply Chain. The procedure should cover legally required E&S permits and management procedures for suppliers' operations, and incorporate efficiency, cost, saving, fair deal, GMP/GLP requirements, and include review of suppliers' track record, site visits and license records. The E&S assessment and monitoring elements may be incorporated into an overall supplier assessment procedure, rather than an E&S specific standalone procedure.	MEDIUM Internal Resources
5	**Grievance Mechanism (External)** - IFC PS1	Develop an appropriately scaled external grievance mechanism to receive and facilitate resolution of concerns and grievances from external stakeholders, regarding the E&S performance of the company. The grievance mechanism should seek to resolve concerns promptly, using an understandable and transparent consultative process that is appropriate and readily accessible, and at no cost and without retribution to the party that originated the issue or concern. The mechanism should not impede access to judicial or administrative remedies.	MEDIUM Internal Resources
6	**Grievance Mechanism (Internal)** - IFC PS2	Refine the internal grievance mechanism for employees to allow for anonymous complaints to the raise and investigated. The up-dated grievance mechanism should be included in the employee handbook and disseminated to all staff.	MEDIUM Internal Resources

Note. A review of Aptorum Group Limited's laboratory operations should be completed once the laboratories become operational (i.e. after end of April 2018), in order to assess the company's operational E&S management approach.

E&S PROVISIONS & SANCTIONS

RECOMMENDED E&S PROVISIONS

The E&S Provisions provided below, for inclusion in the legal documentation with Aptorum Group Limited, have been developed based on the outcome of the E&S Due Diligence Review.

1. The Aptorum Group Limited must not carry on or finance any activity on Peace Range Limited's Exclusion List below.

2. The Aptorum Group Limited must use all reasonable efforts to ensure the E&S performance of the operations is in compliance with Peace Range Limited's E&S Requirements which comprise the Peace Range Limited's E&S Policy, applicable E&S laws, rules, regulations, any Environmental and Social Action Plans (ESAPs), and best practice standards (i.e. IFC Performance Standards)

3. The Aptorum Group Limited must comply with all applicable E&S laws, rules, regulations (including international treaty obligations) and the terms of any related permits, licenses, consents, approvals or other authorisations held by the Aptorum Group Limited applicable in each jurisdiction in which the Aptorum Group Limited carries on business.

4. The Aptorum Group Limited has not received nor is aware of any existing or threatened complaint, order, directive, claim, citation or notice from any Authority under applicable Hong Kong law and local requirements which has, or could reasonably be expected to have, a Material Adverse Effect or any material impact on the implementation or operations of the Aptorum Group Limited.

5. The Aptorum Group Limited must appoint senior operational officer(s) or other appropriate personnel satisfactory to Peace Range Limited to be responsible for the implementation, operation and maintenance of the E&S Management System and must notify the Peace Range Limited in writing immediately of the removal or replacement (for whatever reason) of that person. Different officers or personnel may be responsible for different aspects of the E&S Management System (i.e. Environmental, Health & Safety, Human Resources, Community liaison, etc.).

6. The Aptorum Group Limited must implement, maintain and continuously improve the E&S Management System, including deploying employees of sufficient expertise and seniority as is necessary for this purpose.

7. The Aptorum Group Limited must implement the environmental & social mitigation and management measures specified, subject to any period permitted to achieve compliance, in the ESAP.

8. The Aptorum Group Limited should consider the potential for positive environmental and social impact from their business activities and how these could also benefit the business, for example through cost savings, reduced staff turnover or improved stakeholder relations. These should include adopting, developing, offering or marketing:

    a. products, services, skills or employment opportunities that could benefit community stakeholders;

    b. a living wage that is sufficient to meet workers' needs; and

    c. resource efficient, greenhouse gas reducing or low carbon technologies or working practices.

9. The Aptorum Group Limited must, as soon as it is available, but in any event no later than 90 days after each financial year end, deliver to Peace Range Limited an E&S annual monitoring report (AMR) in the Agreed Form. The monitoring report must set out in detail the progress the Aptorum Group Limited has made towards implementing the ESAP, the E&S covenants, or identifying any non-compliance or failure, the actions being taken to remedy any such deficiency, and include measures of development impact (KPIs). The monitoring report must be approved annually by the Aptorum Group Limited's board of directors.

10. The Aptorum Group Limited must, as soon as it is available, but in any event no later than 10 days after each half year end, deliver to Peace Range Limited a Regular Monitoring Report (RMR) in the Agreed Form. The monitoring report must set out progress Aptorum Group Limited has made towards implementing the ESAP, provide details on any E&S incidents or non-compliances, and provide an up-date on KPIs and agreed targets.

11. The Aptorum Group Limited must promptly send Peace Range Limited any internal audit report prepared for the Aptorum Group Limited which addresses the Investee's compliance with all or any part of the E&S Requirements.

12. At the request of Peace Range Limited, Aptorum Group Limited shall, as promptly as possible, but in any event not more than 30 days after such request by Peace Range Limited, provide Peace Range Limited with certifications of compliance from any Governmental Authorities in relation to the matters described in this Section.

13. Aptorum Group Limited must inform Peace Range Limited in writing immediately upon becoming aware of:

    a. any E&S Claim being commenced or threatened against Aptorum Group Limited or any facts or circumstances which will or are reasonably likely to result in such an E&S Claim being commenced;

    b. any written notice or other allegation received by, or brought to the attention of Aptorum Group Limited to the effect that any E&S Requirements has been breached;

    c. any actions which may constitute a E&S Crime committed by or on behalf of the Aptorum Group Limited; and

    d. any enquires from government enforcement authorities concerning any act that may constitute a E&S Crime by or on behalf of Aptorum Group Limited.

14. If Peace Range Limited notifies Aptorum Group Limited that it believes that there may have been a breach of the E&S Requirements, the Company must cooperate in good faith with Peace Range Limited in determining whether a breach has occurred. Aptorum Group Limited must respond promptly and in reasonable detail to any request for information from Peace Range Limited and provide documentary support for the response if requested.

15. Aptorum Group Limited must notify the Peace Range Limited of the following events promptly, but in any event within 3 days after their occurrence. The Aptorum Group Limited must supply to Peace Range Limited within 14 days of the event a report incorporating, in each case, details of (1) the nature of the incident and the on-site and off-site effects and (2) any action the Aptorum Group Limited proposes to take to remedy the effect of the event. The Company must keep Peace Range Limited informed about the progress of any remedial action. The events are any of the following which affect any employee, customer, supplier or other person who has dealings with, or is affected by the activities of, Aptorum Group Limited or which occur on or nearby any site, plant, equipment or facility of the Aptorum Group Limited:

    a. incident resulting in death or permanent injury to any person;

    b. any other incident which has a material negative impact on the environment or the health, safety and security situation (including without limitation any explosion, spill or workplace accident which results in death, serious or multiple injuries or material environmental contamination); and

    c. any incident of a social nature (including without limitation any violent labour unrest or dispute with local communities), which has or is reasonably likely to have a material negative effect on the social and cultural context.

16. Aptorum Group Limited must permit Peace Range Limited, and their appointed advisers unrestricted access to Aptorum Group Limited at all reasonable times and on reasonable notice to:

    a. meet with senior management of the Aptorum Group Limited to discuss any questions or issues in relation to E&S Requirements;

    b. investigate any failure to comply with or implement the E&S Requirements (including the non-implementation of any ESAP);

    c. inspect and to take copies and extracts from the records of the Aptorum Group Limited; and

    d. view the premises of the Aptorum Group Limited.

17. If Peace Range Limited consider that an E&S Breach has (or may have) have occurred, Peace Range Limited shall inform Aptorum Group Limited of their suspicions and shall have the right to appoint consultants to investigate the possible breach. Thereafter, Peace Range Limited and Aptorum Group Limited shall meet to discuss possible remedies for the E&S Breach.

18. Aptorum Group Limited must ensure compliance with the following working conditions and labour rights:

    a. not employ or make use of forced labour;

    b. not employ or make use of child labour;

    c. pay wages which meet or exceed industry or legal national minima;

    d. not discriminate in terms of recruitment, progression, terms and conditions of work and representation, on the basis of personal characteristics unrelated to inherent job requirements, including gender, race, colour, caste, disability, political opinion, sexual orientation, age, religion, social or ethnic origin, marital status, membership of workers' organisations, legal migrants, or HIV status (unless positive discrimination is permitted by law and is intended to address a historical imbalance);

    e. adopt an open attitude towards workers' organisations and respect the right of all workers to join or form workers' organisations of their own choosing, to bargain collectively and to carry out their representative functions in the workplace in accordance with Hong Kong Legal Requirements

    f. provide reasonable working conditions including a safe and healthy work environment, working hours that are not excessive and clearly documented terms of employment, respecting conditions established, by collective agreement or otherwise, for work in the trade or industry concerned in the area where the work is carried out;

    g. provide an appropriate grievance mechanism that is available to all workers and where appropriate other stakeholders, and which includes grievances brought by those affected by the operation of Aptorum Group Limited; and

    h. implement policies and procedures for, and encourage, the reporting of wrongdoing and misconduct by staff, employees and contractors in their dealings with each other or with third parties.

EXCLUSION LIST

1. Forced labor[1] or child labor[2].

2. Activities or materials deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international phase-outs or bans, such as:

   a) Ozone depleting substances, PCB's (Polychlorinated Biphenyl's) and other specific, hazardous pharmaceuticals, pesticides/herbicides or chemicals;

   b) Wildlife or products regulated under the Convention on International Trade in Endangered Species or Wild Fauna and Flora (CITES); or

   c) Unsustainable fishing methods (e.g. blast fishing and drift net fishing in the marine environment using nets in excess of 2.5 km in length).

3. Cross-border trade in waste and waste products, unless compliant to the Basel Convention and the underlying regulations.

4. Destruction3 of High Conservation Value areas[4].

5. Radioactive materials[5] and unbounded asbestos fibres.

6. Construction of new and extension of any existing coal fired thermal power plants.

7. Pornography and/or prostitution.

8. Racist and/or anti-democratic media.

9. In the event that any of these following products form a substantial part of a project's primary financed business activities:[6]

   a) Alcohol beverages (except beer and wine);

   b) Tobacco;

   c) Weapons and munitions; or

   d) Gambling, casinos and equivalent enterprises.

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1 Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty as defined by ILO conventions.

2 Persons may only be employed if they are at least 15 years old, as defined in the ILO Fundamental Human Rights Conventions (Minimum Age Convention C138, Art.2), unless local legislation specifies compulsory school attendances or the minimum age for working. In such cases the higher age shall apply.

3 Destruction means the (1) elimination or severe diminution of the integrity of an area caused by a major, long-term change in land or water use or (2) modification of a habitat in such a way that the area's ability to maintain its role is lost.

4 High Conservation Value (HCV) areas are defined as natural habitats where these values are considered to be of outstanding significance or critical importance (see http://www.hcvnetwork.org).

5 This does not apply to the purchase of medical equipment, quality control (measurement) equipment or any other equipment where the radioactive source is understood to be trivial and/or adequately shielded.

6 For Portfolio Companies, "**substantial**" means more than 10% of their consolidated balance sheets or earnings. For financial institutions (banks), "**substantial**" means more than 10% of their underlying portfolio.

Exhibit 10.19

Execution version

Share Charge

JURCHEN INVESTMENT CORPORATION

as Chargor

Aptorum Group Limited

as Issuer

and

Peace Range Limited

as Chargee

_____ 2018

CONTENTS

THIS DEED is made on _____ 2018

BETWEEN:

(1) **JURCHEN INVESTMENT CORPORATION**, a limited liability company incorporated in the British Virgin Islands and whose registered office is at Vistra Corporation Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands with business registration number 511328 (the **"Chargor"**); and

(2) **APTORUM GROUP LIMITED,** a Cayman Islands exempt company with company number 245310 and with Hong Kong business registration no. F0023235 and whose registered office is at c/o Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands (the **"Issuer"**);

(3) **PEACE RANGE LIMITED** a limited liability company incorporated in the British Virgin Islands with company number 1839278 and whose registered address is at [ ] (the **"Chargee"**, which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

RECITALS:

(A) The Chargor is the registered legal and beneficial owner of the Shares (as defined below).

(B) The Issuer has issued or will issue the Bonds (as defined below).

(C) The Chargor and Issuer are entering into this deed in connection with the Bonds.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 **Definitions**

In this deed:

"Account Charge" has the meaning given to that term in the Conditions;

"Articles" means the articles of association of the Issuer;

"Bonds" means the US$15,000,000 aggregate principal amount of 8.00 per cent. convertible bonds due 2019 issued or to be issued by the Issuer pursuant to the Subscription Agreement, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 16 (Further Issues) of the Conditions and consolidated and forming a single series therewith;

"BVI Act" means the BVI Business Companies Act, 2004 of the British Virgin Islands as amended and supplemented from time to time;

"Business Day" has the meaning given to that term in the Conditions;

"Cayman Act" means the Companies Law (2016 Revision) of the Cayman Islands as amended and supplemented from time to time;

"Charged Property" means the assets charged to the Chargee pursuant to clause 3 (Share Charge) of this deed;

"Companies Ordinance" means the Companies Ordinance (Cap. 622) of the Laws of Hong Kong;

"Conditions" has the meaning given to that term in the Bonds;

"**CPO**" means the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong;

"Custodian" means The Law Debenture Trust (Asia) Limited or such other custodian appointed pursuant to the terms of the Custodian Agreement or otherwise as agreed between the Chargor and the Chargee;

"Custodian Agreement" means the escrow agreement dated on or about the date of this deed and entered into between the Chargor, the Chargee and Custodian;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Chargee;

"Distribution" means all dividends, distributions and other income paid or payable on any Share, together with all shares or other property derived from that Share and all other allotments, accretions, rights, benefits and advantages of all kinds accruing, offered or otherwise derived from or incidental to that Share (whether by way of conversion, redemption, bonus, preference, option or otherwise);

"Events of Default" has the meaning given to that term in the Conditions;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Insolvency Proceedings" means, in relation to the Chargor, any corporate action, legal proceedings or other procedure or step referred to in Conditions 11(vi)(Security Enforced), 11(vii)(Winding-up) or 11(viii)(Insolvency) of the Conditions or any analogous procedure or step taken in any relevant jurisdiction;

"**QIPO**" has the meaning given to that term in the Conditions;

"Receiver" means a receiver and manager or administrative receiver in each case appointed under this deed;

"Register of Directors" means the register of directors of the Issuer maintained by the Issuer in accordance with the Cayman Act;

"Register of Members" means the register of members of the Issuer maintained by the Issuer in accordance with the Cayman Act;

"Registrar of Corporate Affairs" means the Registrar of Corporate Affairs of the British Virgin Islands appointed under section 229 of the BVI Act;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Transaction Obligors to any Secured Party under the Bonds and the Transaction Documents;

"**Secured Party**" means the Chargee, any Bondholder and a Receiver or any Delegate;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Shares" means:

(a) 1,393,207 Class B ordinary shares of the Issuer held by the Chargor which are described in Part II of schedule 1 (Shares);

(b) all rights relating to any of the shares described in paragraph (a) above which are deposited with or registered in the name of any depositary, custodian, nominee, clearing house or system, investment manager, chargee or other similar person or their nominee, in each case whether or not on a fungible basis (including any rights against any such person); and

(c) all warrants, options and other rights to subscribe for, purchase or otherwise acquire any of the shares described in paragraph (a) above,

in each case now or in the future owned by the Chargor or (to the extent of its interest) in which the Chargor now or in the future has an interest;

"Subscription Agreement" means the subscription agreement dated 6 April 2018 between, amongst others, the Issuer as issuer, the Chargor as guarantor and Peace Range Limited as subscriber, including the Conditions;

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

"Transaction Obligors" means the Chargor (including in its capacity as guarantor under the Deed of Guarantee) and the Issuer; and

"**Transaction Documents**" has the meaning given to that term in the Conditions.

1.2 **Construction**

(a) In this deed, unless a contrary intention appears, a reference to:

(i) words and expressions defined in the Conditions have the same meanings when used in this deed unless otherwise defined in this deed;

(ii) **"assets"** includes present and future properties, revenues and rights of every description;

(iii) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);

(iv) an **"assignment"** includes a novation, transfer and reassignment and retransfer and **"assign"**, **"assigning"** and **"assigned"** shall be construed accordingly;

(v) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;

(vi) a **"consent"** includes an authorisation, approval, exemption, licence, order, permission or waiver;

(vii) the **"Chargee"**, the **"Chargor"**, any "**Bondholder**" any **"Secured Party",** any **"Transaction Obligor"** or any other person shall be construed so as to include its successors in title, permitted assignees and transferees and, in the case of the Chargee, any person for the time being appointed as Chargee or Chargees in accordance with the Bonds or the Transaction Documents;

(viii) **“including”** means including without limitation and **“includes”** and **“included”** shall be construed accordingly;

(ix) **“losses”** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **“loss”** shall be construed accordingly;

(x) a **“person”** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;

(xi) a **“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 organisation;

(xii) a **“Bond “**, a **“Transaction Document**” or the “**Conditions**” or any other agreement or instrument is a reference to that or other agreement or instrument as amended, novated, supplemented, extended or restated (however fundamentally);

(xiii) a provision of law is a reference to that provision as amended or re-enacted;

(xiv) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules;

(b) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand;

(c) The index to and the headings in this deed are inserted for convenience only and are to be ignored in construing this deed;

(d) Words importing the plural shall include the singular and vice versa; and

(e) Unless the context otherwise requires, a reference to a Charged Property includes:

(i) any part of that Charged Property; and

(ii) the proceeds of sale of that Charged Property;

(f) **“$”**, **“US$”**, **“US dollar”** and **“US dollars”**, denote lawful currency of the United States of America; and

(g) To the fullest extent permitted by law and unless a contrary indication applies, the following provisions of the CPO shall apply to this deed:

(i) section 15 (Construction of words and expressions), as if this deed was an instrument affecting land (as that expression appears in the CPO);

(ii) section 35(1) (Implied covenants) and Part V of the First Schedule as if:

(A) this deed was a legal charge (as that expression appears in the CPO);

(B) the expression "charge" in section 35(1)(e) was construed as "mortgage, charge, assign or otherwise grant a security interest"; and

(C) references in Part V of the First Schedule to the "borrower" were construed as references to the Chargor, to the "Chargee" were construed as references to the Chargee and to "land" were construed as references to anything in action, and any interest in real or personal property;

(iii) section 50 (Power to appoint receiver), as if:

(A) this deed was a legal charge, equitable mortgage and/or mortgage deed (as those expressions appear in the CPO); and

(B) references in section 50 to "land" were construed as references to anything in action, and any interest in real or personal property; and

(iv) section 51 (Powers of mortgagee and receiver) and the Fourth Schedule as if:

(A) this deed was a legal charge, equitable mortgage and/or mortgage deed (as those expressions appear in the CPO); and

(B) references in the Fourth Schedule to "land" were construed as references to anything in action, and any interest in real or personal property.

1.3 **Third party rights**

(a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour in accordance with the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of the Laws of Hong Kong (the **"Third Parties Ordinance"**).

(b) Subject to clause 1.3(a) and unless expressly provided to the contrary in the Bonds or the Transaction Documents, a person who is not a party to this deed has no right under the Third Parties Ordinance to enforce or enjoy the benefit of any term of this deed.

(c) Notwithstanding any term of the Bonds or the Transaction Documents, the consent of any person who is not a party (including any Receiver or Delegate) is not required to rescind or vary this deed at any time.

2. **COVENANT TO PAY**

The Chargor as primary obligor covenants with the Chargee that it will on demand pay the Secured Obligations when they fall due for payment in the manner provided for in the Bonds and the Transaction Documents.

3. **SHARE CHARGE**

3.1 **Charging Clause**

The Chargor, as security for the Secured Obligations, charges in favour of the Chargee, as legal and beneficial owner, its right, title and interest in all of the Shares and all corresponding Distribution by way of first fixed charge.

3.2 **Title documents and documentation supporting security**

The Chargor shall, upon the execution of this deed, deliver or procure that there shall be delivered to the Custodian the following documents to be held by the Custodian pursuant to the terms of the Custodian Agreement:

(a) valid and duly issued share certificate(s) or other documents of title relating to the Shares specified in Part II of schedule 1 (Shares) together with an instrument of transfer, duly executed, undated and in blank, in respect of such Shares in the form set out in schedule 2 (Form of Instrument of Transfer);

(b) signed and dated letters of authority and undertaking from all the directors of the Issuer authorising the Chargee to date each of the blank instrument of transfer referred to in clause 3.2(a), the resolutions referred to in clause 3.2(c) and undertaking to approve transfers of the Shares by or in favour of the Chargee and/or its nominee (in each case, subject to the provisions of this deed) in the form set out in schedule 4 (Form of Letter of Authority and Undertaking);

(c) a signed and undated board resolution of all the directors of the Issuer to approve transfers of the Shares by or in favour of the Chargee and/or its nominee in the form set out in schedule 5 (Form of Resolutions);

(d) original of duly executed proxy and power of attorney in respect of the Shares in the form set out in schedule 3 (Irrevocable appointment of proxy and power of attorney);

(e) original of an irrevocable deed of undertaking and confirmation from the Issuer to the Chargee in the form set out in schedule 6 (Form of Deed of Undertaking) duly executed and dated by the Issuer; and

(f) certified true copy of an irrevocable letter of instructions to the registered agent of the Issuer in the form set out in schedule 7 (Form of Letter of Instructions to Registered Agent) duly signed and dated by the Issuer (the original of which shall be delivered by or on behalf of the Issuer to its registered agent immediately after execution of this deed and promptly thereafter, and in any event no later than 10 Business Days from the date of execution of this deed, the Chargor shall deliver, or cause to be delivered to the Chargee, a copy of such letter signed by the registered agent of the Issuer acknowledging and agreeing to the terms of such letter).

Notwithstanding any provision of the Custodian Agreement, for the avoidance of doubt, if any of the documents referred to in clauses 3.2(a) to 3.2(f) are returned or delivered by the Custodian to the Chargor for any reason, any such return or delivery shall not in any way affect or prejudice the security interest created or Chargee's rights or interest under or in connection with this deed and the security and terms of the deed shall continue in full force and effect.

4. **FURTHER ASSURANCE**

4.1 **General**

(a) In addition and without prejudice to the covenant in paragraph 5 of Part V of the First Schedule to the CPO (as varied pursuant to this deed), the Chargor will, promptly following request by the Chargee, do all such acts and/or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as is necessary:

(i) to perfect or register the Security created or intended to be created under or evidenced by this deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this deed) or for the exercise of any rights, powers and remedies of the Chargee or any Receiver provided by or pursuant to the Bonds and the Transaction Documents or by law; and/or

(ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed.

(b) The Chargor shall take all such action (including making all filings and registrations) as may reasonably be necessary for the purpose of the creation, perfection, registration, protection or maintenance of any Security conferred or intended to be conferred on the Chargee by or pursuant to this deed.

4.2 **HK Registration**

In the event the Chargor becomes a Non-Hong Kong Company under (and as defined in) Part 16 of the Companies Ordinance, the Chargor shall ensure that details of the Security created by this deed are duly registered with the Companies Registry in Hong Kong within five (5) Business Days after the Chargor becomes a Non-Hong Kong Company under (and as defined in) Part 16 of the Companies Ordinance.

4.3 **BVI and Cayman Registration**

(a) The Chargor shall:

(i) as soon as reasonably practicable after execution of this deed, and in any event within ten (10) Business Day of the date of this deed, create and maintain a register of charges (the "**Register of Charges**") for the Chargor (to the extent this has not already been done in accordance with section 162 of the BVI Act), enter particulars of the security created pursuant to this deed in the Register of Charges as required by section 162 of the BVI Act and provide a certified copy of the Register of Charges to the Chargee;

(ii) as soon as reasonably practicable after execution of this deed and in any event within ten (10) Business Day of the date of this deed, effect registration, or assist the Chargee in effecting registration, of this deed with the Registrar of Corporate Affairs pursuant to section 163 of the BVI Act by making the required filing, or assisting the Chargee in making the required filing, in the approved form with the Registrar of Corporate Affairs and (if applicable) provide confirmation in writing to the Chargee that such filing has been made;

(iii) to the extent received by the Chargor, as soon as reasonably practicable after execution of this deed and in any event within ten (10) Business Days of receipt, deliver or procure to be delivered to the Chargee the certificate of registration of charge issued by the Registrar of Corporate Affairs evidencing that the requirements of Part VIII of the BVI Act as to registration have been complied with, together with the filed stamped copy of any application made by or on behalf of the Chargor containing the relevant particulars of charge;

(iv) as soon as reasonably practicable after the execution of this deed and in any event within three (3) Business Day of the date of this deed procure that the following notation be entered on the Register of Members and promptly thereafter:

"*All of the Class B ordinary shares issued under certificate number [*****], as fully paid up and registered in the name of JURCHEN INVESTMENT CORPORATION are charged in favour of Peace Range Limited as chargee pursuant to a share charge dated [*** insert date ***], as amended from time to time. This notation was made in this Register of Members on [*** insert date ***].";* and

(v) as soon as reasonably practicable after the execution of this deed and in any event within three (3) Business Days of the date of this deed, deliver or procure to be delivered to the Chargee evidence that such annotation has been made and deliver or procure the delivery to the Chargee of a certified copy of the annotated Register of Members.

5. REPRESENTATIONS AND WARRANTIES

5.1 Matters Represented

The Chargor represents and warrants to the Chargee in the terms set out in clauses 5.2 (General representations and warranties) to 5.11 (Information) (inclusive) below as of the date of this dead and on each day for so long as any Security constituted by this deed remains in force, with reference to the facts and circumstances then existing.

5.2 General representations and warranties

The Chargor represents and warrants to the Chargee with respect to itself in the terms as set out in clause 3 (Representations and Warranties) of the Subscription Agreement for so long as any Security constituted by this deed remains in force, the provisions of which are incorporated herein *mutatis mutandis* as if set out herein as if references therein to "the Guarantor", "the Transaction Documents" or "a Transaction Document" were a referent to the Chargor, the Bonds or the Transaction Documents.

5.3 Governing Law and Enforcement

(a) The choice of governing law of this deed will be recognised and enforced in its jurisdiction of incorporation; and

(b) Any judgment obtained in relation to this deed in the jurisdiction of the governing law of this deed will be recognised and enforced in its jurisdiction of incorporation.

5.4 **Insolvency**

(a) No Insolvency Proceedings has been taken or, to the knowledge of the Chargor, threatened in relation to it.

(b) No distress, attachment, execution or other legal decision is levied, enforced or sued out on or against substantially all of the property, assets or revenues (as applicable) of the Chargor having an aggregate value of at least US$400,000 and is not discharged or stayed within 30 days of having been so levied, enforced or sued out on.

5.5 **No Filing or Stamp Taxes**

It is not necessary that this deed be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this deed or the transactions contemplated by this deed except for registration of this deed with the Registrar of Corporate Affairs and payment of associated fees, which registration and fees will be made and paid promptly after the date of this deed.

5.6 **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under this deed.

5.7 **Ranking**

The Security under this deed has the ranking in priority which it is expressed to have in and is not subject to any prior ranking or pari passu ranking Security.

5.8 **Shares**

(a) It is the legal and beneficial owner of the shares detailed in part II of schedule 1 (Shares) and all of those shares are fully paid.

(b) Except as provided in the Bonds or other Transaction Documents, no person has or is entitled to any conditional or unconditional option, warrant or other right to subscribe for, purchase or otherwise acquire any issued or unissued shares, or any interest in shares in the Issuer.

(c) The Charged Property comprises 5 per cent. of the aggregate of the entire issued Class A ordinary shares and the entire issued Class B ordinary shares of the Issuer as at the date of this deed and the documents referred to in clause 3.2 (Title documents and documentation supporting security) that have been delivered to the Custodian pursuant to clause 3.2 (Title documents and documentation supporting security) are in respect of 5 per cent. of the aggregate of the entire issued Class A ordinary shares and the entire issued Class B ordinary shares of the Issuer as at the date of this deed.

(d) The Charged Property is free from any encumbrance, attachment or precautionary measure other than as created under or pursuant to this deed.

(e) There are no covenants or agreements, which could adversely affect the Charged Property or any part thereof.

(f) Other than the share certificates delivered to the Custodian pursuant to clause 3.2 (Title documents and documentation supporting security), no share certificates or interim certificates have been issued evidencing the Charged Property.

(g) There is no and may not be a public market for the Charged Property herein. The Charged Property has not been and is not being registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any applicable state securities laws, and may not be transferred in a public market unless (i) the Charged Property has been registered for sale pursuant to the Securities Act, (ii) the Charged Property may be sold pursuant to Rule 144 or Regulation S under the Securities Act, or (iii) the Issuer has received an opinion of counsel reasonably satisfactory to it that such transfer may lawfully be made without registration under the Securities Act or qualification under applicable state securities laws.

5.9 **Financial Assistance**

The Chargor's entry into this deed does not cause any infringement of any applicable financial assistance legislation, including Part 5, Division 5 of the Companies Ordinance.

5.10 **Non-Hong Kong Company**

The Chargor is not registered as a non-Hong Kong company under Part 16 of the Companies Ordinance nor has it made any application to be so registered.

5.11 **Information**

The Chargor represents that:

(a) the shares specified in Part I of schedule 1 (Shares) amount to the entire issued Class B ordinary shares of the Issuer as at the date of this deed; and

(b) the shares specified in Part II of schedule 1 (Shares) amount to 5 per cent. of the aggregate of the entire issued Class A ordinary shares and the entire issued Class B ordinary shares of the Issuer as at the date of this deed.

6. **UNDERTAKINGS**

6.1 **Duration of Undertakings**

All of the undertakings given by the Chargor to the Chargee in this deed are given from the date of this deed and for so long as any Security constituted by this deed remains in force.

6.2 **Negative Pledge**

The Chargor may not, for so long as any Security constituted by this deed remains in force, create or agree to create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the Bonds or Transaction Documents or with the prior written consent of the Chargee.

6.3 **Disposal Restrictions**

The Chargor shall not, for so long as any Security constituted by this deed remains in force and except as expressly permitted under the Bonds or the Transaction Documents or with the prior written consent of the Chargee:

(a) sell, transfer, assign, lend or otherwise dispose of all or any part of the Charged Property or the right to receive or to be paid the proceeds arising on the disposal of the same, or agree or attempt to do so; or

(b) dispose of the equity of redemption in respect of all or any part of the Charged Property.

6.4 **General Undertakings**

(a) **Charged Property**

(i) It will observe and perform all covenants and stipulations from time to time affecting the Charged Property, make all payments, carry out all necessary registrations or renewals and generally take all steps which are reasonably necessary to preserve, maintain and renew when necessary or desirable all the Charged Property.

(ii) It will pay all reasonable payments which may become due in respect of safekeeping and preservation of the Charged Property or any part thereof.

(b) **Constitutional Documents of the Issuer**

The Chargor will not amend the constitutional documents of the Issuer in any manner which would reduce, jeopardise or otherwise prejudice the value to the Secured Parties of the Charged Property or would likely prejudice or adversely affect the rights of the Secured Parties, without consent of the Chargee.

(c) **Maintenance**

It will maintain all and any rights being subject to the Security so that these at all times will be kept in force.

(d) **Registration as Non-Hong Kong Company**

The Chargor shall inform the Chargee in writing if it becomes or purports to make any application to be so registered as a non-Hong Kong company under Part 16 of the Companies Ordinance.

(e) **New directors of the Issuer**

Where there is any change in the directors of the Issuer, deliver or procure that there shall be delivered to the Custodian the following documents to be held by the Custodian pursuant to the terms of the Custodian Agreement (i) the documents described in paragraph (b) of clause 3.2 (Title documents and documentation supporting security) in respect of the new director(s), (ii) a replacement of the resolutions referred to in paragraph (c) of clause 3.2 (Title documents and documentation supporting security) and (iii) a certified copy of the updated Register of Directors.

6.5 **Continuing Obligations**

The Chargor shall:

(a) ensure that the Charged Property remains free from any restrictions on transfer other than any restrictions set out or permitted in the Bonds and Transaction Documents;

(b) warrant and defend the rights and interest of the Chargee to and in the Charged Property against the claims and demands of all persons whomsoever; and

(c) promptly notify the Chargee in writing of any fact or circumstance (other than those facts or circumstances which are immaterial) which may adversely affect any of its rights hereunder.

6.6 **Power to Remedy**

If the Chargor fails to comply with any non-payment undertaking given in this deed and that failure is not remedied to the satisfaction of the Chargee within 30 days of the Chargor becoming aware of such breach or after written notice of such failure to comply has been given by the Chargee notifying the Chargor that remedy is required, it will allow (and irrevocably authorises) the Chargee, or any Delegate, to take any action on behalf of the Chargor which is necessary to ensure that those undertakings are complied with.

6.7 **Additional Title Documents**

To the extent not already held by the Custodian under the terms of the Custodian Agreement, the Chargor will:

(a) deposit with the Chargee (or as it shall direct) all other documents relating to the Charged Property which the Chargee from time to time reasonably requires in accordance with this deed;

(b) if requested by the Chargee, issue interim certificates or share certificates or any other documents of title or evidence of ownership or other rights in relation to the Shares to the extent such certificates have not been issued; and

(c) if, at any time, any share certificates in respect of the Shares cannot be located or have been mutilated, defaced, lost, stolen or destroyed, the Chargor undertakes to without delay cancel such share certificates.

6.8 **Memorandum and articles**

Notwithstanding anything contained in the Articles, for so long as any Security constituted by this deed remains in force, each of the Chargor and the Issuer undertakes and agrees in favour of the Chargee as follows:

(a) the Issuer shall not redeem, repurchase, or surrender any Shares in accordance with Article 6 of the Articles except with the prior written consent of the Chargee;

(b) all Shares shall be exempt from any present or future lien in favour of the Issuer that would otherwise have arisen under Article 14 of the Articles and the Issuer undertakes not to assert any lien against any such Shares;

(c) all Shares shall be exempt from any present or future call upon shareholders by the Issuer that would otherwise have arisen under Article 15 of the Articles and the Issuer shall not make any calls on any of the Shares;

(d) the Issuer shall not (and shall ensure that the Issuer's directors do not take any action to) exercise any right or discretion under Article 16.4 or Article 16.7 of the Articles to refuse, delay or suspend the registration of any transfer of any Shares:

(i) in favour of the Chargee (or its nominee) pursuant to any enforcement of the Chargee's rights under this deed in accordance with clause 8.1 (Exercise of Enforcement Powers); or

(ii) from the Chargee (or its nominee) pursuant to a power of sale, other right of enforcement (if any) or otherwise in accordance with this deed;

(e) the Issuer shall promptly register any transfer of Shares at the time such Shares are transferred as described in sub-paragraphs (d)(i) and (d)(ii) above and shall not register any transfer of Shares (other than as described in sub-paragraphs (d)(i) and (d)(ii) above) without the prior written consent of the Chargee except as expressly permitted under the Bonds or the Transaction Documents; and

(f) all Shares shall be exempt from the provisions of Article 18 of the Articles relating to forfeiture and the Issuer shall not exercise any rights of forfeiture in respect of any of the Shares.

7. **VOTING AND DISTRIBUTION**

7.1 Until the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), the Chargor shall be entitled to:

(a) pay, receive and retain all Distributions and other monies paid on or derived from the Shares to the extent permitted under the Bonds or the Transaction Documents; and

(b) exercise all voting and other rights and powers attaching to the Shares provided that it shall not exercise any such voting rights or powers in a manner which is prejudicial to the interests of the Secured Parties in the Security created pursuant to any Bond or Transaction Document or the validity and enforceability of this deed.

7.2 After the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers):

(a) the Chargor will promptly pay all dividends and any other Distributions and other monies paid on or derived from the Shares received by it as directed by the Chargee;

(b) the Chargee or any Receiver shall be entitled to exercise or direct the exercise of the voting and other rights attached to any Share in such manner as it or he sees fit; and

(c) the Chargor shall comply or procure the compliance with any directions of the Chargee or any Receiver in respect of the exercise of those rights and shall promptly execute and/or deliver to the Chargee or any Receiver such forms of proxy in relation to the Shares as it or he requires with a view to enabling such person as it or he selects to exercise those rights.

7.3 At any time when any Shares are registered in the name of the Chargee or its nominee, the Chargee will not be under any duty to ensure that any Distributions or other monies payable in respect of those Shares are duly and promptly paid or received by it or its nominee, or to verify that the correct amounts are paid or received, or to take any action in connection with the taking up of any (or any offer of any) stocks, shares, rights, monies or other property paid, distributed, accruing or offered at any time by way of interest, dividend, redemption, bonus, rights, preference, option, warrant or otherwise on or in respect of or in substitution for, any of those Shares.

8. **ENFORCEMENT AND POWERS OF THE CHARGEE**

8.1 **Exercise of Enforcement Powers**

(a) At any time after:

(i) an Event of Default has occurred; or

(ii) a written request from the Chargor to the Chargee that it exercise any of its powers under this deed,

the Security created by or pursuant to this deed is immediately enforceable and the Chargee and/or any Receiver may in its absolute discretion, without notice:

(iii) at the times and in the manner it thinks fit enforce all or any part of the Security and take possession of and hold, sell or otherwise dispose and/or deal with all or part of the Charged Property in such manner and for such consideration (whether payable or deliverable immediately or by instalments) as the Chargee considers appropriate;

(iv) instruct the Custodian (by signing the Transfer Notice under (and as defined in) the Custodian Agreement) to deliver in accordance with the terms of the Custodian Agreement to the Chargee the title documents and other documentation referred to in clause 3.2 (Title documents and documentation supporting security);

(v) exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Chargee or on a Receiver, irrespective of whether the Chargee has taken possession or appointed a Receiver of the Charged Property;

(vi) apply all dividends, distributions and other monies paid on or derived from the Shares as directed by the Chargee; and

(vii) dispose of all or any of the Chargee's other rights under this deed for such consideration (whether payable or deliverable immediately or by instalments) and in such manner as the Chargee considers appropriate.

(b) For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by the CPO and all other enforcement powers conferred by this deed shall be immediately exercisable at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers).

(c) Any Secured Party may, at its discretion and without further notice, take such proceedings or enforce the Security under this deed as it may think fit to enforce its rights under the Bonds or Transaction Documents and to enforce all or any of the security interests created therein in accordance with the terms thereof, provided that, to the extent practicable the Secured Parties shall enforce their rights under the Account Charge prior to enforcing their rights under this deed.

8.2 **Appointment of Receiver**

At any time after the Security created by or pursuant to this deed has become enforceable under clause 8.1 (Exercise of Enforcement Powers), or if the Chargor so requests the Chargee in writing at any time, the Chargee may, without prior notice to the Chargor, by deed, under seal or by writing under hand signed by any officer or manager of the Chargee, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property (including in respect of separate parts of the Charged Property). Any restriction on the right of the Chargee to appoint a Receiver conferred by law does not apply to this deed.

9. **ATTORNEY**

9.1 **Appointment and power**

The Chargor, by way of security, irrevocably appoints the Chargee, each Receiver and any of its Delegates or sub-delegates and any person nominated for the purpose by the Chargee or any Receiver (in writing and signed by an officer of the Chargee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to, execute, seal and deliver (using the company seal where appropriate) and perfect any deed, agreement or other instrument and to do any act or thing:

(a) which the Chargor is required to do by the terms of any Bond or Transaction Document (including the execution and delivery of deeds, charges, assignments or other security and any transfers of Charged Property and perfecting and/or releasing the Security created or intended to be crated in respect of the Charged Property); and/or

(b) which is for the purpose of enabling the exercise of any rights or powers conferred on the Chargee or any Receiver by any Bond or Transaction Document or by law (including the exercise of any right of a legal or beneficial owner of the Charged Property).

9.2 **Ratification**

The Chargor ratifies, confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in clause 9.1 (Appointment and power).

10. **EXTENSION AND VARIATION OF STATUTORY POWERS**

10.1 **Statutory Powers**

(a) The powers conferred on mortgagees or receivers by statute shall apply to the Security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

(b) The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by section 51 (Powers of mortgagee and receiver) and section 53 (Sale by mortgagee) of the CPO and the Fourth Schedule (Powers of mortgagee and receiver) to the CPO as varied and extended by this deed shall arise on the date of this deed, and for that purpose the Secured Obligations are deemed to have fallen due on the date of this deed, and no restriction imposed by any ordinance or other statutory provision in relation to the exercise of any power of sale shall apply to this deed.

(c) Each Receiver and Chargee is entitled to all the rights, powers, privileges and immunities conferred by law (including the CPO) on mortgagees and receivers duly appointed under any law (including the CPO).

10.2 **Exercise of Powers**

All or any of the powers conferred upon mortgagees by the CPO as varied or extended by this deed, and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly), may be exercised by the Chargee without further notice to the Chargor at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), irrespective of whether the Chargee has taken possession or appointed a Receiver of the Charged Property.

10.3 **Statutory Restrictions**

No restriction imposed by any ordinance (including paragraph 11 of the Fourth Schedule to the CPO) or other statutory provision in relation to the exercise of any power of sale, application of proceeds or any other right or on the consolidation of mortgages or other security shall apply to the Security constituted by this deed which powers may be exercised by the Chargee without notice to the Chargor on or at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers).

11. **STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

11.1 **Receiver as Agent**

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any contracts, engagements, acts, omissions, defaults and losses of a Receiver and the liabilities incurred by a Receiver. No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason, including for any misconduct, negligence or default of a Receiver.

11.2 **Relationship with Chargee**

To the fullest extent allowed by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the Security created by or pursuant to this deed becomes enforceable, be exercised by the Chargee in relation to any Charged Property without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11.3 **Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the CPO (which is deemed incorporated in this deed), so that the powers set out in the Fourth Schedule to the CPO (to the extent not amended and/or varied under this deed) shall extend to every Receiver. In addition, notwithstanding any liquidation of the Chargor, each Receiver shall have power to:

(a) take immediate possession of, collect and get in the Charged Property (including any income accruing from time to time);

(b) sell, transfer, assign, exchange, lend or otherwise dispose of or realise all or any part of the Charged Property in such manner and generally on such terms as he thinks fit;

(c) borrow or raise money or incur any other liability in connection with the Charged Property on any terms for whatever purpose which the Receiver thinks fit, whether secured or unsecured, and whether to rank for payment in priority to this security or not;

(d) enter into bonds, covenants, guarantees, indemnities and other commitments in connection with the Charged Property and to make all payments needed to effect, maintain or satisfy them;

(e) manage and use the Charged Property and to exercise and do (or permit the Chargor or any nominee of it to exercise and do) all such powers, authorities, rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Charged Property;

(f) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

(g) appoint, hire and employ officers, employees, contractors, agents, advisors and others for any of the purposes of this deed and/or to protect or realise the Charged Property upon terms as to remuneration or otherwise as he may think fit and to discharge any such persons and any such persons appointed, hired or employed by the Chargor;

(h) bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Property and to submit to arbitration, negotiation, compromise which the Receiver thinks fit. A Receiver may also settle any applications, claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property and in addition to take or defend proceeding for the compulsory winding-up of the Chargor;

(i) exercise all voting and other rights attaching to the Shares and stocks, shares and other securities owned by the Chargor and comprised in the Charged Property;

(j) do all other acts and things (including signing and executing all documents and deeds) as the Receiver may consider to be desirable, conducive, incidental or conducive to any of the matters or powers in this clause 11.3 (Powers of Receiver) or provided under law, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes;

(k) in the exercise of any of its powers, to spend such sums as it thinks fit and the Chargor shall within 3 Business Days on written demand repay to the Chargee or Receiver (as the case may be) all sums so spent together with interest on those sums at such rates as the Chargee may from time to time determine from the time they are paid or incurred and until repayment, those sums (together with such interest) shall be secured by this deed;

(l) give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property;

(m) sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which the Receiver thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit; and

(n) to do anything else he may think fit for the realisation of the Charged Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Bond or Transaction Document to which the Chargor is party, the CPO, the Companies Ordinance and other applicable statutory provisions and common law,

and in each case may use the name of the Chargor and exercise the relevant power in relation to the Charged Property in any manner which he may think fit.

11.4 **Removal of Receiver**

The Chargee may by notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

11.5 **Remuneration of Receiver**

The Chargee may from time to time fix the remuneration of any Receiver appointed by it and any maximum rate imposed by any law will not apply.

11.6 **Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed and to the exclusion of any other Receiver (unless the document appointing such Receiver states otherwise).

12. APPLICATION OF ENFORCEMENT PROCEEDS

12.1 Order of Application

(a) All proceeds of enforcement (whether cash or non-cash) received or recovered by the Chargee or any Receiver pursuant to this deed shall (subject to any claims having priority under mandatory provisions of the CPO and other claims of any creditors mandatorily preferred by law) be applied in the following order:

(i) first, in or towards the payment of all costs, losses, liabilities, expenses and remuneration of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights, including his remuneration and all outgoings paid by him under or in connection with this deed; and

(ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under the Bond Documents;

(iii) thirdly, in or towards payment pro rata of any principal due but unpaid under the Bonds and Transaction Documents;

(iv) fourthly, in or towards payment pro rata of any other sum due but unpaid under the Bonds and Transaction Documents; and

(v) fifthly, the balance (if any) after payment of the amounts referred to in paragraphs (a)(i) to (iv) of clause 12.1 (Application of Proceeds) above, in payment or distribution to the Chargor

the Chargee may vary the order as set out in paragraphs (a)(i) to (d)(iv) of clause 12.1 (Order of Application) above.

(b) This clause 12.1 (Order of Application) is subject to the payment of any claims having priority over this deed. This clause 12.1 (Order of Application) does not prejudice the right of any Secured Party to recover any shortfall from a Transaction Obligor.

12.2 Application against Secured Obligations

Subject to clause 12.1 (Order of Application), any moneys or other proceeds (whether cash or non-cash) received or realised by the Chargee from the Chargor or a Receiver under this deed may be applied by the Chargee to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Chargee may determine.

12.3 Suspense Account

(a) Until the Secured Obligations are paid in full, each Secured Party may place and keep (for such time as it shall determine) any recoveries or other proceeds of enforcement (whether cash or non-cash) received pursuant to this deed or on account of the Chargor's liability in respect of the Secured Obligations in a separate suspense account (to the credit of either the Chargor or the Chargee as the Chargee shall think fit) and the Receiver may retain the same for the period which he and the Chargee consider expedient without having any obligation to apply all or any part of the same in or towards discharge of the Secured Obligations.

(b) If the Security created by this deed is enforced at a time when no amount is due under the Bonds and Transaction Documents but at the time when amounts may or will become due, a Secured Party may pay any recoveries or other proceeds of enforcement into a suspense account.

13. **PROTECTION OF SECURITY**

13.1 **Continuing Security**

The Security created pursuant to this deed is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing.

13.2 **Other Security**

(a) This Security is to be in addition to, independent of and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Chargee or any other Secured Party may now or after the date of this deed hold for any of the Secured Obligations or any other obligations, or any rights, powers and remedies provided by law and notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other security.

(b) The Chargor waives any right it may have of first requiring the Chargee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this deed. This waiver applies irrespective of any law or any provision of a Bond or Transaction Document to the contrary.

13.3 **Cumulative Powers**

(a) The powers which this deed confers on the Chargee and the other Secured Parties are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.

(b) The Chargee or the other Secured Parties may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.

(c) The respective powers of the Chargee and the other Secured Parties will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

13.4 **Amounts Avoided**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part on the basis that any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on insolvency, liquidation or administration of the Chargor or otherwise, without limitation, then amount shall not be considered to have been paid and the liabilities of the Chargor and the Security created pursuant to this deed shall continue or be reinstated.

13.5 **Discharge Conditional**

If any discharge, release arrangement (whether in respect of the obligations of the Chargor or any other Transaction Obligor, or in respect of any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

13.6 **Waiver of Defences**

The obligations assumed by the Chargor under this deed, the Security created under this deed and the rights, powers and remedies of the Chargee provided by or pursuant to this deed or by law will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this deed (without limitation and whether or not known to it or any Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any person (including any Transaction Obligor);

(b) the release of any person (including any Transaction Obligor) under the terms of any composition or arrangement;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person (including any Transaction Obligor);

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person (including any Transaction Obligor);

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Bond or Transaction Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Bond or Transaction Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Bond or Transaction Document or any other document or security;

(g) any insolvency, liquidation, winding-up, provisional supervision, supervision, administration, receivership or similar proceedings;

(h) any other Security, guarantee or indemnity now or thereafter held by the Chargee or any other person in respect of the Secured Obligations or any other liabilities; or

(i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligations of the Chargor or other person under any Bond or Transaction Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

13.7 **Chargor intention**

Without prejudice to the generality of clause 13.6 (Waiver of defence), the Chargor expressly confirms that it intends that the Security created pursuant to this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Bonds or Transaction Documents and/or any facility or amount made available under any of the Bonds or other Transaction Documents as agreed by the Issuer and/or the Chargor for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carry out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrower; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

13.8 **Deferral of rights**

Until all the Secured Obligations have been irrevocably paid in full and facilities which might give rise to Secured Obligations have been terminated and unless the Chargee otherwise directs or except as permitted under the Bonds or Transaction Documents, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Bonds or Transaction Documents or by reason of any amount being payable, or liability arising, under this deed:

(a) to be indemnified by any person;

(b) to claim any contribution from any other provider of Security for or any other guarantor of the Chargor's obligations under the Bonds or Transaction Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Bonds or Transaction Documents or of any guarantee or other security taken pursuant to, or in connection with, the Bond Documents by any Finance Party;

(d) to bring legal or other proceedings for an order requiring any Finance Party to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity;

(e) to exercise any right of set-off against any person; and/or

(f) to claim or prove as a creditor of any person in competition with any Finance Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties under or in connection with the Bonds or Transaction Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Chargee or as the Chargee may direct for application in accordance with clause 12.1 (Order of Application).

13.9 **Subsequent Security – Ruling-off Accounts**

If the Chargee or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Bonds or Transaction Documents) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

13.10 **Redemption of Prior Charges**

To the extent applicable, the Chargee may redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Chargee all principal monies and interest and all costs, expenses and losses incidental to any such redemption or transfer.

14. PROTECTION OF THIRD PARTIES

14.1 No Obligation to Enquire

No purchaser from, or other person dealing with, the Chargee or any Receiver (or Delegate) shall be obliged or concerned to enquire whether:

(a) the right of the Chargee or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or

(b) any of the Secured Obligations remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

14.2 Receipt Conclusive

The receipt of the Chargee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Chargee or any Receiver.

15. PROTECTION OF SECURED PARTIES

15.1 Liabilities of the Secured Parties

Neither the Chargee nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his gross negligence, wilful misconduct, fraud or wilful breach of any obligations under the Bonds or Transaction Documents. The Chargee will not be liable in respect of any gross negligence or wilful misconduct or fraud of a Receiver or Delegate.

15.2 No obligations in relation to Charged Property

The Chargee is not obliged to do any of the following in respect of any Charged Property:

(a) perform any obligation of the Chargor;

(b) make any payment;

(c) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor;

(d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Chargor may be entitled; or

(e) exercise any rights to which it or the Chargor may be entitled.

15.3 Possession of Charged Property

Without prejudice to clause 15.1 (Liabilities of the Secured Parties), if the Chargee or the Receiver or Delegate enters into possession of the Charged Property, it will not be liable:

(a) to account as mortgagee in possession or for any loss on realisation or enforcement of rights and may at any time at its discretion go out of such possession or

(b) for any default or omission for which a mortgagee in possession might be liable.

15.4 **Liability of the Chargor**

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this deed and the charges contained in this deed shall not be impaired by any forbearance, neglect, indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Chargee, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this deed (as secondary or collateral charges only) would, but for this provision, have been discharged.

15.5 **Indemnity**

(a) The Chargor shall promptly indemnify the Chargee and every Receiver and Delegate against any cost, loss or liability incurred by any of them as a result of:

(i) acting or relying on any notice, request or instruction issued or given by the Chargor under this deed which it reasonably believes to be genuine, correct and appropriately authorised provided such costs, loss or liability was not directly caused by the wilful misconduct, gross negligence or fraud on the part of the relevant Secured Party;

(ii) the taking, holding, protection or enforcement of the Security constituted by this deed;

(iii) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Chargee and each Receiver and Delegate by this deed or by law;

(iv) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed;

(v) actual or alleged breach by any person of any applicable law or regulation) incurred in connection with this deed by any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Chargee under this deed, including any arising from any actual or alleged breach by any person of any applicable law or regulation; or

(vi) acting as Chargee, Receiver or Delegate (otherwise, in each case, than by reason of the relevant Chargee's, Receiver's or Delegate's gross negligence, wilful misconduct or fraud).

(b) The Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 15.5 (Indemnity) will not be prejudiced by any release of security or disposal of any Charged Property.

(c) The Chargor and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 15.5 (Indemnity).

15.6 **Discretion**

Any liberty or power which may be exercised by or any determination which may be made under this deed by the Chargee or any Receiver may, subject to the provisions of the Bonds or Transaction Documents, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

16. **DELEGATION**

The Chargee may delegate by power of attorney or in any other manner all or any of the powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. The Chargee will not be liable or responsible to the Chargor or any other person for any losses arising from any wilful default, gross misconduct or gross negligence on the part of any delegate.

17. **COSTS AND EXPENSES**

17.1 **Initial Expenses**

The provisions of clause 13 (Expenses and Payments) of the Subscription Agreement shall be deemed incorporated into this deed as if fully set out herein *mutatis mutandis* as if any reference therein to "this Agreement" or a Bond or the Transaction Documents were a reference to this deed.

17.2 **Enforcement and preservation costs and expenses**

Upon the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), the Chargor shall, within 3 Business Days of demand, pay to each Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of, or the preservation of any rights under, any Bond or Transaction Document and any proceedings instituted by or against that Secured Party as a consequence of it entering into a Bond or Transaction Document, taking or holding the Security created pursuant to this deed, or enforcing those rights.

17.3 **Stamp Taxes**

The Chargor shall:

(a) pay all stamp duty, registration and other similar Taxes payable in respect of this deed; and

(b) within 3 Business Days of demand, indemnify the Chargee against any cost, loss or liability that the Chargee incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of this deed.

17.4 **Default Interest**

The provisions of Condition 6(b) (Interest applicable upon Default) of the Conditions shall be deemed incorporated into this deed as if fully set out herein *mutatis mutandis* as if any reference therein to "this Condition" or a Bond or Transaction Document were a reference to this deed.

18. **SET-OFF**

(a) Any Secured Party may set off any matured obligation due from the Chargor under the Bonds or Transaction Documents (to the extent beneficially owned by that Secured Party) against any matured obligation owed by that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Chargee may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

(b) If the relevant obligation or liability of the Chargor is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

19. **NOTICES**

Clause 15 (Communications) in the Subscription Agreement shall apply also to this deed.

20. CHANGES TO PARTIES

20.1 Assignment by the Chargee

The Chargee may at any time assign or otherwise transfer all or any part of its rights under this deed in accordance with the Bonds and Transaction Documents.

20.2 Changes to Parties

(a) The Chargor authorises and agrees to change the parties under condition 3(b) (Transfer) of the Conditions and authorises the Chargee to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

(b) The Chargor may not assign, novate, transfer, sub-participate, encumber, declare a trust over or otherwise deal with all or any of its rights and/or obligations under this deed.

21. CURRENCY CLAUSES

21.1 Conversion

All monies received or held by the Chargee or any Receiver under this deed may be converted into any other currency which the Chargee considers necessary to discharge any obligations and liabilities comprised in the Secured Obligations in that other currency at a market rate of exchange then prevailing.

21.2 No Discharge

Subject to clause 22.5 (Covenant to release), no payment to the Chargee (whether under any judgement or court order or otherwise) shall discharge the obligation or liability of the Chargor in respect of which it was made unless and until the Chargee has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Chargee shall have a further separate cause of action against the Chargor and shall be entitled to enforce the security constituted by this deed to recover the amount of the shortfall.

22. MISCELLANEOUS

22.1 Certificates Conclusive

Provided that calculation in reasonable detail has been provided, a certificate or determination of the Chargee as to any amount payable under this deed will be conclusive and binding on the Chargor, except in the case of manifest error or wilful default.

22.2 Invalidity of any Provision

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

22.3 Counterparts

This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

22.4 **Failure to Execute**

Failure by one or more parties (**"Non-Signatories"**) to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

22.5 **Covenant to Release**

On the earlier of:

(a) all the Secured Obligations have been paid in full and none of the Chargee nor any Secured Party has any actual or contingent liability to advance further monies to, or incur liability on behalf of, any member of the Group (as defined in Subscription Agreement), but not otherwise; and

(b) the successful QIPO,

provided no Event of Default has occurred, the Chargee and each other Secured Party shall, at the request and cost of the Chargor, take any action which may be necessary to release the Charged Property from the security constituted by this deed and procure the reassignment to the Chargor of the property and assets assigned to the Chargee pursuant to this deed (in each case subject to clause 13.4 (Amounts Avoided)) without recourse to, or any representation or warranty by, the Chargee or any of other Secured Party and instruct the Custodian (by signing the Release Notice under (and as defined in) the Custodian Agreement) to deliver in accordance with the terms of the Custodian Agreement to the Chargor the title documents and other documentation referred to in clause 3.2 (Title documents and documentation supporting security).

23. **GOVERNING LAW**

This deed is governed by the laws of Hong Kong.

24. **ENFORCEMENT**

(a) The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this deed and accordingly any legal action or proceedings arising out of or in connection with this deed ("**Proceedings**") may be brought in such courts. Pursuant to this deed, the Chargor irrevocably submits to the jurisdiction of such courts and waives any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(b) This clause 24 (Enforcement) is for the benefit of the Chargee only. As a result, the Chargee shall not be prevented from taking proceedings relating to ant Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

25. **SERVICE OF PROCESS**

(a) Without prejudice to any other mode of service allowed under any relevant law, the Chargor:

(i) irrevocably appoints Aptorum Group Limited with its address at 17/F, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong as its agent for service of process in relation to any proceedings before the Hong Kong courts in connection with any Bond Documents; and

(ii) agrees that failure by a process agent to notify the Chargor of the process will not invalidate the proceedings concerned.

(b) The Chargor shall inform the Chargee, in writing, of any change in the address of its process agent within 5 Business Days of such change.

(c) If such process agent ceases to be able to act as such or to have an address in Hong Kong, the Chargor agrees to promptly appoint a new process agent in Hong Kong reasonably acceptable to the Chargee and to deliver to the Chargee within 5 Business Days a copy of a written acceptance of appointment by the new process agent.

26. **WAIVER OF IMMUNITIES**

The Chargor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

(a) suit;

(b) jurisdiction of any court;

(c) relief by way of injunction or order for specific performance or recovery of property;

(d) attachment of its assets (whether before or after judgment); and

(e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

IN WITNESS whereof this deed has been duly executed and delivered as a deed on the date first above written.

SCHEDULE 1

Shares

Part I

Total issued Class A shares of the Issuer

Registered Shareholder(s)	Number of share(s)	Share Certificate Number(s)
JURCHEN INVESTMENT CORPORATION	1,784,608	Nil
Other shareholders	3,641,773	Nil
Total:	5,426,381	

Total issued Class B shares of the Issuer

Registered Shareholder(s)	Number of share(s)	Share Certificate Number(s)
JURCHEN INVESTMENT CORPORATION	16,061,469	Nil
Other shareholders	6,376,285	Nil
Total:	22,437,754	

Part II

The number of Class B Shares of the Issuer subject to the Security created pursuant to this deed

Registered Shareholder(s)	Number of share(s)	Share Certificate Number(s)
JURCHEN INVESTMENT CORPORATION	1,393,207	Number 1
Total:	1,393,207	

SCHEDULE 2

Form of Instrument of Transfer

INSTRUMENT OF TRANSFER

Aptorum Group Limited

I/We, _____
of _____
For value received from / in consideration of the sum of _____
paid to me/us by (name) _____
(occupation) _____
of (address) _____

(hereinafter "**the said Transferee**")
do hereby transfer to the said Transferee the _____ share(s)
Numbered _____

standing in my/our name in the register of:-

Aptorum Group Limited

to hold unto the said Transferee his executors, administrators or assigns, subject to the several conditions upon which I/we hold the same at the time of execution hereof. And I/we, the said Transferee do hereby agree to take the said share(s) subject to the same conditions.

Witness our hands the _____ .

Witness to the signature(s) of the Transferor -) *For and on behalf of*
)

Witness's name and address:)
)
)
) _____
) *Authorized Signature(s)*
)

Witness to the signature(s) of the Transferee –) *For and on behalf of*
)
)
)

Witness's name and address:)
)
)
) _____
) *Authorized Signature(s)*
)

SCHEDULE 3

Irrevocable appointment of proxy and power of attorney

Aptorum Group Limited

We, **JURCHEN INVESTMENT CORPORATION,** hereby irrevocably appoint [●] as our:

(a) proxy to vote at meetings of the shareholders of **Aptorum Group Limited** (the "**Company**") in respect of the shares in the Company charged pursuant to the share charge dated [●] 2018 between Jurchen Investment Corporation, the Company and Peace Range Limited which may have been or may from time to time be issued and/or registered in our name (the "**Shares**"); and

(b) duly authorised representative and duly appointed attorney-in-fact to sign resolutions in writing of the Company in respect of any Shares.

This proxy and this power of attorney are irrevocable by reason of being coupled with the interest of [●] as chargee of the Shares.

IN WITNESS whereof this instrument has been duly executed as a deed this [ ] day of [ ].

EXECUTED as a **DEED** and **DELIVERED** by **JURCHEN INVESTMENT CORPORATION:**)
)
)
)

Director/authorised signatory signature: _____

Director/authorised signatory name:

Occupation:

SCHEDULE 4

Form of Letter of Authority and Undertaking

To: [Chargee]

[Address details]

Date:

Dear Sirs

Aptorum Group Limited (the "Company")

I irrevocably authorise you or any of your officers to complete, date and put into effect the attached blank share transfer form and resolution signed by me, in accordance with the provisions of the Share Charge relating to the Company dated [●] 2018 (the **"Share Charge"**) when the security constituted by the Share Charge has become enforceable.

After the security constituted by the Share Charge has become enforceable, I also irrevocably undertake to vote in favour of any resolution approving that any Shares of the Company comprised in the Charged Property (as defined in the Share Charge) be registered in your name or in the name of your nominees and, in the name of any purchaser of those shares or its nominee.

This letter has been executed as a deed and is delivered as a deed on the date stated at the beginning of it.

Yours faithfully

SIGNED, SEALED AND DELIVERED as a deed)
by [***insert name of director***])
in the presence of:)

L.S.

Signature _____

Signature of witness _____

Name of witness _____

Address of witness _____

_____

_____

Occupation of witness _____

SCHEDULE 5

Form of Resolutions

Aptorum Group Limited
(the "Company")

WRITTEN RESOLUTIONS OF THE BOARD OF DIRECTORS made pursuant to Article ____ of the Articles of Association of the Company[1]

1. TRANSFER OF SHARES

IT IS RESOLVED that the following transfers be approved, subject to stamping and that the Share Certificates be issued by the Company in favour of the transferees:

Transferor(s)	Transferee(s)	No. of Shares

2. REGISTER OF MEMBERS

IT IS RESOLVED that the Register of Members of the Company be updated to record the transfer of the shares to the transferee referred to above and the secretary of the Company be hereby authorised and instructed to:

a. update the original Register of Members to record the transferee as the registered holder of the relevant shares; and

b. provide to the Transferee a copy of the updated extract of the Register of Members showing the holding of the Transferee only.

Dated: _____

[Director] [Director]

[Include signature blocks for all other Directors]

1 Note: To be signed by all directors of the Company

SCHEDULE 6

Form of Deed of Undertaking

Aptorum Group Limited

[Date]

[●]

Dear Sirs

Aptorum Group Limited (the "Company")

We refer to the share charge in respect of shares of the Company dated [●] 2018 between Jurchen Investment Corporation (the "**Chargor**"), the Company and Peace Range Limited as Chargee (the "**Chargee**") whereby, inter alia, the Chargor, granted a charge over the Charged Property in favour of the Chargee (the "**Charge**").

Capitalised words and expressions used in this deed poll which are not expressly defined herein have the meanings ascribed to them in the Charge.

This deed of undertaking and confirmation is given pursuant to the Charge.

1. For valuable consideration receipt of which is hereby acknowledged, the Company hereby irrevocably and unconditionally undertakes to register (and hereby permits the Chargee or its nominee(s) or, as the case may be, the Company's registered agent if they have custody of the original Register of Members to register) in the Register of Members any and all share transfers to the Chargee or its nominee in respect of the Charged Property submitted to the Company by the Chargee in the event the Charge has become enforceable.

2. The Company hereby confirms that it has instructed its registered agent to make an annotation of the existence of the Charge and the security interests created thereby in the Register of Members pursuant to the Charge.

3. The Company hereby confirms that the Register of Members provided to the Chargee pursuant to the Charge is a certified copy of the original Register of Members and that the Company will not redesignate or otherwise seek to recreate the Register of Members.

IN WITNESS whereof this deed poll has been executed by the parties on the day and year first above written.

EXECUTED as a **DEED** and **DELIVERED** by)
APTORUM GROUP LIMITED:)
)
)
)

Director/authorised signatory signature: _____

Director/authorised signatory name:

Occupation:

SCHEDULE 7

Form of Letter of Instructions to Registered Agent

Aptorum Group Limited

[Date]

[Registered Agent]

[Address details]

cc: [***Insert name and address of Chargee***]

Dear Sirs

Aptorum Group Limited (the "Company") – instructions to Registered Agent

1. We irrevocably instruct you that during the period starting from the date on which Peace Range Limited (the "**New Instructing Party**") (or any of its successor in title) informs you that there has been an Event of Default (as defined in the share charge between Jurchen Investment Corporation as chargor, the Company and the New Instructing Party dated [ ] in respect of shares in the Company (the "**Charge**")) and ending on the date on which the New Instructing Party (or its successor-in-title) informs you that such Event of Default no longer subsists or has been waived, you will be irrevocably instructed to regard the New Instructing Party (or its successor-in-title) as the sole instructing party for the Company in relation to the shares the subject of the Charge and without limiting the foregoing if at any time the New Instructing Party instructs you to in relation to the shares the subject of the Charge register the New Instructing Party or its nominee (or any successor in title) as the registered holder of any of the shares the subject of the Charge you are hereby authorised and instructed to do so and update the original Register of Members of the Company accordingly without notice to us or consent from us.

2. We irrevocably instruct you to make an annotation of the existence of the Charge and the security interests created thereby in the Company's Register of Members pursuant to the Charge, and to provide a copy of the undated, filed Register of Member to the New Instructing Party.

Please confirm by countersigning below and returning a copy of such countersigned letter to us with a copy to the New Instructing Party that you have received this correspondence and that you have actioned the above and updated your records accordingly.

Yours faithfully

For and on behalf of **Aptorum Group Limited**

[Name of Director]
Director

Acknowledged and agreed.

[ ]
For and on behalf of
[Registered Agent]

SIGNATORIES TO THE SHARE CHARGE

The Chargor

EXECUTED as a **DEED** and **DELIVERED** by)
JURCHEN INVESTMENT CORPORATION:)
)
)

Director/authorised signatory signature: _____

Director/authorised signatory name:

Occupation:

Witness signature: _____
Witness name:
Occupation:

The Issuer

EXECUTED as a **DEED** and **DELIVERED** by)
APTORUM GROUP LIMITED:)
)
)
)

Director/authorised signatory signature: _____

Director/authorised signatory name:

Occupation:

Witness signature: _____
Witness name:
Occupation:

The Chargee

Signed for and on behalf of)
PEACE RANGE LIMITED by)
)

Exhibit 10.20

EXECUTION VERSION

ashurst

Deed of Guarantee

Jurchen Investment Corporation
as Guarantor of the Bonds issued by

Aptorum Group Limited

as acknowledged by
Peace Range Limited

in favour of the Bondholders

in relation to USD15,000,000 8.00 per cent.
Convertible Bonds due 2019 convertible into
shares of Aptorum Group Limited

25 April 2018

CONTENTS

THIS DEED is made on 25 April 2018

BETWEEN:

(1) **JURCHEN INVESTMENT CORPORATION** (the **"Guarantor"**) of the bonds issued by

(2) **APTORUM GROUP LIMITED** as issuer (the "**Issuer**"),

AS ACKNOWLEDGED BY:

(3) **PEACE RANGE LIMITED** as subscriber under the Subscription Agreement (the **"Subscriber"**).

IN FAVOUR OF:

(4) **THE HOLDERS** for the time being and from time to time of the Bonds referred to below (each a "**Bondholder"** or the "**holder**" of a Bond).

RECITALS

(A) The Issuer proposes to issue USD15,000,000 principal amount of Bonds to be known as its 8.00 per cent. Convertible Bonds due 2019 (the **"Bonds"**) convertible into Class A ordinary shares of the Issuer.

(B) The Guarantor has agreed to unconditionally and irrevocably guarantee to the Bondholders the payment of all sums expressed to be payable from time to time by the Issuer under the Bonds on the following terms and conditions.

(C) The parties hereto intend this document to take effect as a deed.

THE PARTIES AGREE AS FOLLOWS:

1. **INTERPRETATION**

1.1 In this Deed of Guarantee, unless otherwise defined herein, capitalised terms shall have the same meaning given to them in the terms and conditions of the Bonds (the **"Conditions"**).

1.2 Headings shall be ignored in construing this Deed of Guarantee.

1.3 References in this Deed of Guarantee to this Deed of Guarantee or any other document are to this Deed of Guarantee or these documents as amended, supplemented or replaced from time to time in relation to the Bonds and includes any document that amends, supplements or replaces them.

2. **GUARANTEE AND INDEMNITY**

2.1 **Guarantee**

The Guarantor unconditionally and irrevocably guarantees that if the Issuer does not pay any sum payable by it under the Bonds or any Transaction Documents by the time and on the date specified for such payment (whether on the normal due date, on acceleration or otherwise), the Guarantor shall pay that sum to each Bondholder before close of business on that date in the city to which payment is so to be made. All payments under this Deed of Guarantee by the Guarantor shall be made subject to and in accordance with the Conditions.

2.2 **Guarantor as Principal Debtor**

As between the Guarantor and the Bondholders but without affecting the Issuer's obligations, the Guarantor shall be liable under this Deed of Guarantee as if it were the sole principal debtor and not merely a surety. Accordingly, its obligations shall not be discharged, nor shall its liability be affected, by anything that would not discharge it or affect its liability if it were the sole principal debtor, including (1) any time, indulgence, waiver or consent at any time given to the Issuer or any other person, (2) any amendment to any other provisions of this Deed of Guarantee or the Conditions or to any security or other guarantee or indemnity, (3) the making or absence of any demand on the Issuer or any other person for payment, (4) the enforcement or absence of enforcement of this Deed of Guarantee, the Bonds or of any security or other guarantee or indemnity, (5) the taking, existence or release of any security, guarantee or indemnity, (6) the dissolution, amalgamation, reconstruction or reorganisation of the Issuer or (7) the illegality, invalidity or unenforceability of or any defect in any provision of this Deed of Guarantee, the Bonds, any Transaction Documents or any of the Issuer's obligations under any of them.

2.3 **Guarantor's Obligations Continuing**

The Guarantor's obligations under this Deed of Guarantee (i) are and shall remain in full force and effect by way of continuing security until no sum remains payable under the Bonds, this Deed of Guarantee or any other Transaction Document and (ii) shall be released upon the maturity, redemption and/or conversion of all of the Bonds. Furthermore, those obligations of the Guarantor are additional to, and not instead of, any security or other guarantee or indemnity at any time existing in favour of any person, whether from the Guarantor or otherwise and may be enforced without first having recourse to the Issuer, any other person, any security or any other guarantee or indemnity. The Guarantor irrevocably waives all notices and demands of any kind.

2.4 **Exercise of Guarantor's Rights**

So long as any sum remains payable under the Bonds, this Deed of Guarantee or any Transaction Documents, the Guarantor shall not exercise or enforce any right, by reason of the performance of any of its obligations under this Deed of Guarantee, to be indemnified by the Issuer or to take the benefit of or enforce any security or other guarantee or indemnity.

2.5 **Avoidance of Payments**

The Guarantor shall on demand indemnify the Bondholders, on an after tax basis, against any cost, loss, expense or liability sustained or incurred by it as a result of it being required for any reason (including any bankruptcy, insolvency, winding-up, dissolution or similar law of any jurisdiction) to refund all or part of any amount received or recovered by it in respect of any sum payable by the Issuer under the Bonds, this Deed of Guarantee or any other Transaction Document and shall in any event pay to it on demand the amount as refunded by it.

2.6 **Debts of Issuer**

After the occurrence of any Event of Default, the Guarantor shall procure that the Issuer shall not (except in the event of the liquidation of the Issuer), so long as any amounts payable pursuant to the Bonds, this Deed of Guarantee and/or any other Transaction Document remain unpaid, pay any moneys for the time being due from the Issuer to the Guarantor.

2.7 **Indemnity**

As separate, independent and alternative stipulations, the Guarantor unconditionally and irrevocably agrees: (1) that any sum that, although expressed to be payable by the Issuer under the Bonds, this Deed of Guarantee and/or any other Transaction Document, is for any reason (whether or not now existing and whether or not now known or becoming known to the Issuer, the Guarantor or a Bondholder) not recoverable from the Guarantor on the basis of a guarantee shall nevertheless be recoverable from it as if it were the sole principal debtor and shall be paid by it to the Bondholders on demand pursuant to the Bonds, this Deed of Guarantee and/or any other Transaction Document; and (2) as a primary obligation to indemnify each Bondholder against any loss suffered by it as a result of any sum expressed to be payable by the Issuer under the Bonds, this Deed of Guarantee and/or any other Transaction Document not being paid on the date and otherwise in the manner specified in this Deed of Guarantee or in the Conditions or any payment obligation of the Issuer under the Bonds, this Deed of Guarantee and/or any other Transaction Document being or becoming void, voidable or unenforceable for any reason (whether or not now existing and whether or not now known or becoming known to a Bondholder) other than fraud, wilful misconduct or gross negligence on the part of the Subscriber, the amount of that loss being the amount expressed to be payable by the Issuer in respect of the relevant sum.

2.8 **Incorporation of Terms**

The Guarantor agrees that it will comply with and be bound by all such provisions contained in the Conditions which relate to it.

3. **PAYMENTS**

3.1 **Payments Free of Taxes**

Save in respect of any amounts payable to the Bondholders for their own account, all payments by the Guarantor under this Deed of Guarantee shall be made free and clear of, and without withholding or deduction for, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Hong Kong, the British Virgin Islands, the Cayman Islands or the United States or any political subdivision or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In such event, the Guarantor shall pay such additional amounts (**"Additional Tax Amounts"**) as will result in receipt by the Bondholders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

(a) **Other connection**

to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder having some connection with a Relevant Jurisdiction other than the mere holding of the Bond or by the receipt of amounts in respect of the Bond; or

(b) **Surrender more than 30 days after the Relevant Date**

(in the case of a payment of principal or premium) if the Bond Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the relevant Bond Certificate for payment on the last day of such period of 30 days; or

(c) **Tax declaration**

for or on account of any tax, assessment, withholding or deduction required by FATCA, any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted or published in any jurisdiction implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement with the U.S. Internal Revenue Service under FATCA.

3.2 **Stamp Duties**

The Guarantor will pay any stamp, issue, registration, documentary, transfer or other similar taxes and duties, including interest and penalties, payable in the British Virgin Islands, Hong Kong, the Cayman Islands, the United States or any other relevant jurisdiction or any political subdivision or taxing authority thereof or therein in respect of the execution or delivery of this Deed of Guarantee. The Bondholders shall not be liable to pay any such taxes and duties in any jurisdiction and shall not be concerned with, or obligated or required to enquire into, the sufficiency of any amount paid by the Guarantor for this purpose and shall not be liable for any losses as a result of any non-payment by the Guarantor of any such taxes and duties in any jurisdiction. The Guarantor will indemnify the Bondholders, on an after tax basis, from and against all stamp, issue, registration, documentary, transfer or other similar taxes paid by any of them in any jurisdiction in connection with any action taken by or on behalf of the Bondholders to enforce the Guarantor's obligations under this Deed of Guarantee.

4. **UNDERTAKING TO REGISTER SECURITY**

The Guarantor, as the chargor of the Share Charge granted in favour of the Subscriber, undertakes that it will as soon as reasonably practicable and, in any event, within ten Business Days of the date of the Share Charge (i) register or cause to be registered with the Registrar of Corporate Affairs in the BVI, and update of its register of charges with details of the security interests created by, the Share Charge, in accordance with the BVI Business Companies Act, (ii) use its best endeavours to complete such registration and obtain a registration record from its registered agent in the BVI and a certificate of registration of charge from the Registrar of Corporate Affairs in the BVI, (iii) deliver to the Bondholders copies of such registration record, certificate of registration of charge, and a certificate signed by a director or duly authorised officer of the Guarantor confirming the completion of the registration of the Share Charge and (iv) comply with all applicable laws of the British Virgin Islands ("**BVI laws**") and regulations in relation to the Share Charge.

The Guarantor together with the Issuer will give a notice to the Subscriber confirming the completion of the BVI Registration Conditions within five Business Days after completion of such BVI Registration Conditions.

5. **AMENDMENT AND TERMINATION**

The Guarantor may not amend, vary, terminate or suspend this Deed of Guarantee or its obligations hereunder unless such amendment, variation, termination or suspension shall have been approved by the Subscriber. Unless otherwise agreed mutually by the Subscriber and the Guarantor, nothing in this clause 5 shall prevent the Guarantor from increasing or extending its obligations hereunder by way of supplement to this Deed of Guarantee at any time.

This Deed of Guarantee, along with the Guarantor's obligations hereunder, shall terminate on the Expiration Date.

6. **BENEFIT**

This Deed of Guarantee shall enure for the benefit of the Bondholders.

7. GOVERNING LAW AND JURISDICTION

7.1 Governing Law

This Deed of Guarantee shall be governed by and construed in accordance with Hong Kong laws.

7.2 Arbitration

(a) Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.

(b) The law of this arbitration clause shall be Hong Kong law.

(c) The seat of arbitration shall be Hong Kong.

(d) The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

(e) For the avoidance of doubt, any dispute, controversy, difference or claim arising out of or relating to the Account Charge or Share Charge shall be referred to and finally resolved by the courts of Hong Kong pursuant to the provisions of the Account Charge or Share Charge, as the case may be.

7.3 Independence and Waiver of Immunity

The Guarantor represents and warrants to and for the benefit of the Bondholders that (i) it is a separate legal and independent entity organised under the laws of British Virgin Islands; and (ii) it has the capacity independently to assume civil liabilities to the extent permitted by applicable laws. The Guarantor hereby waives any right to claim sovereign or other immunity from jurisdiction or execution and any similar defence, and irrevocably consents to the giving of any relief or the issue of any process, including, without limitation, the making, enforcement or execution against any property whatsoever (irrespective of its use or intended use) of any order or judgment made or given in connection with any Proceedings.

IN WITNESS whereof this Deed of Guarantee has been executed and delivered as a deed on the date first above written.

EXECUTION

EXECUTED as a **DEED** and **DELIVERED** by **JURCHEN INVESTMENT CORPORATION:**	))))
Director/authorised signatory signature:	/s/ Ian Huen
Director/authorised signatory name:	Ian Huen
Occupation:	Director

EXECUTED as a **DEED** and **DELIVERED** by)
APTORUM GROUP LIMITED:)
)
)
)

Director/authorised signatory signature: /s/ Ian Huen

Director/authorised signatory name: Ian Huen
Occupation: Executive Director & CEO

Acknowledged by:

PEACE RANGE LIMITED

By: /s/ Paul Lincoln Heffner
Name: Paul Lincoln Heffner
Title: Director

Exhibit 10.21

Execution version

Charge over Accounts

APTORUM GROUP LIMITED

as Chargor

and

PEACE RANGE LIMITED

as Chargee

_____ 2018

CONTENTS

THIS DEED is made on _____ 2018

BETWEEN:

(1) **APTORUM GROUP LIMITED,** a Cayman Islands exempt company with company number 245310 and with Hong Kong business registration no. F0023235 and whose registered office is at c/o Campbells Corporate Services Limited, Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands (the **"Chargor"**); and

(2) **PEACE RANGE LIMITED** a limited liability company incorporated in the British Virgin Islands with company number 1839278 and whose registered address is at [ ] (the "**Chargee**" which expression shall include any person from time to time appointed as a successor, replacement or additional trustee in relation to the interests created by this deed).

RECITALS:

(A) The Chargor has issued or will issue the Bonds.

(B) The Chargor and Chargee are entering into this deed in connection with the Bonds.

THE PARTIES AGREE AS FOLLOWS:

1. **DEFINITIONS AND INTERPRETATION**

1.1 **Definitions**

In this deed:

"Account Bank" means MUFG Bank, Ltd., Hong Kong Branch;

"Bonds" means the US$15,000,000 aggregate principal amount of 8.00 per cent. convertible bonds due 2019 issued or to be issued by the Chargor pursuant to the Subscription Agreement, which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 16 (Further Issues) of the Conditions and consolidated and forming a single series therewith;

"Business Days" has the meaning given to that term in the Conditions;

"Charged Property" means the assets mortgaged, charged or assigned to the Chargee pursuant to clause 3 (Charging Clause) of this deed;

"Companies Ordinance" means the Companies Ordinance (Cap. 622) of the Laws of Hong Kong;

"Conditions" has the meaning given to that term in the Bonds;

"Control Account" means the bank account(s) listed in schedule 1 (Control Account) and any replacement account or any sub-division or sub-account of those accounts;

"Conversion Right" has the meaning given to that term in the Conditions;

"Conversion Upon QIPO" has the meaning given to that term in the Conditions;

"CPO" means the Conveyancing and Property Ordinance (Cap. 219) of the Laws of Hong Kong;

"Debt Service Reserve" has the meaning given to that term in the Conditions;

"Delegate" means any delegate, agent, attorney or co-trustee appointed by the Chargee;

"Deposit" means all monies in any currency together with all interest and other sums accruing thereon from time to time standing to the credit of the Control Account and all rights of the Chargor in relation to the Control Account;

"Early Redemption Date" has the meaning given to that term in the Conditions;

"Events of Default" has the meaning given to that term in the Conditions;

"Extended Maturity Date" has the meaning given to that term in the Conditions;

"Floating Charge Asset" means an asset charged under clause 3.43.3 (Floating Charge);

"Guarantor" means JURCHEN INVESTMENT CORPORATION, a limited liability company incorporated in the British Virgin Islands whose registered office is at c/o Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, British Virgin Islands with company number 511328;

"Hong Kong" means the Hong Kong Special Administrative Region of the People's Republic of China;

"Insolvency Proceedings" means, in relation to the Chargor, any corporate action, legal proceedings or other procedure or step referred to in Conditions 11(vi)(Security Enforced), 11(vii)(Winding-up) or 11(viii)(Insolvency) of the Conditions;

"Interest Period" has the meaning given to that term in the Conditions;

"Issuer's Redemption Price" has the meaning given to that term in the Conditions;

"Maturity Date" has the meaning given to that term in the Conditions;

"Notice of Potential Event of Default" has the meaning given to that term in the Conditions;

"Optional Redemption" means the redemption of any Outstanding Bonds by the Chargor in accordance with Condition 9(b) of the Conditions;

"Outstanding" has the meaning given to that term in the Conditions;

"Receiver" means a receiver or receiver and manager or administrative receiver in each case appointed under this deed;

"Related Rights" means, in relation to any asset:

(a) any monies and proceeds paid or payable in relation to that asset; and

(b) the benefit of all other rights, powers, claims, consents, contracts, warranties, security, guarantees, indemnities or covenants for title in respect of that asset;

"Release Conditions" has the meaning given to that term in in the Conditions;

"Relevant Event Put Date" has the meaning given to that term in the Conditions;

"Scheduled Maturity Date" has the meaning given to that term in the Conditions;

"Secured Obligations" means all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of the Transaction Obligors to the Secured Parties under the Bonds and the Transaction Documents;

"Secured Parties" means the Chargee, any Bondholder and any Receiver or Delegate;

"Security" means a mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having a similar effect;

"Subscription Agreement" means the subscription agreement dated 6 April 2018 between Aptorum Group Limited, JURCHEN INVESTMENT CORPORATION and Peace Range Limited (as amended, supplemented or restated from time to time);

"Tax" means any tax, levy, impost, duty or other charge or withholding of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same);

"Transaction Documents" has the meaning given to that term in the Conditions; and

"Transaction Obligors" means the Chargor and the Guarantor.

1.2 **Construction**

(a) In this deed, unless a contrary intention appears, a reference to:

(i) words and expressions defined in the Conditions have the same meanings when used in this deed unless otherwise defined in this deed;

(ii) an **"agreement"** includes any legally binding arrangement, concession, contract, deed or franchise (in each case whether oral or written);

(iii) an **"amendment"** includes any amendment, supplement, variation, novation, modification, replacement or restatement and **"amend"**, **"amending"** and **"amended"** shall be construed accordingly;

(iv) **"assets"** includes present and future properties, revenues and rights of every description;

(v) an **"assignment"** includes a novation, transfer and reassignment and retransfer and **"assign"**, **"assigning"** and **"assigned"** shall be construed accordingly;

(vi) a **"consent"** includes an authorisation, approval, exemption, licence, order, permission or waiver;

(vii) the **"Chargee"**, the **"Chargor"**, any **"Secured Party", any "Transaction Obligor"** or any other person shall be construed so as to include its successors in title, permitted assignees and transferees;

(viii) a **"Bond"** or a **"Transaction Document"** or any other agreement or instrument is a reference to that agreement or instrument as amended, novated, supplemented, extended, restated or replaced;

(ix) **"including"** means including without limitation and **"includes"** and **"included"** shall be construed accordingly;

(x) **"losses"** includes losses, actions, damages, claims, proceedings, costs, demands, expenses (including fees) and liabilities and **"loss"** shall be construed accordingly;

(xi) a **"person"** includes any person, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or any two or more of the foregoing;

(xii) a **"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 organisation;

(xiii) a provision of law is a reference to that provision as amended or re-enacted;

(xiv) any clause or schedule is a reference to, respectively, a clause of and schedule to this deed and any reference to this deed includes its schedules; and

(b) The parties intend that this document shall take effect as a deed, notwithstanding the fact that a party may only execute it under hand;

(c) The index to and the headings in this deed are inserted for convenience only and are to be ignored in construing this deed;

(d) Words importing the plural shall include the singular and vice versa;

(e) Unless the context otherwise requires, a reference to a Charged Property includes:

(i) any part of that Charged Property; and

(ii) the proceeds of sale of that Charged Property;

(f) **"$"**, **"US$"**, **"US dollar"** and **"US dollars"**, denote lawful currency of the United States of America; and

(g) To the fullest extent permitted by law and unless a contrary indication applies, the following provisions of the CPO shall apply to this deed:

(i) section 15 (Construction of words and expressions), as if this deed was an instrument affecting land (as that expression appears in the CPO);

(ii) section 35(1) (Implied covenants) and Part V of the First Schedule as if:

(A) this deed was a legal charge (as that expression appears in the CPO);

(B) the expression "charge" in section 35(1)(e) was construed as "mortgage, charge, assign or otherwise grant a security interest"; and

(C) references in Part V of the First Schedule to the "borrower" were construed as references to the Chargor, to the "lender" were construed as references to the Chargee and to "land" were construed as references to anything in action, and any interest in real or personal property;

(iii) section 50 (Power to appoint receiver), as if:

(A) this deed was a legal charge, equitable mortgage and/or mortgage deed (as those expressions appear in the CPO); and

(B) references in section 50 to "land" were construed as references to anything in action, and any interest in real or personal property; and

(iv) section 51 (Powers of mortgagee and receiver) and the Fourth Schedule as if:

(A) this deed was a legal charge, equitable mortgage and/or mortgage deed (as those expressions appear in the CPO); and

(B) references in the Fourth Schedule to "land" were construed as references to anything in action, and any interest in real or personal property

1.3 **Third party rights**

(a) Any Receiver or Delegate will have the right to enforce the provisions of this deed which are given in its favour in accordance with the Contracts (Rights of Third Parties) Ordinance (Cap. 623) of the Laws of Hong Kong (the **"Third Parties Ordinance"**).

(b) Subject to clause 1.3(a) and unless expressly provided to the contrary in a Bond or Transaction Document, a person who is not a party to this deed has no right under the Third Parties Ordinance to enforce or enjoy the benefit of any term of this deed.

(c) Notwithstanding any term of a Bond or Transaction Document, the consent of any person who is not a party (including any Receiver or Delegate) is not required to rescind or vary this deed at any time.

2. **COVENANT TO PAY**

The Chargor as primary obligor covenants with the Chargee that it will on demand pay the Secured Obligations when they fall due for payment in the manner provided for in the Bonds and the Transaction Documents.

3. **CHARGING CLAUSE**

3.1 **Fixed Charges**

The Chargor, as legal and beneficial owner and as security for the payment and discharge of the Secured Obligations, charges in favour of the Chargee by way of first fixed charge, all its present and future rights, title and interest in or to the Control Account, the Deposit and all Related Rights.

3.2 **Fixed Security**

Clause 3.1 (Fixed Charges) shall be construed as creating a separate and distinct mortgage or fixed charge over each relevant asset within any particular class of assets specified in this deed. Any failure to create effective fixed security (for whatever reason) over any such asset under clause 3.1 (Fixed Charges) shall not affect the fixed nature of the security on any other asset specified in this deed, whether within the same class of assets or not.

3.3 **Floating Charge**

As further security for the payment and discharge of the Secured Obligations, the Chargor charges, as legal and beneficial owner, in favour of the Chargee by way of first floating charge, all its present and future rights, title and interest in or to the Control Account, the Deposit and all Related Rights to the extent not effectively charged by way of fixed charge under clause 3.1 (Fixed Charges).

3.4 **Conversion of Floating Charge**

If:

(a) an Event of Default has occurred;

(b) the Chargee is reasonably of the view that any legal process or execution is being enforced against any Floating Charge Asset or that any Floating Charge Asset is in danger of being seized or sold under any form of distress, attachment, execution or other legal process or otherwise in jeopardy;

(c) the Chargor fails to comply or takes or threatens to take any action which in the reasonable opinion of the Chargee is likely to result in it failing to comply with its obligations under clause 6.2 (Negative Pledge) or clause 6.3 (Disposal Restrictions); or

(d) the Chargee reasonably considers that it is necessary to protect the priority of the security,

the Chargee may, by written notice to the Chargor, convert the floating charge created under this deed into a fixed charge as regards those assets which it specifies in the notice.

3.5 **Automatic Conversion of Floating Charge**

If:

(a) the Chargor creates (or purports to create) any Security in breach of clause 6.2 (Negative Pledge) over any Floating Charge Asset;

(b) any person levies or attempts to levy any distress, attachment, execution or other legal process against any Floating Charge Asset; or

(c) an Insolvency Proceeding in respect of the Chargor is commenced or has occurred,

the floating charge created under this deed over the relevant Floating Charge Asset will automatically and immediately be converted into a fixed charge.

4. **FURTHER ASSURANCE**

(a) In addition and without prejudice to the covenant in paragraph 5 of Part V of the First Schedule to the CPO (as varied pursuant to this deed), the Chargor will, promptly following request by the Chargee, do all such acts and/or execute all such documents (including assignments, transfers, mortgages, charges, notices and instructions) as is necessary:

(i) to perfect the Security created or intended to be created under or evidenced by this deed (which may include the execution of a mortgage, charge, assignment or other Security over all or any of the assets which are, or are intended to be, the subject of this deed) or for the exercise of any rights, powers and remedies of the Chargee or any Receiver provided by or pursuant to the Bonds or Transaction Documents or by law; and/or

(ii) to facilitate the realisation of the assets which are, or are intended to be, the subject of the Security created by this deed.

(b) The Chargor shall take all such action (including making all filings and registrations) as may reasonably be necessary for the purpose of the creation, perfection, protection or maintenance of any Security conferred or intended to be conferred on the Chargee by or pursuant to this deed.

4.2 **Hong Kong Registration**

The Chargor shall ensure that details of the Security created by this deed are duly registered with the Companies Registry in Hong Kong forthwith upon execution of this deed and in any event within one month of the date of this deed and to provide a certified copy of the certificate of registration of charge upon receipt of such certificate and in any event within one month of the date of this deed.

4.3 **Cayman Register of Charges**

The Chargor shall, as soon as reasonably practicable after execution of this deed, and in any event within 5 Business Days of the date of this deed, create and maintain a register of mortgages and charges (the "**Register of Charges**") for the Chargor (to the extent this has not already been done in accordance with section 52 of the Cayman Act) and instruct its registered agent to enter particulars of the security created pursuant to this deed in the Register of Charges as required by section 54 of the Cayman Act and provide a certified copy of the Register of Charges to the Chargee within 10 Business Days after the date of this Deed.

5. **REPRESENTATIONS AND WARRANTIES**

5.1 **Matters Represented**

The Chargor represents and warrants to the Chargee as set out this clause 5 (Representations and Warranties) on the date of this deed and on each day the Secured Obligations remains outstanding with reference to the facts and circumstances then existing.

5.2 **General representations and warranties**

The Chargor represents and warrants to the Chargee with respect to itself in the terms as set out in clause 3 (Representations and Warranties of the Issuer and Guarantor) of the Subscription Agreement, the provisions of which are incorporated herein *mutatis mutandis* as if set out herein as if references therein to "the Guarantor" or the "Issuer" were a referent to the Chargor, and references therein to "the Transaction Documents" or "a Transaction Document" were a referent to the Bonds or Transaction Documents or a Transaction Document.

5.3 **Governing Law and Enforcement**

(a) The choice of governing law of this deed will be recognised and enforced in its jurisdiction of incorporation; and

(b) Any judgment obtained in relation to this deed in the jurisdiction of the governing law of this deed will be recognised and enforced in its jurisdiction of incorporation.

5.4 **Insolvency**

(a) No Insolvency Proceedings has been taken or, to the knowledge of the Chargor, threatened in relation to it.

(b) No distress, attachment, execution or other legal decision is levied, enforced or sued out on or against substantially all of the property, assets or revenues (as applicable) of the Chargor having an aggregate value of at least US$400,000 and is not discharged or stayed within 30 days of having been so levied, enforced or sued out on.

5.5 **No Filing or Stamp Taxes**

It is not necessary that this deed be filed, recorded or enrolled with any court or other authority or that any stamp, registration, notarial or similar taxes or fees be paid on or in relation to this deed or the transactions contemplated by this deed except for registration of this deed with the Hong Kong Companies Registry and payment of associated fees, which registration and fees will be made and paid promptly after the date of this deed.

5.6 **Deduction of Tax**

It is not required to make any deduction for or on account of Tax from any payment it may make under this deed.

5.7 **Ranking**

The Security under this deed has the ranking in priority which it is expressed to have in and is not subject to any prior ranking or pari passu ranking Security.

5.8 **Non-Hong Kong Company**

It is registered as a Non-Hong Kong Company under (and as defined in) Part 16 of the Companies Ordinance.

5.9 **Control Account**

(a) It has full power to establish and maintain the Control Account and the Deposit;

(b) it is the legal and beneficial owner of the Charged Property;

(c) except as expressly permitted under the Bonds, it has not assigned, transferred or otherwise disposed the Charged Property (or its rights, title and interest to or in the Charged Property), either in whole or in part, nor agreed to do so; and

(d) other than the Security created under this deed, no Security exists on or over all or any party of the Charged Property.

6. **UNDERTAKINGS – GENERAL**

6.1 **Duration of Undertakings**

All of the undertakings given by the Chargor to the Chargee in this deed are given from the date of this deed and for so long as any Security constituted by this deed remains in force.

6.2 **Negative Pledge**

The Chargor will not create or agree to create or permit to subsist any Security over all or any part of the Charged Property, except as expressly permitted under the Bonds or the Transaction Documents or with the prior written consent of the Chargee.

6.3 **Disposal Restrictions**

The Chargor will not enter into a single transaction or a series of transactions (whether related or not) and whether voluntary or involuntary to sell, lease, transfer, declare a trust over or otherwise dispose of all or any part of the Charged Property, except as expressly permitted under the Bonds or the Transaction Documents or with the prior written consent of the Chargee.

6.4 **Preservation of Charged Property**

(a) The Chargor will observe and perform all covenants and stipulations under the Bonds and the Transaction Documents from time to time affecting the Charged Property, make all payments, carry out all registrations or renewals and generally take all steps which are necessary to preserve, maintain and renew when necessary; and

(b) the Chargor will not vary any contract or other document relevant to its interest in any Charged Property where such variation would have a material adverse effect on the value of the relevant Charged Property or the rights of the Secured Parties under the Bonds or the Transaction Documents.

6.5 **Documents relating to Charged Property**

(a) Without prejudice to any specific requirements in this deed for the delivery of documents, the Chargor will promptly deliver to the Chargee all relevant documents relating to the Charged Property which the Chargee reasonably requires.

(b) The Chargee may retain any document delivered to it under this deed for so long as any Security constituted by this deed remains in force and, if for any reason it returns any document to the Chargor (or its nominee) before that time, it may by notice to the Chargor require that the relevant document be redelivered to it and the Chargor shall promptly comply (or procure compliance) with that notice.

6.6 **Information**

The Chargor shall provide to the Chargee, promptly on request, such information regarding the Control Account as the Chargee may reasonably request.

6.7 **Power to Remedy**

If the Chargor fails to comply with any undertaking given in this deed and that failure is not remedied to the reasonable satisfaction of the Chargee within 30 days of the Chargor becoming aware of such breach or after written notice of such failure to comply has been given to the Chargor by the Chargee notifying the Chargor that remedy is required, it will allow (and irrevocably authorises) the Chargee, or any Delegate, to take any action on behalf of the Chargor which is necessary to ensure that those undertakings are complied with.

7. **CONTROL ACCOUNT**

7.1 **Control Account**

(a) The Chargor must establish on or prior to the date of this deed and thereafter maintain the Control Account with the Account Bank.

(b) Prior to security becoming enforceable under this deed in accordance with clauses 8.1(a)(i) or 8.1(a)(ii) (Exercise of Enforcement Powers) or (in each case) prior to the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other date on which the principal, interest or premium on the Bonds are payable by the Chargor pursuant to the Conditions, the Chargor and the Chargee shall have joint signing rights in relation to the Control Account provided that the prior written consent of the Chargee is required for the withdrawal or transfer of any funds from the Control Account permitted in accordance with the Bonds or Transaction Documents.

(c) Upon security becoming enforceable under this deed in accordance with clauses 8.1(a)(i) or 8.1(a)(ii) (Exercise of Enforcement Powers) or (in each case) on or after the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other date on which the principal, interest or premium on the Bonds are payable by the Chargor pursuant to the Conditions, the Chargee shall have sole signing rights in relation to the Control Account and may by delivering an enforcement notice notify the Account Bank that the Chargor no longer has any signing rights in relation to the Control Account and that the Chargee shall have the sole right and authority to instruct the Account Bank to withdraw, release or transfer funds from the Control Account.

7.2 **Deposits and Withdrawals**

(a) The Chargor must ensure, on the Issue Date (subject to the Chargee subscribing and paying for the Bonds in accordance with the terms of the Subscription Agreement) that:

(i) the entire Principal Amount of the Bonds; and

(ii) an amount in US dollars equal to the aggregate amount of interest due and payable for two consecutive Interest Periods commencing from, and including, the Issue Date,

shall be deposited in the Control Account.

(b) Subject to paragraphs (c), (e) and (f) of clause 7.2 (Deposits and withdrawals) below, for the purposes of the following:

(i) the release of the Debt Service Reserve from the Control Account to the Bondholders in an amount sufficient to satisfy the Chargor's obligations to pay the principal, interest and premium in accordance with the Conditions; and/or

(ii) following the occurrence of a QIPO and any Bond being converted into Shares on a Conversion Upon QIPO or exercise of a Conversion Right in accordance with the Conditions, the release of the Debt Service Reserve from the Control Account in an amount *pro rata* to the principal amount of the Bond or Bonds being converted,

the Chargor may request the release from the Control Account, subject to the prior written consent of the Chargee being provided (such consent not to be unreasonably withheld or delayed) and no Event of Default having occurred, such proceeds deposited in the Control Account solely on satisfaction of the following requirements (the "**Release Notice Requirements**"):

(A) delivery by the Chargor to the Bondholders of a written notice detailing satisfaction of the relevant Release Conditions in relation to the matters referred to in sub-paragraphs (b)(i) or (b)(ii) above (as the case may be), duly signed by any two directors or duly authorised officers of the Chargor (each, a "**Release Notice**"); and

(B) each relevant Release Notice sets out the exact amounts of Debt Service Reserve to be released from the Control Account and, as the case may be, certifying that such amounts are or will be designated to be applied by the Chargor for all or any of the Permitted Use of Proceeds.

For the purposes of this clause 7.2(b), satisfaction of the Release Notice Requirements shall be deemed to have occurred only upon written confirmation being provided by the Chargee to the Chargor (such confirmation not to be unreasonably withheld or delayed).

(c) Provided that the Release Notice Requirements have been satisfied pursuant to clause 7.2(b) above:

(i) the Debt Service Reserve (or the relevant part thereof) will be released from the Control Account on satisfaction of the requirements relating to the relevant Release Conditions specified in either clause 7.2(b)(i) or 7.2(b)(ii); and

(ii) if any Bond has been converted into Shares or redeemed in accordance with the Conditions, the Debt Service Reserve (or the relevant part thereof) may be released from the Control Account on satisfaction of the requirements relating to the relevant Release Conditions specified in either clause 7.2(b)(i) or 7.2(b)(ii) in an amount *pro rata* to the principal amount of the Bond or Bonds being converted or redeemed, as the case may be.

(d) In the event that the Scheduled Maturity Date is extended to the Extended Maturity Date in accordance with Condition 9 of the Conditions, the Chargor shall ensure that the aggregate amount of interest due and payable for the Interest Period commencing on, and including, the Scheduled Maturity Date and ending on, and including, the Extended Maturity Date shall be made immediately available as a condition of such extension in the Control Account to the satisfaction of the Chargee.

(e) On the date falling two Business Days prior to each Interest Payment Date commencing on, and including _____2018 and ending on, and including the Scheduled Maturity Date and if the Scheduled Maturity Date is extended to the Extended Maturity Date in accordance with Condition 9 of the Conditions, the Extended Maturity Date, the Chargor may request the release from the Control Account, subject to the prior written consent of the Chargee being provided (such consent not to be unreasonably withheld or delayed) and no Event of Default having occurred, such amount of the proceeds deposited in the Control Account as is equal to the aggregate amount of interest due and payable on the immediately following Interest Payment Date or, as the case may be, the Scheduled Maturity Date or, if the Scheduled Maturity Date is extended to the Extended Maturity Date in in accordance with Condition 9 of the Conditions, the Extended Maturity Date, in accordance with Condition 6 of the Conditions and upon the release of such amounts from the Control Account with the consent of the Chargee, the Chargor shall pay such released amounts to the account of the Bondholders. For the avoidance of doubt, the release of any amounts from the Control Account under this clause 7.2(e) shall be subject to the requirement that, following any such release, the remaining amounts standing to the credit of the Control Account shall be no less than the aggregate amounts required to repay the Principal Amount of the Outstanding Bonds and balance of interest due and payable for the remaining Interest Periods.

(f) On the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other date on which the principal, interest or premium on the Bonds are payable by the Chargor pursuant to the Conditions, the Chargor may request the release from the Control Account, subject to the prior written consent of the Chargee being provided (such consent not to be unreasonably withheld or delayed) and no Event of Default having occurred, the monies standing to the credit of the Control Account to be applied by the Chargee in or towards repayment or redemption of the Outstanding Bonds and/or in or towards payment of any other Secured Obligations.

(g) Except as expressly allowed under the Bonds or Transaction Documents or otherwise with the prior written consent of the Chargee, the Chargor must not withdraw or transfer (and must not instruct the Account Bank to withdraw or transfer) any cash (including, for the avoidance of doubt, any interest paid or otherwise deposited into the Control Account).

(h) Notwithstanding any provision in any Bond or Transaction Document, if an Event of Default has occurred, the Chargee may, and is irrevocably authorised to, operate the Control Account by delivering an enforcement notice notifying the Account Bank in accordance with clause 7.1(c).

(i) Notwithstanding any provision in any Bond or Transaction Document, if a Notice of Potential Event of Default has been given in accordance with the Conditions, but prior to the occurrence of an Event of Default, the Chargee may allow the release of amounts from the Control Account pursuant to clauses 7.2(b), 7.2(c), 7.2(e) or 7.2(f) if the Chargor has exercised its right of an Optional Redemption under Condition 9(b) of the Conditions and the Chargee is satisfied that the Debt Service Reserve as at the date of such redemption is no less than the Issuer's Redemption Price.

7.3 **Miscellaneous Control Account Provisions**

(a) The Chargor must ensure that the Control Account does not go into overdraft.

(b) The Chargor shall not change (or instruct the Account Bank to change) any bank mandate entered into and any authorised signatory appointed, in each case, on or prior to the date of this deed in respect of the Control Account, without the prior written consent of the Chargee.

(c) On the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other date on which the principal, interest or premium on the Bonds are payable by the Chargor pursuant to the Conditions or at any time after circumstances in clauses 8.1(a)(i) or 8.1(a)(ii) (Exercise of Enforcement Powers) has occurred, the monies standing to the credit of the Control Account may be applied by the Chargee in or towards repayment or redemption of the Bonds and/or in or towards payment of any other Secured Obligations (to the extent that the Chargor has not requested that such amounts be withdrawn and applied in accordance with clause 7.2(f) above. Without prejudice to the Chargee's rights under this clause 7.3(c), the Chargor shall on or prior to the Issue Date deliver a signed but undated irrevocable authority addressed to the Account Bank which provides for an irrevocable payment instruction to be given to the Account Bank to release and pay such amounts standing to the credit of the Control Account to the Chargee or to its order on the Maturity Date.

(d) No Secured Party is responsible or liable to any Transaction Obligor for:

(i) any non-payment of any liability of a Transaction Obligor which could be paid out of moneys standing to the credit of the Control Account; or

(ii) any withdrawal wrongly made, if made in good faith,

unless such non-payment or withdrawal is caused by the gross negligence, wilful misconduct or fraud of such Secured Party.

(e) The Chargor must, as soon as practicable and in any event, within five Business Days of any relevant request by the Chargee, supply the Chargee with the following information in relation to any payment received in the Control Account:

(i) the date of payment or receipt;

(ii) the payer; and

(iii) the purpose of the payment or receipt.

(f) The Control Account may earn interest at such rate as the Chargor may from time to time agree with the Account Bank at which the Control Account is held. Any such interest shall be deposited by the Account Bank into the Control Account as and when payable and shall form part of the Charged Property to be dealt with and applied in accordance with the terms of this deed.

(g) Any operational costs and expenses or bank account service fees imposed or charged by the Account Bank in respect of the Control Account shall be agreed in writing with the Account Bank prior to the establishment of such account. If such costs, expenses and fees are to be borne by the Chargor, the Chargor shall settle such amounts with funds other than the Debt Service Reserve.

7.4 **Perfection of Control Account Security**

The Chargor will, following execution of this deed:

(a) promptly give notice (substantially in the form set out in schedule 2 (Form of notice to Account Banks)) to the Account Bank of the Security created by this deed over those accounts and provide evidence reasonably satisfactory to the Chargee of the delivery of that notice; and

(b) procure that the Account Bank promptly and in any event, on or prior to the Issue Date, acknowledges that notice by countersigning a copy of it and delivering that copy to the Chargee.

8. **ENFORCEMENT AND POWERS OF THE CHARGEE**

8.1 **Exercise of Enforcement Powers**

(a) At any time after:

(i) an Event of Default has occurred; or

(ii) a written request from the Chargor to the Chargee that it exercise any of its powers under this deed,

the Security created by or pursuant to this deed is immediately enforceable and the Chargee may (in addition to giving notice in accordance with the Conditions that the Bonds are and shall become immediately due and repayable) its absolute discretion, without any additional notice:

(iii) at the times and in the manner it thinks fit, enforce all or any part of the Security and take possession of and hold, sell or otherwise dispose and/or deal with all or any part of the Charged Property (including whether for cash or non-cash consideration);

(iv) to the extent applicable, exercise the power of sale and all other rights and powers conferred by this deed or by statute (as varied or extended by this deed) on the Chargee or on a Receiver, irrespective of whether the Chargee has taken possession or appointed a Receiver of the Charged Property; and

(v) dispose of all or any of the Chargee's other rights under this deed for such consideration (whether payable or deliverable immediately or by instalments) and in such manner as the Chargee considers appropriate.

(b) For the purpose of all rights and powers implied or granted by statute, the Secured Obligations are deemed to have fallen due on the date of this deed. The power of sale and other powers conferred by the CPO and all other enforcement powers conferred by this deed shall be immediately exercisable at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers).

8.2 **Appointment of Receiver**

At any time after the Security created by or pursuant to this deed has become enforceable under clause 8.1 (Exercise of Enforcement Powers), or if the Chargor so requests the Chargee in writing at any time, the Chargee may (in addition to giving notice in accordance with the Conditions that the Bonds are and shall become immediately due and repayable), without prior notice to the Chargor, by deed, under seal or by writing under hand signed by any officer or manager of the Chargee, appoint any person (or persons) to be a Receiver of all or any part of the Charged Property (including in respect of separate parts of the Charged Property). Any restriction on the right of the Chargee to appoint a Receiver conferred by law does not apply to this deed.

9. **ATTORNEY**

9.1 **Appointment and power**

The Chargor, by way of security, irrevocably appoints the Chargee, each Receiver and any of its Delegates or sub-delegates and any person nominated for the purpose by the Chargee or any Receiver (in writing and signed by an officer of the Chargee or Receiver) as its attorney (with full power of substitution and delegation) in its name and on its behalf and as its act and deed to execute, seal and deliver (using the company seal where appropriate) and perfect any deed, agreement or other instrument and to do any act or thing:

(a) which the Chargor is required to do by the terms of any Bond or Transaction Document (including the execution and delivery of deeds, charges, assignments or other security and any transfers of Charged Property and perfecting and/or releasing the Security created or intended to be created in respect of the Charged Property); and/or

(b) which is for the purpose of enabling the exercise of any rights or powers conferred on the Chargee or any Receiver by any Bond or Transaction Document or by any applicable laws and regulations (including the exercise of any right of a legal or beneficial owner of the Charged Property).

9.2 **Ratification**

The Chargor ratifies, confirms and agrees to ratify and confirm whatever any such attorney shall do in the exercise or purported exercise of the power of attorney granted by it in clause 9.1 (Appointment and power).

10. **EXTENSION AND VARIATION OF STATUTORY POWERS**

10.1 **Statutory Powers**

(a) The powers conferred on mortgagees or receivers by statute shall apply to the Security created by this deed, unless they are expressly or impliedly excluded. If there is ambiguity or conflict between the powers conferred by statute and those contained in this deed, those contained in this deed shall prevail.

(b) The statutory power of sale, of appointing a Receiver and the other statutory powers conferred on mortgagees by section 51 (Powers of mortgagee and receiver) and section 53 (Sale by mortgagee) of the CPO and the Fourth Schedule (Powers of mortgagee and receiver) to the CPO as varied and extended by this deed shall arise on the date of this deed, and for that purpose the Secured Obligations are deemed to have fallen due on the date of this deed, and no restriction imposed by any ordinance or other statutory provision in relation to the exercise of any power of sale shall apply to this deed.

(c) Each Receiver and Chargee is entitled to all the rights, powers, privileges and immunities conferred by law (including the CPO) on mortgagees and receivers duly appointed under any law (including the CPO).

10.2 **Exercise of Powers**

Subject to the terms of this deed, all or any of the powers conferred upon mortgagees by the CPO as varied or extended by this deed, and all or any of the rights and powers conferred by this deed on a Receiver (whether expressly or impliedly), may be exercised by the Chargee without further notice to the Chargor at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), irrespective of whether the Chargee has taken possession or appointed a Receiver of the Charged Property.

10.3 **Statutory restrictions disapplied**

No restriction imposed by any ordinance (including paragraph 11 of the Fourth Schedule to the CPO) or other statutory provision in relation to the exercise of any power of sale, application of proceeds or any other right or on the consolidation of mortgages or other security shall apply to the security constituted by this deed which powers may be exercised by the Chargee without notice to the Chargor on or at any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers).

11. **STATUS, POWERS, REMOVAL AND REMUNERATION OF RECEIVER**

11.1 **Receiver as Agent**

Each Receiver shall be the agent of the Chargor which shall be solely responsible for his or her acts or defaults, and for his or her remuneration and expenses, and be liable on any contracts, engagements, acts, omissions, defaults and losses of a Receiver and the liabilities incurred by a Receiver. No Secured Party will incur any liability (either to the Chargor or to any other person) by reason of the appointment of a Receiver or for any other reason, including for any misconduct, negligence or default of a Receiver.

11.2 **Relationship with Chargee**

To the fullest extent allowed by law, any right, power or discretion conferred by this deed (either expressly or impliedly) or by law on a Receiver may, after the Security created by or pursuant to this deed becomes enforceable under clause 8.1 (Exercise of Enforcement Powers), be exercised by the Chargee in relation to any Charged Property without first appointing a Receiver and notwithstanding the appointment of a Receiver.

11.3 **Powers of Receiver**

Each Receiver appointed under this deed shall have all the powers conferred from time to time on receivers by the CPO (which is deemed incorporated in this deed), so that the powers set out in the Fourth Schedule to the CPO (to the extent not amended and/or varied under this deed) shall extend to every Receiver. In addition, notwithstanding any winding up, dissolution or liquidation of the Chargor, each Receiver shall have power to:

(a) take immediate possession of, collect and get in the Charged Property (including rents and other income accruing from time to time);

(b) sell, transfer, assign, vary the terms of, or otherwise deal with or realise all or any part of the Charged Property in such manner and generally on such terms as he thinks fit;

(c) borrow or raise money or incur any other liability in connection with the Charged Property on any terms for whatever purpose which the Receiver thinks fit, whether secured or unsecured, and whether to rank for payment in priority to this security or not;

(d) enter into bonds, covenants, guarantees, indemnities and other commitments in connection with the Charged Property and to make all payments needed to effect, maintain or satisfy them;

(e) manage and use the Charged Property and to exercise and do (or permit the Chargor or any nominee of it to exercise and do) all such powers, authorities, rights and things as the Receiver would be capable of exercising or doing if he were the absolute beneficial owner of the Charged Property;

(f) redeem any prior Security on or relating to the Charged Property and settle and pass the accounts of the person entitled to that prior Security, so that any accounts so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor and the money so paid shall be deemed to be an expense properly incurred by the Receiver;

(g) appoint, hire and employ officers, employees, contractors, agents, advisors and others for any of the purposes of this deed and/or to protect or realise the Charged Property upon terms as to remuneration or otherwise as he may think fit and to discharge any such persons and any such persons appointed, hired or employed by the Chargor;

(h) bring, prosecute, enforce, defend and abandon any action, suit or proceedings in relation to any Charged Property and to submit to arbitration, negotiation, compromise which the Receiver thinks fit. A Receiver may also settle any applications, claims, accounts, disputes, questions and demands with or by any person who is or claims to be a creditor of the Chargor or relating to any of the Charged Property and in addition to take or defend proceeding for the compulsory winding-up of the Chargor;

(i) do all other acts and things (including signing and executing all documents and deeds) as the Receiver may consider to be desirable, conducive, incidental or conducive to any of the matters or powers in this clause 11.3 (Powers of Receiver) or provided under law, or otherwise incidental or conducive to the preservation, improvement or realisation of the Charged Property, and use the name of the Chargor for all such purposes;

(j) in the exercise of any of its powers, to spend such sums as it thinks fit and the Chargor shall within 3 Business Days on written demand repay to the Chargee or Receiver (as the case may be) all sums so spent together with interest on those sums at such rates as the Chargee may from time to time determine from the time they are paid or incurred and until repayment, those sums (together with such interest) shall be secured by this deed;

(k) give a valid receipt for any moneys and execute any assurance or thing which may be proper or desirable for realising any Charged Property;

(l) sell, exchange, convert into money and realise any Charged Property by public auction or private contract and generally in any manner and on any terms which the Receiver thinks fit. The consideration for any such transaction may consist of cash, debentures or other obligations, shares, stock or other valuable consideration and any such consideration may be payable in a lump sum or by instalments spread over any period which the Receiver thinks fit; and

(m) to do anything else he may think fit for the realisation of the Charged Property or incidental to the exercise of any of the rights conferred on the Receiver under or by virtue of any Bond or Transaction Document to which the Chargor is party, the CPO, the Companies Ordinance and other applicable statutory provisions and common law,

and in each case may use the name of the Chargor and exercise the relevant power in any manner which he may think fit.

11.4 **Removal of Receiver**

The Chargee may by notice remove from time to time any Receiver appointed by it and, whenever it may deem appropriate, appoint a new Receiver in the place of any Receiver whose appointment has terminated, for whatever reason.

11.5 **Remuneration of Receiver**

The Chargee may from time to time fix the remuneration of any Receiver appointed by it and the maximum rate imposed by any law will not apply.

11.6 **Several Receivers**

If at any time there is more than one Receiver, each Receiver may separately exercise all of the powers conferred by this deed and to the exclusion of any other Receiver (unless the document appointing such Receiver states otherwise).

12. **APPLICATION OF ENFORCEMENT PROCEEDS**

12.1 **Application of Proceeds**

(a) All proceeds of enforcement (whether cash or non-cash) received or recovered by the Chargee or any Receiver pursuant to this deed shall (subject to any claims having priority under mandatory provisions of the CPO and other claims of any creditors mandatorily preferred by law) be applied in the following order:

(i) first, in or towards the payment of all costs, losses, liabilities, expenses and remuneration of and incidental to the appointment of any Receiver or Delegate and the exercise of any of his rights, including his remuneration and all outgoings paid by him under or in connection with this deed; and

(ii) secondly, in or towards payment pro rata of any accrued interest, fee or commission due but unpaid under the Bonds or Transaction Documents;

(iii) thirdly, in or towards payment pro rata of any principal due but unpaid under the Bonds or Transaction Documents;

(iv) fourthly, in or towards payment pro rata of any other Secured Obligations due but unpaid under the Bonds or Transaction Documents, and

(v) fifthly, the balance (if any) after payment of the amounts referred to in paragraphs (a)(i) to (iv) of clause 12.1 (Application of Proceeds) above, in payment or distribution to the Chargor.

The Chargee may vary the order as set out in paragraphs (a)(i) to (iv) of clause 12.1 (Application of Proceeds) above.

(b) This clause 12.1 (Application of Proceeds) is subject to the payment of any claims having priority over this deed. This clause 12.1 (Application of Proceeds) does not prejudice the right of any Secured Party to recover any shortfall from a Transaction Obligor.

12.2 **Application against Secured Obligations**

Subject to clause 12.1 (Application of Proceeds), any moneys or other proceeds (whether cash or non-cash) received or realised by the Chargee from the Chargor or a Receiver under this deed may be applied by the Chargee to any item of account or liability or transaction forming part of the Secured Obligations to which they may be applicable in any order or manner which the Chargee may determine.

12.3 **Suspense Account**

(a) At any time after the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), until the Secured Obligations are paid in full, each Secured Party may place and keep (to the extent possible and for such time as it shall determine) any recoveries or other proceeds of enforcement (whether cash or non-cash) received pursuant to this deed or otherwise on account of the Chargor's liability in respect of the Secured Obligations in a separate suspense account (to the credit of either the Chargor or the Chargee as the Chargee shall think fit) and the Receiver may retain the same for the period which he and the Chargee consider expedient, without having any obligation to apply all or any part of the same in or towards discharge of the Secured Obligations.

(b) If the Security created by this deed is enforced at a time when no amount is due under the Bonds or Transaction Documents but at the time when amounts may or will become due, a Secured Party may pay any recoveries or other proceeds of enforcement into a suspense account.

13. **PROTECTION OF SECURITY**

13.1 **Continuing Security**

The Security created pursuant to this deed is to be a continuing security notwithstanding any intermediate payment or settlement of all or any part of the Secured Obligations or any other matter or thing.

13.2 **Other Security**

(a) This security is to be in addition to, independent of and shall neither be merged in nor in any way exclude or prejudice or be affected by any other security or other right which the Chargee or any other Secured Party may now or after the date of this deed hold for any of the Secured Obligations or any other obligations, or any rights, powers and remedies provided by law and notwithstanding any receipt, release or discharge endorsed on or given in respect of or under any such other security.

(b) The Chargor waives any right it may have of first requiring the Chargee (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Chargor under this deed. This waiver applies irrespective of any law or any provision of a Bond or Transaction Document to the contrary.

13.3 **Cumulative Powers**

(a) The powers which this deed confers on the Chargee and the other Secured Parties are cumulative, without prejudice to their respective powers under the general law, and may be exercised as often as the relevant person thinks appropriate.

(b) The Chargee and the other Secured Parties may, in connection with the exercise of their powers, join or concur with any person in any transaction, scheme or arrangement whatsoever.

(c) The respective powers of the Chargee and the other Secured Parties will in no circumstances be suspended, waived or otherwise prejudiced by anything other than an express consent or amendment.

13.4 **Amounts Avoided**

If any discharge, release or arrangement (whether in respect of the obligations of the Chargor or any security for those obligations or otherwise) is made in whole or in part on the basis that any amount paid by the Chargor in respect of the Secured Obligations is capable of being avoided or set aside on insolvency, liquidation or administration of the Chargor or otherwise, without limitation, then amount shall not be considered to have been paid and the liabilities of the Chargor and the Security created pursuant to this deed shall continue or be reinstated.

13.5 **Discharge Conditional**

If any discharge or release arrangement (whether in respect of the obligations of the Chargor or any other Transaction Obligor, or in respect of any security for those obligations or otherwise) is made by a Secured Party in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in insolvency, liquidation, administration or otherwise, without limitation, then the liability of the Chargor under this deed will continue or be reinstated as if the discharge, release or arrangement had not occurred.

13.6 **Waiver of Defences**

The obligations assumed by the Chargor under this deed, the Security created under this deed and the rights, powers and remedies of the Chargee provided by or pursuant to this deed or by law will not be affected by an act, omission, matter or thing which, but for this provision, would reduce, release or prejudice any of its obligations under this deed (without limitation and whether or not known to it or any Secured Party) including:

(a) any time, waiver or consent granted to, or composition with, any person (including any Transaction Obligor);

(b) the release of any person (including any Transaction Obligor) under the terms of any composition or arrangement;

(c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, any person (including any Transaction Obligor);

(d) any incapacity or lack of power, authority or legal personality of or dissolution or change in the members or status of any person (including any Transaction Obligor);

(e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of a Bond or Transaction Document or any other document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility under any Bond or Transaction Document or other document or security;

(f) any unenforceability, illegality or invalidity of any obligation of any person under any Bond or Transaction Document or any other document or security;

(g) any insolvency, liquidation, winding-up, provisional supervision, supervision, administration, receivership or similar proceedings;

(h) any other Security, guarantee or indemnity now or thereafter held by the Chargee or any other person in respect of the Secured Obligations or any other liabilities; or

(i) any postponement, discharge, reduction, non-provability or other similar circumstance affecting any obligations of the Chargor or other person under any Bond or Transaction Document resulting from any insolvency, liquidation or dissolution proceedings or from any law, regulation or order.

13.7 **Chargor intention**

Without prejudice to the generality of clause 13.6 (Waiver of defence), the Chargor expressly confirms that it intends that the Security created pursuant to this deed shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Bonds or Transaction Documents and/or any facility or amount made available under any of the Bonds or Transaction Documents as agreed by the Chargor, and/or the Guarantor for the purposes of or in connection with any of the following: business acquisitions of any nature; increasing working capital; enabling investor distributions to be made; carry out restructurings; refinancing existing facilities; refinancing any other indebtedness; making facilities available to new borrower; any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and any fees, costs and/or expenses associated with any of the foregoing.

13.8 **Deferral of rights**

Unless otherwise permitted under the Bonds or Transaction Documents, until all the Secured Obligations have been irrevocably paid in full and facilities which might give rise to Secured Obligations have been terminated and unless the Chargee otherwise directs, the Chargor will not exercise any rights which it may have by reason of performance by it of its obligations under the Bonds or Transaction Documents or by reason of any amount being payable, or liability arising, under this deed:

(a) to be indemnified by any person;

(b) to claim any contribution from any other provider of Security for or any other guarantor of the Chargor's obligations under the Bonds or Transaction Documents;

(c) to take the benefit (in whole or in part and whether by way of subrogation or otherwise) of any rights of the Secured Parties under the Bonds or Transaction Documents or of any guarantee or other security taken pursuant to, or in connection with, the Bonds or Transaction Documents by any Secured Party;

(d) to bring legal or other proceedings for an order requiring any Secured Party to make any payment, or perform any obligation, in respect of which the Chargor has given a guarantee, undertaking or indemnity;

(e) to exercise any right of set-off against any person; and/or

(f) to claim or prove as a creditor of any person in competition with any Secured Party.

If the Chargor receives any benefit, payment or distribution in relation to such rights it shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Secured Parties under or in connection with the Bonds or Transaction Documents to be repaid in full on trust for the Secured Parties and shall promptly pay or transfer the same to the Chargee or as the Chargee may direct for application in accordance with clause 12.1 (Application of proceeds).

13.9 **Subsequent Security – Ruling-off Accounts**

If the Chargee or any other Secured Party receives notice of any subsequent Security or other interest affecting any of the Charged Property (except as permitted by the Bonds or Transaction Documents) it may open a new account for the Chargor in its books. If it does not do so then (unless it gives express notice to the contrary to the Chargor), as from the time it receives that notice, all payments made by the Chargor to it shall (in the absence of any express appropriation to the contrary) be treated as having been credited to a new account of the Chargor and not as having been applied in reduction of the Secured Obligations.

13.10 **Redemption of Prior Charges**

To the extent applicable, the Chargee may redeem any prior Security on or relating to any of the Charged Property or procure the transfer of that Security to itself, and may settle and pass the accounts of any person entitled to that prior Security. Any account so settled and passed shall (subject to any manifest error) be conclusive and binding on the Chargor. The Chargor will on demand pay to the Chargee all principal monies and interest and all costs, expenses and losses incidental to any such redemption or transfer.

14. **PROTECTION OF THIRD PARTIES**

14.1 **No Obligation to Enquire**

No purchaser from, or other person dealing with, the Chargee or any Receiver (or Delegate) shall be obliged or concerned to enquire whether:

(a) the right of the Chargee or any Receiver to exercise any of the powers conferred by this deed has arisen or become exercisable or as to the propriety or validity of the exercise or purported exercise of any such power; or

(b) any of the Secured Obligations remains outstanding or be concerned with notice to the contrary and the title and position of such a purchaser or other person shall not be impeachable by reference to any of those matters.

14.2 **Receipt Conclusive**

The receipt of the Chargee or any Receiver shall be an absolute and a conclusive discharge to a purchaser, and shall relieve him of any obligation to see to the application of any moneys or other consideration paid to or by the direction of the Chargee or any Receiver.

15. **PROTECTION OF SECURED PARTIES**

15.1 **Liabilities of the Secured Parties**

Neither the Chargee nor any Receiver or Delegate shall be liable in respect of any of the Charged Property or for any loss or damage which arises out of the exercise or the attempted or purported exercise of, or the failure to exercise any of, their respective powers, unless caused by its or his or her gross negligence, wilful misconduct or wilful breach of any obligations under the Bonds or Transaction Documents. The Chargee will not be liable in respect of any gross negligence, wilful misconduct or fraud of a Receiver or Delegate.

15.2 **No obligations in relation to Charged Property**

The Chargee is not obliged to do any of the following in respect of any Charged Property:

(a) perform any obligation of the Chargor;

(b) make any payment;

(c) make any enquiry as to the nature or sufficiency of any payment received by it or the Chargor;

(d) present or file any claim or take any other action to collect or enforce the payment of any amount to which it or the Chargor may be entitled; or

(e) exercise any rights to which it or the Chargor may be entitled under this deed or at law.

15.3 **Possession of Charged Property**

Without prejudice to clause 15.1 (Liabilities of the Secured Parties), if the Chargee, any Delegate or any Receiver enters into possession of the Charged Property, it will not be liable:

(a) to account as mortgagee in possession or for any loss on realisation or enforcement of rights and may at any time at its discretion go out of such possession; or

(b) for any default or omission for which a mortgagee in possession might be liable.

15.4 **Liability of the Chargor**

The Chargor shall be deemed to be a principal debtor and the sole, original and independent obligor for the Secured Obligations and the Charged Property shall be deemed to be a principal security for the Secured Obligations. The liability of the Chargor under this deed and the charges contained in this deed shall not be impaired by any forbearance, neglect, indulgence, extension of time, release, surrender or loss of securities, dealing, variation or arrangement by the Chargee, or by any other act, event or matter whatsoever whereby the liability of the Chargor (as a surety only) or the charges contained in this deed (as secondary or collateral charges only) would, but for this provision, have been discharged.

15.5 **Indemnity**

(a) The Chargor shall promptly indemnify the Chargee and every Receiver and Delegate against any cost, loss or liability incurred (including legal fees) by any of them as a result of:

(i) acting or relying on any notice, request or instruction which it reasonably believes to be genuine, correct and appropriately authorised;

(ii) the taking, holding, protection or enforcement of the security constituted by this deed;

(iii) the exercise of any of the rights, powers, discretions, authorities and remedies vested in the Chargee and each Receiver and Delegate by this deed or by law;

(iv) any default by the Chargor in the performance of any of the obligations expressed to be assumed by it in this deed;

(v) actual or alleged breach by any person of any law or regulation whether relating to the environment or otherwise) incurred in connection with this deed by any Secured Party, Receiver, attorney, manager, agent or other person appointed by the Chargee under this deed, including any arising from any actual or alleged breach by any person of any law or regulation, whether relating to the environment or otherwise;

(vi) having the Charged Property (or any part thereof) credited to any account maintained by the Chargee; or

(vii) acting as Chargee, Receiver or Delegate (otherwise, in each case, than by reason of the relevant Chargee's, Receiver's or Delegate's respective gross negligence, wilful misconduct or fraud).

(b) The Chargor expressly acknowledges and agrees that the continuation of its indemnity obligations under this clause 15.5 (Indemnity) will not be prejudiced by any release of security or disposal of any Charged Property.

(c) The Chargee and every Receiver and Delegate may, in priority to any payment to the other Secured Parties, indemnify itself out of the Charged Property in respect of, and pay and retain, all sums necessary to give effect to the indemnity in this clause 15.5 (Indemnity).

15.6 **Discretion**

Any liberty or power which may be exercised by or any determination which may be made under this deed by the Chargee or any Receiver may, subject to the provisions of the Bonds or Transaction Documents, be exercised or made in its absolute and unfettered discretion without any obligation to give reasons.

16. **DELEGATION**

The Chargee or any Receiver may delegate by power of attorney or in any other manner all or any of the rights, powers, authorities and discretions which are for the time being exercisable by it under this deed to any person or persons upon such terms and conditions (including the power to sub-delegate) as it may think fit. Neither the Chargee nor any Receiver will be in any way responsible or liable to the Chargor or any other person for any cost, expense, loss or liability arising from any act, default, omission or misconduct on the part of any Delegate or sub-delegate.

17. **COSTS AND EXPENSES**

17.1 **Initial Expenses**

The provisions of clause 12 (Expenses and Payments) of the Subscription Agreement shall be deemed incorporated into this deed as if fully set out herein *mutatis mutandis* as if any reference therein to the Bonds or the Transaction Documents were a reference to this deed and any reference to the "Issuer" were a reference to the Chargor.

17.2 **Enforcement and preservation Expenses**

If the Security under this deed has become enforceable in accordance with clause 8.1 (Exercise of Enforcement Powers), the Chargor shall, within 3 Business Days of demand, pay to each of the Secured Party the amount of all costs and expenses (including legal fees) incurred by it in connection with the enforcement of or the preservation of any rights under any Bond or Transaction Document and any proceedings instituted by or against that Secured Party as a consequence of it entering into a Bond or Transaction Document, taking or holding the Security created pursuant to this deed or enforcing these rights.

17.3 **Stamp Taxes**

The Chargor shall:

(a) pay all stamp duty, registration and other similar Taxes payable in respect of this deed; and

(b) within 3 Business Days of written demand by the Chargee, indemnify the Chargee against any cost, loss or liability that the Chargee incurs in relation to any stamp duty, registration or other similar Tax paid or payable in respect of this deed.

17.4 **Default Interest**

The provisions of Condition 6(b) (Interest applicable upon Default) of the Conditions shall be deemed incorporated into this deed as if fully set out herein *mutatis mutandis* as if any reference therein to "this Condition" or the Bonds were a reference to this deed and as if any reference therein to the "Bondholder" were a reference to the Chargee.

18. **SET-OFF**

(a) Any Secured Party may set off any matured obligation due from the Chargor under the Bonds or Transaction Documents (to the extent beneficially owned by that Secured Party) against any balance standing to the credit of the Control Account (notwithstanding any specified maturity of any such deposit) and any matured obligation owed by that Secured Party to the Chargor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Secured Party may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

(b) If the relevant obligation or liability of the Chargor is unliquidated or unascertained, the Secured Party may set-off the amount which it estimates (in good faith) will be the final amount of that obligation or liability once it becomes liquidated or ascertained.

19. **NOTICES**

Clause 15 (Communications) of the Subscription Agreement shall be deemed incorporated into this deed as if fully set out herein *mutatis mutandis*.

20. **CHANGES TO PARTIES**

20.1 **Assignment by the Chargee**

The Chargee may at any time assign or otherwise transfer all or any part of its rights under this deed to other Bondholders or any third parties in accordance with the Bonds or Transaction Documents.

20.2 **Changes to Parties**

(a) The Chargor authorises and agrees to change the parties under Condition 3(b) (Transfer) of the Conditions and authorises the Chargee to execute on its behalf any document required to effect the necessary transfer of rights or obligations contemplated by those provisions.

(b) The Chargor may not assign, novate, transfer, sub-participate, encumber, declare a trust over or otherwise deal with all or any of its rights and/or obligations under this deed.

21. CURRENCY

21.1 Conversion

All monies received or held by the Chargee or any Receiver under this deed may be converted into any other currency which the Chargee considers necessary to discharge any obligations and liabilities comprised in the Secured Obligations in that other currency at a market rate of exchange then prevailing.

21.2 No Discharge

No payment to the Chargee (whether under any judgment or court order or otherwise) shall discharge any obligation or liability of the Chargor in respect of which it was made unless and until the Chargee has received payment in full in the currency in which the obligation or liability is payable or, if the currency of payment is not specified, was incurred. To the extent that the amount of any such payment shall on actual conversion into that currency fall short of that obligation or liability expressed in that currency, the Chargee shall have a further separate cause of action in relation to the shortfall and shall be entitled to enforce the Security constituted by this deed to recover the amount of the shortfall.

22. MISCELLANEOUS

22.1 Certificates Conclusive

Provided that calculation in reasonable detail has been provided, a certificate or determination of the Chargee as to any amount or rate under this deed will be conclusive and binding on the Chargor, in the absence of manifest error.

22.2 Invalidity of any Provision

If any provision of this deed is or becomes invalid, illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired in any way.

22.3 Counterparts

This deed may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this deed.

22.4 Failure to Execute

Failure by one or more parties (**"Non-Signatories"**) to execute this deed on the date hereof will not invalidate the provisions of this deed as between the other parties who do execute this deed. Such Non-Signatories may execute this deed on a subsequent date and will thereupon become bound by its provisions.

22.5 Covenant to Release

Once all the Secured Obligations have been paid in full and none of the Chargee nor any Secured Party has any actual or contingent liability to advance further monies to the Transaction Obligors under the Bonds or Transaction Documents, or incur liability, but not otherwise, the Chargee and each other Secured Party shall, at the request and cost of the Chargor, take any action which may be necessary to release the Charged Property from the Security constituted by this deed and procure the reassignment to the Chargor of the property and assets assigned to the Chargee pursuant to this deed (in each case subject to clause 13.4 (Amounts Avoided)) and without recourse to, or any representation or warranty by, the Chargee or any of its nominees.

23. **GOVERNING LAW**

This deed is governed by the laws of Hong Kong.

24. **ENFORCEMENT**

(a) The courts of Hong Kong are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this deed and accordingly any legal action or proceedings arising out of or in connection with this deed ("**Proceedings**") may be brought in such courts. The Chargor irrevocably submits to the jurisdiction of such courts and has waived any objection to Proceedings in any such courts whether on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum.

(b) This clause 24 (Enforcement) is for the benefit of the Chargee only. As a result, the Chargee shall not be prevented from taking proceedings relating to any Proceedings in any other courts with jurisdiction. To the extent allowed by law, the Chargee may take concurrent proceedings in any number of jurisdictions.

25. **WAIVER OF IMMUNITIES**

The Chargor irrevocably waives, to the extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from:

(a) suit;

(b) jurisdiction of any court;

(c) relief by way of injunction or order for specific performance or recovery of property;

(d) attachment of its assets (whether before or after judgment); and

(e) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any proceedings in the courts of any jurisdiction (and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any immunity in any such proceedings).

IN WITNESS whereof this deed has been duly executed and delivered on the date first above written.

SCHEDULE 1

Control Account

Account Bank	Name of Control Account	Account Number

SCHEDULE 2

Form of notice to Account Banks

To: MUFG Bank, Ltd., Hong Kong Branch

Date: _____ 2018

Dear Sirs,

We hereby give you notice that by an account charge (as amended, supplemented or restated from time to time, the "**Account Charge**") dated _____ 2018 between (1) Aptorum Group Limited (the "**Company**") and (2) Peace Range Limited (the "**Chargee**" which expression shall include its successors, assigns and transferees), the Company has charged, by way of first fixed charge, to the Chargee all of the Company's right, title and interest in and to each of the accounts maintained with you listed below (including any replacement, renewal or re-designation thereof) and all monies and/or assets standing to the credit of such account(s) from time to time (the "**Charged Account(s)**"):

NAME OF CONTROL ACCOUNT	**ACCOUNT NUMBER**
Savings Account opened by Aptorum Group Limited	

With effect from the date of your receipt of this notice, the (i) terms and conditions of any or all of the Charged Account(s) (and the rights of the Company relating thereto); and (ii) the signatories to the Charged Accounts(s), may not be amended, varied or waived without the Chargee's consent.

With effect from the time when you receive a notice from the Chargee to the effect that the security created by the Account Charge has become enforceable (an "**Enforcement Notice**"):

(a) any existing instructions affecting any or all of the Charged Account(s) are to be terminated and all communications in respect of any or all of the Charged Account(s) should be made, or sent, to the Chargee or as it shall direct; and

(b) all rights, powers, discretions, interests and benefits whatsoever accruing to or for the benefit of the Company arising from any or all of the Charged Account(s) (including without limitation monies and/or securities standing to the credit thereof from time to time) belong to the Chargee.

The Company hereby irrevocably authorises and instructs you, with effect from your receipt of an Enforcement Notice from the Chargee:

(i) to hold all sums and assets from time to time standing to the credit in the Charged Account(s) to the order of the Chargee;

(ii) to pay, transfer or release all or any part of the sums and/or assets from time to time standing to the credit of the Charged Account(s) in accordance with (and only in accordance with) the written instructions of the Chargee at any time or times (to the exclusion of the Company);

(iii) to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Account Charge, the sums and/or assets standing to the credit of the Charged Account(s) from time to time or the debts represented thereby which you receive at any time from the Chargee without any reference to or further authority from the Company and without any enquiry by you as to the justification for or validity or such notice or instruction; and

(iv) not to comply with the terms of any written notice or instructions in any way relating to, or purporting to relate to, the Account Charge, the sums and/or assets standing to the credit of the Charged Account(s) from time to time or the debts represented thereby which you receive from any other person (including the Company) other than the Chargee.

We also hereby irrevocably authorise and instruct you to disclose to the Chargee without any reference to or further authority from us and without any enquiry by you as to the justification of such disclosure, such information relating to any or all of the Charged Account(s) and the sums and/or assets therein as the Chargee may at any time and from time to time request.

We shall continue to be solely responsible for the performance of our obligations in respect of any or all of the Charged Account(s) and any documentation which we have entered into with you in relation to any or all of the Charged Account(s).

We shall also remain entitled to exercise all the existing rights, powers and discretions which under the terms of the Charged Account(s) were vested in us (except for the right to withdraw amounts from the Charged Account(s) which would require joint instructions provided by the Company and the Chargee) without requiring any prior notice of consent of the Chargee to be provided to you, unless and until you have received an Enforcement Notice from the Chargee that the security under the Account Charge has become enforceable.

Neither this notice nor any of the instructions herein may be revoked or varied without the prior written consent of the Chargee.

Please confirm your consent to the charge over the Charged Account(s) and acknowledge receipt of this notice and your agreement to the terms hereof by signing the acknowledgement on a copy of this notice and returning it to the Chargee at _____ marked for the attention of Mr. Andy Cheuk / Mr. Philip Wong.

This notice and/or the acknowledgment hereto may be executed in any number of counterparts, and this has the same effect as if signatures on such counterparts were on a single copy of this letter and the acknowledgement hereto.

This notice is governed by the laws of Hong Kong.

Yours faithfully

For and on behalf of
Aptorum Group Limited

Acknowledgement

To: Peace Range Limited as Chargee

Aptorum Group Limited (the "**Company**")

Date: _____ 2018

At the request of the Company we acknowledge receipt of the notice of charge from the Company dated _____ 2018 (the "**Notice**") in respect of the Charged Account(s). Unless otherwise defined herein, terms and expressions herein shall have the meaning ascribed to them in the Notice.

We confirm that:

(i) we consent to the charge over the Charged Account(s) and acknowledge the instructions and authorisations contained in the Notice and we undertake to act in accordance with the terms of the Notice;

(ii) the balance standing to each of the Charged Account(s) at today's date comprises _____;

(iii) no fees or periodic charges are payable in respect of any of the Charged Account(s)except for the fees and periodic charges set out in our bank's standard tariff charged or incurred by us in the ordinary course of the account bank services provided by us to the Company that are agreed to be payable to us under the terms of the Charged Account(s);

(iv) we have not received notice of any previous assignments of, charges over or trusts in respect of, any of the Charged Account(s) and we will not, without the Chargee's prior written consent (a) exercise any right of combinations, consolidation or set-off which we may have in respect of any of the Charged Account(s) or (b) amend or vary any rights attaching to any of the Charged Account(s) or (c) amend or vary the signatories to the Charged Accounts(s);

(v) with effect from our receipt of an Enforcement Notice from the Chargee, we will act only in accordance with the instructions given by persons authorised by the Chargee in respect of any or all of the Charged Account(s);

(vi) we shall send all statements and other notices given by us relating to the Charged Account(s) to the Chargee as well as to the Company; and

(vii) with effect from our receipt of an Enforcement Notice from the Chargee, we shall not permit any amount or asset to be withdrawn or transferred from any of the Charged Account(s) without the prior written consent of the Chargee.

The Notice and this acknowledgment may be executed in any number of counterparts, and this has the same effect as if signatures on such counterparts were on a single copy of the Notice and this acknowledgment.

This acknowledgment is governed by the laws of Hong Kong.

For and on behalf of

MUFG Bank, Ltd., Hong Kong Branch

Name:

Title:

SIGNATORIES TO THE ACCOUNT CHARGE

Chargor

EXECUTED as a **DEED** and **DELIVERED** by)
)
APTORUM GROUP LIMITED:)
)

Director/authorised signatory signature: _____

Director/authorised signatory name:

Occupation:

SIGNATORIES TO THE ACCOUNT CHARGE

Chargee

Signed for and on behalf of)
PEACE RANGE LIMITED)
)
)

_____

Name:

Exhibit 10.22

BOND CERTIFICATE

Certificate No.: 1
Amount: US$15,000,000

Aptorum Group Limited
(Incorporated in Cayman Islands with limited liability)

Aggregate Principal Amount of US$15,000,000
8.00 per cent. Convertible Bonds due 2019

Aptorum Group Limited (the **"Issuer")** hereby CERTIFIES that Peace Range Limited whose address is situated at [ ] (the **"Bondholder")** is, at the date hereof, entered in the Issuer's Register of Bondholders as the holder of the 8.00 per cent. convertible bonds due 2019 (the **"Bonds")** in the principal amount of US$15,000,000. For value received, the Issuer promises to pay the Bondholder who appears at the relevant time on the Register of Bondholders of the Issuer as the holder of the Bonds in respect of which this Certificate is issued, such amount or amounts as shall become due in respect of the Bonds and otherwise to comply with the Terms and Conditions of the Bonds endorsed hereon (the **"Conditions").**

The Bonds are issued with the benefit and subject to the Conditions. The Bonds in respect of which this Certificate is issued are convertible into fully-paid class A ordinary shares of the Issuer in accordance with the Conditions.

The Bonds in respect of which this Certificate is issued are in registered form. This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the Register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Certificate is issued.

The Bonds in respect of which this Certificate is issued form part of all the Bonds in the aggregate principal amount of US$15,000,000 issued by the Issuer on 25 April 2018.

This certificate is governed by, and shall be construed in accordance with the laws of Hong Kong.

In witness whereof the Issuer has caused this Certificate to be executed and delivered as a deed on 25 April 2018.

Note: The Bonds cannot be transferred to bearer on delivery and is deliverable only to the extent permitted by the Conditions. The Bonds must be delivered. to the Issuer for cancellation and the reissue of an appropriate certificate in the event of any such transfer.

Dated 25 April 2018

EXECUTED and DELIVERED
as a DEED by **Aptorum Group Limited**
and SIGNED by Ian Huen
as CEO & Executive Director

/s/ Ian Huen

in the presence of:

/s/ Lee Manhei Monique
Witness signature
Witness name: LEE MANHEI MONIQUE
Occupation: LAWYER

Schedule 1

TERMS AND CONDITIONS OF THE BONDS

The issue of US$15,000,000 aggregate principal amount (the "**Principal Amount**") of 8.00 per cent. convertible bonds due 2019 (the "**Bonds**", which term shall include, unless the context requires otherwise, any further bonds issued in accordance with Condition 16 and consolidated and forming a single series therewith) of Aptorum Group Limited (the "**Issuer**"), a Cayman Islands exempted company with Hong Kong business registration no. F0023235 and with a registered address of Floor 4, Willow House, Cricket Square, Grand Cayman KY1-9010, Cayman Islands, and the right of conversion into Shares was authorised by the board of directors of the Issuer on 27 March 2018.

The Bonds, issued on the Issue Date as defined in the Subscription Agreement (defined below), have the benefit of (i) a deed of guarantee dated the Issue Date granted by Jurchen Investment Corporation, incorporated in the British Virgin Islands (the "**Guarantor**") in favour of the Bondholders, as "amended or supplemented from time to time (the "**Deed of Guarantee**"); (ii) a Share Charge dated the Issue Date between Jurchen Investment Corporation as chargor and Peace Range Limited, a British Virgin Islands company with a registered address at [ ], as chargee (the "**Share Charge**"); and (iii) an Account Charge dated the Issue Date between the Issuer as chargor and Peace Range Limited as chargee (the "**Account Charge**"). The giving of the Deed of Guarantee and the Share Charge was authorised by resolutions of the board of directors of the Guarantor passed on 3 April 2018 and the giving of the Account Charge was authorised by resolutions of the board of directors of the Issuer passed on 27 March 2018.

The subscription agreement dated 6 April 2018 among the Issuer, the Guarantor and Peace Range Limited as subscriber in relation to the issue and subscription of the Bonds (the "**Subscription Agreement**"), the escrow agreement dated the Issue Date among the Guarantor, Peace Range Limited and The Law Debenture Trust (Asia) Limited as escrow agent in connection with the Share Charge, the Deed of Guarantee, the Share Charge and the Account Charge are together known as the "**Transaction Documents**".

The Bonds are subject to these terms and conditions (the "**Conditions**"). In these Conditions, "**Bondholder**" and (in relation to a Bond) "**holder**" means the person in whose name a Bond is registered.

"**Business Day**" means a day other than a Saturday, Sunday or public holiday, on which banks are open for business in Hong Kong, New York City, the Cayman Islands and the British Virgin Islands.

In these Conditions, unless the context requires otherwise, words importing the singular include the plural and *vice versa* and words importing gender or the neuter include both genders and the neuter; references to these Conditions or any document shall be construed as references to such document as the same may be amended or supplemented from time to time. Condition headings are inserted for reference only and shall be ignored in construing these Conditions.

1. **Form, Denomination and Title**

(a) ***Form and Denomination***

The Bonds are issued in registered form in the denomination of US$250,000 (an "**Authorised Denomination**"). A bond certificate (each a "**Bond Certificate**") substantially in the form set out in schedule 1 hereto will be issued to each Bondholder in respect of its registered holding of Bonds. Each Bond Certificate will be numbered serially with an identifying number which will be recorded on the relevant Bond Certificate and in the register of Bondholders (the "**Register**") which the Issuer will procure to be kept by the Registrar.

(b) ***Title***

Title to the Bonds will pass only by transfer and registration in the Register as described in Condition 3. The holder of any Bond will (except as otherwise required by law or as ordered by a court of competent jurisdiction) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, or the theft or loss of, the Bond Certificate issued in respect of it) and no person will be liable for so treating the holder.

2. **Status and Guarantee**

(a) ***Status***

The Bonds constitute direct, unconditional and unsubordinated obligations of the Issuer and shall at all times rank *pani passu* and without any preference or priority among themselves. The payment obligations of the Issuer under the Bonds shall, save for such exceptions as may be provided by mandatory provisions of applicable legislation and subject to Condition 4, at all times rank at least equally with all of its other present and future unsubordinated obligations (including but not limited to the Executed Private Placements). The Bonds are secured as set out in Condition 5.

(b) ***Guarantee***

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by the Issuer under the Bonds. The Guarantor's obligations in respect of the Bonds are contained in the Deed of Guarantee. The obligations of the Guarantor under the Deed of Guarantee shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least *pani passu* with all its other present and future unsecured and unsubordinated obligations.

At any time after the Bonds have become due and repayable, any Bondholder may, at its discretion and without further notice, take any action against the Issuer or the Guarantor, as the case may be, as it may think fit to enforce repayment of the Bonds and to enforce the provisions of the Conditions pursuant to the Transaction Documents.

3. **Transfers of Bonds; Issue of Bond Certificates**

(a) ***Register***

The Issuer will cause the Register to be kept at the specified office of the Registrar in the Cayman Islands on which shall be entered the names and addresses of the holders of the Bonds and the particulars of the Bonds held by them and of all transfers, redemptions and conversions of the Bonds. Each Bondholder shall be entitled to receive only one Bond Certificate in respect of its entire holding of Bonds.

The Issuer and the Guarantor shall treat the Bondholder as recorded in the Register as the absolute owner of the Bonds for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing on the Bond Certificates relating thereto or any notice of any previous loss or theft of such Bond Certificates).

(b) Transfer

(i) Subject to this Condition 3(b), the Bonds are transferrable (in whole or in part) by any Bondholder to any person provided that:

(A) such Bondholder shall notify the Issuer in writing of the intended transfer on or before the date falling 10 Business Days prior to such transfer, provided that the Issuer shall have the right to exercise its redemption right pursuant to Condition 9(b);

(B) prior to the instruction to transfer under Condition 3(b)(i)(A), if the Bondholder-transferor reasonably believes that the transferee is conducting any business that is in competition with the Issuer or any of its Subsidiaries, such Bondholder shall ask the Issuer to confirm whether the proposed transferee is a competitor of the Issuer or any of the Issuer's subsidiaries and, if the transferee is confirmed by the Issuer to be a competitor of the Issuer or any such subsidiary, such Bondholder shall not purport to make any instructions to transfer the relevant Bonds under Condition 3(b)(i)(A) and any such proposed transfer shall be void. Nothing contained in this Condition 3(b)(i)(B) shall require any Bondholder-transferor to undertake any investigation into any transferee nor shall any Bondholder-transferor be liable for failing to enquire whether any transferee is a competitor of the Issuer or any of the Issuer's subsidiaries, if the Bondholder-transferor reasonably believes it is not;

(C) the transfer of Bonds (or parts thereof in authorised denominations) will be effected without charge by or on behalf of the Issuer; and

(D) such transfer shall comply with any applicable laws, regulations and requirements of the regulatory authority.

(ii) No transfer of a Bond will be valid unless and until entered on the Register.

(iii) In relation to any transfer of Bonds permitted under or otherwise pursuant to this Condition 3:

(A) the relevant Bond that is the subject of a transfer may only be transferred by execution of a form of transfer (the "**Transfer Form**") which is annexed to these Conditions as schedule 2 under the hand of the Bondholder-transferor and the transferee (or their duly authorised representatives) or, where either the Bondholder-transferor or transferee is a corporation, under its common seal (if any) and under the hand of one of its officers duly authorised in writing or otherwise executed by a duly authorised officer thereof. In this Condition "Bondholder-transferor" shall, where the context permits or requires, include joint transferors and be construed accordingly;

(B) the relevant Bond Certificate must be delivered for cancellation to the Issuer accompanied by (i) a duly executed Transfer Form; (ii) in the case of the execution of the Transfer Form on behalf of a corporation by its officers, the authority of that person or those persons to do so; (iii) such other evidence as the Issuer may reasonably require if the Transfer Form is executed by some other person on behalf of the Bondholders; and (iv) such other evidence as the Issuer may reasonably require to support that the conditions and requirements of this Condition 3 are satisfied. The Issuer shall, within five Business Days of receipt of such documents from the Bondholders, enter the transfer on the Register and cancel the original Bond Certificate in respect of the existing Bond being transferred in the name of the Bondholder-transferor and issue a new certificate in respect of the Bond being transferred under the seal of the Issuer, in favour of the transferee.

(c) ***Delivery of New Bond Certificates***

(i) Each new Bond Certificate to be issued upon a transfer of Bonds will, within five Business Days of receipt by the Issuer of the Transfer Form, be mailed by registered mail or delivered by hand, to the address specified in the Transfer Form, or made available for collection by the holder entitled to the Bond at the specified office of the Issuer.

(ii) Where only some of the Bonds (being that of one or more Bonds) in respect of which a Bond Certificate is issued is to be transferred, converted, redeemed or repurchased, a new Bond Certificate in respect of the Bonds not so transferred, converted, redeemed or repurchased will, within seven Business Days of delivery of the original Bond Certificate to the Registrar be made available for collection at the specified office of the Registrar or, if so requested in the form of transfer, be mailed by registered mail (but free of charge to the holder and at the Issuer's (failing which, the Guarantor's) expense) to the address of such holder appearing on the Register.

(d) ***Formalities Free of Charge***

Registration of transfer of Bonds (or parts thereof in authorised denominations) will be effected without charge by or on behalf of the Issuer, but upon payment (or the giving of such indemnity as the Issuer may reasonably require) by the transferee or the Bondholder-transferor in respect of any taxes, duties or other government charges which may be imposed in relation to such transfer.

4. **Covenants**

(a) ***Debt Service Reserve Account***

(i) Prior to the Issue Date, the Issuer (failing whom, the Guarantor) shall have deposited into the Debt Service Reserve Account the total amount of (i) the 2.0 per cent. of the Principal Amount (the '**Structuring Fee**'), *plus* (ii) the amount of subscriber's expenses (the '**Subscriber's Expenses**') which shall be agreed in writing between the Issuer and the Subscriber five Hong Kong business days prior to the Issue Date, *plus* (iii) an amount in US dollars equal to the aggregate amount of interest due and payable for two consecutive Interest Periods commencing from, and including, the Issue Date.

(ii) Upon payment of the subscription price of the Bonds (which shall net off the Structuring Fee and the Subscriber's Expenses) by the Bondholders on the Issue Date pursuant to the Subscription Agreement, the Issuer (failing whom, the Guarantor) shall procure that on the Issue Date, such net proceeds of the issue of the Bonds shall be deposited in the Debt Service Reserve Account.

(iii) In the event that the Maturity Date is extended to the Extended Maturity Date as defined and subject to Condition 9 below, each of the Issuer and Guarantor undertakes to procure that the aggregate amount of interest due and payable for the Interest Period commencing on, and including, the Scheduled Maturity Date and ending on, and including, the Extended Maturity Date shall be deposited and made immediately available as a condition of such extension in the Debt Service Reserve Account to the satisfaction of the Bondholders.

(iv) The Debt Service Reserve (or the relevant part thereof) will be released from the Debt Service Reserve Account on satisfaction of any one of the Release Conditions in accordance with the Account Charge.

(v) If any Bond has been converted into Shares on a Conversion Upon QIPO or exercise of a Conversion Right or redeemed in accordance with the Conditions, the Debt Service Reserve (or the relevant part thereof) may be released in accordance with the Account Charge from the Debt Service Reserve Account in an amount *pro rata* to the principal amount of the Bond or Bonds being converted or redeemed, as the case may be.

(vi) On the date falling two Business Days prior to each Interest Payment Date commencing on, and including the First Interest Payment Date and ending on, and including the Maturity Date, the Account Bank shall upon instructions being provided by the Issuer and/or Bondholders in accordance with the Account Charge release from the Debt Service Reserve Account and pay to the account of the Bondholders such amount of the proceeds deposited in the Debt Service Reserve Account as is equal to the aggregate amount of interest due and payable on the immediately following Interest Payment Date or, as the case may be, the Maturity Date, in accordance with Condition 6.

(vii) Any operational costs and expenses or bank account service fees to be imposed or charged by the Account Bank in respect of the Debt Service Reserve Account shall be agreed in writing with the Account Bank prior to the establishment of such account. If such costs, expenses and fees are to be borne by the Issuer, the Issuer shall settle such amounts with funds other than the Debt Service Reserve.

(viii) So long as any Bond remains Outstanding, neither the Issuer nor any member of the Group shall, without the prior written consent of the Bondholders, change (nor instruct the Account Bank to change) any bank mandate or authorised signatory in respect of the Debt Service Reserve Account.

(ix) At the Maturity Date, the Early Redemption Date, the Relevant Event Put Date or any other dates on which the principal, interest or premium on the Bonds are payable by the Issuer pursuant to these Conditions, as the case may be, the Issuer may repay and redeem the Bonds that remain Outstanding with the Debt Service Reserve pursuant to the Account Charge.

(b) ***Limitation on indebtedness***

So long as the Bondholders continue to have an Exposure,

(i) before the occurrence of the QIPO, none of the Issuer or any other member of the Group, without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed), shall enter into or incur any Financial Indebtedness.

(ii) following the occurrence of the QIPO, none of the Issuer or any other member of the Group shall, without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed), enter into or incur any Financial Indebtedness unless:

(A) any such Financial Indebtedness is, in aggregate, less than US$60,000,000; and

(B) the Issuer shall at all times maintain a ratio of total consolidated liabilities to total consolidated assets of the Issuer (as calculated by reference to its most recent audited financial statements) of not more than 50.0 per cent.

In these Conditions, "**Financial Indebtedness**" means any indebtedness for monies borrowed or raised, which shall include any interest or premium to be paid thereunder. Any limitation under Conditions 4(b)(i) and 4(b)(ii) shall not apply to:

(I) the issue of the Bonds;

(II) the entry into the Share Charge or Account Charge or any other security interests in relation to the Bonds;

(III) the Private Placements;

(IV) the Employees' Share Options;

(V) the Other Share Options and Warrants;

(VI) the Subsidiary Share Grants and Share Options; or

(VII) the QIPO.

(items (I) to (VII) above collectively known as "**Permitted Offerings**").

(c) ***Limitation on equity offerings***

Employees' Share Options

So long as the Bondholders continue to have an Exposure, the Issuer and the Guarantor undertake that:

(i) the total number of Ordinary Shares to be issued under any such Employees' Share Options shall not exceed 5.0 per cent. of the total aggregate number of Ordinary Shares in issue immediately following the QIPO on a fully diluted basis taking into account the total number of Ordinary Shares at issue following the QIPO, any Ordinary Shares falling to be issued pursuant to the Permitted Offerings; and

(ii) any Permitted Offerings, if fully exercised for Ordinary Shares, would not trigger any Change of Control.

Other Share Options and Warrants

So long as the Bondholders continue to have an Exposure, the Issuer and the Guarantor undertake that:

(iii) any Other Share Options and Warrants shall be granted by the Issuer only and not by the Issuer's Subsidiaries; and

(iv) the total number of Ordinary Shares to be issued under any such Other Share Options and Warrants shall not exceed 5.0 per cent. of the total aggregate number of Ordinary Shares in issue immediately following the QIPO on a fully diluted basis taking into account the total number of Ordinary Shares at issue following the QIPO, any Ordinary Shares falling to be issued pursuant to the Permitted Offerings; and

(v) any Permitted Offerings, if fully exercised for Ordinary Shares, would not trigger any Change of Control.

Subsidiary Share Grants and Share Options

So long as the Bondholders continue to have an Exposure, the Issuer and the Guarantor undertake that:

(vi) any Subsidiary Share Grants and Share Options shall be granted by the Issuer's Subsidiaries only and not by the Issuer; and

(vii) any Permitted Offerings, if fully exercised for shares, would not trigger any Change of Control.

Permitted Offerings

Notwithstanding the above, the Issuer and the Guarantor undertake and will procure that if any of the Permitted Offerings occurs after the occurrence of the QIPO, the market capitalisation of the Issuer (translated if necessary into US dollars at the then prevailing relevant exchange rate) calculated based on the issue price per Share immediately following such Permitted Offering (being the product of the issue price per Share at the relevant time multiplied by the total number of Ordinary Shares in issue following such Permitted Offering) shall be equal to or greater than the Issuer's Market Capitalisation at IPO.

Limitation before and after QIPO

So long as the Bondholders continue to have an Exposure, and other than in relation to the Permitted Offerings that otherwise comply with these Conditions,

(viii) before the occurrence of the QIPO,

(A) none of the Issuer and any other member of the Group (other than the Guarantor) shall, without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed), offer (publicly or privately), or enter into any transaction which is designed to, or might reasonably be expected to, result in any public or private offering by any other member of the Group (other than the Guarantor), or announce any public or private offering of, any shares or securities convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, any shares issued by, or shares held by, the Issuer or any other member of the Group (other than the Guarantor); or issue any additional shares of other class(es) in its capital (other than the Shares), including without limitation any Class B ordinary shares of the Issuer; and

(B) no shares of the Issuer and any other member of the Group (other than (I) the Guarantor and (II) the Issuer in respect of the QIPO) shall, without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed), be listed, quoted, admitted to trading or dealt in on any stock exchange.

(ix) following the occurrence of the QIPO, the Issuer may have its Shares listed, quoted, admitted to trading or dealt in on a stock exchange other than the stock exchange in respect of the Listing by way of secondary listing, or conduct any private placement or public offering of its Shares (each a "**Post-IPO Secondary Offering**"), provided that:

(A) the offering size for such Post-IPO Secondary Offering (being the product of the issue price for such offering multiplied by the number of shares to be issued in such Post-IPO Secondary Offering), as determined by an Independent Investment Bank and/or Independent Firm of Auditors, shall be less than US$50,000,000; and

(B) the offering price per Share at such Post-IPO Secondary Offering shall not be below the IPO Share Price in the opinion of an Independent Investment Bank and/or Independent Firm of Auditors; and

(C) the market capitalisation of the Issuer (translated if necessary into US dollars at the then prevailing relevant exchange rate) calculated based on the issue price per Share for the relevant Post-IPO Secondary Offering following such Post-IPO Secondary Offering (being the product of the issue price per Share multiplied by the total number of Shares in issue following such Post-IPO Secondary Offering), as determined by an Independent Investment Bank and/or Independent Firm of Auditors, shall be greater than the Issuer's Market Capitalisation at IPO.

(x) Subject to Condition 4(c)(ix) above, other than the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with these Conditions, following the occurrence of the QIPO, none of the Issuer or any other member of the Group (other than the Guarantor) shall, offer (publicly or privately), or enter into any transaction which is designed to, or might reasonably be expected to, result in any public or private offering by any other member of the Group (other than the Guarantor), or announce any public or private offering of, any shares or securities convertible into or exchangeable for, or warrants, rights or options, or agreements to grant warrants, rights or options, to purchase or to subscribe for, any shares issued by, or shares held by, the Issuer or any other member of the Group (other than the Guarantor); or issue any additional shares of other class(es) in its capital (other than the Shares), including without limitation any Class B ordinary shares of the Issuer.

(d) ***Corporate actions***

So long as any Bonds remain Outstanding, neither the Issuer nor any member of the Group shall enter into any form of corporate reorganisation, including but not limited to merging, consolidating or amalgamating any business currently controlled by any member of the Group, or any part of it, with any other business that is not controlled by any member of the Group, entering into any share swap transaction, demerger or divestiture with any other business that is not controlled by any member of the Group, unless any such corporate reorganisation is entered into among the members of the Group.

(e) ***Financial statements etc.***

So long as any Bond remains Outstanding, the Bondholders shall have the right to request from each of the Issuer and the Guarantor, in each case in the English language, a copy of:

(i) the relevant annual audited consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in shareholders' equity of the Issuer and the Guarantor together with any statements, reports (including any directors' and auditors' reports) and notes attached to or intended to be read with any of them within 120 days after the end of their respective financial years;

(ii) subject to the applicable laws, by-laws, regulations and rules of the relevant jurisdiction or stock exchange binding on the Issuer or the Guarantor, including those with respect to the disclosure of non-public information,

(A) the quarterly (or any other interim reporting period required by applicable law or regulations) unaudited consolidated income statement, consolidated balance sheet, consolidated cash flow statement and consolidated statement of changes in shareholders' equity of the Issuer together with any statements, reports (including any directors' and auditors' review reports, if any) and notes attached to or intended to be read with any of them within 60 days after the end of their respective financial years; and

(B) as soon as practicable upon the request of any Bondholder from time to time, each of the Issuer and Guarantor shall furnish the Bondholders with any documentation or materials in relation to the key performance indicators of the Issuer or any other member of the Group (other than the Guarantor).

(f) ***Undertakings relating to the registration of the Share Charge***

The Guarantor has undertaken in the Subscription Agreement that it will as soon as reasonably practicable and, in any event, within ten Business Days of the date of the Share Charge (i) register or cause to be registered with the Registrar of Corporate Affairs in the BVI, and to update the register of charges of the Guarantor with details of the security interests created by, the Share Charge, in accordance with the BVI Business Companies Act, (ii) use its best endeavours to complete such registration and obtain a registration record from its registered agent in the BVI and a certificate of registration of charge from the Registrar of Corporate Affairs in the BVI on or before the BVI Registration Deadline (as defined in Condition 9(c) below), (iii) deliver to the Bondholders copies of such registration record and certificate of registration of charge, and (iv) to comply with all applicable laws of the British Virgin Islands ("**BVI law**") and regulations in relation to the Share Charge. In addition, the Issuer and the Guarantor will give a notice to the Holders confirming the completion of the BVI Registration Conditions within five Business Days after completion of such BVI Registration Conditions. The Bondholders shall not have any obligation to monitor or ensure the registration of the Share Charge with the Registrar of Corporate Affairs in the BVI on or before the BVI Registration Deadline or to verify the accuracy, validity and/or genuineness of any documents in relation to or in connection with such registration and/or any relevant registration documents. Upon completion of the BVI Registration Conditions, the Guarantor shall give a notice to the Holders confirming such completion of the BVI Registration Conditions within five (5) Business Days.

(g) ***Undertakings relating to the registration of the Account Charge***

The Issuer further undertakes that it will, after execution of the Account Charge, register or cause to be registered with the Companies Registry of Hong Kong the Account Charge within one calendar month of the date of the Account Charge.

(h) ***Disposals by any member in the Group (other than the Guarantor)***

Disposals of Intellectual Property

So long as the Bondholders continue to have an Exposure,

(i) before the occurrence of the QIPO, none of the Issuer or any member in the Group (other than the Guarantor) will, without the prior written consent of the Bondholders (such consent shall not be unreasonably withheld or delayed), enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell (through any kind of trade sale, placement or otherwise), lease, transfer, grant any sub-licence of or dispose of (through any kind of offering, reverse takeover or otherwise) any Intellectual Property, unless such proposed sale, lease, transfer or disposal is made by a member of the Group to the Issuer and/or its Subsidiaries.

(ii) following the occurrence of the QIPO, the Issuer or its Subsidiaries may conduct any such transaction as referred to in Condition 4(h)(i) above without the prior written consent of the Bondholders provided that:

(A) the consideration to be received for the relevant Intellectual Property under the proposed transaction, as determined by an Independent Investment Bank and/or Independent Firm of Auditors, is more than 75.0 per cent. of the Issuer's Market Capitalisation at IPO; or

(B) such proposed sale, lease, transfer or disposal is made by a member of the Group to the Issuer and/or its Subsidiaries.

Disposals of assets (other than Intellectual Property)

So long as the Bondholders continue to have an Exposure,

(iii) Subject to Conditions 4(b), 4(c), 4(h)(i) and 4(h)(ii), the Issuer will not, and will ensure that no members of the Group (other than the Guarantor) will, enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, lease, transfer or otherwise dispose of any assets (including without limitation any investment securities and machinery but excluding any cash), unless such proposed sale, lease, transfer or disposal:

(A) is made in the ordinary course of business of the Group and will not result in, or be expected to result in:

(I) the total consolidated assets of the Issuer being equal to or less than 60.0 per cent. of the total consolidated assets as shown in its audited consolidated financial statements of the Group as of and for the year ended 31 December 2017; and

(II) the sale price of such asset shall not be equal to or less than 60.0 per cent. of its fair value as shown in the audited consolidated financial statements of the Group as of and for the year ended 31 December 2017; or

(B) is of assets in exchange for or to be replaced by other assets comparable or superior as to type, value and quality; or

(C) is made by a member of the Group to another member of Group.

Disposals of subsidiaries

Subject to Conditions 4(b), 4(c), 4(h)(i) and 4(h)(ii), so long as the Bondholders continue to have an Exposure,

(iv) before the occurrence of the QIPO, other than the Permitted Offerings that otherwise comply with these Conditions, no member of the Group (other than the Guarantor) shall dispose any of its legal or beneficial interest in any company, partnership, joint venture, trust, profit-sharing arrangement or other legal entity without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed).

(v) following the occurrence of the QIPO, other than the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with these Conditions, the Issuer or its Subsidiaries may conduct any transaction as referred to in Condition 4(h)(iv) without the prior written consent of the Bondholders provided that the consideration to be received for the relevant subsidiaries under the proposed transaction, as determined by an Independent Investment Bank and/or Independent Firm of Auditors, is more than 75.0 per cent. of the Market Capitalisation at IPO.

(i) ***Disposals by the Guarantor***

So long as the Bondholders continue to have an Exposure, the Guarantor shall not dispose any of its legal or beneficial interest in the Issuer without the prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed) unless:

(A) such disposal occurs after the occurrence of the QIPO; and

(B) such disposal shall not trigger a Change of Control.

(j) ***Business Activities***

So long as any Bond remains outstanding, the Issuer will not, and will ensure that none of its Subsidiaries will, directly or indirectly, principally engage in any business other than the business currently conducted by it as at the Issue Date or as otherwise approved by the Bondholders.

(k) ***Announcements***

Unless required by any law, regulation or listing rules binding on the Issuer or the Guarantor (including any disclosure and/or publication requirement binding on the Issuer or the Guarantor in respect of the Listing), or otherwise consented in writing by the Bondholders (which consent shall not be unreasonably withheld or delayed), none of the Issuer or any other members of the Group or any other parties acting on its or their behalf shall issue any announcement concerning the Bonds. The Issuer or the Guarantor may make any announcement based on information that has previously come into the public domain.

Notwithstanding the above, the Issuer may disclose the terms and conditions of the Transaction Documents and the background of the initial Bondholders: (i) in any governmental filing or to other authorities as required by the applicable laws and/or regulation or rules of NASDAQ, an Alternative Stock Exchange, the Financial Industry Regulatory Authority or the U.S. Securities and Exchange Commission and (ii) in connection with any action or claim to enforce its rights thereunder. The Issuer may disclose the terms and conditions of the Transaction Documents to underwriters, investors, lenders and financial advisors in preforming due diligence in any other transaction otherwise permitted in the Subscription Agreement or these Conditions.

5. **Security**

(a) ***Security***

The obligations of the Issuer and the Guarantor to the Bondholders under the Bonds and in connection with the Transaction Documents and the Security Documents (the "**Secured Obligations**") will be secured by:

(i) the security interest over 1,393,207 Class B ordinary shares representing 5.0 per cent. of the total authorised and issued Ordinary Shares of the Issuer as of the Issue Date granted by the Guarantor pursuant to the Share Charge; and

(ii) the security interest granted by the Issuer over the Debt Service Reserve Account pursuant to the Account Charge.

(b) ***Release of Security***

The Security Documents contain provisions for the immediate release of all or any security interests created therein or discharge in full of the Secured Obligations.

(c) ***Enforcement of Security***

(i) Subject to an Event of Default under the Conditions and in accordance with the Security Documents, the Share Charge and/or the Account Charge, as the case may be, shall become enforceable upon the Bonds becoming immediately due and repayable following the occurrence of an Event of Default.

(ii) Any Bondholder may, at its discretion and without further notice, take such proceedings against the Issuer and/or the Guarantor as it may think fit to enforce its rights under the Bonds and to enforce all or any of the security interests created therein in accordance with the terms thereof, provided that, to the extent practicable the Bondholders shall enforce their rights under the Account Charge prior to enforcing their rights under the Share Charge.

6. **Interest**

(a) ***Interest***

The Bonds bear interest from and including the Issue Date at the rate of 8.00 per cent. per annum (the "**Rate of Interest**") payable semi-annually in arrear in equal instalments of US$10,000 per Calculation Amount (as defined below) (the "**Interest Amount**") on the date falling on the 6th calendar month following the Issue Date (the "**First Interest Payment Date**") and the date falling on the 12th calendar month following the Issue Date, and if the Maturity Date is extended to the Extended Maturity Date, on the date falling on the 18th calendar month following the Issue Date, and if any such date is not a Business Day, the next following Business Day (each an "**Interest Payment Date**").

Each Bond will cease to bear interest from and including the earlier of (a) where the Conversion Right attached to it shall have been exercised by a Bondholder, the relevant Conversion Date (as defined below), subject to conversion of the relevant Bonds in accordance with the provisions of Condition 7(c); or (b) where such Bond is redeemed or repaid pursuant to Condition 9 or Condition 11, the due date for redemption or repayment thereof unless, upon due presentation thereof, payment of principal is improperly withheld or refused.

If interest is required to be calculated for a period of less than a complete Interest Period, the relevant day-count fraction will be determined on the actual number of days elapsed and on the basis of a 360-day year.

In these Conditions, the period beginning on and including the Issue Date and ending on but excluding the first Interest Payment Date (the "**First Interest Period**") and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date is called an "**Interest Period**", provided that any Interest Period (other than a Default Interest Period) shall end on the Maturity Date.

Interest in respect of any Bond shall be calculated per US$250,000 in principal amount of the Bonds (the "**Calculation Amount**"). The amount of interest payable per Calculation Amount for any period shall, save as provided above in relation to equal instalments, be equal to the product of 8.00 per cent. per annum, the Calculation Amount and the day-count fraction (determined in the same manner as stated above in this Condition 6) for the relevant period, rounding the resulting figure to the nearest cent (US$0.005 being rounded upward).

(b) ***Interest applicable upon Default***

Following service of a Notice of Event of Default on the Issuer and the Guarantor, the Issuer (failing whom, the Guarantor) shall pay to the Bondholders:

(i) if any such Event of Default occurs on or before the date falling 12 calendar months after the Issue Date:

(A) an amount of premium that would give the Bondholders an internal rate of return equal to the Exit IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the Issue Date up to (but excluding) the Scheduled Maturity Date; and

(B) an amount of premium that would give the Bondholder an internal rate of return equal to the 15.0 per cent. per annum calculated by reference to the principal amount of the Outstanding Bonds from (and including) the earliest of (X) the date of a Notice of Potential Event of Default (if any), (Y) the date of any such proceedings referred to in Condition 11(v) is being levied, enforced or sued out on (if applicable), and (Z) an Event of Default up to (but excluding) the day on which all sums due in respect of the Bonds (which shall include sums due under this Condition 6(b)) are received by the Holders (the "**Default Interest Period**"); or

(ii) if any such Event of Default occurs after the date falling 12 calendar months after the Issue Date:

(A) an amount of premium that would give the Bondholders an internal rate of return equal to the Exit IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the Issue Date up to (but excluding) the earliest of (X) the date of a Notice of Potential Event of Default (if any), (Y) the date of any such proceedings referred to in Condition 11(v) is being levied, enforced or sued out on (if applicable), and (Z) an Event of Default; and

(B) an amount of premium that would give the Bondholder an internal rate of return equal to the Default IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the earliest of (X) the date of a Notice of Potential Event of Default (if any), (Y) the date of any such proceedings referred to in Condition 11(v) is being levied, enforced or sued out on (if applicable), and (Z) an Event of Default, up to (and excluding) the end of the Default Interest Period.

The Exit IRR, the Default IRR and the premium provided in Condition 6(b)(i)(B) above shall take into account any principal, interest (including Interest Amount) and premium accrued on the Outstanding Bonds and paid to the Bondholders, but exclude any Structuring Fee payable by the Issuer to the initial Bondholders as provided in the Subscription Agreement.

No interest shall accrue on any Bond from and including the Conversion Date in respect of such Bond.

7. **Conversion**

(a) ***Partial Conversion upon a QIPO***

Provided that none of the Bonds has been redeemed by the Issuer, upon the occurrence of a QIPO and subject as provided in these Conditions:

(i) an aggregate nominal amount representing 10% of the Principal Amount of the Bonds shall be converted automatically into Shares (the "**Conversion Upon QIPO**"); and

(ii) the Issuer shall deliver a written notice in accordance with Condition 13 to notify the Bondholders, together with such evidence provided by an Independent Investment Bank to support, that the QIPO has occurred as provided in the Conditions. Upon the receipt of such notice, a Bondholder shall as soon as practicable deliver to the Issuer a written notice in accordance with Condition 13 (the "**Certification**") on behalf of itself:

(A) providing an address (if different from the corresponding addresses recorded in the Register) to which the Shares shall be delivered;

(B) designating a person or persons (if different from the registered Holder) as holder(s) of the relevant number of Shares in the Issuer's share register;

(C) providing a certification that such Conversion Upon QIPO is being made outside of the United States (as such term is defined in Regulation S ("**Regulation S**") under the United States Securities Act of 1933, as amended) and it is not a U.S. person (as such term is defined in Regulation S) and it is not acting as agent for, or on behalf of, a U.S. person;

(D) providing any certification as may be required under the laws of the jurisdiction of incorporation of the Issuer; and

(E) surrendering the Bond Certificate in respect of such Bond which shall be converted automatically into Shares as a result of the occurrence of a QIPO.

(b) ***Conversion Right***

(i) *Conversion Period*: Upon the occurrence of a QIPO and subject as provided in these Conditions, each Bond shall entitle the holder to convert such Bond into Shares credited as fully paid at any time during the Conversion Period referred to below (the "**Conversion Right**").

Subject to and upon compliance with these Conditions, the Conversion Right in respect of a Bond may be exercised, at the option of the holder thereof, on the occurrence of a QIPO at any time (subject to any applicable fiscal or other laws or regulations and as hereinafter provided) on or after the Issue Date to the earlier of:

(A) the date falling 12 calendar months after the Maturity Date or the Extended Maturity Date, as the case may be (both days inclusive); and

(B) the date falling 12 calendar months after the occurrence of the QIPO (both days inclusive),

(each a "**Conversion Period**").

(ii) A Bondholder may only exercise its Conversion Right during the Conversion Period.

(iii) *Conversion Price*: The price at which Shares will be issued upon a Conversion Upon QIPO or exercise of a Conversion Right (the "**Conversion Price**") is subject to any adjustment in the circumstances described in Condition 7(d) and the discount (if applicable) to the IPO Share Price as follows:

(A) if a QIPO has occurred on or before the date falling 12 calendar months after the Issue Date, at a discount of 23.0% to the IPO Share Price pursuant to the QIPO; or

(B) if a QIPO has occurred after the date falling 12 calendar months after the Issue Date, at a discount of 28.0% to the IPO Share Price pursuant to the QIPO,

in each case subject to adjustment in the circumstances described in Condition 7(d).

In the event that any Interest Amount has been accrued and/or paid by the Issuer to the Bondholders prior to the occurrence of the QIPO, in determining the applicable Conversion Price, 50.0 per cent. of such Interest Amount accrued and/or paid will be deducted from the absolute value of the discount as calculated in accordance with Conditions 7(b)(iii)(A) or 7(b)(iii)(B) above (as applicable). Schedule 5 sets out certain possible circumstances of the application of the discounts described herein for illustrative purposes only.

(iv) The number of Shares to be issued on Conversion Upon QIPO or exercise of a Conversion Right shall be determined by dividing the principal amount of the Bonds to be converted by the Conversion Price in effect on the relevant Conversion Date (defined below). Conversion Upon QIPO may only be effected and a Conversion Right may only be exercised in respect of one or more Bonds. If more than one Bond held by the same holder is converted at any one time by the same holder, the number of Shares to be issued upon such conversion will be calculated on the basis of the aggregate principal amount of the Bonds to be converted.

(v) *Fractions of Shares*: Fractions of Shares will not be issued on exercise of Conversion Rights and no cash payment or other adjustment will be made in lieu thereof. However, if the Conversion Right in respect of more than one Bond is exercised at any one time such that Shares to be issued on conversion are to be registered in the same name, the number of such Shares to be issued in respect thereof shall be calculated on the basis of the aggregate principal amount of such Bonds being so converted and rounded down to the nearest whole number of Shares. Notwithstanding the foregoing, in the event of a consolidation or re-classification of Shares by operation of law or otherwise occurring after the Issue Date which reduces the number of Shares outstanding, the Issuer will upon conversion of Bonds pay in cash in U.S. Dollars a sum equal to such portion of the principal amount of the Bond or Bonds evidenced by the Bond Certificate deposited in connection with the exercise of Conversion Rights, aggregated as provided in Condition 7(b)(i), as corresponds to any fraction of a Share not issued as a result of such consolidation or re-classification aforesaid, provided that such sum exceeds US$1.00. Any such sum shall be paid not later than five Business Days after the relevant Conversion Date by transfer to a U.S. dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the Conversion Notice.

(vi) *Share Lockup Period*: Provided that no Event of Default has occurred and is continuing, following the exercise of the Conversion Right by a Bondholder, such Bondholder shall not, directly or indirectly, sell or otherwise transfer any Shares during a period of up to 90 calendar days following the first Trading Day after the occurrence of a QIPO (the "Share Lockup Period").

Subject to the Share Lockup Period provided above, the Bondholders may sell or transfer the Shares resulting from conversion of the Bonds. The Issuer shall register the Shares in the registration statement on the Form F-1 which it will submit to the U.S. Securities and Exchange Commission for the purpose of the intended QIPO.

(c) ***Conversion Procedure***

(i) *Conversion Notice*: Subject to Condition 7(a), Conversion Rights may be exercised by a Bondholder during the Conversion Period, by delivering the relevant Bond Certificate to the Issuer during its usual business hours (being 9:00 a.m. to 5:00 p.m., Monday to Friday other than public holidays) at the specified office of the Issuer accompanied by a duly completed and signed notice of conversion (a "**Conversion Notice**") substantially in the form set out in schedule 4 hereto, together with certification by the Bondholder that such conversion is being made outside of the United States (as such term is defined in Regulation S) and it is not a U.S. person (as such term is defined in Regulation S) and it is not acting as agent for, or on behalf of, a U.S. person, and as may be required under the laws of the jurisdiction of incorporation of the Issuer. Conversion Rights shall be exercised subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction of the Issuer.

If such delivery is made after the end of normal business hours (being 5.00 p.m. in the place of the specified office) or on a day which is not a Business Day in the place of the Issuer, such delivery shall be deemed for all purposes of these Conditions to have been made on the next following such Business Day.

(ii) *Conversion Date:* For the purposes of Conversion Upon QIPO and exercise of Conversion Rights, the conversion date in respect of a Bond (the "**Conversion Date**") shall be deemed to be the Business Day (as defined in Condition 7(h)) immediately following the date of the surrender of the Bond Certificate in respect of such Bond and delivery of such Conversion Notice or Certification, as the case may be, and, if applicable, any such abovementioned certification or any payment to be made or indemnity given under these Conditions in connection with the Conversion Upon QIPO and the exercise of such Conversion Right, as the case may be. Conversion Upon QIPO may only be effected and Conversion Rights may only be exercised in respect of an Authorised Denomination. A Conversion Notice or Certification, as the case may be, once delivered shall be irrevocable and may not be withdrawn unless the Issuer consents in writing to such withdrawal.

(iii) *Stamp Duty etc.*: the Issuer must pay directly to the relevant authorities any taxes and/or capital, stamp, issue and registration and transfer taxes and duties arising from a Bondholder effecting the Conversion Upon QIPO or exercising Conversion Rights (including without limitation any Duties payable in Cayman Islands, British Virgin Islands, Hong Kong and the United States and, if relevant, in the place of the Alternative Stock Exchange, in respect of the allotment and issue of Shares and listing of the Shares on the Relevant Stock Exchange on conversion) (collectively the "**Taxes**"). The Issuer will also pay all other expenses arising on the issue of Shares on conversion of Bonds and all charges of the share transfer agent for the Shares. The Bondholder (and, if different, the person to whom the Shares are to be issued) must declare in the relevant Conversion Notice or Certification that any amounts payable to the relevant tax authorities in settlement of any Taxes payable pursuant to this Condition 7(c)(iii) have been, or (where permitted by law) will be, paid.

If the Issuer shall fail to pay any Taxes, the relevant holder shall be entitled to tender and pay the same and the Issuer as a separate and independent stipulation, covenants to reimburse and indemnify each Bondholder in respect of any payment thereof and any penalties payable in respect thereof.

The Bondholder shall pay all, if any, taxes imposed and arising by reference to any disposal or deemed disposal of a Bond or interest therein otherwise than in connection with the exercise of Conversion Rights by any Bondholder.

(iv) *Registration*: Upon (A) Conversion Upon QIPO or (B) exercise of Conversion Rights and compliance with Conditions 7(c)(i) and 7(c)(iii) the Issuer (Y) will, as soon as practicable, and in any event not later than seven Business Days after the Conversion Date, register the person or persons designated for the purpose in the Conversion Notice or Certification (as the case may be) as holder(s) of the relevant number of Shares in the Issuer's share register and (Z) will, within ten Business Days after the Conversion Date, if the Bondholder has also requested in the Conversion Notice or Certification (as the case may be) and to the extent permitted under applicable law and the rules and procedures of the Nasdaq Clearing AB (the "**NASDAQ Clearing**") or the equivalent clearing system of an Alternative Stock Exchange effective from time to time, take all necessary action to procure that Shares are delivered through NASDAQ Clearing or the equivalent clearing system of an Alternative Stock Exchange for so long as the Shares are listed on the NASDAQ or an Alternate Stock Exchange; or will make such certificate or certificates available for collection at the office of the Issuer's share registrar in the United States or, as the case may be, the relevant jurisdiction of the Alternate Stock Exchange notified to Bondholders in accordance with Condition 13 or, if so requested in the relevant Conversion Notice or Certification (as the case may be), will cause its share registrar to mail such certificate or certificates to the person and at the place specified in the Conversion Notice or Certification (as the case may be), together (in either case) with any other securities, property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the transfer thereof, in which case a single share certificate will be issued in respect of all Shares issued on conversion of Bonds subject to the same Conversion Notice or Certification (as the case may be) and which are to be registered in the same name.

The delivery of the Shares to the converting Bondholder (or such person or persons designated in the relevant Conversion Notice or Certification (as the case may be)) in the manner contemplated above in this Condition 7(c)(iv) will be deemed to satisfy the Issuer's obligation to pay the principal, interest and premium (if any) on such converted Bonds.

If the Conversion Date in relation to the conversion of any Bond shall be after the record date for any issue, distribution, grant, offer or other event as gives rise to the adjustment of the Conversion Price pursuant to Condition 7(d), but before the relevant adjustment becomes effective (the "**Relevant Effective Date**") under the relevant Condition (a "**Retroactive Adjustment**"), upon the relevant adjustment becoming effective the Issuer shall procure the issue to the converting Bondholder (or in accordance with the instructions contained in the Conversion Notice or Certification (as the case may be)(subject to applicable exchange control or other laws or other regulations)), such additional number of Shares ("**Additional Shares**") as is, together with Shares to be issued on conversion of the Bond(s), equal to the number of Shares which would have been required to be issued on conversion of such Bond if the relevant adjustment to the Conversion Price had been made and become effective on or immediately after the relevant record date and in such event and in respect of such Additional Shares references in this Condition 7(c)(iv) to the Conversion Date shall be deemed to refer to the Relevant Effective Date (notwithstanding that the Relevant Effective Date falls after the end of the Conversion Period).

The person or persons specified for that purpose in the Conversion Notice or Certification (as the case may be) will become the holder of record of the number of Shares issuable upon conversion with effect from the date he is or they are registered as such in the Issuer's register of members (the "**Registration Date**").

The Shares issued upon Conversion Upon QIPO or upon exercise of Conversion Rights will be fully paid and will in all respects rank *pari passu* with the fully paid Shares in issue on the relevant Registration Date except for any right excluded by mandatory provisions of applicable law and except that such Shares will not rank for (or, as the case may be, the relevant holder shall not be entitled to receive) any rights, distributions or payments the record or other due date for the establishment of entitlement for which falls prior to the relevant Registration Date.

If the record date for the payment of any dividend or other distribution in respect of the Shares is on or after the Conversion Date in respect of any Bond, but before the Registration Date (disregarding any Retroactive Adjustment of the Conversion Price referred to in this Condition 7(c)(iv) prior to the time such Retroactive Adjustment shall have become effective), the Issuer will calculate and pay to the converting Bondholder or such Bondholder's designee an amount in U.S. dollars (the "**Equivalent Amount**") equal to the Fair Market Value (as defined below) of such dividend or other distribution to which he would have been entitled had he on that record date been such a shareholder of record and will make the payment at the same time as it makes payment of the dividend or other distribution, or as soon as practicable thereafter, but, in any event, not later than seven days thereafter. The Equivalent Amount shall be paid by transfer to a U.S. dollar account maintained by the payee with, a bank in Hong Kong, in accordance with instructions given by the relevant Bondholder in the Conversion Notice or Certification (as the case may be).

(d) ***Adjustments to Conversion Price***

The Conversion Price will be subject to adjustment as follows:

(i) *Consolidation, Subdivision or Re-classification*: If and whenever there shall be an alteration to the nominal value of the Shares as a result of consolidation, subdivision or re-classification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

Where:

A is the nominal amount of one Share immediately after such alteration; and

B is the nominal amount of one Share immediately before such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

(e) ***Capitalisation of Profits or Reserves:***

(i) If and whenever the Issuer shall issue any Shares credited as fully paid to the holders of Shares ("**Shareholders**") by way of capitalisation of profits or reserves including, Shares paid up out of distributable profits or reserves and/or share premium account (except any Scrip Dividend) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

Where:

A is the aggregate nominal amount of the issued Shares immediately before such issue; and

B is the aggregate nominal amount of the issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(ii) In the case of an issue of Shares by way of a Scrip Dividend where the Current Market Price on the date of announcement of the terms of such issue of Shares multiplied by the number of Shares issued exceeds the amount of the Relevant Cash Dividend or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the aggregate nominal amount of the issued Shares immediately before such issue;

B is the aggregate nominal amount of Shares issued by way of such Scrip Dividend multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Dividend and (ii) the denominator is such Current Market Price of the Shares issued by way of Scrip Dividend in respect of each existing Share in lieu of the whole, or the relevant part, of the Relevant Cash Dividend; and

C is the aggregate nominal amount of Shares issued by way of such Scrip Dividend; or by making such other adjustment as an Independent Investment Bank and/or Independent Firm of Auditors deem fair and reasonable.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, immediately after such record date.

(iii) *Capital Distributions*: If and whenever the Issuer shall pay or make any Capital Distribution to the Shareholders (except to the extent that the Conversion Price falls to be adjusted under Condition 7(e) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one Share on the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution attributable to one Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or if a record date is fixed therefor, immediately after such record date.

In making any calculation pursuant to this Condition 7(e)(iii), such adjustments (if any) shall be made as an Independent Investment Bank and/or Independent Firm of Auditors may consider appropriate to reflect (a) any consolidation or subdivision of the Shares, (b) issues of Shares by way of capitalisation of profits or reserves, or any like or similar event, (c) the modification of any rights to dividends of Shares or (d) any change in the fiscal year of the Issuer.

(iv) *Rights Issues of Shares or Options over Shares*: If and whenever the Issuer shall issue Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, in each case at less than 95 per cent. of the Current Market Price per Share on the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the number of Shares in issue immediately before such announcement;

B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe for, purchase or otherwise acquire at such Current Market Price per Share; and

C is the aggregate number of Shares issued or, as the case may be, comprised in the issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(v) *Rights Issues of Other Securities*: If and whenever the Issuer shall issue any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares) to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one Share on the date on which such issue or grant is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue of the securities or the issue or grant of such rights, options or warrants (as the case may be) or where a record date is set, the first date on which the Shares are traded ex-rights, ex-options or ex-warrants, as the case may be.

(vi) ***Issues at less than Current Market Price***: If and whenever the Issuer shall issue (otherwise than as mentioned in Condition 7(e)(iv) above or in connection with any Post-IPO Secondary Offering or Permitted Offering that otherwise complies with these Conditions) any Shares (other than Shares issued on the exercise of Conversion Rights or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) or issue or grant (otherwise than as mentioned in Condition 7(e)(iv) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares in each case at a price per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

Where:

A is the number of Shares in issue immediately before the issue of such additional Shares or the grant of such options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares;

B is the number of Shares which the aggregate consideration (if any) receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and

C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue by the Issuer of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price on the date of issue or grant of such options, warrants or other rights.

Such adjustment shall become effective on the date of issue of such additional Shares or, as the case may be, the issue or grant of such options, warrants or other rights.

(vii) *Other Issues at less than Current Market Price*: Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Condition 7(e)(vii), if and whenever the Issuer or any of its Subsidiaries (otherwise than as mentioned in Condition 7(e)(iv), Condition 7(e)(v) or Condition 7(e)(vi)), or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity shall issue any securities (other than the Bonds, which shall be deemed to exclude any further bonds issued pursuant to Condition 16) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued by the Issuer upon conversion, exchange or subscription at a consideration per Share which is less than 95 per cent. of the Current Market Price on the date of announcement of the terms of issue of such securities, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the number of Shares in issue immediately before such issue;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

(viii) *Modification of Rights of Conversion etc.*: If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Condition 7(e)(vii) (other than in accordance with the terms of such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is reduced and is less than 95 per cent. of the Current Market Price on the date of announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

Where:

A is the number of Shares in issue immediately before such modification;

B is the number of Shares which the aggregate consideration receivable by the Issuer for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to the securities so modified would purchase at such Current Market Price per Share or, if lower, the existing conversion, exchange or subscription price of such securities; and

C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank and/or Independent Firm of Auditors considers appropriate (if at all) for any previous adjustment under this Condition 7(e)(viii) or Condition 7(e)(vii).

Such adjustment shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

(ix) *Other Offers to Shareholders*: Other than the Permitted Offerings and Post-IPO Secondary Offerings that otherwise comply with these Conditions, if and whenever the Issuer or any of its Subsidiaries or (at the direction or request of or pursuant to any arrangements with the Issuer or any of its Subsidiaries) any other company, person or entity issues, sells or distributes any securities in connection with an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Condition 7(e)(iv), Condition 7(e)(v), Condition 7(e)(vi) or Condition 7(e)(vii)), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one Share on the date on which such issue is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the rights attributable to one Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

(x) *Cash Dividends*: If and whenever the Issuer shall pay or make any Cash Dividend to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Cash Dividend by the following fraction:

$$\frac{A - B}{A}$$

Where:

A is the Current Market Price of one Share on the date for the determination of Shareholders entitled to receive such Cash Dividend; and

B is the portion of the Fair Market Value of the aggregate dividend attributable to one Share, which such portion being determined by dividing the Fair Market Value of the aggregate Cash Dividend by the number of the Shares entitled to receive the relevant Cash Dividend.

Such adjustment shall become effective on the date on which such Cash Dividend is actually made or if a record date is fixed therefore, immediately after such record date.

(xi) *Other Events*: If the Issuer determines that an adjustment should be made to the Conversion Price as a result of one or more events or circumstances not referred to in this Condition 7, the Issuer shall, at its own expense, consult an Independent Investment Bank and/or Independent Firm of Auditors to determine as soon as practicable what adjustment (if any) to the Conversion Price is fair and reasonable to take account thereof, if the adjustment would result in a reduction in the Conversion Price, and the date on which such adjustment should take effect and upon such determination by the Independent Investment Bank and/or Independent Firm of Auditors such adjustment (if any) shall be made and shall take effect in accordance with such determination, provided that where the events or circumstances giving rise to any adjustment pursuant to this Condition 7 have already resulted or will result in an adjustment to the Conversion Price or where the events or circumstances giving rise to any adjustment arise by virtue of events or circumstances which have already given rise or will give rise to an adjustment to the Conversion Price, such modification (if any) shall be made to the operation of the provisions of this Condition 7 as may be advised by the Independent Investment Bank and/or Independent Firm of Auditors to be in its opinion appropriate to give the intended result. Notwithstanding the foregoing, the per Share value of any such adjustment shall not exceed the per Share value of the dilution in the Shareholders' interest in the Issuer's equity caused by such events or circumstances.

(xii) *Exceptions for Post-IPO Secondary Offerings and Permitted Offerings*: *Condition 7(e) shall not apply in respect of any Post-IPO Secondary Offering and Permitted Offering that otherwise complies with these Conditions.*

(f) ***Undertakings***

The Issuer has undertaken that so long as any Bond remains Outstanding, save with the approval of the Bondholders:

(i) following the occurrence of a QIPO, it will (a) maintain a listing for all the issued Shares on the NASDAQ or, if applicable, an Alternative Stock Exchange (as defined in Condition 7(h)), and (b) obtain and maintain a listing for all the Shares issued on the exercise of the Conversion Rights on the NASDAQ or, if applicable, an Alternative Stock Exchange, and (c) if the Issuer is unable to obtain or maintain such listing or such listing is unduly onerous, obtain and maintain a listing for all the issued Shares on an Alternative Stock Exchange as the Issuer may from time to time determine and will forthwith give notice to the Bondholders in accordance with Condition 13 of the listing or delisting of the Shares (as a class) by any of such stock exchange;

(ii) it will pay the expenses of the issue of, and all expenses of obtaining listing for, Shares arising on conversion of the Bonds;

(iii) it will not make any voluntary reduction of its ordinary share capital or any uncalled liability in respect thereof or of any share premium account except, in each case, where the reduction is permitted by applicable law and results in (or would, but for the provision of these Conditions relating to rounding or the carry forward of adjustments, result in) an adjustment to the Conversion Price or is otherwise taken into account for the purposes of determining whether such an adjustment should be made provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law;

(iv) it will reserve, free from any other pre-emptive or other similar rights (unless otherwise provided herein), out of its authorised but unissued ordinary share capital the full number of Shares liable to be issued on conversion of the Bonds from time to time remaining Outstanding and shall ensure that all Shares delivered on conversion of the Bonds will be duly and validly issued as fully-paid and non-assessable; and

(v) it will not make any offer, issue, grant or distribute or take any action the effect of which would be to reduce the Conversion Price below the par value of the Shares of the Issuer, provided always that the Issuer shall not be prohibited from purchasing its Shares to the extent permitted by law.

The Issuer has also given certain other undertakings in the Subscription Agreement for the protection of the Conversion Rights.

(g) ***Provisions Relating to Changes in Conversion Price***

(i) *Minor adjustments*: On any adjustment, the resultant Conversion Price, if not an integral multiple of one U.S. Dollars cent, shall be rounded down to the nearest U.S. Dollars cent. No adjustment shall be made to the Conversion Price if such adjustment (rounded down if applicable) would be less than one per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made. Notice of any adjustment shall be given by the Issuer to the Bondholders in accordance with Condition 13 after the determination thereof.

(ii) *Decision of an Independent Investment Bank and/or Independent Firm of Auditors*: If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to how an adjustment to the Conversion Price under Condition 7(d) should be made, following consultation between the Issuer and an Independent Investment Bank and/or Independent Firm of Auditors, a written opinion of such Independent Investment Bank and/or Independent Firm of Auditors in respect thereof shall be conclusive and binding on the Issuer, the Guarantor and the Bondholders, save in the case of manifest error. Notwithstanding the foregoing, the per Share value of any such adjustment shall not exceed the per Share value of the dilution in the Shareholders' interest in the Issuer's equity caused by such events or circumstances.

(iii) *Minimum Conversion Price*: Notwithstanding the provisions of this Condition 7, the Issuer undertakes that: (a) the Conversion Price shall not in any event be reduced to below the nominal or par value of the Shares as a result of any adjustment hereunder unless under applicable law then in effect the Bonds may be converted at such reduced Conversion Price into legally issued, fully paid and non-assessable Shares; and (b) it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal or par value or any minimum level permitted by applicable laws or regulations.

(iv) *Reference to "fixed"*: Any references herein to the date on which a consideration is "fixed" shall, where the consideration is originally expressed by reference to a formula which cannot be expressed as an actual cash amount until a later date, be construed as a reference to the first day on which such actual cash amount can be ascertained.

(v) *Multiple events*: Where more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank and/or Independent Firm of Auditors, the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank and/or Independent Firm of Auditors to be in its opinion appropriate in order to give such intended result.

(i) *Upward/downward adjustment*: No adjustment involving an increase in the Conversion Price will be made, except in the case of a consolidation or reclassification of the Shares as referred to in Condition 7(d)(i) above. The Issuer may at any time and for a specified period of time only, following notice being given to the Bondholders in accordance with Condition 13, reduce the Conversion Price, subject to Condition 7(g)(iii).

(ii) *Bondholders not obliged to monitor or make calculations*: The Bondholders shall not be under any duty to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation or determination (or verification thereof) in connection with the Conversion Price.

(iii) *Notice of change in Conversion Price*: The Issuer shall give notice to the Bondholders in accordance with Condition 13 of any change in the Conversion Price. Any such notice relating to a change in the Conversion Price shall set forth the event giving rise to the adjustment, the Conversion Price prior to such adjustment, the adjusted Conversion Price and the effective date of such adjustment.

(h) ***Definitions***

For the purposes of these Conditions:

"**Account Bank**" means the financial institution acting as such in accordance with the terms of the Account Charge;

"**Capital Distribution**" means any distribution of assets in specie by the Issuer for any financial period whenever paid or made and however described (and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid) by way of capitalisation of reserves);

"**Cash Dividend**" means any cash dividend or distribution of any kind made or declared by the Issuer for any financial period (whenever paid and however described);

"**Closing Price**" means, in respect of a Share for any Trading Day, the closing market price published in the daily quotation sheet published by the NASDAQ or, as the case may be, the equivalent quotation sheet of the Alternative Stock Exchange for such Trading Day;

"**Current Market Price**" means, in respect of a Share on a particular date, the average of the daily Closing Price on each of the 20 consecutive Trading Days ending on and including the Trading Day immediately preceding such date; provided that if at any time during such 20 Trading Day period the Closing Price shall have been based on a price ex-dividend (or ex-any other entitlement) and during some other part of that period the Closing Price shall have been based on a price cum-dividend (or cum-any other entitlement) then:

(I) if the Shares to be issued or transferred and delivered do not rank for the dividend (or entitlement) in question, the Closing Price on the dates on which the Shares shall have been based on a price cum-dividend (or cum-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share; or

(II) if the Shares to be issued or transferred and delivered rank for the dividend or entitlement in question, the Closing Price on the dates on which the Shares shall have been based on a price ex-dividend (or ex-any other entitlement) shall for the purpose of this definition be deemed to be the amount thereof increased by the Fair Market Value of any such dividend or entitlement per Share;

and provided that if on each of the said 20 Trading Days the Closing Price shall have been based on a price cum-dividend (or cum-any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Shares to be issued or transferred and delivered do not rank for that dividend (or other entitlement), the Closing Price on each of such dates shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Share;

"**Debt Service Reserve Account**" means an account established and maintained by the Issuer or any of its subsidiaries denominated in US dollars and held with the Account Bank subject to the terms of the Account Charge;

"**Debt Service Reserve**" means any amount standing to the credit of the Debt Service Reserve Account including any income or interest earned thereon from time to time;

"**Default IRR**" means an internal rate of return equal to 23.0 per cent. per annum. For the avoidance of doubt, the Default IRR to which the Bondholders are entitled to shall be independent from any other recourse that such Bondholders may have pursuant to the Transaction Documents or the Bonds;

"**Employees' Share Options**" means, in respect of the Issuer, any options granted or to be granted to the Issuer's eligible directors or employees including, but not limited to, principal investigators, research collaborators, research consultants and relevant external academic institutions to acquire at the discretion of the Issuer the Ordinary Shares pursuant to the relevant option agreements to be granted under the Issuer's share option plan;

"**Executed Private Placements**" means all of the private placements of unsecured convertible notes convertible into the Shares that has been entered into by the Issuer and other investors prior to the Signing Date;

"**Exit IRR**" means an internal rate of return equal to 8.0 per cent. per annum. For the avoidance of doubt, the Exit IRR to which the Bondholders are entitled shall be independent from any other recourse that such Bondholders may have pursuant to the Transaction Documents or the Bonds;

"**Exposure**" means,

(a) at any time before the occurrence of the QIPO, the aggregate principal amount of the Bonds held by the Bondholders is more or equal to US$7,500,000; or

(b) at any time after the occurrence of the QIPO, the aggregate economic interest of the Bondholders calculated in accordance with the following formula:

$$\mathbf{A + B \geq C*50\%}$$

where:

(A) means the aggregate number of Shares actually held by the Bondholders at the relevant time following the conversion of the Bonds; and

(B) means the aggregate number of Shares falling to be issued on conversion of the aggregate principal amount of Outstanding Bonds held by the Bondholders at the relevant time; and

(C) means the aggregate number of Shares falling to be issued on conversion of the Principal Amount of the Bonds divided by the Conversion Price applicable at the relevant time.

"**Fair Market Value**" means, with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank and/or Independent Firm of Auditors, provided that (i) the fair market value of a cash dividend paid or to be paid per Share shall be the amount of such cash dividend per Share determined as at the date of announcement of such dividend; (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank and/or Independent Firm of Auditors) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five trading days on the relevant market commencing on the first such trading day such options, warrants or other rights are publicly traded;

"**Group**" means the Issuer, the Guarantor and any of the Issuer's Subsidiaries, taken as a whole;

"**Independent Firm of Auditors**" means an independent firm of auditors of international repute selected by the Issuer and accepted in writing by the Bondholders;

"**Independent Investment Bank**" means an independent investment bank of international repute selected by the Issuer and accepted in writing by the Bondholders;

"**Intellectual Property**" means any and all intellectual property including all patents, patent rights, licences, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, business names, trade names, domain names, brands, copyright, know how and other intellectual property owned by the Issuer or any other member of the Group (other than the Guarantor) as of the Signing Date;

"**IPO Share Price**" means the price per Share at which such Shares are offered at the Listing;

"**Market Capitalisation at IPO**" means the product of the IPO Share Price multiplied by the number of Ordinary Shares at issue at the QIPO;

"**NASDAQ**" means Nasdaq Stock Market;

"**Notice of Potential Event of Default**" means a written notice of default given to the Issuer or the Guarantor by the Bondholders in respect of the occurrence of an event or circumstance which could with the giving of notice, lapse of time, and/or fulfilment of any other requirement provided for in Conditions 11(iii), 11(iv) and 11(xiv) become an Event of Default;

"Ordinary Shares" means the Shares and class B ordinary shares in the capital of the Issuer in issue at the relevant time;

"Other Share Options" means any options granted or to be granted by the Issuer to its employees, principal investigators, advisors, industry and collaboration partners and research institutes to acquire the shares of the Issuer's Subsidiaries from time-to-time;

"**Outstanding**" means, in relation to the Bonds, all the Bonds issued except:

(i) those which have been redeemed in accordance with the Conditions; or

(ii) those in respect of which the date for redemption has occurred and the redemption moneys (including the premium if any), all interest accrued on such Bonds to the date for such redemption and any interest payable under the Conditions after such date have been duly paid to the Bondholders as provided this Agreement and remain available for payment in accordance with the Conditions; or

(iii) those which have become void or in respect of which claims have become prescribed; or

(iv) those which have been converted into Shares, purchased and cancelled as provided in the Conditions;

"**Permitted Use of Proceeds**" means, within China, general research and development expenses, working capital, deposits, repayment or settlement of outstanding liabilities of the Issuer or its Subsidiaries;

"Private Placements" means the private placements of unsecured convertible notes in an aggregate principal amount of up to US$10,000,000 convertible into the Shares that has been (and/or will be) entered into by the Issuer and the other investors, which includes all of the Executed Private Placements;

"**QIPO**" (qualifying initial public offering) means the occurrence of the last of all of the conditions below being satisfied in the sole opinion of an Independent Investment Bank (which may include Boustead Securities)(as supported by any such evidence provided by such Independent Investment Bank), subject to Condition 12:

(i) all the Shares of the Issuer being listed, quoted, admitted to trading or dealt in on NASDAQ or any principal stock exchange or securities market satisfactory to the Bondholders (an "**Alternative Stock Exchange**") (the "**Listing**");

(ii) the Market Capitalisation at IPO being not less than US$380,000,000; and

(iii) the total number of issued Shares of the Issuer that are held by the public having satisfied the applicable public float requirements of NASDAQ or the Alternative Stock Exchange.

"**Registrar**" means the Issuer or such other person, firm or company as for the time being maintains the register of the holders of the Bonds;

"**Release Conditions**" means each of the following:

(i) the relevant requirements relating to the Issuer's obligation to pay the principal, interest and premium to the Bondholders in accordance with the applicable Conditions, including but not limited to Conditions 6 and 9, to enable the release of the Debt Service Reserve in an amount equal to such principal, interest and/or premium payable; and/or

(ii) following the occurrence of a QIPO and any Bond being converted into Shares, the relevant requirements relating to a Conversion Upon QIPO or exercise of a Conversion Right in accordance with Condition 7, to enable the release of the Debt Service Reserve in an amount *pro rata* to the principal amount of the Bond or Bonds being converted,

in each case, subject to the Issuer delivering to the Bondholders a written notice in accordance with the Account Charge detailing satisfaction of the relevant condition specified in paragraph (i) or (ii) above (as the case may be), duly signed by any two directors or duly authorised officers of the Issuer, setting out the exact amounts of Debt Service Reserve to be released from the Debt Service Reserve Account and, as the case may be, certifying that such amounts are designated for all or any of the Permitted Use of Proceeds. No such Release Conditions will be deemed satisfied unless and until the Bondholders confirm the same in writing (and such confirmation shall not be unreasonably withheld or delayed) in accordance with the Account Charge.

"**Relevant Cash Dividend**" means the aggregate cash dividend or distribution declared by the Issuer, including any cash dividend in respect of which there is any Scrip Dividend;

"**Relevant Stock Exchange**" means, at any time, in respect of the Shares, the NASDAQ or an Alternative Stock Exchange;

"**Shareholders**" means the registered holders from time to time of Shares;

"**Shares**" means the Class A ordinary shares of the Issuer or shares of any class or classes resulting from any subdivision, consolidation or re-classification of those Shares, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Issuer;

"**Scrip Dividend**" means any Shares issued in lieu of the whole or any part of any Relevant Cash Dividend, being a dividend which the Shareholders concerned would or could otherwise have received (and for the avoidance of doubt, to the extent that an adjustment is made under Condition 7(e)(iii) in respect of the Relevant Cash Dividend, no adjustment is to be made for the amount by which the Current Market Price of the Shares exceeds the Relevant Cash Dividend or part thereof for which an adjustment is already made under Condition 7(e)(ii));

"**Security Documents**" means the (i) Share Charge and (ii) Account Charge;

"**Subsidiary**" of any person means (a) any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50 per cent. of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity, or (b) any company or other business entity which at any time has its accounts consolidated with those of that person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such person from time to time, should have its accounts consolidated with those of that person;

"**Subsidiary Share Grants and Share Options**" means, in respect of the Issuer's Subsidiaries, any shares or options granted or to be granted to their respective employees including, but not limited to, principal investigators, research collaborators, research consultants and relevant external academic institutions to acquire the shares of the relevant Subsidiary as an acknowledgement in their participation in relevant research projects with the Issuer;

"**Trading Day**" means a day when the NASDAQ or, as the case may be an Alternative Stock Exchange (or in respect of any other security, the relevant stock exchange or securities market), is open for dealing business, provided that if no closing price is reported for one or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days;

"**U.S. Dollars**" and "**US$**" mean the lawful currency of the United States of America;

"**Warrants**" means any warrants granted or to be granted by the Issuer to sponsors, investment banks, placement agents, brokers or related parties in connection with the Issuer's offerings at the closing of the Private Placement, this Bond offering, and the QIPO respectively pursuant to engagement agreements between such parties and the Issuer.

References to any issue or offer or grant to Shareholders "as a class" or "by way of rights" shall be taken to be references to an issue or offer or grant to all or substantially all Shareholders, other than Shareholders by reason of the laws of any territory or requirements of any recognised regulatory body or any other stock exchange or securities market in any territory or in connection with fractional entitlements, it is determined not to make such issue or offer or grant.

8. **Payments**

(a) **Method of Payment**

Payment of principal, premium (if any) and interest due other than on an Interest Payment Date will be made by transfer to the registered account of the Bondholder. Such payment will only be made after surrender of the relevant Bond Certificate at the specified office of Issuer.

Interest on Bonds due on an Interest Payment Date will be paid on the due date for the payment of interest to the holder shown on the Register at the close of business on the fifteenth day before the due date for the payment of interest (the "**Interest Record Date**"). Payments of interest on each Bond will be made by transfer to the registered account of the Bondholder.

If an amount which is due on the Bonds is not paid in full, the Registrar will annotate the Register with a record of the amount (if any) in fact paid.

(b) ***Registered Accounts***

For the purposes of this Condition 8, a Bondholder's registered account means the U.S. dollar account maintained by or on behalf of it with a bank in Hong Kong, details of which appear on the Register at the close of business on the second Payment Business Day (as defined in Condition 8(f)) before the due date for payment, and a Bondholder's registered address means its address appearing on the Register at that time.

(c) ***Fiscal Laws***

All payments are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 and (ii) any tax, assessment, withholding or deduction required by section 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended ("**FATCA**"), any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted or published in any jurisdiction implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement with the U.S. Internal Revenue Service under FATCA.

(d) ***No Commissions***

No commissions or expenses shall be charged to the Bondholders in respect of such payments.

(e) ***Payment Initiation***

Where payment is to be made by transfer to a registered account, payment instructions (for value on the due date or, if that is not a Payment Business Day (as defined below in Condition 8(g)), for value on the first following day which is a Payment Business Day) will be initiated on the due date for payment (or, if it is not a Payment Business Day, the immediately following Payment Business Day) or, in the case of a payment of principal, premium (if any) and interest due other than on an Interest Payment Date, if later, on the Payment Business Day on which the relevant Bond Certificate is surrendered at the specified office of the Issuer.

(f) ***Delay in Payment***

Bondholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Payment Business Day, if the Bondholder is late in surrendering its Bond Certificate (if required to do so).

(g) ***Payment Business Day***

In this Condition 8, "**Payment Business Day**" means a day other than a Saturday or Sunday on which commercial banks are open for business in New York City, the Cayman Islands, the British Virgin Islands and Hong Kong and, in the case of the surrender of a Bond Certificate, in the place where the Bond Certificate is surrendered.

9. **Redemption, Purchase and Cancellation**

(a) ***Maturity***

Unless previously redeemed, converted or purchased and cancelled as provided in the Conditions, the Issuer will redeem each Outstanding Bond at its principal amount plus any interest accrued but unpaid up to the maturity date on the date falling on the 12th calendar month following the Issue Date (the "**Scheduled Maturity Date**"), or, with prior written consent of the Bondholders (which shall not be unreasonably withheld or delayed), the Business Day falling six calendar months thereafter (the "**Extended Maturity Date**", and together with the Scheduled Maturity Date, a "**Maturity Date**"). Upon the Bondholders' receipt of the payment as provided in these Conditions on the Maturity Date, any Outstanding Bonds shall be fully redeemed on the Maturity Date.

The Issuer shall give not less than 90 Business Days' notice to the Bondholders in accordance with Condition 13 specifying its intention to extend the maturity date, and provide evidence to the satisfaction of the Bondholders that the Debt Service Reserve Account has been funded with (i) the principal amount on the Outstanding Bonds and (ii) the aggregate amount of interest due and payable for the Interest Period commencing on, and including, the Scheduled Maturity Date and ending on, and including, the Extended Maturity Date in accordance with Condition 4(a)(iii). Any such notice shall be irrevocable.

Upon the receipt of such notice and having been satisfied that the Debt Service Reserve Account has been prefunded as provided above, the Bondholders may give written consent for the extension of the maturity date.

At the time of the Issuer exercising its option to extend the maturity date specified in this Condition 9(a), in the event that any aggregate principal amount of the Bonds have been converted (in part and not in whole) as a result of any Bondholder exercising its Conversion Right, the Issuer may apply the sum of monies up to such portion of the aggregate principal amount of the Outstanding Bond or Bonds being converted to settle the Issuer's Redemption Price.

(b) ***Optional Redemption***

Subject to this Condition 9, so long as any Bond remains Outstanding, such Outstanding Bonds may be redeemed at the option of the Issuer in whole, but not in part, at the Issuer's Redemption Price (defined below) if the Issuer gives not less than 15 days' notice substantially in the form set out in schedule 3 hereto (the "**Optional Redemption Notice**") to the Bondholders in accordance with Condition 13 specifying the date for redemption. Any such notice shall be irrevocable. The Issuer shall be entitled to exercise this option in accordance with this Condition 9(b) notwithstanding that it has received any Notice of Potential Event of Default from the Bondholders, provided that an Optional Redemption Notice may not be served, and any Optional Redemption Notice that has been previously served by the Issuer shall become null and void, if an Event of Default has occurred and is continuing.

For the purpose of Condition 9, "**Issuer's Redemption Price**" means the total sum of:

(I) 100.0 per cent. of the principal amount of the Outstanding Bonds as at the date fixed for redemption (the "**Early Redemption Date**");

(II) any unpaid interest on the aggregate principal amount of the Outstanding Bonds accrued at the Rate of Interest, together with the amount of premium payable (if any) on the aggregate principal amount of the Outstanding Bonds in accordance with Condition 6(b), from (and including) the Issue Date up to (but excluding) such date fixed for redemption; and

(III) the aggregate amount of all scheduled interest payments on the principal amount of the Outstanding Bonds, together with the amount of premium payable (if any) on the aggregate principal amount of the Outstanding Bonds in accordance with Condition 6(b), from (and including) the date fixed for redemption up to (but excluding) the Maturity Date.

The amount of premium payable in provided in Conditions 9(b)(II) and 9(b)(III) above (if any) shall take into account any principal, interest (including Interest Amount) and premium accrued on the Outstanding Bonds and paid to the Bondholders, but exclude any Structuring Fee payable by the Issuer to the initial Bondholders as provided in the Subscription Agreement.

At the time of the Issuer exercising its option specified in this Condition 9(b), in the event that any aggregate principal amount of the Bonds have been converted (in part and not in whole) as a result of any Bondholder exercising its Conversion Right, the Issuer may apply the sum of monies up to such portion of the aggregate principal amount of the Outstanding Bond or Bonds being converted to settle the Issuer's Redemption Price.

(c) ***Redemption for Relevant Event***

Following the occurrence of a Relevant Event, the holder of each Bond will have the right at such holder's option, to require the Issuer to redeem all but not some only of such holder's Bonds on the Relevant Event Put Date (defined below) at 100.0 per cent. of the Outstanding Bonds as at such date together with the interest and premium as follows (together, the "**Early Redemption Amount**"):

(i) if any such Relevant Event occurs on or before the date falling 12 calendar months after the Issue Date:

(A) an amount of premium that would give the Bondholders an internal rate of return equal to the Exit IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the Issue Date up to (but excluding) the Scheduled Maturity Date (if any); and

(B) an amount of premium that would give the Bondholder an internal rate of return equal to the 15.0 per cent. per annum calculated by reference to the principal amount of the Outstanding Bonds from (and including) the date of the occurrence of any such Relevant Event up to (and excluding) the Relevant Event Put Date (as defined below).

(ii) if any such Relevant Event occurs after the date falling 12 calendar months after the Issue Date:

(A) an amount of premium that would give the Bondholders an internal rate of return equal to the Exit IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the Issue Date up to (but excluding) the Scheduled Maturity Date; and

(B) an amount of premium that would give the Bondholder an internal rate of return equal to the Default IRR calculated by reference to the principal amount of the Outstanding Bonds from (and including) the date of the occurrence of any such Relevant Event up to (and excluding) the Relevant Event Put Date (as defined below).

The Exit IRR, the Default IRR and the premium provided in this Condition 9(c) shall take into account any principal, interest (including Interest Amount) and premium accrued on the Outstanding Bonds and paid to the Bondholders, but exclude any Structuring Fee payable by the Issuer to the initial Bondholders as provided in the Subscription Agreement.

No interest shall accrue on any Bond from and including the Conversion Date in respect of such Bond.

To exercise such right, the Bondholder must deposit during normal business hours at the specified office of the Issuer a duly completed and signed notice of redemption, in the form for the time being current, obtainable during normal business hours from the specified office of the Issuer (a "**Relevant Event Put Exercise Notice**"), together with the Bond Certificate evidencing the Bonds to be redeemed by not later than 60 days following a Relevant Event, or, if later, 60 days following the date upon which notice thereof is given to Bondholders by the Issuer in accordance with Condition 13. The "**Relevant Event Put Date**" shall be the fourteenth day (other than a No Registration Event) or the fifth day (in the case of a redemption for a No Registration Event) after the expiry of such period of 60 days as referred to above.

A Relevant Event Put Exercise Notice, once delivered, shall be irrevocable and may not be withdrawn without the Issuer's written consent. The Issuer shall redeem the Bonds the subject of the Relevant Event Put Exercise Notice (subject to delivery of the relevant Bond Certificate as aforesaid) on the Relevant Event Put Date.

Within 14 days of the occurrence of a Relevant Event (in the case of a redemption other than a No Registration Event) or five days (in the case of a redemption for a No Registration Event), the Issuer shall give notice thereof in writing to the Bondholders in accordance with Condition 13. The notice regarding the Relevant Event shall contain a statement informing Bondholders of their entitlement to exercise their Conversion Rights as provided in these Conditions and their entitlement to exercise their rights to require redemption of their Bonds pursuant to this Condition. Such notice shall also specify: (A) the date of such Relevant Event and, all information material to Bondholders concerning the Relevant Event; (B) the Relevant Event Put Date; (C) the last date by which a Relevant Event Put Exercise Notice must be given; (D) the procedures that Bondholders must follow and the requirements that Bondholders must satisfy in order to exercise the Relevant Event put right or Conversion Right; and (E) the information required by Condition 9(f).

The Bondholders shall not be required to monitor or to take any steps to ascertain or verify the accuracy, validity and/or genuineness of any documents in relation to whether a Relevant Event, No Registration Event or any event which could lead to a Relevant Event or No Registration Event has occurred or may occur, and none of them shall be liable to any other Bondholder, the Issuer, the Guarantor or any other person for not doing so.

For the purposes of this Condition 9(c):

a "**Change of Control**" occurs when:

(I) Mr. Ian Huen, Mr. Darren Lui and/or their respective Related Persons together with any Voting Rights controlled directly or indirectly by that person or persons, including through any voting consent agreement, cease(s) to hold more than 63.0% of the Voting Rights in the Issuer; or

(II) The Issuer or its Related Persons together with any Voting Rights controlled directly or indirectly by that person or persons, including through any voting consent agreement, cease(s) to hold more than 70.0% of the Voting Rights in every Subsidiary of the Issuer.

"**BVI**" means the British Virgin Islands;

"**BVI Registration Conditions**" means the receipt by the Bondholders of:

(I) a certificate signed by any one member of the board of directors of Jurchen Investment Corporation from time to time, or one of its duly authorised officer, confirming the completion of the registration of the Share Charge with the Registrar of Corporate Affairs in the BVI and the updating of the register of charges of Jurchen Investment Corporation with details of the security interests created by the Share Charge together with a copy of the relevant certificate of registration of charge and the updated register of charges; and

(II) a legal opinion as to BVI law issued by a reputable BVI law firm in connection with the issue of the Bonds, addressed to the Bondholders and otherwise in form and substance satisfactory to the Bondholders, that the Share Charge (x) constitutes legal, valid and binding obligations of Jurchen Investment Corporation and (y) is enforceable against Jurchen Investment Corporation;

"**BVI Registration Deadline**" means the date falling 20 Business Days after the date of the Share Charge;

"**Hong Kong**" means Hong Kong Special Administrative Region of the People's Republic of China;

"**HK Registration Conditions**" means the receipt by the Bondholders of:

(I) a certificate signed by any one member of the board of directors of Aptorum Group Limited from time to time, or one of its duly authorised officer, confirming the completion of the registration of the Account Charge with the Companies Registry of Hong Kong within one calendar month of the date of the Account Charge; and

(I) a legal opinion as to Hong Kong law issued by a reputable Hong Kong law firm in connection with the issue of the Bonds, addressed to the Bondholders and otherwise in form and substance satisfactory to the Bondholders, that the Account Charge (x) constitutes legal, valid and binding obligations of Aptorum Group Limited and (y) is enforceable against Aptorum Group Limited;

"**HK Registration Deadline**" means the date falling one calendar month of the date of the Account Charge;

a "**No Registration Event**" occurs when either the HK Registration Conditions or the BVI Registration Conditions are not complied with on or before the HK Registration Deadline or BVI Registration Deadline, as the case may be;

a "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Issuer's board of directors or any other governing board and does not include the Issuer's direct or indirect Subsidiaries;

a "**Related Person**" means with respect to any shareholder (i) any trusts established for the benefit of such shareholders and/or their immediate family members and/or siblings, (ii) any of their executors and/or beneficiaries of their estate, (iii) any companies in which they control, directly or indirectly, a majority of the Voting Rights and have the ability to appoint and/or remove all the members of the board of directors or other governing body or (iv) their extended family members including spouses, children, parents and siblings;

a "**Relevant Event**" means:

(I) following the occurrence of a QIPO, when the Shares cease to be listed or admitted to trading or are suspended for a period equal to or exceeding 30 consecutive Trading Days on the Relevant Stock Exchange; or

(II) the occurrence of a No Registration Event; or

(III) the occurrence of a Change of Control,

and none of the above Relevant Events shall constitute an Event of Default.

"**Voting Rights**" means the right generally to vote at a general meeting of shareholders of a specified person.

(d) ***Purchase***

The Issuer or any of its Subsidiaries may, subject to applicable laws and regulations, at any time and from time to time purchase Bonds at any price in the open market or otherwise.

(e) ***Cancellation***

All Bonds which are redeemed, converted or purchased by the Issuer or any of its Subsidiaries will forthwith be cancelled. Bond Certificates in respect of all Bonds cancelled will be forwarded to or to the order of the Registrar and such Bonds may not be reissued or resold.

(f) ***Redemption Notices***

All notices to Bondholders given by or on behalf of the Issuer pursuant to this Condition 9 will be irrevocable and will be given in accordance with Condition 13 specifying: (a) the Conversion Price as at the date of the relevant notice (if applicable); (b) the last day on which Conversion Rights may be exercised (if applicable); (c) the Closing Price and Current Market Price of the Shares on the latest practicable date prior to the publication of the notice (if applicable); (d) the Early Redemption Amount or Issuer's Redemption Price or any redemption price as agreed between the Issuer and the Bondholders, as the case may be, and accrued interest payable (if any); (e) the date for redemption; (f) the manner in which redemption will be effected; (g) the aggregate principal amount of the Bonds Outstanding as at the latest practicable date prior to the publication of the notice; and (h) such other information as the Bondholders may require. If more than one notice of redemption is given (being a notice given by either the Issuer or a Bondholder pursuant to this Condition 9), the first in time shall prevail.

10. **Taxation**

(a) ***Payment without Withholding***

All payments of principal, premium (if any) and interest made by or on behalf of the Issuer or the Guarantor in respect of the Bonds or under the Deed of Guarantee or Transaction Documents shall be made free from any restriction or condition and be made without deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied collected, withheld or assessed by or on behalf of Hong Kong, the British Virgin Islands, the United States or the Cayman Islands or any jurisdiction in which the Issuer is tax resident, in each case including any political subdivision thereof or any authority thereof or therein having power to tax (each, a "**Relevant Taxing Jurisdiction**") or any jurisdiction through which payments by or on behalf of the Issuer are made including any political subdivision thereof or any authority thereof on therein having the power to tax (together with a Relevant Taxing Jurisdiction, a "**Relevant Jurisdiction**") unless deduction or withholding of such taxes, duties, assessments or governmental charges is compelled by the law. In such event, the Issuer or the Guarantor shall pay such additional amounts ("**Additional Tax Amounts**") as will result in the receipt by the Bondholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no Additional Tax Amounts shall be payable in respect of any Bond:

(i) to a holder (or to a third party on behalf of a holder) who is liable to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of such holder having some connection with a Relevant Jurisdiction other than the mere holding of the Bond or by the receipt of amounts in respect of the Bond; or

(ii) (in the case of a payment of principal or premium) if the Bond Certificate in respect of such Bond is surrendered more than 30 days after the Relevant Date except to the extent that the holder of it would have been entitled to such additional amounts on surrendering the relevant Bond Certificate for payment on the last day of such period of 30 days; or

(iii) for or on account of any tax, assessment, withholding or deduction required by FATCA, any current or future U.S. Treasury Regulations or rulings promulgated thereunder, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, any law, regulation or other official guidance enacted or published in any jurisdiction implementing FATCA or an intergovernmental agreement with respect thereto, or any agreement with the U.S. Internal Revenue Service under FATCA; or

"**Relevant Date**" means whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Bondholders on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the Bondholders and cheques despatched or payment made.

References in these Conditions to principal, premium and interest shall be deemed also to refer to any additional amounts which may be payable under this Condition 10(a) or any undertaking or covenant given in addition thereto or in substitution therefor pursuant to the Transaction Documents.

(b) ***No liability of Bondholders***

The Bondholders shall not be responsible for paying any tax, duty, charges, withholding or other payment referred to in this Condition 10(b) or for determining whether such amounts are payable or the amount thereof, and none of them shall be responsible or liable for any failure by the Issuer, the Guarantor, or any third party to pay such tax, duty, charges, withholding or other payment in any jurisdiction or to provide any notice or information to the Issuer that would permit, enable or facilitate the payment of any principal, premium (if any), interest or other amount under or in respect of the Bonds without deduction or withholding for or on account of any tax, duty, charge, withholding or other payment imposed by or in any jurisdiction.

(c) ***Tax obligations of Bondholders***

The Subscriber shall be solely responsible for any income, corporate, capital gains and indirect taxes applicable to and payable by the Bondholders in their respective jurisdictions. Under no circumstances shall the Issuer be responsible to pay for or indemnify the Bondholders on such taxes.

11. **Events of Default**

Subject to the provisions of these Conditions (including Condition 9(b)), if any of the following events (each an "**Event of Default**") occurs, a Bondholder may (subject in any such case to being indemnified and/or secured and/or prefunded to its satisfaction) give notice to the Issuer and the Guarantor (a "**Notice of Event of Default**") that the Bonds are, and they shall immediately become, due and repayable at their principal amount together with the amounts set out in Condition 6(b) (subject as provided below and without prejudice to the right of Bondholders to exercise the Conversion Right in respect of their Bonds in accordance with Condition 7) if:

(i) *Non-Payment*: there has been a failure to pay the principal, premium or any interest on any of the Bonds when due and the default continues, in the case of principal and premium, for a period of five Payment Business Days from the date on which such amount is due and payable, and in the case of interest only, for a period of five Payment Business Days from the date on which such amount is due and payable; or

(ii) *Failure to deliver Shares*: any failure by the Issuer to deliver any Shares as and when the Shares are required to be delivered following Conversion of Bonds (unless such failure to deliver is caused by the Bondholders or any agents acting on their behalf); or

(iii) *Breach of Other Obligations*: any of the Issuer, its Subsidiaries or the Guarantor does not perform or comply with any one or more of its other obligations, undertakings, covenants, representation, warranties or other terms in these Conditions (other than those referred to in Conditions 11(i) and 11(ii)), the Transaction Documents and/or the Security Documents, and which breach of obligations or failure to perform is not remedied within 30 days after a Notice of Potential Event of Default shall have been given to the Issuer or the Guarantor by the Bondholders. If on the occurrence of any such breach, the Issuer believes in good faith that the occurrence of such event is the result of any unsubstantiated or inaccurate third party claims, the Issuer may notify the Bondholders thereof, with a review to initiating a discussion of the relevant events. Nothing herein shall be taken as a waiver of the Bondholder's right to declare an Event of Default following such discussion, unless the Issuer has received a legal opinion from a reputable law firm (which is mutually accepted by the Issuer and the Bondholders and such cost to be borne by the Issuer) opining that such claim is unsubstantiated or inaccurate; or

(iv) *Cross-Default*: (a) any other present or future indebtedness of any of the Issuer, its Subsidiaries or the Guarantor, for or in respect of moneys borrowed or raised becomes (or becomes capable of being declared) due and payable prior to its stated maturity by reason of any default, event of default or the like (howsoever described but always taking into account any applicable grace period), or (b) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (c) the Issuer, any of its Subsidiaries or the Guarantor fails to pay when due or, as the case may be, within any applicable grace period, any amount having an aggregate value of at least US$400,000 payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised, and which such indebtedness is not repaid or failure to pay is not remedied within 30 days after a Notice of Potential Event of Default shall have been given to the Issuer or the Guarantor by the Bondholders; or

(v) *Enforcement Proceedings*: a distress, attachment, execution or other legal decision is levied, enforced or sued out on or against substantially all of the property, assets or revenues (as applicable) of any of the Issuer, its Subsidiaries or the Guarantor having an aggregate value of at least US$400,000 and is not discharged or stayed within 30 days of having been so levied, enforced or sued out on; or

(vi) *Security Enforced*: any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by any of the Issuer, its Subsidiaries or the Guarantor becomes enforceable and any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person) against substantially all of the property, assets or revenues of the Issuer, any of its Subsidiaries or the Guarantor, unless the aggregate amount of any such enforced security is less than US$400,000; or

(vii) *Winding-up*: an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of any of the Issuer, its Subsidiaries or the Guarantor (except for a members' voluntary solvent winding up of a Subsidiary), or any of the Issuer, its Subsidiaries or the Guarantor ceases or threatens to cease to carry on all or substantially all of its Ordinary Business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by the Bondholders, or (b) in the case of a Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in any of the Issuer, its Subsidiaries or the Guarantor; or

(viii) *Insolvency*: any of the Issuer, its Subsidiaries or the Guarantor is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of its debts, proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any substantial part of such debts or a moratorium is agreed or declared in respect of or affecting all or any substantial part of (or of a particular type of) the debts of any of the Issuer, its Subsidiaries or the Guarantor except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation (a) on terms approved by the Bondholders, or (b) in the case of a Subsidiary, whereby the undertaking and assets of such Subsidiary are transferred to or otherwise vested in any of the Issuer, its Subsidiaries or the Guarantor; an administrator or liquidator of any of the Issuer, its Subsidiaries or the Guarantor or all or substantially all of the assets and turnover of any of the Issuer, its Subsidiaries or the Guarantor is appointed; or

(ix) *Nationalisation*: (a) any step is lawfully taken by any competent governmental authority with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantially all of the assets of any of the Issuer, its Subsidiaries or the Guarantor or (b) any of the Issuer, its Subsidiaries or the Guarantor is prevented by any competent governmental authority from exercising normal control over all or substantially all of its property, assets and turnover; or

(x) *Authorisation and Consents*: any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer, its Subsidiaries and/or the Guarantor lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and/or the Security Documents, or (b) to ensure that those obligations are legally binding and enforceable against the Issuer, its Subsidiaries and the Guarantor, or (c) to make the Bonds, the Transaction Documents and/or the Security Documents admissible in evidence in the courts of Cayman Islands and Hong Kong is not taken, fulfilled or done; or

(xi) *Illegality*: it is or will become unlawful for any of the Issuer, its Subsidiaries and/or the Guarantor to perform or comply with any one or more of its obligations under any of the Bonds, the Transaction Documents and/or the Security Documents;

(xii) *Analogous Events*: any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of Conditions 11(v) to 11(xi) (both inclusive);

(xiii) *Key Man*: Either of Mr. Ian Huen or Mr. Darren Lui ceases to hold the position of chief executive director or president respectively, or to be actively involved in the management or operation, of the Issuer; or any change in the composition of the board of directors of the Issuer or the Guarantor occurs without any prior written consent of the Bondholders;

(xiv) *Material Adverse Change*: there shall have occurred any change (nor any development or event involving a prospective change) in the condition (financial or other), assets, liabilities, business, management, prospects, shareholders' equity, results of operations or performance of the Group as a whole or general affairs of the Issuer or the Group which, in the reasonable opinion of the Bondholders, is material and adverse in the context of the issue and offering of the Bonds, which default is not remedied within 30 days after a Notice of Potential Event of Default shall have been given to the Issuer or the Guarantor by the Bondholders;

(xv) *Debt Service Reserve Account*: the Bondholders determine that they cease to have adequate control as a secured creditor over the Debt Service Reserve Account (including without limitation any unilateral change of any authorised signatory or bank mandate in respect of the Debt Service Reserve Account by any other member of the Group without any prior written consent of the Bondholders), unless such event or default is caused by the wilful misconduct, gross negligence or fraud on the part of the Bondholders;

(xvi) *Security Documents not in force*: the validity of any of the Security Document is contested by the Issuer or the Guarantor through an official action, or any of the Issuer or the Guarantor through an official action denies any of its obligations pursuant to any Security Document or it is or will become unlawful for the Issuer or the Guarantor to perform or comply with any of its obligations pursuant to any Security Documents or any of such obligations are or become unenforceable or invalid, or any Security Documents is not (or is claimed by the Guarantor not to be) in full force and effect; and

(xvii) *Guarantee not in force*: the validity of the Deed of Guarantee is contested by the Guarantor through an official action, or the Guarantor through an official action denies any of its obligations pursuant to the Deed of Guarantee or it is or will become unlawful for the Guarantor to perform or comply with any of its obligations pursuant to the Deed of Guarantee or any of such obligations are or become unenforceable or invalid, or the Deed of Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect.

Each of the Issuer and the Guarantor undertakes to notify in writing the Bondholders upon the occurrence of any of the events specified in Conditions 11(i) to 11(xvii) if either the Issuer or the Guarantor is aware of or has determined that such event has occurred. Nothing herein constitutes or shall be deemed to constitute a waiver of any rights or remedies available to the Issuer or the Guarantor resulting from or based upon any wrongful acceleration to call an Event of Default.

12. **QIPO**

For the purposes of a QIPO, if the Issuer designates any entity other than itself (the "**Listing Entity**") to be listed, and the ordinary shares of such Listing Entity become listed, quoted, admitted to trading or dealt in, on NASDAQ or an Alternative Stock Exchange and such listing would constitute a QIPO if the shares listed had been Shares of the Issuer, the Issuer agrees to make such modification to these Conditions, the Bonds and/or the Transaction Documents as the Bondholders deem necessary to maintain the same commercial effect as if the Listing Entity had been the Issuer. Any such modification shall not be prejudicial to the interests of the Bondholders. The Issuer shall, upon a modification pursuant to this Condition 12, give notice to the Bondholders in accordance with Condition 13.

13. **Notices**

All notices to Bondholders shall be validly given if mailed to them at their respective addresses in the Register via reputable courier services. Any such notice shall be deemed to have been given at the time of delivery to the Bondholder after being so mailed via reputable courier services.

Notices to be given by any Bondholder shall be in writing and given by lodging the same, together with the relative Certificate, with the Registrar or the Issuer.

14. **Prescription**

Claims in respect of amounts due in respect of the Bonds shall be prescribed and become void unless made as required by Condition 8 within 10 years (in the case of principal and premium) and 5 years (in the case of interest) from the appropriate Relevant Date.

15. **Replacement of Bond Certificates**

If any Bond Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Registrar, subject to all applicable laws, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence and indemnity as the Issuer, the Guarantor and such Registrar may require. Mutilated or defaced Bond Certificates must be surrendered before replacements will be issued.

16. **Further Issues**

The Issuer may from time to time without the consent of the Bondholders to create and issue further securities either having the same terms and conditions as the Bonds in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any series (including the Bonds) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Bonds include (unless the context requires otherwise) any other securities issued pursuant to this Condition 16 and forming a single series with the Bonds.

17. **Governing Law and Submission to Jurisdiction**

(a) ***Governing Law***

The Bonds and the Transaction Documents and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, Hong Kong law.

(b) ***Arbitration***

(i) Any dispute, controversy, difference or claim arising out of or relating to this Agreement, including the existence, validity, interpretation, performance, breach or termination thereof or any dispute regarding non-contractual obligations arising out of or relating to it shall be referred to and finally resolved by arbitration administered by the Hong Kong International Arbitration Centre ("**HKIAC**") under the HKIAC Administered Arbitration Rules in force when the Notice of Arbitration is submitted.

(ii) The law of this arbitration clause shall be Hong Kong law.

(iii) The seat of arbitration shall be Hong Kong.

(iv) The number of arbitrators shall be three. The arbitration proceedings shall be conducted in English.

(v) For the avoidance of doubt, any dispute, controversy, difference or claim arising out of or relating to the Account Charge or Share Charge shall be referred to and finally resolved by the courts of Hong Kong pursuant to the provisions of the Account Charge or Share Charge, as the case may be.

18. **Rights of Third Parties**

No person shall have any right to enforce any term or Condition of the Bonds or any provision of the Transaction Documents under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) save where expressly provided for.

19. **Termination**

These Conditions shall be of no further effect when none of the Bonds remains Outstanding.

SCHEDULE 1

FORM OF BOND CERTIFICATES

Certificate No.: _____
Amount: _____

Aptorum Group Limited
(Incorporated in Cayman Islands with limited liability)

Aggregate Principal Amount of US$15,000,000
8.00 per cent. Convertible Bonds due 2019

Aptorum Group Limited (the "**Issuer**") hereby CERTIFIES that Peace Range Limited whose address is situated at [ ] (the "**Bondholder**") is, at the date hereof, entered in the Issuer's Register of Bondholders as the holder of the 8.00 per cent. convertible bonds due 2019 (the "**Bonds**") in the principal amount of US$15,000,000. For value received, the Issuer promises to pay the Bondholder who appears at the relevant time on the Register of Bondholders of the Issuer as the holder of the Bonds in respect of which this Certificate is issued, such amount or amounts as shall become due in respect of the Bonds and otherwise to comply with the Terms and Conditions of the Bonds endorsed hereon (the "**Conditions**").

The Bonds are issued with the benefit and subject to the Conditions. The Bonds in respect of which this Certificate is issued are convertible into fully-paid class A ordinary shares of the Issuer in accordance with the Conditions.

The Bonds in respect of which this Certificate is issued are in registered form. This Certificate is evidence of entitlement only. Title to the Bonds passes only on due registration in the Register of Bondholders and only the duly registered holder is entitled to payments on the Bonds in respect of which this Certificate is issued.

The Bonds in respect of which this Certificate is issued form part of all the Bonds in the aggregate principal amount of US$15,000,000 issued by the Issuer on _____ 2018.

This certificate is governed by, and shall be construed in accordance with the laws of Hong Kong.

In witness whereof the Issuer has caused this Certificate to be executed and delivered as a deed on _____ 2018.

Note: The Bonds cannot be transferred to bearer on delivery and is deliverable only to the extent permitted by the Conditions. The Bonds must be delivered to the Issuer for cancellation and the re-issue of an appropriate certificate in the event of any such transfer.

Dated the_____ day of_____ 2018

EXECUTED and DELIVERED
as a DEED by **Aptorum Group Limited**
and SIGNED by _____
as _____

in the presence of:

_____
Witness signature
Witness name:
Occupation:

SCHEDULE 2

FORM OF TRANSFER

Aptorum Group Limited
(Incorporated in Cayman Islands with limited liability)

Aggregate Principal Amount of US$15,000,000
8.00 per cent. Convertible Bonds due 2019

FOR VALUE RECEIVED the undersigned hereby transfers to:

_____

_____

(Please print or typewrite name and registered address of transferee)

US$ _____ principal amount of the Bonds in respect of which this Certificate is issued, and all rights in respect thereof.

All payments in respect of the Bonds hereby transferred are to be made (unless otherwise instructed by the transferee) to the following account, which shall (until further notice) be the registered account of the transferee for the purposes of Condition 3(b):

Name of bank:

U.S. dollar account number:

For the account of:

The registered address of the transferee for the purposes of Condition 3 is stated above.

Date: _____

Bondholder-Transferor's name : _____

Bondholder-Transferor's signature : _____

Bondholder-Transferor's witness : _____

Transferee's name : _____

Transferee's signature : _____

Transferee's witness : _____

Notes:

(i) A representative of the Bondholder should state the capacity in which he signs, e.g. director.

(ii) The signature of the person effecting a transfer shall conform to any list of authorised specimen signatures supplied by the registered holder or be certified by a recognised bank, notary public or in such other manner as the Registrar requires.

(iii) Any transfer of the Bonds shall be in accordance with Condition 3 of the Terms and Conditions attached to the Bonds.

SCHEDULE 3

FORM OF REDEMPTION NOTICE

Aptorum Group Limited
(Incorporated in Cayman Islands with limited liability)

Aggregate Principal Amount of US$15,000,000
8.00 per cent. Convertible Bonds due 2019

To the Bondholder:

[●]

Aptorum Group Limited (the "**Issuer**") hereby notifies the holders of the 8.00 per cent. Convertible Bonds due 2019 (the "**Bonds**") (pursuant to the Subscription Agreement and the Conditions in relation to the Bonds as follows:

1. Effective [●], 20[●] (the "**Redemption Date**"), the Issuer shall redeem US$15,000,000 aggregate principal amount of the Bonds pursuant to Clause 9(b) of the Conditions at [insert redemption amount calculated in accordance with the Conditions] per cent of their outstanding principal amount (the "**Issuer's Redemption Price**").

2. The aggregate principal amount of the Bonds, as of [●] 20[●], being the latest practicable date prior to the date hereof, is US$[●], and the Bond Certificate representing such Bonds bears the certificate number of [●].

3. On the Redemption Date, the Issuer's Redemption Price will become due and payable by the Issuer.

4. The relevant Bond Certificate should be surrendered for payment of the Redemption Amount to the following addresses:

   [●]

Capitalized terms used but not otherwise defined herein have the meanings given to them in the Subscription Agreement and the Conditions.

Very truly yours,

[●]

By: _____
Name:
Title:

SCHEDULE 4

FORM OF CONVERSION NOTICE

Aptorum Group Limited
(Incorporated in Cayman Islands with limited liability)

Aggregate Principal Amount of US$15,000,000
8.00 per cent. Convertible Bonds due 2019

(Please read the notes overleaf before completing this Notice.)

Name: _____

Date: _____

Address: _____

Tel No: _____

Fax No: _____

Signature[1]:

_____

To: **Aptorum Group Limited**

I/We, being the holders of the Bonds specified below, hereby irrevocably elect to convert such Bonds into fully-paid class A ordinary shares of the Issuer (the **"Shares"**) with no par value in accordance with the terms and conditions of the Bonds.

1. Total principal amount, number and identifying numbers of Bonds to be converted:

   Total principal amount: _____

   Total number of Bonds: _____

   Identifying numbers of Bonds (if relevant)*: _____

   Identifying numbers of Bond Certificates deposited in respect of Bonds to be converted (if relevant): _____

   N.B. If necessary, the identifying numbers of Bonds and Certificates can be attached separately.

1 A corporation should sign under hand by an authorised official who must state his/her capacity and print the name of the relevant corporation.

2. Name(s) and address(es) of person(s) in whose name(s) the Shares required to be delivered on conversion are to be registered:

Name: _____
Address: _____
_____
Telephone Number: _____
Fax Number: _____

3. I/We certify that the amount of (if any) stamp, issue, registration or other similar taxes and duties (**"Duties"**):

(a) arising upon exercise of the Conversion Right in the country in which such Conversion Rights are exercised is:

Amount: _____

Country in which Conversion Rights are exercised: _____

and/or

(b) payable in any jurisdiction consequent upon the issue or transfer of Shares to or to the order of a person other than the exercising Bondholder is:

Amount: _____

Country in which Duties are payable: _____

4. The Issuer shall pay all stamp, issue, registration, excise and similar taxes and duties (if any) (**"Duties"**) arising on conversion of the Bonds or payable consequent upon the issue, delivery or transfer of Shares or any other property or cash upon conversion and the expenses arising on the issue of Shares on conversion of the Bonds.

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2 The Issuer's register of shareholders will be closed on the following dates: [●]

3 Payment Instructions

Please make payment in respect of the above Bonds as follows:

*(a) by transfer to the registered account of the holder appearing in the Register.

*(b) by transfer to the following U.S. dollar account in [●]:

Bank: [●]

Branch Address: [●]

Branch Code: [●]

Account Number: [●]

Account Name: [●]

*Delete as appropriate Signature of holder

N.B.

(i) This Conversion Notice will be void unless the introductory details and Sections 1 to 3 are completed.

(ii) Your attention is drawn to Condition 7(c) of the Bonds with respect to the conditions precedent which must be fulfilled before the Bonds specified above will be treated as effectively eligible for conversion.

(iii) The converting Bondholder will be required to submit any necessary documents required in order to effect despatch in the manner specified.

(iv) If a retroactive adjustment contemplated by the terms and conditions of the Bonds is required in respect of a conversion of Bonds, certificates for the additional Shares deliverable pursuant to such retroactive adjustment (together with any other securities, property or cash) will be delivered or despatched in the same manner as the Shares, other securities, property and cash or, as the case may be, Equivalent Amount previously issued pursuant to the relevant Conversion Notice.

For Issuer's use only:

1 (A) Bond conversion identification reference: [●] Aptorum Group Limited US$15,000,000 8.00 per cent. Convertible Bonds due 2019

(B) Deposit Date: _____

(C) Conversion Date: _____

2 (A) Aggregate principal amount of Bonds in respect of which Certificates have been deposited for conversion:

(B) Conversion Price on Conversion Date:

(C) Number of Shares issuable:

(D) Interest payable:

3 (if applicable) amount of cash payment due to converting Bondholder under Condition 7(b)(iv) in respect of fractions of Shares:

_____

The Issuer must complete items 1, 2 and (if applicable) 3

SCHEDULE 5

Applicable discounts provided in Conditions 7(b)(iii)(A) and 7(b)(iii)(B)

The table below sets out the applicable discounts provided in Conditions 7(b)(iii)(A) and 7(b)(iii)(B) and is for illustrative purposes only. The following scenarios only describe certain possible circumstances and are not exhaustive.

The date on which a QIPO has occurred	On the date falling 6 calendar months after the Issue Date	On the date falling 12 calendar months after the Issue Date	On the date falling 18 calendar months after the Issue Date
The pro rata Rate of Interest accrued and/or paid as of such date (**W**)	4%	8%	12%
Original discount before any offset (**X**)	23%	23%	28%
Offset amount (**Y** = W*50%)	2%	4%	6%
Discount to the IPO Share Price after offset (**Z** = X - Y) to be applied to the IPO Share Price	21%	19%	22%

DOCUMENT ESCROW AGREEMENT

THIS AGREEMENT is made on _____ 2018 between:

(1) **JURCHEN INVESTMENT CORPORATION**, a company incorporated in the British Virgin Islands and having its registered/principal office at Vistra Corporation Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, the British Virgin Islands ("Party A")

(2) **PEACE RANGE LIMITED**, a company incorporated in the British Virgin Islands and having its registered/principal office [ ] ("Party B"); and

(3) **THE LAW DEBENTURE TRUST (ASIA) LIMITED**, whose registered office is at Suite 413, Hutchison House, 10 Harcourt Road, Central, Hong Kong (the "Escrow Agent").

WHEREAS:

A. Party A and Party B (individually an "Appointer" and together the "Appointers") are parties to the Supplemental Agreement (as defined below) pursuant to which Party A will deliver to the Escrow Agent the documents specified in Schedule 4 on or about _____ 2018.

B. The Escrow Agent has agreed with the other Parties to act as escrow agent in relation to the Escrow Documents (as defined below) subject to the conditions and on the terms of this Agreement.

1. **Definitions**

1.1 In this Agreement the following words and expressions shall have the following meanings:-

"Authorised Signatories" means those persons whose names and specimen signatures are set out in Schedule 3 or such other persons as shall be notified to the Escrow Agent in writing by a notice, signed by two Authorised Signatories or two Directors of the relevant Party, and incorporating specimen signatures of such persons;

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are generally open for the transaction of normal commercial banking business in Hong Kong;

"Escrow Documents" means (i) the documents specified in Schedule 4; and (ii) any other documents delivered to the Escrow Agent and identified by the Party A delivering such documents as being Escrow Documents;

"Fee Letter" means the letter dated on or about the date hereof between the Escrow Agent and the Party A setting out the terms of the remuneration and costs and expenses payable under this Agreement to the Escrow Agent;

"Insolvency Event" means the making of a bankruptcy order, the presentation of a winding-up petition which is not withdrawn or dismissed within 30 days, the making of a winding-up order or passing of a winding-up resolution, the appointment of an administrator or receiver, an insolvent reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) or the occurrence of any similar or analogous insolvency event in any jurisdiction;

"Parties" means the parties to this Agreement;

"Release Notice" means a notice substantially in the form set out in Schedule 2 signed by an Authorised Signatory on behalf of Party A and an Authorised Signatory on behalf of Party B;

"Standard Conditions" means the Escrow Agent's standard terms and conditions for document escrows applicable current at the date of this Agreement and attached hereto;

"Supplemental Agreement" means the share charge dated on or about the date of this Agreement and made between Jurchen Investment Corporation as chargor, Peace Range Limited as the chargee and Aptorum Group Limited as the issuer and other agreements between one or both of the Appointers and/or any other party which relates to or is in connection with the Supplemental Agreement;

"Transfer Document" means the Escrow Documents referred to in a Transfer Notice;

"Transfer Notice" means a notice substantially in the form set out in Schedule 1 signed by an Authorised Signatory on behalf of Party B;

1.2 Headings and sub-headings are for ease of reference only and shall not affect the construction of this Agreement or any of the Schedules hereto.

2. **Standard Conditions**

2.1 The Standard Conditions (as amended pursuant to this Agreement) shall be deemed to be incorporated in this Agreement which the Parties hereby confirm and acknowledge.

2.2 The Parties agree that the following paragraphs referred to in the Standard Conditions shall be amended and/or supplemented as follows:

(a) *Paragraph 2.3(i):* The provisions of paragraph 2.3 (i) of the Standard Conditions shall also apply *mutatis mutandis* in respect of any Release Notice delivered in accordance with this Agreement as if references therein to a "Transfer Notice" were a reference to a Release Notice.

(b) *Paragraph 4.1:* Notwithstanding any other provision of this Agreement, Party B shall have the sole right and power to remove the Escrow Agent and appoint a new Escrow Agent in accordance with paragraph 4 of the Standard Conditions should the Escrow Agent refuse or fail to comply with Clause 4 to deliver all or any of the Transfer Documents to the Party B upon receipt of a Transfer Notice, including without limitation, as a result of any of the matters referred to in paragraph 2.3(g) or paragraph 6.6 of the Standard Conditions or an Insolvency Event relating to the Escrow Agent or the Party A.

(c) Paragraph 4.3: Notwithstanding any other provision of this Agreement, a replacement escrow agent shall be appointed in accordance with Clause 8.3 of this Agreement and if the Escrow Agent has resigned for any reason, the Escrow Documents shall be dealt with and delivered by the Escrow Agent strictly in accordance with Clause 8.3 of this Agreement.

2.3 To the extent there are any inconsistencies between the terms of this Agreement and the Standard Conditions, the Standard Conditions shall prevail.

3. **The Escrow Agent**

3.1 Party A and Party B hereby appoint and instruct the Escrow Agent to act, and the Escrow Agent acknowledges that it has been appointed and will act, as escrow agent subject to the conditions and on the terms of this Agreement.

3.2 The Escrow Agent shall hold the Escrow Documents delivered to it in accordance with the terms of this Agreement.

4. **Deposit, transfer and/or release of the Escrow Documents**

4.1 The Escrow Documents will be held by the Escrow Agent for safekeeping upon delivery of any such documents to it by Party A from time to time. Upon receipt of the Escrow Documents, the Escrow Agent will issue a receipt to Party A and Party B in the form set out in Schedule 5 (Form of Receipt) to this Agreement. Each of Party A and Party B acknowledges that the Escrow Agent shall not, at any time, be responsible for verifying, validating, endorsing or authenticating, any Escrow Documents provided to it in accordance with this Agreement.

4.2 Subject to the Escrow Agent having possession of the relevant Transfer Document(s), as soon as reasonably practicable upon the receipt by the Escrow Agent of a Transfer Notice duly executed by the Party B, or if later the date specified in the Transfer Notice, the Escrow Agent shall arrange for all Transfer Documents specified in the Transfer Notice to be delivered to Party B as specified in the Transfer Notice. In arranging for the delivery of the Transfer Documents the Escrow Agent's sole responsibility shall be to hand the Transfer Documents, properly addressed in accordance with the Transfer Notice, to a reputable courier (or, if specified in the Transfer Notice, to the courier so specified) and the Escrow Agent shall incur no liability to any person should the Transfer Document(s) subsequently not be received by the relevant party. The costs of the courier shall be for the account of party supplying the courier. As soon as is reasonably practicable after handing the Transfer Documents to the courier the Escrow Agent shall notify Party A and Party B thereof.

4.3 Subject to the Escrow Agent having possession of the relevant Escrow Document(s) and subject to any prior exercise by Party B of its right to deliver a Transfer Notice in accordance with Clause 4.2, the Escrow Agent shall arrange for the Escrow Documents to be delivered to Party A as specified in a Release Notice duly executed by the Party A and Party B. In arranging for the delivery of the Escrow Documents the Escrow Agent's sole responsibility shall be to hand the Escrow Documents, properly addressed in accordance with the Release Notice, to a reputable courier (or, if specified in the Release Notice, to the courier so specified) and the Escrow Agent shall incur no liability to any person should the Escrow Documents subsequently not be received by the relevant party. The costs of the courier shall be for the account of party supplying the courier. As soon as is reasonably practicable after handing the Escrow Documents to the courier the Escrow Agent shall notify Party A and Party B thereof.

4.4 Save as expressly permitted hereunder, no other deliveries of the Escrow Documents shall be made unless Party A and Party B agree otherwise.

5. **Escrow Agent's remuneration, costs and expenses**

5.1 Party A shall be liable to the Escrow Agent for the payment of remuneration to it for its services hereunder as set out in the Fee Letter and for the Escrow Agent's costs and expenses all as additionally provided for in the Standard Conditions.

6. **Benefit of Agreement**

6.1 This Agreement shall be binding upon and inure to the benefit of each Party and its successors and permitted assigns.

6.2 Subject to Clause 6.3, no Party may assign or transfer or purport to assign or transfer any of its rights or obligations under this Agreement without the written consent of all the other Parties.

6.3 Party B may at any time assign or otherwise transfer all or any part of its rights under this Agreement in accordance with Clause 20.1 of the Supplemental Agreement.

6.4 In the event the Party B exercises their rights pursuant to Clause 6.3 above, the Escrow Agent will be notified as soon as reasonably practicable and shall complete the necessary money laundering checks on any assignee or successor and will be entitled to charge for its properly incurred time in accordance with the terms set out in the Standard Conditions.

7. **Notices**

7.1 Any notice to be given under this Agreement (including a Transfer Notice) shall be in writing, shall be signed by or on behalf of the person giving it and;

(a) be in English; and

(b) if accompanied by any other documents, such accompanying documents must be:

(i) in English; or

(ii) if not in English, and if so required by the Escrow Agent, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

7.2 **Effectiveness**

(a) Any communication or document made or delivered in connection with this Agreement will only be effective:

(i) if by way of fax, at the time shown on the transmission report as being successfully sent;

(ii) if delivered personally, at the time of delivery;

(iii) if sent by courier, (a) in the case of communications to the Escrow Agent, upon receipt by the department or officer of the Escrow Agent named in Clause 7.3 below and (b) otherwise, three (3) Business Days after being couriered with a reputable international courier company in an envelope addressed to the relevant Party at the relevant address;

(iv) if sent by email; (a) in the case of communications to the Escrow Agent, written confirmation of receipt from the Escrow Agent (for the avoidance of doubt an automatically generated "received" or "read" receipt will not constitute written confirmation) and (b) otherwise, when received as evidenced by a read receipt,

and, where a particular department or officer is specified as part of its address details provided under Clause 7.3, if addressed to that department or officer.

(b) Any communication or document which becomes effective, in accordance with paragraph (a) above, after 5.00pm, or on a non- Business Day, in the place of receipt shall be deemed only to become effective on the next following Business Day in the place of receipt.

7.3 **Addresses**

(a) The Escrow Agent's address for the service of notices is:

Law Debenture Trust (Asia) Limited
Suite 413, Hutchison House,
10 Harcourt Road
Central
Hong Kong

Fax number: +852 2234 9765
Marked for the attention of: Trust Manager
Email: hong.kong@lawdeb.com

(b) Party A's address for the service of notices is:

Aptorum Group Limited
17/F, Guangdong Investment Tower,
148 Connaught Road Central
Hong Kong

Fax number: +852 2850 7286
Marked for the attention of: Legal Department

(c) Party B's address for the service of notices is:

Peace Range Limited

Fax number:
Marked for the attention of: Mr. Andy Cheuk / Mr. Philip Wong

A communication given under this Clause 7 but received on a non-Business Day, or after close of business on a Business Day in the place of receipt will only be deemed to be given on the next Business Day in that place.

8. **Termination, extension and resignation of Escrow Agent**

8.1 Subject to Clauses 8.2 to 8.5, this Agreement shall automatically terminate on the earlier of the following dates:

(a) on the date when all Escrow Documents have been delivered pursuant to the delivery of the Transfer Notice;

(b) on the date when all Escrow Documents have been delivered pursuant to the delivery of the Release Notice as provided under Clause 22.5 of the Supplemental Agreement.

8.2 The Parties agree, in the event that any Escrow Documents are held in accordance with the provisions of Clause 4 after the expiration of 30 months from the date hereof, that they shall extend this Agreement for such term and for such additional fees (payable by Party A to the Escrow Agent), as shall be agreed at the relevant time.

8.3 Subject to Clause 8.4, the Escrow Agent may give not less than 30 days' prior written notice to resign and be discharged from all its duties and obligations hereunder (such notice referred to in this Clause as the "Notice of Resignation"). Upon giving a Notice of Resignation, the Escrow Agent will, at the cost of Party A, cooperate with Party A and Party B in good faith so that, while Party A and Party B are making all reasonable efforts to find and appoint a successor escrow agent (the "Successor Agent") the Escrow Agent's resignation from its appointment hereunder will not become effective until the appointment of the Successor Agent, provided always that:

(a) if no Successor Agent mutually agreed by the Party A and Party B shall have been appointed within 15 days of the Notice of Resignation, Party B may in its sole discretion select and appoint an accounting firm, law firm or professional escrow agent (being an institutional of similar standing to the Escrow Agent) to be the Successor Agent, on the same or substantially the same terms as this Agreement subject to the aggregate remuneration and fees of such Successor Agent being capped at US$10,000; and

(b) if no Successor Agent shall have been appointed within 30 days of the Notice of Resignation, the Escrow Agent may then resign forthwith and its resignation shall be effective immediately.

Upon its resignation, the Escrow Agent shall promptly, but at no risk or expense to it, deliver the Escrow Documents to the Successor Agent or, if a Transfer Notice has not been delivered by Party B prior to such time, on the joint instructions of Party A and Party B, to such person as they may nominate or, failing such instructions, it shall deliver the same to Party B and the Escrow Agent's sole responsibility in relation to such delivery shall be to hand the Escrow Document(s), properly addressed to such person in accordance with this Clause 8.3, to a reputable courier and the Escrow Agent shall incur no liability to any person should the Escrow Document(s) subsequently not be received by the relevant person. Should the Escrow Documents be delivered by the Escrow Agent to Party B in accordance with this Clause 8.3 where a Successor Agent has not been appointed prior to the resignation of the Escrow Agent, Party B agrees that it shall hold such documents in accordance with the terms of the Supplemental Agreement pending the appointment of a Successor Agent, and shall thereafter deliver the Escrow Documents to the Successor Agent promptly upon its appointment.

8.4 A Party may terminate this Agreement with immediate effect by giving a notice ("Default Notice") to another Party (the "Defaulting Party") copying in the remaining Party should any of the following occur to a Defaulting Party:

(a) it has committed a material breach or is in persistent breach of the terms of this Agreement and has not remedied the specified breach which is capable of being remedied within 30 days of a Default Notice served on it by a non-defaulting party specifying the breach which must be remedied; or

(b) an Insolvency Event has occurred in relation to the Defaulting Party.

Each Party shall immediately notify the other Parties as soon as practicable on becoming aware that it is or may become subject to an Insolvency Event.

8.5 Any termination of this Agreement under this Clause 8 shall be without prejudice to the completion of transactions entered into but not completed prior to termination and following termination, the Escrow Agent will continue to hold the Escrow Documents on the terms of this Agreement until the Escrow Documents are delivered to the person(s) entitled in accordance with the aforementioned clauses. Any fees payable under this Agreement shall be calculated up to the later of the delivery of the Escrow Documents or the expiry of any notice period and will be payable on or before the proposed day of delivery of the Escrow Documents. The Escrow Agent is not required to undertake such delivery until its fees, costs and expenses payable under this Agreement pursuant to Clause 5 have been paid in full. All remedies under the Agreement shall survive the termination of the Agreement.

9. **Governing law and Jurisdiction**

9.1 This Agreement shall be interpreted and construed in accordance with the laws of Hong Kong.

9.2 Each of the Appointers, for the benefit of the other Parties, irrevocably submits to the exclusive jurisdiction of the Courts of Hong Kong in respect of any claim, dispute or difference arising out of or in connection with this Agreement ("Proceedings"), provided that nothing contained in this Clause shall be taken to have limited the right of the Escrow Agent to proceed in the courts of any other competent jurisdiction.

9.3 Party A agrees that the process by which any Proceedings are commenced in Hong Kong pursuant to Clause 9.2 may be served on it by being delivered to Aptorum Group Limited at the address referred to in Clause 7.3(b). If such person is not or ceases to be effectively appointed to accept service of process on behalf of Party A, Party A shall, on the written demand of the other Parties to this Agreement, appoint a further person in Hong Kong to accept service of process on its behalf and, failing such appointment within 14 days, the other Parties to this Agreement shall be entitled to appoint such a person by written notice to Party A. Nothing in this paragraph shall affect the right of the other Parties to serve process in any other manner permitted by law.

9.4 Party B agrees that the process by which any Proceedings are commenced in Hong Kong pursuant to Clause 9.2 may be served on it by being delivered to Peace Range Limited at the address referred to in Clause 7.3(c). If such person is not or ceases to be effectively appointed to accept service of process on behalf of Party B, Party B shall, on the written demand of the other Parties to this Agreement, appoint a further person in Hong Kong to accept service of process on its behalf and, failing such appointment within 14 days, the other Parties to this Agreement shall be entitled to appoint such a person by written notice to Party B. Nothing in this paragraph shall affect the right of the other Parties to serve process in any other manner permitted by law.

9.5 In the event that any dispute or controversy arises involving the Parties or any of them or any other person, firm or entity with respect to this Agreement or the Escrow Document, or if the Escrow Agent should be in doubt as to what action to take, the Escrow Agent shall have the right, but not the obligation to stop all proceedings in the performance of the services constituted by this Agreement and withhold transfer or release of the Escrow Document until such dispute or conflicting demands or determinations have been resolved and written confirmation thereof by an Authorised Signatory of each of the other Parties has been delivered to the Escrow Agent.

10. **Counterparts**

10.1 This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute one instrument.

10.2 Any notice served pursuant to this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which taken together shall constitute one and the same notice.

The Parties have executed this Agreement on the date and year first written above

[Signature pages to follow]

JURCHEN INVESTMENT CORPORATION

By:

Authorised Signatory

PEACE RANGE LIMITED

By:

Authorised Signatory

LAW DEBENTURE TRUST (ASIA) LIMITED

By:

Authorised Signatory

SCHEDULE 1
Form of Transfer Notice

To :

Law Debenture Trust (Asia) Limited
Suite 413, Hutchison House
10 Harcourt Road
Central
Hong Kong

Attention: The Trust Manager

Date: [ ]

Dear Sirs,

Escrow Agreement dated [ ] between Jurchen Investment Corporation, Peace Range Limited and Law Debenture Trust (Asia) Limited (the "Agreement")

Pursuant to Clause 4 of the Agreement, we the undersigned hereby irrevocably instruct you to deliver as soon as reasonably practicable after the date hereof by handing to the courier firm [ ] all Escrow Document(s) (any delivery charges shall be for our account and be paid to you prior to your handing the Escrow Document(s) to the courier):

The courier is to be instructed to deliver the above Escrow Documents to:

[address and contact details]

Authorised Signatory
Signed for and on behalf of
Peace Range Limited

Note delivery charges, if not otherwise paid, are to be credited to the account of the Escrow Agent, please quote [ ] Escrow Agreement / Reference [ ]:

To: The Hongkong and Shanghai Banking Corporation Ltd
1 Queen's Road Central, Hong Kong
Favour: Law Debenture Trust (Asia) Limited
A/C No: USD Savings Account No.
SWIFT: HSBCHKHHHKH

or

To: The Hongkong and Shanghai Banking Corporation Ltd
1 Queen's Road Central, Hong Kong
Favour: Law Debenture Trust (Asia) Limited
A/C No: HKD Savings Account No.
SWIFT: HSBCHKHHHKH

SCHEDULE 2
Form of Release Notice

To :

Law Debenture Trust (Asia) Limited
Suite 413, Hutchison House
10 Harcourt Road
Central
Hong Kong

Attention: The Trust Manager

Date: [ ]

Dear Sirs,

Escrow Agreement dated [ ] between Jurchen Investment Corporation, Peace Range Limited and Law Debenture Trust (Asia) Limited (the "Agreement")

Pursuant to Clause 8.2 of the Agreement, we the undersigned hereby irrevocably instruct you to deliver as soon as reasonably practicable after the date hereof by handing to the courier firm [ ] all Escrow Document(s) (any delivery charges shall be for our account and be paid to you prior to your handing the Escrow Document(s) to the courier).

The courier is to be instructed to deliver the above Escrow Documents to:

[address and contact details]

Authorised Signatory Signed for and on behalf of Jurchen Investment Corporation	Authorised Signatory Signed for and on behalf of Peace Range Limited

Note delivery charges, if not otherwise paid, are to be credited to the account of the Escrow Agent, please quote [ ] Escrow Agreement / Reference [ ]:

To:	The Hongkong and Shanghai Banking Corporation Ltd 1 Queen's Road Central, Hong Kong
Favour:	Law Debenture Trust (Asia) Limited
A/C No:	USD Savings Account No.
SWIFT:	HSBCHKHHHKH

or

To:	The Hongkong and Shanghai Banking Corporation Ltd 1 Queen's Road Central, Hong Kong
Favour:	Law Debenture Trust (Asia) Limited
A/C No:	HKD Savings Account No.
SWIFT:	HSBCHKHHHKH

SCHEDULE 3
Authorised Signatories

For Party A	
Name	**Specimen Signature**

A minimum number of ____ person(s) shall be required to sign any Release Notice

For Party B	
Name	**Specimen Signature**

A minimum number of ____ person(s) shall be required to sign any Transfer Notice or Release Notice

SCHEDULE 4
Description of Escrow Document(s)

1. Share certificate relating to certain Class B shares in Aptorum Group Limited (the "**Shares**") referred to in Clause 3.2(a) of the Supplemental Agreement;

2. Instrument of Transfer in respect of the Shares referred to in Clause 3.2(a) of and in the form set out in schedule 2 of the Supplemental Agreement;

3. Letter of Authority and Undertaking from directors of Aptorum Group Limited referred to in Clause 3.2(b) of and in the form set out in schedule 4 of the Supplemental Agreement;

4. Board resolution of the directors of Aptorum Group Limited referred to in Clause 3.2(c) of and in the form set out in schedule 5 of the Supplemental Agreement;

5. Proxy and Power of Attorney in respect of the Shares referred to in Clause 3.2(d) of and in the form set out in schedule 3 of the Supplemental Agreement;

6. Deed of Undertaking and Confirmation from Aptorum Group Limited referred to in Clause 3.2(e) of and in the form set out in schedule 6 of the Supplemental Agreement; and

7. Letter of Instructions to Registered Agent and Acknowledgement referred to in Clause 3.2(f) of and in the form set out in schedule 7 of the Supplemental Agreement.

SCHEDULE 5
Form of Receipt

Law Debenture Trust (Asia) Limited
Suite 413, Hutchison House
10 Harcourt Road
Central
Hong Kong

To: Jurchen Investment Corporation (as Party A)
17/F, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong

Copy: Peace Range Limited (as Party B)
[*Insert address*]

[*Insert date*]

In connection with the Escrow Agreement entered into between us, Law Debenture Trust (Asia) Limited, Jurchen Investment Corporation and Peace Range Limited dated [●] 2018, we hereby acknowledge receipt of the following documents into our safe keeping:

Date deposited:

[*Insert date*]

Escrow Document(s):

[*Insert name of documents and, if applicable, date of document*]

The Escrow Agent hereby makes no representation or warranties as to the authenticity or validity of the documents provided to it for safekeeping.

Authorised Signatory

Law Debenture Trust (Asia) Limited

APTORUM GROUP LIMITED
□□□□□□□□□

2017 SHARE OPTION PLAN

1. **Purposes of the Plan**. The purposes of this Plan are to attract and retain the best available personnel, to provide additional incentives to Employees, Directors and Consultants and to promote the success of the Company's business.

2. **Definitions.** The following definitions shall apply as used herein and in the individual Share Option Agreements except as defined otherwise in an individual Share Option Agreement. In the event a term is separately defined in an individual Share Option Agreement, such definition shall supersede the definition contained in this Section.

   (a) "**Administrator**" means the Board or any of the Committees appointed to administer the Plan or such Officer or Officers as authorized by the Board or any of the Committees appointed to administer the Plan.

   (b) "**Affiliate**" and "**Associate**" shall have the respective meanings ascribed to such terms in Rule 12b-2 promulgated under the Exchange Act.

   (c) "**Applicable Laws**" means the legal requirements relating to the Plan and the Options under applicable provisions of the corporate and securities laws of any jurisdiction, the Code, the rules of any applicable stock exchange or national market system, and the rules of any jurisdiction applicable to Option granted to residents therein.

   (d) **"Appointment Letter"** refers to documentation that describes the terms and conditions in which each Employee, Director, or Consultant is employed, appointed, or enlisted to service the Company and/or its subsidiaries and affiliated companies.

   (e) **"Articles"** refers to the Company's Second Amended and Restated Memorandum of Articles of Association (Amended and Restated by special resolutions dated _____ 2017).

   (f) "**Board**" means the Board of Directors of the Company.

   (g) "**Change in Control**" means a change in ownership or control of the Company effected through either of the following transactions:

      i. the direct or indirect acquisition by any person or related group of persons (other than an acquisition from or by the Company or by a Company-sponsored employee benefit plan or by a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership (within the meaning of Rule13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities pursuant to a tender or exchange offer made directly to the Company's shareholders, or

ii. a change in the composition of the Board over a period of thirty-six (36) months or less such that a majority of the Board members (rounded up to the next whole number) ceases, by reason of one or more contested elections for Board membership, to be comprised of individuals who are Continuing Directors.

(h) **"Class A Ordinary Shares"** means the Class A Ordinary Shares in the capital of the Company having a par value of USD 1.00 each having rights, and subject to the restrictions provided in the Company's Articles. One Class A Ordinary Share shall equate to one vote per share for each share held by the shareholder and cannot be converted to any other class of share at any time.

(i) **"Class B Ordinary Shares"** means the Class B Ordinary Shares in the capital of the Company having a par value of USD 1.00 each having the rights, and subject to the restrictions provided in the Company's Articles. One Class B Ordinary Share shall equate to ten votes per share for each share held by the shareholder and can be converted to Class A Shares on a 1-to-1 basis at any time.

(j) "**Code**" means the Internal Revenue Code of 1986, as amended.

(k) "**Committee**" means any committee composed of members of the Board appointed by the Board to administer the Plan, including but not limited to the Compensation Committee as appointed by the Board.

(l) "**Company**" means Aptorum Group Limited, an exempt company incorporated in Cayman Islands.

(m) "**Consultant**" means any person (other than an Employee or a Director, solely with respect to rendering services in such person's capacity as a Director) who is engaged by the Company or any Related Entity to render consulting or advisory services to the Company or such Related Entity.

(n) "**Continuing Directors**" means members of the Board who either (i) have been Board members continuously for a period of at least thirty-six (36) months or (ii) have been Board members for less than thirty-six (36) months and were elected or nominated for election as Board members by at least a majority of the Board members described in clause (i) who were still in office at the time such election or nomination was approved by the Board.

(o) "**Continuous Service**" means that the provision of services to the Company or a Related Entity in any capacity of Employee, Director or Consultant (collectively, "Service Provider") is not interrupted or terminated. In jurisdictions requiring notice in advance of an effective termination as an Employee, Director or Consultant, Continuous Service shall be deemed terminated upon the actual cessation of providing services to the Company or a Related Entity notwithstanding any required notice period that must be fulfilled before a termination as an Employee, Director or Consultant can be effective under Applicable Laws. An Optionee's Continuous Service shall be deemed to have terminated either upon an actual termination of Continuous Service or upon the entity for which the Optionee provides services ceasing to be a Related Entity. Continuous Service shall not be considered interrupted in the case of (i) any approved leave of absence, (ii) transfers among the Company, any Related Entity, or any successor, in any capacity of Employee, Director or Consultant, or (iii) any change in status as long as the individual remains in the service of the Company or a Related Entity in any capacity of Employee, Director or Consultant (except as otherwise provided in the Option Agreement). An approved leave of absence shall include sick leave, military leave, or any other authorized personal leave.

(p) "**Corporate Transaction**" means any of the following transactions, provided, however, that the Administrator shall determine under parts (iv) and (v) whether multiple transactions are related, and its determination shall be final, binding and conclusive:

i. a merger or consolidation in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated;

ii. the sale, transfer or other disposition of all or substantially all of the assets of the Company;

iii. the complete liquidation or dissolution of the Company;

iv. any reverse merger or series of related transactions culminating in a reverse merger (including, but not limited to, a tender offer followed by a reverse merger) in which the Company is the surviving entity but (A) the Ordinary Shares outstanding immediately prior to such merger are converted or exchanged by virtue of the merger into other property, whether in the form of securities, cash or otherwise, or (B) in which securities possessing more than forty percent (40%) of the total combined voting power of the Company's outstanding securities are transferred to a person or persons different from those who held such securities immediately prior to such merger or the initial transaction culminating in such merger, but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction; or

v. acquisition in a single or series of related transactions by any person or related group of persons (other than the Company or by a Company-sponsored employee benefit plan) of beneficial ownership (within the meaning of Rule 13d-3 of the Exchange Act) of securities possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities but excluding any such transaction or series of related transactions that the Administrator determines shall not be a Corporate Transaction.

(q) "**Director**" means a member of the Board or the board of directors of any Related Entity.

(r) "**Disability**" means as defined under the long-term disability policy of the Company or the Related Entity to which the Optionee provides services regardless of whether the Optionee is covered by such policy. If the Company or the Related Entity to which the Optionee provides service does not have a long-term disability plan in place, "Disability" means that an Optionee is unable to carry out the responsibilities and functions of the position held by the Optionee by reason of any medically determinable physical or mental impairment for a period of not less than ninety (90) consecutive days. An Optionee will not be considered to have incurred a Disability unless he or she furnishes proof of such impairment sufficient to satisfy the Administrator in its discretion.

(s) **"Effective Date"** means the date The Plan is adopted and approved by the shareholders of the Company, whether it be the first time the Plan is approved, or each date the Plan is renewed pursuant to shareholder approval in subsequent terms.

(t) "**Employee**" means any person, including an Officer or Director, who is in the employment of the Company or any Related Entity, subject to the control and direction of the Company or any Related Entity as to both the work to be performed and the manner and method of performance. The payment of a director's fee by the Company or a Related Entity shall not be sufficient to constitute "employment" by the Company.

(u) "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

(v) "**Fair Market Value**" means, as of any date, the value of the subject Shares determined as follows:

i. If the Shares at issue are listed on one or more established stock exchanges or national market systems, including without limitation the American Stock Exchange or The Nasdaq Global Market, its Fair Market Value shall be the closing sales price for such shares (or the closing bid, if no sales were reported) as quoted on the principal exchange or system on which the subject Shares are listed (as determined by the Administrator) on the date of determination (or, if no closing sales price or closing bid was reported on that date, as applicable, on the last trading date such closing sales price or closing bid was reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable;

ii. If the subject Shares are regularly quoted on an automated quotation system (including the OTC Bulletin Board) or by a recognized securities dealer, its Fair Market Value shall be the closing sales price for such shares as quoted on such system on the date of determination, but if selling prices are not reported, the Fair Market Value of the subject Shares shall be the mean between the high bid and low asked prices for the Shares on the date of determination (or, if no such prices were reported on that date, on the last date such prices were reported), as reported in The Wall Street Journal or such other source as the Administrator deems reliable; or

iii. In the absence of an established market for the subject Shares of the type described in (i) and (ii), above, the Fair Market Value thereof shall be determined by the Administrator in good faith.

(w) "**Listing**" refers to a successful initial public offering in the Company's Class A Ordinary Shares to be traded on a globally accredited stock exchange.

(x) "**Incentive Share Option**" means an Option that is to qualify as an Incentive Share Option as such term is defined in Section 422 of the Code.

(y) "**Officer**" means a person who is an officer of the Company or a Related Entity within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(z) "**Option**" means an option to purchase Class A Ordinary Shares pursuant to an Option Agreement granted under the Plan.

(aa) "**Option Agreement**" means the written agreement evidencing the grant of an Option executed by the Company and the Optionee, including any amendments thereto.

(bb) "**Optionee**" means an Employee, Director or Consultant who receives an Option under the Plan.

(cc) **"Ordinary Shares"** means the ordinary shares in the capital of the Company having a par value of USD 1.00 each, inclusive of Class A Ordinary Shares and Class B Ordinary Shares, having rights, and subject to restrictions, provided in the Company's Articles.

(dd) "**Plan**" means this Aptorum Group Limited□□□□□□□□ 2017 Share Option Plan.

(ee) "**Related Entity**" means any Parent or Subsidiary of the Company and any business, corporation, partnership, limited liability company or other entity in which the Company or a Parent or a Subsidiary of the Company holds a substantial ownership interest, directly or indirectly.

(ff) "**Replaced**" means that pursuant to a Corporate Transaction the Option is replaced with a comparable share Option or a cash incentive program of the Company, the successor entity (if applicable) or Parent of either of them which preserves the compensation element of such Option existing at the time of the Corporate Transaction and provides for subsequent payout in accordance with the same (or a more favorable) vesting schedule applicable to such Option. The determination of Option comparability shall be made by the Administrator and its determination shall be final, binding and conclusive.

(gg) "**Share**" or "Shares" means Class A Ordinary Shares of the Company.

(hh) "**Subsidiary**" means a "subsidiary corporation", whether now or hereafter existing, as defined in Section 424(f) of the Code.

(ii) "**Trading Market Approval**" means the pre-approval required from the globally accredited stock exchange or other stock exchange on which the Company's Shares are then listed for trading for certain Share issuances.

3. Shares Subject to the Plan.

(a) Subject to the provisions of Section 10 below, the maximum aggregate number of Class A Ordinary Shares reserved and available pursuant to this Plan shall be the aggregate of (i) 5,500,000 Shares, and (ii) on each January 1, starting with January 1, 2020, an additional number of shares equal to the lesser of (A) 2% of the outstanding number of Ordinary Shares (on a fully-diluted basis) on the immediately preceding December 31, and (B) such lower number of Ordinary Shares as may be determined by the Committee, subject in all cases to adjustment as provided in Section 10 below (the "Evergreen Plan").

(b) Further, if, after the Effective Date of the Plan, any Shares underlying an Option are forfeited, or if an Option otherwise terminates without the delivery of Shares or of other consideration, then the Shares underlying such Option, or the number of Shares otherwise counted against the aggregate number of Shares available under the Plan with respect to the Option, to the extent of any such forfeiture or termination, shall again be, or shall become, available for granting options under the Plan.

For the avoidance of doubt it is noted that, no Class B Ordinary Shares may be issued under the Plan.

4. Administration of the Plan.

(a) Plan Administrator.

i. Administration with Respect to Directors and Officers. With respect to grants of Options to Directors or Employees who are also Officers or Directors of the Company, the Plan shall be administered by (A) the Board or (B) the Compensation Committee designated by the Board, which Compensation Committee shall be constituted in such a manner as to satisfy the Applicable Laws. Once appointed, such Compensation Committee shall continue to serve in its designated capacity contingent to its members' ongoing fulfillment of obligations, the terms of termination of Committee members as stipulated by their Appointment Letters, or until otherwise directed by the Board. In the case of Options for Employees or Consultants who are neither Directors nor Officers of the Company, the Board may authorize one or more Officers to grant such Options and may limit such authority as the Board determines from time to time.

ii. Administration Errors**.** In the event an Option is granted in a manner inconsistent with the provisions of this subsection (a), such Option shall be presumptively valid as of its grant date to the extent permitted by the Applicable Laws.

(b) Powers of the Administrator. Subject to Applicable Laws, especially but not limited to those regarding shareholders approval, and the provisions of the Plan (including any other powers given to the Administrator hereunder), and except as otherwise provided by the Board, the Administrator shall have the authority, in its discretion:

i. To select the Employees, Directors and Consultants to whom Options may be granted;

ii. To determine whether and to what extent Options are granted hereunder;

iii. To determine the number of Shares or the amount of other consideration to be covered by each Option granted hereunder;

iv. To approve forms of Option Agreements for use under the Plan;

v. To determine the terms and conditions of any Option subject to the terms and conditions contained herein;

vi. To amend the terms of any outstanding Option granted under the Plan, provided that (A) any amendment that would adversely affect the Optionee's rights under an outstanding Option shall not be made without the Optionee's written consent, (B) the reduction of the exercise price of any Option shall be subject to the Optionee's written consent and (C) canceling an Option at a time when its exercise price exceeds the Fair Market Value of the underlying Shares, in exchange for another Option shall be subject to the Optionee's approval, unless the cancellation and exchange occurs in connection with a Corporate Transaction. Notwithstanding the foregoing, canceling an Option in exchange for another Option with an exercise price, purchase price that is equal to or greater than the exercise price of the original Option shall not be subject to the Optionee's approval;

vii. To construe and interpret the terms of the Plan and Options, including without limitation, any notice of Option or Option Agreement, granted pursuant to the Plan;

viii. To take such other action, not inconsistent with the terms of the Plan, as the Administrator deems appropriate.

(c) Indemnification. In addition to such other rights of indemnification as they may have as members of the Board or as Officers or Employees of the Company or a Related Entity, members of the Board and any Officers or Employees of the Company or a Related Entity to whom authority to act for the Board, the Administrator or the Company is delegated shall be defended and indemnified by the Company to the extent permitted by law on an after-tax basis against all reasonable expenses, including attorneys' fees, actually and necessarily incurred in connection with the defense of any claim, investigation, action, suit or proceeding, or in connection with any appeal therein, to which they or any of them may be a party by reason of any action taken or failure to act under or in connection with the Plan, or any Option granted hereunder, and against all amounts paid by them in settlement thereof (provided such settlement is approved by the Company) or paid by them in satisfaction of a judgment in any such claim, investigation, action, suit or proceeding, except in relation to matters as to which it shall be adjudged in such claim, investigation, action, suit or proceeding that such person is liable for gross negligence, bad faith or intentional misconduct; provided, however, that within thirty (30) days after the institution of such claim, investigation, action, suit or proceeding, such person shall offer to the Company, in writing, the opportunity at the Company's expense to defend the same.

For the purpose of this clause "gross negligence" means in relation to a person a standard of conduct constituting extreme carelessness, beyond ordinary negligence, whereby that person's actions or inactions demonstrate reckless disregards for the duty of care owed to another.

5. Eligibility. The Optionees shall be such persons as the Administrator may select from among the Employees and Consultants.

6. Terms and Conditions of Options.

(a) Designation of Option. Each Option shall be designated in the Option Agreement.

(b) Conditions of Option. Subject to the terms of the Plan, the Administrator shall determine the provisions, terms, and conditions of each Option including, but not limited to, the Option vesting schedule, repurchase provisions, rights of first refusal, forfeiture provisions, form of payment (cash, Shares, cashless settlement, or other consideration) upon settlement of the Option, payment contingencies and the exercise price.

(c) Deferral of Option Payment. The Administrator may establish one or more programs under the Plan to permit selected Optionees the opportunity to elect to defer receipt of consideration upon exercise of an Option, or other event that absent the election would entitle the Optionee to payment or receipt of Shares or other consideration under an Option. The Administrator may establish the election procedures, the timing of such elections, the mechanisms for payments of, and accrual of interest or other earnings, if any, on amounts, Shares or other consideration so deferred, and such other terms, conditions, rules and procedures that the Administrator deems advisable for the administration of any such deferral program.

(d) Early Exercise. The Option Agreement may, but need not, include a provision whereby the Optionee may elect at any time while an Employee, Director or Consultant to exercise any part or all of the Option prior to full vesting of the Option. Any unvested Shares received pursuant to such exercise may be subject to a repurchase right in favor of the Company or a Related Entity or to any other restriction the Administrator determines to be appropriate.

(e) Term of Option. The term of each Option shall be the term stated in the Option Agreement, provided, however that in the case of an option that is to qualify as an Incentive Share Option, the term shall not exceed ten (10) years.

(f) Transferability of Options. Options shall be transferable (i) by will and by the laws of succession and distribution and (ii) during the lifetime of the Optionee, to the extent and in the manner authorized by the Administrator. Notwithstanding the foregoing, the Optionee may designate one or more beneficiaries of the Optionee's Option in the event of the Optionee's death on a beneficiary designation form provided by the Administrator.

(g) Termination of Employment Other than by Death or Disability.

i. If an Optionee ceases to be an Employee for any reason other than his or her death or disability, the Optionee shall have the right, subject to the provisions of this Section 6, to exercise any Option held by the Optionee at any time within ninety (90) days after his or her termination of employment, but not beyond the otherwise applicable term of the Option and only to the extent that on such date of termination of employment the Optionee's right to exercise such Option has vested.

ii. For purposes of this Section 6(j), the employment relationship shall be treated as continuing intact while the Optionee is an active Employee of the Company or any Affiliate, or is on military leave, sick leave, or other bona fide leave of absence to be determined in the sole discretion of the Administrator.

(h) Death of Optionee. If an Optionee dies while an Employee, or after ceasing to be an Employee but during the period while he or she could have exercised an Option under Section 6(j), any Option granted to the Optionee may be exercised, to the extent it had vested at the time of death and subject to the Plan, at any time within twelve (12) months after the Optionee's death, by the executors or administrators of his or her estate or by any person or persons who acquire the Option by will or the laws of succession and distribution, but not beyond the otherwise applicable term of the Option.

(i) Disability of Optionee. If an Optionee ceases to be an Employee due to becoming totally and permanently disabled within the meaning of Section 22(e)(3) of the Code, any Option granted to the Optionee may be exercised to the extent it had vested at the time of cessation and, subject to the Plan, at any time within twelve (12) months after the Optionee's termination of employment, but not beyond the otherwise applicable term of the Option.

(j) Time of Granting Options. The date of grant of an Option shall for all purposes be on the date which the Administrator makes the determination to grant such Option, or such other date as is determined by the Administrator.

7. Option Exercise or Purchase Price, Consideration and Taxes.

(a) Exercise or Purchase Price. The Administrator shall determine the exercise or purchase price in accordance with the Applicable Laws and/or pursuant to the Option Agreement to be executed between the Company and Optionee, if applicable or other relevant agreement between such parties.

(b) Consideration. Subject to Applicable Laws, the consideration to be paid for the Shares to be issued upon exercise or purchase of an Option including the method of payment shall be determined by the Administrator. In addition to any other types of consideration the Administrator may determine, the Administrator is authorized to accept as consideration for Shares issued under the Plan the following:

i. cash;

ii. cheque;

iii. with respect to Options, payment through a broker-dealer sale and remittance procedure pursuant to which the Optionee (A) shall provide written instructions to a Company designated brokerage firm to effect the immediate sale of some or all of the purchased Shares and remit to the Company sufficient funds to cover the aggregate exercise price payable for the purchased Shares and (B) shall provide written directives to the Company to deliver the certificates for the purchased Shares directly to such brokerage firm in order to complete the sale transaction;

iv. cashless election; or

v. any combination of the foregoing methods of payment.

(c) Taxes. No Shares shall be delivered under the Plan to any Optionee or other person until such Optionee or other person has made arrangements acceptable to the Administrator for the satisfaction of any national, provincial or local income and employment tax withholding obligations. Upon exercise of an Option the Company shall have the right, but not the obligation (except as required by applicable law), to withhold or collect from Optionee an amount sufficient to satisfy such tax obligations. The Optionee will be solely responsible for his/her own tax obligations.

8. Exercise of Option.

(a) Procedure for Exercise; Rights as a Shareholder.

i. Any Option granted hereunder shall be exercisable at such times and under such conditions as determined by the Administrator under the terms of the Plan and specified in the Option Agreement.

ii. An Option shall be deemed to be exercised when written notice of such exercise has been given to the Company in accordance with the terms of the Option by the person entitled to exercise the Option and when the Company receives full payment for the Shares with respect to which the Option is exercised, including, to the extent selected, use of the broker-dealer sale and remittance procedure to pay the purchase price as provided in Section 7(b)(iii).

9. Conditions Upon Issuance of Shares.

(a) Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all Applicable Laws, and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by any Applicable Laws.

10. Adjustments Upon Changes in Capitalization.

Subject to any required action by the shareholders of the Company, the number of Shares covered by each outstanding Option, and the number of Shares which have been authorized for issuance under the Plan but as to which no Options have yet been granted or which have been returned to the Plan, the exercise or purchase price of each such outstanding Option, the maximum number of Shares with respect to which Options may be granted to any Optionee in any fiscal year of the Company, as well as any other terms that the Administrator determines require adjustment shall be proportionately adjusted for (i) any increase or decrease in the number of issued Ordinary Shares resulting from a share split, reverse share split, share dividend, combination or reclassification of the Ordinary Shares, or similar transaction affecting the Shares , (ii) any other increase or decrease in the number of issued Ordinary Shares effected without receipt of consideration by the Company, or (iii) as the Administrator may determine in its discretion, any other transaction with respect to Ordinary Shares including a corporate merger, consolidation, acquisition of property or equity, separation (including a spin-off or other distribution of shares or property), reorganization, liquidation (whether partial or complete) or any similar transaction; provided, however that conversion of any convertible securities of the Company, including conversion of Class B Ordinary Shares, shall not be deemed to have been "effected without receipt of consideration." Such adjustment shall be made by the Administrator and its determination shall be final, binding and conclusive. Except as the Administrator determines, no issuance by the Company of shares of any class, or securities convertible into shares of any class, shall affect, and no adjustment by reason hereof shall be made with respect to, the number or price of Shares subject to an Option. In the event of a spin-off transaction, the Administrator may in its discretion make such adjustments and take such other action as it deems appropriate with respect to outstanding Options under the Plan, including but not limited to: (i) adjustments to the number and kind of shares, the exercise or purchase price per share and the vesting periods of outstanding Options, (ii) prohibit the exercise of Options during certain periods of time prior to the consummation of the spin-off transaction, or (iii) the substitution, exchange or grant of Options to purchase securities of the Subsidiary; provided that the Administrator shall not be obligated to make any such adjustments or take any such action hereunder.

11. Corporate Transactions and Changes in Control.

(a) Termination of Option to Extent Not Assumed in Corporate Transaction. Effective upon the consummation of a Corporate Transaction, all outstanding Options under the Plan shall terminate; provided, however, that to extent any Options are assumed in connection with the Corporate Transaction ("Assumed"), such Options shall not terminate.

(b) Acceleration of Option Upon Corporate Transaction or Change in Control.

i. Corporate Transaction. The Administrator may determine, in the event of a Corporate Transaction, for the portion of each Option that is neither Assumed nor Replaced, such portion of the Option shall automatically become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value) for all of the Shares (or other consideration) at the time represented by such portion of the Option, immediately prior to the specified effective date of such Corporate Transaction, provided that the Optionee's Continuous Service has not terminated prior to such date.

ii. Change in Control. The Administrator may determine, in the event of a Change in Control (other than a Change in Control which also is a Corporate Transaction), each Option which is at the time outstanding under the Plan automatically shall become fully vested and exercisable and be released from any repurchase or forfeiture rights (other than repurchase rights exercisable at Fair Market Value), immediately prior to the specified effective date of such Change in Control, for all of the Shares (or other consideration) at the time represented by such Option, provided that the Optionee's Continuous Service has not terminated prior to such date.

12. Effective Date and Term of Plan.

The Plan shall become effective upon its approval by the shareholders of the Company. It shall continue in effect for a term of ten (10) years unless sooner terminated or unless renewed for another period not to exceed 10 years pursuant to shareholder approval. Subject to Section 17, below, and Applicable Laws, Options may be granted under the Plan upon its becoming effective.

13. Amendment, Suspension or Termination of the Plan.

(a) The Board may at any time amend, suspend or terminate the Plan; provided, however, that no such amendment shall be made without the approval of the Company's shareholders to the extent such approval is required by Applicable Laws, or if such amendment would change any of the provisions of Section 3(a), Section 4(b)(vi) or this Section 13(a).

(b) No Option may be granted during any suspension of the Plan or after termination of the Plan.

(c) No suspension or termination of the Plan (including termination of the Plan under Section 12 above) shall adversely affect any rights under Options already granted to an Optionee.

14. Reservation of Shares.

(a) The Company, during the term of the Plan, will at all times reserve and keep available out of its authorized but unissued Shares, such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

(b) The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

15. No Effect on Terms of Employment/Consulting Relationship.

The Plan shall not confer upon any Optionee any right with respect to the Optionee's Continuous Service, nor shall it interfere in any way with his or her right or the right of the Company or any Related Entity to terminate the Optionee's Continuous Service at any time, with or without Cause, and with or without notice. The ability of the Company or any Related Entity to terminate the employment of an Optionee who is employed at will is in no way affected by its determination that the Optionee's Continuous Service has been terminated for Cause for the purposes of this Plan. For Cause shall have the meaning and conditions set forth under Termination clauses, where applicable, in each such Optionee's Appointment Letter with the Company.

16. No Effect on Retirement and Other Benefit Plans.

Except as specifically provided in a retirement or other benefit plan of the Company or a Related Entity, Options shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or a Related Entity, and shall not affect any benefits under any other benefit plan of any kind or any benefit plan subsequently instituted under which the availability or amount of benefits is related to level of compensation. The Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974, as amended.

17. Shareholder and Trading Market Approval.

(a) Subject to the Applicable Laws, including but not limited to Nasdaq Rule 5635(c), once this Plan is approved by the shareholders of the Company, the granting of individual Options hereunder will not require any further shareholder approvals, unless such approval is required under Applicable Laws.

(b) If required by the Applicable Laws, no Options shall be granted unless and until the Company received Trading Market Approval of such Options and the Shares underlying such Options.

18. Unfunded Obligation.

Optionees shall have the status of general unsecured creditors of the Company. Any amounts payable to Optionees pursuant to the Plan shall be unfunded and unsecured obligations for all purposes. Neither the Company nor any Related Entity shall be required to segregate any monies from its general funds, or to create any trusts, or establish any special accounts with respect to such obligations. The Company shall retain at all times beneficial ownership of any investments, including trust investments, which the Company may make to fulfill its payment obligations hereunder. Any investments or the creation or maintenance of any trust or any Optionee account shall not create or constitute a trust or fiduciary relationship between the Administrator, the Company or any Related Entity and an Optionee, or otherwise create any vested or beneficial interest in any Optionee or the Optionee's creditors in any assets of the Company or a Related Entity. The Optionees shall have no claim against the Company or any Related Entity for any changes in the value of any assets that may be invested or reinvested by the Company with respect to the Plan.

19. Shareholder Rights

Except as otherwise provided in this Plan an Optionee shall have none of the rights of a shareholder of the Company with respect to the Shares covered by any Option until the Optionee becomes the recorded owner of such Shares, which typically occurs upon the exercise of any such Option and then only with respect to the Shares received upon such exercise.

20. Construction.

Captions and titles contained herein are for convenience only and shall not affect the meaning or interpretation of any provision of the Plan. Except when otherwise indicated by the context, the singular shall include the plural and the plural shall include the singular. Use of the term "or" is not intended to be exclusive, unless the context clearly requires otherwise.

21. Information to Optionees.

Each Optionee shall be provided with such information regarding the Company as the Board or the Committee from time to time deems necessary or appropriate; provided, however, that each Optionee shall at all times be provided with such information as is required to be provided from time to time pursuant to applicable regulatory requirements.

22. Governing Law

The Plan and any Agreements under the Plan hereunder shall be administered, interpreted and enforced under the laws of the Cayman Islands without regard to conflicts of laws thereof.

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Exhibit 10.25

APTORUM GROUP LIMITED

SECURITIES PURCHASE AGREEMENT

This SECURITIES PURCHASE AGREEMENT (this "Agreement") is made and entered into as of May 15, 2018, by and between Aptorum Group Limited, a Cayman Islands company (the "Company"), and the Investors set forth on the signature pages affixed hereto (each an "Investor" and collectively the "Investors").

WHEREAS, the Investors wish to purchase from the Company, and the Company wishes to sell and issue to the Investors, upon the terms and conditions stated in this Agreement, in the aggregate a minimum of USD$500,000 (the "Minimum Amount") and a maximum of USD$10,000,000 (the "Maximum Amount") of Series A convertible promissory notes (the "Notes") of the Company, at a purchase price of USD$10,000 per Note (subject to adjustment), automatically convertibleinto shares (the "Converted Shares") of the Company's Class A ordinary shares with par value USD$1.00 each (the "Class A Shares") at a price of 56% discount to the actual price per Class A Share to be issued in an IPO (defined herein below) at the time that the Company consummates an initial closing of the IPO, and have the rights and preferences set forth in the form of Series A Convertible Note (the "Form of Notes") attached hereto as Exhibit A, upon the terms and conditions set forth in this Agreement;

WHEREAS, the Notes and the Converted Shares issued pursuant to this Agreement are together referred to herein as the "Securities"; and

WHEREAS, in connection with the Investors' purchase of the Securities, the Investors will receive certain rights to participate in the proposed initial public offering of Company stock, and will be subject to certain restrictions on the transfer of the Securities, all as more fully set forth in this Agreement;

NOW, THEREFORE, in consideration of the mutual terms, conditions and other agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto hereby agree to the sale and purchase of the Securities as set forth herein.

1. Definitions.

For purposes of this Agreement, the terms set forth below shall have the corresponding meanings provided below.

"1933 Act" means the Securities Act of 1933, as amended.

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

"Affiliate" shall mean, with respect to any specified Person, (i) if such Person is an individual, the spouse, heirs, executors, or legal representatives of such individual, or any trusts for the benefit of such individual or such individual's spouse and/or lineal descendants, or (ii) otherwise, another Person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified. As used in this definition, "control" shall mean the possession, directly or indirectly, of the sole and unilateral power to cause the direction of the management and policies of a Person, whether through the ownership of voting securities or by contract or other written instrument.

"Blue Sky Application" is defined in Section 5.4(a) hereto.

"Business Day" shall mean any day on which banks located in New York, New York and Hong Kong are not required or authorized by law to remain closed.

"Class A Shares" is defined in the recitals above.

"Closing" and "Closing Date" are defined in Section 2.2(c).

"Company's knowledge" means the knowledge of that each of the executive officers and directors (as defined in Rule 405 under the 1933 Act) of the Company, and the knowledge that each such person would have reasonably obtained after making due and appropriate inquiry.

"Converted Shares" is defined in the recitals above.

"First Closing" and "First Closing Date" are defined in Section 2.2(a).

"IPO" shall mean the initial public offering of securities of the Company pursuant to a registration statement filed in accordance with the requirements of the 1933 Act and the commencement of trading on a U.S. national securities exchange of the Company's securities to be issued in such offering.

"Liens" means any mortgage, lien, title claim, assignment, encumbrance, security interest, adverse claim, contract of sale, restriction on use or transfer or other defect of title of any kind.

"Material Adverse Effect" means a material adverse effect on (i) the assets, liabilities, results of operations, condition (financial or otherwise), business, or prospects of the Company and its Subsidiaries taken as a whole, (ii) the ability of the Company to perform its obligations under the Transaction Documents, or (iii) the legality, validity or enforceability of any Transaction Documents.

"Notes" is defined in the recitals above.

"Person" shall mean an individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.

"Piggyback Registration" is defined in Section 5.1 hereto.

"Placement Agent" is defined in Section 4.8 hereto.

"Private Placement Term Sheet" means the Company's Term Sheet/Business Summary and Risk Factors Booklet, dated December 21, 2017, and any amendments or supplements thereto.

"Purchase Price" shall mean the per Note purchase price of USD$10,000 and the aggregate purchase price of up to USD$10,000,000.

"Registrable Securities" shall mean the Converted Shares and any shares issuable upon exercise of any warrants issued to registered broker-dealers and their affiliates as compensation in connection with the transactions contemplated hereby; provided, however, that a security shall cease to be a Registrable Security upon (A) sale pursuant to a Registration Statement or Rule 144 or Regulation S under the 1933 Act, or (B) such security becoming eligible for sale by the Investors pursuant to Rule 144 or Regulation S without volume limitations.

"Registration Statement" shall mean any registration statement of the Company filed under the 1933 Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference in such Registration Statement.

"Regulation D" is defined in Section 3.7 hereto.

"Regulation S" means Regulation S under the 1933 Act, as amended (or a successor rule).

"Rule 144" is defined in Section 6.1(a)(C) hereto.

"SEC" means the United States Securities and Exchange Commission.

"Securities" is defined in the recitals above.

"Subsequent Closing" and "Subsequent Closing Date" are defined in Section 2.2(b).

"Subsidiaries" shall mean any corporation or other entity or organization, whether incorporated or unincorporated, in which the Company owns, directly or indirectly, any equity or other ownership interest or otherwise controls through contract or otherwise.

"Transaction Documents" shall mean this Agreement, the Form of Notes and the Escrow Deposit Agreement, the exhibits, schedules, appendices and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"Transfer" shall mean any sale, transfer, assignment, conveyance, charge, pledge, mortgage, encumbrance, hypothecation, security interest or other disposition, or to make or effect any of the above.

"Underwriter" is defined in Section 5.2 hereto.

"Underwriting Documents" shall mean an underwriting agreement in customary form and all other agreements and other documents reasonably requested by an underwriter in connection with an underwritten public offering of equity securities (including, without limitation, questionnaires, powers of attorney, indemnities, custody agreements and lock-up agreements).

2. Sale and Purchase of Notes.

2.1 Subscription for Notes by Investors. Subject to the terms and conditions of this Agreement, on the Closing Date (as hereinafter defined) each of the Investors shall severally, and not jointly, purchase, and the Company shall sell and issue to the Investors, the Notes, in the respective amounts set forth on the signature pages attached hereto in exchange for the Purchase Price.

2.2 Closings.

(a) First Closing. Subject to the terms and conditions set forth in this Agreement, the Company shall issue and sell to each Investor, and each Investor shall, severally and not jointly, purchase from the Company on the First Closing Date, such number of Notes set forth on the signature pages attached hereto provided that that Investors shall subscribe in an aggregate no less than the Minimum Amount of Notes (the "First Closing"). The date of the First Closing is hereinafter referred to as the "First Closing Date." Notwithstanding anything to the contrary in this Agreement, a maximum of 1,000 Notes may be issued and sold at the First Closing.

(b) Subsequent Closing(s). In the event that the Maximum Amount of Notes has not been sold in the First Closing, the Company reserves the right to issue and sell Notes to other investors (a "Subsequent Closing"). There may be more than one Subsequent Closing; provided, however that the final Subsequent Closing shall take place within the time periods set forth in the Private Placement Term Sheet. The date of any Subsequent Closing is hereinafter referred to as a "Subsequent Closing Date"). Notwithstanding the foregoing, the aggregate maximum number of Notes to be sold at the First Closing and all Subsequent Closings shall be 1,000 Notes.

(c) Closing. The First Closing and any applicable Subsequent Closings are each referred to in this Agreement as a "Closing." The First Closing Date and any Subsequent Closing Dates are sometimes referred to herein as a "Closing Date." All Closings shall occur within the time periods set forth in the Private Placement Term Sheet at the offices of Hunter Taubman Fischer & Li LLC, counsel to the Company, at 1450 Broadway, 26th Floor, New York, New York 10018, or remotely via the exchange of documents and signatures.

2.3 Closing Deliveries. At each Closing, the Company shall deliver to the Investors, against delivery by each Investor of the Purchase Price (as provided below), duly issued Form of Notes representing the Notes. At each Closing, each Investor shall deliver or cause to be delivered to the Company the Purchase Price set forth in its counterpart signature page annexed hereto by paying United States dollars by wire transfer to the following escrow account:

Acct. Name:	Signature Bank, as Escrow Agent for Aptorum Group Limited
ABA Number:	
Swift Code:	
Acct Number:	

3. Representations, Warranties and Acknowledgments of the Investors.

Each Investor severally and not jointly represents and warrants to the Company solely as to such Investor that:

3.1 Authorization. The execution, delivery and performance by such Investor of the Transaction Documents to which such Investor is a party have been duly authorized and will each constitute the valid and legally binding obligation of such Investor, enforceable against such Investor in accordance with their respective terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability, relating to or affecting creditors' rights generally.

3.2 Purchase Entirely for Own Account. The Securities to be received by such Investor hereunder will be acquired for such Investor's own account, not as nominee or agent, and not with a view to the resale or distribution of any part thereof in violation of the 1933 Act, and such Investor has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the 1933 Act, without prejudice, however, to such Investor's right at all times to sell or otherwise dispose of all or any part of such Securities in compliance with applicable federal and state securities laws. Nothing contained herein shall be deemed a representation or warranty by such Investor to hold the Securities for any period of time. Such Investor is not a broker-dealer registered with the SEC under the 1934 Act or an entity engaged in a business that would require it to be so registered.

3.3 Investment Experience. Such Investor acknowledges that the purchase of the Notes is a speculative investment and that it can bear the economic risk and complete loss of its investment in the Securities and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby.

3.4 Disclosure of Information. Such Investor has had an opportunity to receive all information related to the Company and the Securities requested by it and to ask questions of and receive answers from the Company regarding the Company, its business and the terms and conditions of the offering of the Securities. Neither such inquiries nor any other due diligence investigation conducted by such Investor shall modify, amend or affect such Investor's right to rely on the Company's representations and warranties contained in this Agreement. Such Investor acknowledges that it has received and reviewed the Private Placement Term Sheet describing the offering of the Securities.

3.5 Restricted Securities. Such Investor understands that the Securities are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the 1933 Act only in certain limited circumstances.

3.6 Legends. It is understood that, except as provided below, Form of Notes evidencing the Notes and the certificates evidencing the Converted Shares, when issued and delivered, may bear the following or any similar legend:

(A) "The securities represented hereby may not be transferred unless (i) such securities have been registered for sale pursuant to the Securities Act of 1933, (ii) such securities may be sold pursuant to Rule 144 or Regulation S under said Act, or (iii) the Company has received an opinion of counsel reasonably satisfactory to it that such transfer may lawfully be made without registration under the Securities Act of 1933 or qualification under applicable state securities laws."

(B) If required by the authorities of any state in connection with the issuance of sale of the Securities, the legend required by such state authority.

3.7 Eligible Investor. Such Investor is an accredited investor as defined in Rule 501(a) of Regulation D under the 1933 Act ("Regulation D") or a "non-U.S. Person" as defined in Regulation S promulgated under the Securities Act.

3.8 If the Investor is a non-U.S. Person, the Investor further represents the following in connection with the Regulation S compliance.

(i) The Investor is not a U.S. Person as such term is defined under Rule 902 of Regulation S ("U.S. Person"). The Investor is at the time of the offer and execution of this Agreement, domiciled outside the United States.

(ii) The Investor agrees that all offers and sales of the Securities from the date hereof and through the expiration of any restricted period set forth in Rule 903 of Regulation S (as the same may be amended from time to time hereafter) shall not be made to U.S. Persons or for the account or benefit of U.S. Persons and shall otherwise be made in compliance with the provisions of Regulation S and any other applicable provisions of the Securities Act.

(iii) The Investor shall not engage in hedging transactions with regard to the Securities unless in compliance with the 1933 Act. This Agreement and the transactions contemplated herein are not part of a plan or scheme to evade the registration provisions of the Securities Act, and the Shares are being acquired for investment purposes by the Investor.

(iv) The Investor acknowledges that the Company will refuse to register any transfer of any of the Securities not made in accordance with the provisions of Regulation S, pursuant to an effective registration statement under the 1933 Act or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act.

(v) Investor acknowledges and agrees that the certificate(s) representing the Securities will bear a legend substantially as follows:

THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND ARE RESTRICTED SECURITIES AS THAT TERM IS DEFINED IN RULE 144 UNDER THE SECURITIES ACT. THE SHARES HAVE BEEN ISSUED IN AN OFFSHORE TRANSACTION BY APTORUM GROUP LIMITED, IN RELIANCE UPON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PROVIDED BY REGULATION S. THE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD OR OTHERWISE TRANSFERRED, EITHER DIRECTLY OR INDIRECTLY, IN THE UNITED STATES (AS DEFINED IN REGULATION S) OR TO U.S. PERSONS EXCEPT IN ACCORDANCE WITH REGULATION S, PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT, THE AVAILABILITY OF WHICH IS TO BE ESTABLISHED TO THE REASONABLE SATISFACTION OF APTORUM GROUP LIMITED. HEDGING TRANSACTIONS INVOLVING THE SECURITIES MAY NOT BE CONDUCTED UNLESS IN COMPLIANCE WITH THE SECURITIES ACT.

3.9 No General Solicitation. Such Investor did not learn of the investment in the Securities as a result of any public advertising or general solicitation. The Investor confirms that it has had a substantive pre-existing relationship and direct contact with the Company and its representatives other than in connection with an IPO, it was not identified or contacted through the marketing of an IPO and it did not independently contact the Company as a result of the general solicitation by means of a registration statement.

3.10 Brokers and Finders. No Investor will have, as a result of the transactions contemplated by the Transaction Documents, any valid right, interest or claim against or upon the Company, any Subsidiary or any other Investor for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of such Investor.

3.11 Hong Kong Securities Law Compliance. If applicable, each of the Company and the Investor represents, warrants and agrees that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes or Securities other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) ("Ordinance") of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and (ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes or the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the Notes or the Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Ordinance and any rules made under that Ordinance.

4. Representations and Warranties of the Company.

The Company represents, warrants and covenants to the Investors that:

4.1 Organization: Execution, Delivery and Performance.

(a) The Company and each of its Subsidiaries, if any, is a corporation or other entity duly organized, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated or organized, with full power and authority (corporate and other) to own, lease, use and operate its properties and to carry on its business as and where now owned, leased, used, operated and conducted. The Company and each of its Subsidiaries is duly qualified as a foreign corporation to do business and is in good standing in every jurisdiction in which its ownership or use of property or the nature of the business conducted by it makes such qualification necessary except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

(b) (i) The Company has all requisite corporate power and authority to enter into and perform the Transaction Documents and to consummate the transactions contemplated hereby and thereby and to issue the Securities, in accordance with the terms hereof and thereof, (ii) the execution and delivery of the Transaction Documents by the Company and the consummation by the Company of the transactions contemplated hereby and thereby (including without limitation, the issuance of the Shares, and the issuance and reservation for issuance of the Converted Shares) have been duly authorized by the Company's Board of Directors and no further consent or authorization of the Company, its Board of Directors, or its stockholders, is required, (iii) each of the Transaction Documents has been duly executed and delivered by the Company by its authorized representative, and such authorized representative is a true and official representative with authority to sign each such document and the other documents or certificates executed in connection herewith and bind the Company accordingly, and (iv) each of the Transaction Documents constitutes, and upon execution and delivery thereof by the Company will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application affecting enforcement of creditors' rights and general principles of equity that restrict the availability of equitable or legal remedies.

4.2 Notes and Converted Shares Duly Authorized. The Notes to be issued to each such Investor pursuant to this Agreement, when issued and delivered in accordance with the terms of this Agreement, will be duly and validly issued and will be fully paid and non-assessable and free from all taxes or Liens with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of stockholders of the Company. The Converted Shares will be duly authorized and reserved for future issuance and, upon conversion of the Notes in accordance with its terms, will be duly and validly issued, fully paid and non-assessable, and free from all taxes or Liens with respect to the issue thereof and shall not be subject to preemptive rights or other similar rights of stockholders of the Company. The Company has reserved from its duly authorized capital stock the maximum number of shares of ordinary shares issuable pursuant to this Agreement. It is not necessary in connection with the issuance and sale of the Securities to register the Securities under the 1933 Act or to qualify or register the Securities under applicable U.S. state securities laws. None of the Company, its Subsidiaries or their respective Affiliates or any Person acting on its or their behalf have engaged in any "directed selling efforts" within the meaning of Rule 903 of Regulation S.

4.3 Capitalization. As of the date of this Agreement, the authorized capital stock of the Company consists of (i) 60,000,000 Class A Shares with a nominal or par value of USD$1.00 each, of which approximately 5,426,381 shares are issued and outstanding or otherwise reserved for issuance pursuant to securities (other than the Converted Shares) exercisable for, or convertible into or exchangeable for shares of Class A Shares, and (ii) 40,000,000 Class B Ordinary Shares with a nominal or par value of USDS1.00 each (the "Class B Shares"), of which 22,437,754 shares are issued and outstanding or otherwise reserved for issuance pursuant to securities exercisable for, or convertible into or exchangeable for shares of Class B Shares, provided that (A) the Company acting by its board of directors shall have power to purchase and/or redeem any or all of such shares and to increase or reduce the said capital of the Company and to sub-divide or consolidate the said shares or any of them subject to the provisions of the Cayman Islands Company Law (2016 Revision) (as amended) ("Company Law") and the articles of association (the "Articles") of the Company and to issue all or any part of its capital whether original, purchased, redeemed, increased or reduced with or without any preference, priority or special privilege or subject to any restrictions whatsoever and so that unless the conditions of issue shall otherwise expressly provide every issue of shares whether stated to be ordinary, preference or otherwise shall be subject to the powers on the part of the Company hereinbefore provided, (B) the holders of Class A Shares are entitled to one vote for each such share and Class A shares are not redeemable at the option of the holders and not convertible into shares of any other class; and (C) the holders of Class B Shares are entitled to ten votes for each such share and the Class B shares are not redeemable at the option of the holders but convertible into Class A Shares at any time after the issuance at the option of the holders on 1 to 1 basis. Except as described above, upon the consummation of the transactions contemplated hereby, (i) there are no outstanding options, warrants, scrip, rights to subscribe for, puts, calls, rights of first refusal, agreements, understandings, claims or other commitments or rights of any character whatsoever relating to, or securities or rights convertible into or exchangeable for any shares of capital stock of the Company or any of its Subsidiaries, or arrangements by which the Company or any of its Subsidiaries is or may become bound to issue additional shares of capital stock of the Company or any of its Subsidiaries, (ii) there are no agreements or arrangements under which the Company or any of its Subsidiaries is obligated to register the sale of any of its or their securities under the 1933 Act (except for the registration rights provisions contained herein) and (iii) there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) that will be triggered by the issuance of the Shares or the Converted Shares. All of such outstanding shares of capital stock are, or upon issuance will be, duly authorized, validly issued, fully paid and non-assessable. No shares of capital stock of the Company are subject to preemptive rights or any other similar rights of the stockholders of the Company or any Lien imposed through the actions or failure to act of the Company.

4.4 No General Solicitation. Neither the Company nor any person participating on the Company's behalf in the transactions contemplated hereby has conducted any "general solicitation," as such term is defined in Regulation D promulgated under the 1933 Act, with respect to any of the Securities being offered hereby.

4.5 No Integrated Offering. Neither the Company, nor any of its affiliates, nor any person acting on its or their behalf, has directly or indirectly made any offers or sales in any security or solicited any offers to buy any security under circumstances that would require registration under the 1933 Act of the issuance of the Securities to the Investors. The issuance of the Securities to the Investors will not be integrated with any other issuance of the Company's securities (past, current or future) for purposes of any stockholder approval provisions applicable to the Company or its securities.

4.6 No Brokers. Except as set forth in Section 9.1, the Company has taken no action which would give rise to any claim by any person for brokerage commissions, transaction fees or similar payments relating to this Agreement or the transactions contemplated hereby.

4.7 Disclosure. All information relating to or concerning the Company or any of its Subsidiaries, officers, directors, employees, customers or clients: (i) set forth in this Agreement and/or (ii) as disclosed in any exhibit or certification thereto is true and correct in all material respects and the Company has not omitted to state any material fact necessary in order to make the statements made herein or therein, in light of the circumstances under which they were made, not misleading.

4.8 Form D; Blue Sky Laws. To the extent applicable, the Company agrees to file a Form D with respect to the Securities as required under Regulation D and to provide a copy thereof to Boustead Securities, LLC (the "Placement Agent") promptly after such filing. The Company shall, on or before the Closing Date, take such action as the Company shall reasonably determine is necessary to qualify the Securities for sale to the Investors in the applicable closing pursuant to this Agreement under applicable securities or "blue sky" laws of the states of the United States (or to obtain an exemption from such qualification), and shall provide evidence of any such action so taken to the Placement Agent on or prior to the Closing Date.

5. Registration Rights.

5.1 Participation in Registrations. Following an IPO, whenever the Company proposes to register any of its securities under the 1933 Act, whether for its own account or for the account of another stockholder (except for the registration of securities (A) to be offered pursuant to an employee benefit plan on Form S-8 or (B) pursuant to a registration made on Form S-4, or any successor forms then in effect) at any time and the registration form to be used may be used for the registration of the Registrable Securities (a "Piggyback Registration"), it will so notify in writing all holders of Registrable Securities no later than the earlier to occur of (i) the tenth (10th) day following the Company's receipt of notice of exercise of other demand registration rights, or (ii) thirty (30) days prior to the anticipated filing date. Subject to the provisions of this Agreement, the Company will include in the Piggyback Registration all Registrable Securities, on a pro rata basis based upon the total number of Registrable Securities with respect to which the Company has received written requests for inclusion within fifteen (15) business days after the applicable holder's receipt of the Company's notice.

5.2 Underwritten Offerings. In the event a registration giving rise to the Investors' rights pursuant to Section 5.1 relates to an underwritten offering of securities, the Investors' right to registration pursuant to Section 5.1 shall be conditioned upon its (i) participation in such underwriting, (ii) inclusion of the Registrable Securities therein and (iii) execution of all underwriting documents requested by the underwriter with respect thereto (the "Underwriter"). If the managing underwriter gives the Company its written opinion that the total number or dollar amount of securities requested to be included in the registration exceeds the number or dollar amount of securities that can be sold, the Company will include the securities in the registration in the following order of priority: (A) first, all securities the Company proposes to sell; and (B) second, pro rata among all other holders of securities (including the holders of Registrable Securities) that have registration rights, if any, in each case, on the basis of the dollar amount or number of securities requested to be included, as the case may be.

5.3 Expenses. All fees and expenses incident to the performance of or compliance with this Agreement by the Company shall be borne by the Company whether or not any Registrable Securities are sold pursuant to the Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the trading market on which the Common Stock is then listed for trading, and (B) in compliance with applicable state securities or Blue Sky laws, (ii) printing expenses, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel and independent public accountants for the Company, and (v) fees and disbursements of one counsel to the Investors not to exceed $5,000.

5.4 Indemnification.

(a) Indemnification by the Company. The Company will indemnify and hold harmless each Investor and its officers, directors, members, employees and agents, successors and assigns, and each other person, if any, who controls such Investor within the meaning of the 1933 Act, against any losses, claims, damages or liabilities, joint or several, to which they may become subject under the 1933 Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon: (i) any untrue statement or alleged untrue statement of any material fact contained in any Registration Statement, any preliminary prospectus or final prospectus contained therein, or any amendment or supplement thereof; (ii) any blue sky application or other document executed by the Company specifically for that purpose or based upon written information furnished by the Company filed in any state or other jurisdiction in order to qualify any or all of the Registrable Securities under the securities laws thereof (any such application, document or information herein called a "Blue Sky Application"); (iii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; (iv) any violation by the Company or its agents of any rule or regulation promulgated under the 1933 Act applicable to the Company or its agents and relating to action or inaction required of the Company in connection with such registration; or (v) any failure to register or qualify the Registrable Securities included in any such registration in any state where the Company or its agents has affirmatively undertaken or agreed in writing that the Company will undertake such registration or qualification on an Investor's behalf and will reimburse such Investor, and each such officer, director or member and each such controlling person for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; provided, however, that the Company will not be liable in any such case if and to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission so made in conformity with information furnished by such Investor or any such controlling person in writing specifically for use in such Registration Statement or related prospectus.

(b) Indemnification by the Investors. Each Investor agrees, severally but not jointly, to indemnify and hold harmless, to the fullest extent permitted by law, the Company, its directors, officers, employees, stockholders and each person who controls the Company (within the meaning of the 1933 Act) against any losses, claims, damages, liabilities and expense (including reasonable attorney fees) resulting from any untrue statement of a material fact or any omission of a material fact required to be stated in the Registration Statement or related prospectus or preliminary prospectus or amendment or supplement thereto or necessary to make the statements therein not misleading, to the extent, but only to the extent that such untrue statement or omission is contained in any information furnished in writing by such Investor to the Company specifically for inclusion in such Registration Statement or related prospectus or amendment or supplement thereto. In no event shall the liability of an Investor be greater in amount than the dollar amount of the proceeds (net of all expense paid by such Investor in connection with any claim relating to this Section 5.4 and the amount of any damages such Investor has otherwise been required to pay by reason of such untrue statement or omission) received by such Investor upon the sale of the Registrable Securities included in the Registration Statement giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. Any person entitled to indemnification hereunder shall (i) give prompt notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided that any person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such person unless (a) the indemnifying party has agreed to pay such fees or expenses, or (b) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (c) in the reasonable judgment of any such person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the person notifies the indemnifying party in writing that such person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such person); and provided, further, that the failure of any indemnified party to give notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such indemnified party of a release from all liability in respect of such claim or litigation,

(d) Contribution. If for any reason the indemnification provided for in the preceding paragraphs (a) and (c) is unavailable to an indemnified party or insufficient to hold it harmless, other than as expressly specified therein, then the indemnifying party shall contribute to the amount paid or payable by the indemnified party as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of the indemnified party and the indemnifying party, as well as any other relevant equitable considerations. No person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the 1933 Act shall be entitled to contribution from any person not guilty of such fraudulent misrepresentation. In no event shall the contribution obligation of a holder of Registrable Securities be greater in amount than the dollar amount of the proceeds (net of all expenses paid by such holder in connection with any claim relating to this Section 5.4 and the amount of any damages such holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission) received by it upon the sale of the Registrable Securities giving rise to such contribution obligation.

5.5 Cooperation by Investor. Each Investor shall furnish to the Company or the Underwriter, as applicable, such information regarding the Investor and the distribution proposed by it as the Company may reasonably request in connection with any registration or offering referred to in this Section 5. Each Investor shall cooperate as reasonably requested by the Company in connection with the preparation of the registration statement with respect to such registration, and for so long as the Company is obligated to file and keep effective such registration statement, shall provide to the Company, in writing, for use in the registration statement, all such information regarding the Investor and its plan of distribution of the Shares included in such registration as may be reasonably necessary to enable the Company to prepare such registration statement, to maintain the currency and effectiveness thereof and otherwise to comply with all applicable requirements of law in connection therewith.

6. Transfer Restrictions.

6.1 Transfer or Resale. Each Investor understands that:

(a) Except as provided in the registration rights provisions set forth above, the sale or resale of all or any portion or component of the Securities has not been and is not being registered under the 1933 Act or any applicable state securities laws, and that all or any portion or component of Securities may not be transferred unless:

(A) the Securities are sold pursuant to an effective registration statement under the 1933 Act,

(B) the Investor shall have delivered to the Company, at the cost of the Company, a customary opinion of counsel that shall be in form, substance and scope reasonably acceptable to the Company, to the effect that the Securities to be sold or transferred may be sold or transferred pursuant to an exemption from such registration,

(C) the Securities are sold or transferred to an "affiliate" (as defined in Rule 144 promulgated under the 1933 Act (or a successor rule) ("Rule 144")) of the Investor who agrees to sell or otherwise transfer the Securities only in accordance with this Section 6.1 and who is an Accredited Investor, as such term is defined in Rule 501(a) of Regulation D,

(D) the Securities are sold pursuant to Rule 144, or

(E) the Securities are sold pursuant to Regulation S;

and, in each case, the Investor shall have delivered to the Company, at the cost of the Company, a customary opinion of counsel, in form, substance and scope reasonably acceptable to the Company. Notwithstanding the foregoing or anything else contained herein to the contrary, the Securities may be pledged as collateral in connection with a bona fide margin account or other lending arrangement.

6.2 Transfer Agent Instructions. The Company shall issue irrevocable instructions to its transfer agent to issue certificates, registered in the name of each Investor or its nominee, for any Converted Shares in such amounts as specified from time to time by each Investor to the Company upon conversion of the Converted Shares in accordance with the terms thereof (the "Irrevocable Transfer Agent Instructions"). Prior to registration of the Converted Shares under the 1933 Act or the date on which the Converted Shares may be sold pursuant to Rule 144 without any restriction as to the number of Securities as of a particular date that can then be immediately sold, all such certificates shall bear the restrictive legend specified in Section 3.6(A) or 3.8(v), as applicable of this Agreement. Nothing in this Section shall affect in any way the Investor's obligations and agreement set forth in Section 6.1 hereof to comply with all applicable prospectus delivery requirements, if any, upon re-sale of the Securities. If an Investor provides the Company with a customary opinion of counsel, that shall be in form, substance and scope reasonably acceptable to such counsel, to the effect that a public sale or transfer of such Securities may be made without registration under the 1933 Act and such sale or transfer is effected, the Company shall permit the transfer, and, in the case of the Converted Shares, promptly instruct its transfer agent to issue one or more certificates, free from restrictive legend, in such name and in such denominations as specified by such Investor. The Company acknowledges that a breach by it of its obligations hereunder will cause irreparable harm to the Investors, by vitiating the intent and purpose of the transactions contemplated hereby. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section 6.2 may be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section, that the Investors shall be entitled, in addition to all other available remedies, to an injunction restraining any breach and requiring immediate transfer, without the necessity of showing economic loss and without any bond or other security being required.

6.3 Lock-Up. Each Investor hereby agrees to take all actions reasonably requested by the Company in connection with the proposed IPO including the execution of customary lock-up agreements with the Company and/or the underwriter(s) of the IPO, the terms of which shall provide that (a) the Notes and Converted Shares shall not be sold or otherwise Transferred by the holder(s) of the Notes and/or Converted Shares for a period of six months period commencing on the date of the commencement of trading on a U.S. national securities exchange of the Company's securities to be issued in the IPO and (b) the Company and/or underwriter(s) may require the holder(s) of the Notes and/or Converted Shares to provide evidence of compliance with such lock-up agreement including through the provision of account statements for such brokerage accounts holding the Converted Shares.

7. Conditions to Closing of the Investors.

The obligation of each Investor to purchase the Notes at the Closing is subject to the fulfillment to such Investor's satisfaction, on or prior to the Closing Date, of the following conditions, any of which may be waived by such Investor (as to itself only):

7.1 Representations and Warranties. The representations and warranties made by the Company in Section 4 hereof qualified as to materiality shall be true and correct at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct as of such earlier date, and, the representations and warranties made by the Company in Section 4 hereof not qualified as to materiality shall be true and correct in all material respects at all times prior to and on the Closing Date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date. The Company shall have performed in all material respects all obligations and covenants herein required to be performed by it on or prior to the Closing Date.

7.2 Approvals. The Company shall have obtained any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Securities and the consummation of the other transactions contemplated by the Transaction Documents, all of which shall be in full force and effect.

7.3 Judgments, Etc. No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental authority, shall have been issued, and no action or proceeding shall have been instituted by any governmental authority, enjoining or preventing the consummation of the transactions contemplated hereby or in the other Transaction Documents.

7.4 Company CEO/CFO Certificate. The Company shall have delivered a Certificate, executed on behalf of the Company by its Chief Executive Officer or its Chief Financial Officer, dated as of the Closing Date, certifying to the fulfillment of the conditions specified in subsections 7.1, 7.2 and 7.3.

7.5 Company Secretary Certificate. The Company shall have delivered a Certificate, executed on behalf of the Company by its Secretary, dated as of the Closing Date, certifying the resolutions adopted by the Board of Directors of the Company approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Securities, certifying the current versions of the Articles of Incorporation and By-laws of the Company and certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company. The foregoing certificate shall only be required to be delivered on the First Closing Date, unless any information contained in the certificate has changed.

8. Conditions to Closing of the Company. The obligations of the Company to effect the transactions contemplated by this Agreement are subject to the fulfillment at or prior to each Closing Date of the conditions listed below.

8.1 Representations and Warranties. The representations and warranties made by the Investor in Section 3 shall be true and correct in all material respects at the time of Closing as if made on and as of such date.

8.2 Corporate Proceedings. All corporate and other proceedings required to be undertaken by the Investor in connection with the transactions contemplated hereby shall have occurred and all documents and instruments incident to such proceedings shall be reasonably satisfactory in substance and form to the Company.

9. Miscellaneous.

9.1 Compensation of Brokers. The Investor acknowledges that it is aware that Boustead Securities, LLC will receive from the Company, in consideration of its services as placement agent in respect of the transactions contemplated hereby, (i) a success fee of 7% of the Purchase Price of the Securities purchased by Investors introduced by Boustead Securities, LLC, and 4% of the Purchase Price of the Securities purchased by Investors procured by the Company, at each Closing, payable in cash, and (ii) at each Closing, a two and one half-year warrant to purchase a number of Class A Shares equal to 5.5% of the principal amount of the Notes sold at each closing, divided by and exercisable on a cashless basis, at a 56% discount to the actual price per Class A Share, subject to adjustment, at the IPO.

9.2 Notices. All notices, requests, demands and other communications provided in connection with this Agreement shall be in writing and shall be deemed to have been duly given at the time when hand delivered, delivered by express courier, or sent by facsimile (with receipt confirmed by the sender's transmitting device) in accordance with the contact information provided below or such other contact information as the parties may have duly provided by notice.

The Company:

Aptorum Group Limited
17th Floor, Guangdong Investment Tower
148 Connaught Road
Central, Hong Kong
Telephone: +852 2117 6611
Facsimile: +852 2850 7286
Attention: Mr. Ian Huen, Executive Director and Chief Executive Officer

With a copy to: Hunter Taubman Fischer & Li LLC
1450 Broadway, 26th Fl.
New York, New York 10018
Telephone: +1 (212) 530-2207
Facsimile: +1(212) 202-6380
Attention: Louis E. Taubman, Esq.

The Investors:

As per the contact information provided on the signature page hereof.

The Placement Agent:

Boustead Securities, LLC

Telephone: +1 (949) 295 1580
Facsimile: +1 (949) 266-5789
Attention: Mr. Keith Moore, CEO

With a copy to: Pryor Cashman LLP
7 Times Square
New York, NY 10036
Telephone: 212-326-0199
Facsimile: 212-326-0806
Attention: Elizabeth Fei Chen, Esq.

9.3 Survival of Representations and Warranties. Each party hereto covenants and agrees that the representations and warranties of such party contained in this Agreement shall survive the Closing.

9.4 Entire Agreement. This Agreement contains the entire agreement between the parties hereto in respect of the subject matter contained herein and supersedes all prior agreements and understandings of the parties, oral and written, with respect to the subject matter contained herein.

9.5 Third Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective permitted successors and assigns, and, except for the Placement Agent, which is specifically agreed to be and acknowledged by each party as a third party beneficiary hereof, is not for the benefit of, nor may any provision hereof be enforced by, any other person.

9.6 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and assigns. Neither the Company nor any Investor shall assign this Agreement or any rights or obligations hereunder without the prior written consent of the other. Notwithstanding the foregoing, but subject to the provisions of Section 6.1 and 6.3 hereof, any Investor may, without the consent of the Company, assign its rights hereunder to any person that purchases Securities in a private transaction from an Investor or to any of its "affiliates," as that term is defined under the 1934 Act.

9.7 Publicity. The Company and the Placement Agent shall have the right to review a reasonable period of time before issuance of any press releases or SEC or other regulatory filings, or any other public statements with respect to the transactions contemplated hereby; provided, however, that the Company shall be entitled, without the prior approval of the Placement Agent or the Investors, to make any press release or SEC or other regulatory filings with respect to such transactions as is required by applicable law and regulations (although the Placement Agent shall be consulted by the Company in connection with any such press release prior to its release and shall be provided with a copy thereof and be given an opportunity to comment thereon).

9.8 Binding Effect; Benefits. This Agreement and all the provisions hereof shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns; nothing in this Agreement, expressed or implied, is intended to confer on any persons other than the parties hereto or their respective successors and permitted assigns, any rights, remedies, obligations or liabilities under or by reason of this Agreement.

9.9 Amendment; Waivers. All modifications, amendments or waivers to this Agreement shall require the written consent of both the Company and a majority in interest of the Investors (based on the number of Shares purchased hereunder).

9.10 Applicable Law: Disputes. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action, any claim that it is not personally subject to the jurisdiction of any such court, that such Action is improper or is an inconvenient venue for such Action. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law. If any party shall commence an Action to enforce any provisions of the Transaction Documents, then, in addition to the obligations of the Company under Section 5.4, the prevailing party in such Action shall be reimbursed by the non-prevailing party for its reasonable attorneys' fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Action. For purposes of this Section "Action" means any notice of noncompliance or violation, or any claim, demand, charge, action, suit, litigation, audit, settlement, complaint, stipulation, assessment or arbitration, or any request (including any request for information), inquiry, hearing, proceeding or investigation, by or before any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

9.11 Further Assurances. Each party hereto shall do and perform or cause to be done and performed all such further acts and shall execute and deliver all such other agreements, certificates, instruments and documents as any other party hereto reasonably may request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby.

9.12 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. This Agreement may also be executed via facsimile or .pdf transmission, which shall be deemed an original.

9.13 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY UNDER THIS AGREEMENT, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

[Signature Pages Immediately Follow]

IN WITNESS WHEREOF, the undersigned Investors and the Company have caused this Securities Purchase Agreement to be duly executed as of the date first above written.

Aptorum Group Limited

By: _____

Name: Ian Huen
Title: Executive Director & CEO

INVESTORS:

The Investors executing the Signature Page in the form attached hereto as Annex A and delivering the same to the Company or its agents shall be deemed to have executed this Agreement and agreed to the terms hereof.

Annex A
Securities Purchase Agreement
Investor Counterpart Signature Page

The undersigned desiring to (i) enter into this Securities Purchase Agreement dated as of May 15, 2018 (the "Agreement"), between the undersigned Aptorum Group Limited, a Cayman Islands company (the "Company"), and the other parties hereto, in or substantially in the form furnished to the undersigned and (ii) purchase the securities of the Company as set forth below, hereby agrees to purchase such securities from the Company as of the Closing and further agrees to join the Agreement as a party thereto, with all the rights and privileges appertaining thereto, and to be bound in all respects by the terms and conditions thereof. The undersigned specifically acknowledges having read the representations in the Agreement section entitled "Representations, Warranties and Acknowledgements of the Investors," and hereby represents that the statements contained therein are complete and accurate with respect to the undersigned as an Investor.

Name of Investor:

If an entity:

Print Name of Entity:

_____

By: _____
Name:
Title:

If an individual:

Print Name: _____

Signature: _____

All Investors:

Address: _____

_____

Telephone No.: _____

Facsimile No.: _____

Email Address: _____

The Investor hereby elects to purchase _____ Notes (to be completed by Investor) under the Securities Purchase Agreement at a price of $10,000 per Note for a total Purchase Price of $_____ (to be completed by Investor).

Exhibit 10.26

LOCK-UP AGREEMENT

Aptorum Group Limited
17th Floor, Guangdong Investment Tower
148 Connaught Road
Central, Hong Kong
Attention: Mr. Ian Huen, Executive Director & CEO

Ladies and Gentlemen:

The undersigned, an owner of Series A Convertible Promissory Notes (the "**Notes**") of Aptorum Group Limited, a Cayman Islands company (the **"Company"**), convertible into shares (the "**Convertible Shares**") of Class A ordinary share of the Company with a nominal or par value of USD$1.00 each (the **"Class A Shares"**), understands that the Company proposes to file with the U.S. Securities and Exchange Commission a registration statement for the registration of certain securities of the Company (the **"Registration Statement"**) in connection with a proposed initial public offering of such securities (the **"Offering"**). The undersigned further understands that Boustead Securities, LLC (the **"Underwriter"**) is the proposed underwriter for the Offering.

In order to induce the Underwriter to proceed with the Offering, the undersigned agrees, for the benefit of the Company and the Underwriter, that should the Offering become effective, the undersigned will not, without the Underwriter's prior written consent (and, if required by applicable state blue sky laws, the securities commissions in any such states), offer, sell, assign, hypothecate, pledge, transfer or otherwise dispose of, directly or indirectly, any of the abovementioned securities, or any Convertible Shares issued in connection with the conversion of such securities, or by reason of any stock split or other distribution of stock, or grant of options, warrants or other rights with respect to any such options (collectively, the **"Securities"**), during the six-month period commencing on the date of the commencement of trading on a U.S. national securities exchange of the Company's securities to be issued in the Offering) (the **"Effective Date"**); provided that the foregoing shall not apply to (i) Securities acquired by the undersigned in the Offering or Securities acquired by the undersigned in the after-market after the Effective Date; and (ii) the transfer without consideration to family members or a trust established for their benefit in connection with which the proposed transferee agrees in writing to be bound by all of the provisions of this agreement prior to the consummation of such transfer. The undersigned further agrees that if it transfers any part or whole of the Note pursuant to the terms herein, it shall provide the Company with a copy of this agreement signed by the transferee at the time of the transfer.

Furthermore, the undersigned will permit all certificates evidencing any such Securities to be endorsed with an appropriate restrictive legend reflecting the terms of this agreement, and consents to the placement of appropriate stop transfer orders with the transfer agent for the Company. A copy of this agreement will be available from the Company or the Company's transfer agent upon request and without charge. The terms and conditions of this agreement can be modified (including premature termination of this agreement) only with the prior written consent of the Underwriter.

Dated: May 15, 2018

By: _____
Signature

Exhibit 10.33

Dated the 15 day of January 2018

JURCHEN INVESTMENT CORPORATION

and

APTUS MANAGEMENT LIMITED

****

SUB - TENANCY AGREEMENT

****

MESSRS. NG, LIE, LAI & CHAN,
SOLICITORS & NOTARIES
ROOM 808, 8/F, NAN FUNG TOWER,
173 DES VOEUX ROAD CENTRAL,
HONG KONG

REF. NO. : CON/AT/
DOC. SUB-TA-Guangdong Inv Tower 17 Fl.

THIS SUB-TENANCY AGREEMENT made the 15th day of January
Two thousand and eighteen

Parties

BETWEEN the Landlord and the Tenant whose names addresses and descriptions are more particularly described and set out in the First Schedule hereto.

WHEREAS by a tenancy agreement ("**the Head Lease**") dated the 15 day of January 2018, **SUPER ALPHA LIMITED** ("**the Head Landlord**"), a company incorporated and existing under the laws of the Hong Kong, let and the Landlord, as tenant, took the said premises (as hereinbelow defined) at such rent and on such terms and conditions as more particularly contained therein.

AND WHEREAS it was provided in the Head Lease that the Landlord may assign, underlet, or sub-let the said premises at such consideration and on such terms and conditions as the Landlord in its absolute discretion may determine **PROVIDED THAT** the Landlord must give written notice of any such assignment, underletting or sub-letting to the Head Landlord within one month of its date, and forward a certified copy of the instrument to the Head Landlord. At all times during the term of this tenancy, the Landlord must give to the Head Landlord, on written request by the Head Landlord, the name, address and other reasonable particulars of any person to whom a derivative interest in the said premises has been granted.

WHEREBY IT IS AGREED as follows :-

Premises

1. The Landlord shall let and the Tenant shall take All That the premises more particularly described and set out in Part 1 of the Second Schedule hereto (hereinafter called "the said premises") Together with the use in common with the Landlord and all others having the like right of the entrance staircases passages landings and lavatories (if any) of the building of which the said premises form part more particularly described in the Second Schedule hereto (hereinafter called "the said building") in so far as the same are necessary for the proper use and enjoyment of the said premises (and except in so far as the Landlord may from time to time restrict such use) and together with the use in common with others of the lifts escalators and central air-conditioning, if any (whenever the same shall be operating)

Term Rent

for the term and at the rent and in manner more particularly described and set out in the Third Schedule hereto Subject to and with the benefit of the Deed of Mutual Covenant and the Management Agreement (if any) of the said building as described in Part 2 of the Second Schedule hereto (hereinafter called "the said Deed of Covenant and the said Management Agreement" respectively).

Tenant's Covenants

2. The Tenant hereby agrees with the Landlord as follows :-

To pay rent

(a) To pay the said rent on the days and in manner described and set out in the Third Schedule hereto.

To pay air-conditioning & other charges

(b) To pay or discharge all air-conditioning (if any), maintenance or management fees or charges in respect of the said premises duly and in accordance with the provisions of the Deed of Covenant and/or the said Management Agreement (if any) of the said building.

To pay taxes etc.

(c) Subject to Clause 3(a), to pay and discharge all taxes, assessments, duties, charges impositions and outgoings of an annual or recurring nature now or hereafter to be assessed, imposed or charged by the Government of Hong Kong or other lawful authority upon the said premises or upon the owner or occupier thereof (Government Rent, rates and Property Tax (if any) and outgoings of a capital or non-recurring nature only (if any) excepted) provided that all charge and outgoings in relation to the Tenant's own installation shall be borne by the Tenant solely.

To pay gas, water and electricity charges

(d) To pay and discharge all charges for gas, water, electricity and telephone rental and other outgoings now or at any time hereafter consumed by the Tenant and chargeable in respect of the said premises and to make all necessary deposits therefor.

User

(e) Not to use the said premises for any purpose other than for the purpose and under the name as described and set out in the Third Schedule hereto.

Not to use premises as sleeping quarters or domestic premises

(f) Not to use or permit or suffer the said premises or any part thereof to be used as sleeping quarters or as domestic premises within the meaning of the Landlord and Tenant (Consolidation) Ordinance or similar legislation for the time being in force nor to allow any person to remain in the said premises overnight except night-watchman.

Not to permit illegal or immoral use	(g)	Not to use or permit or suffer the said premises to be used for any illegal or immoral purpose or for any purpose which is in contravention of the terms and conditions contained in the Government Lease or Conditions under which the said premises are held from the Government and not to carry on any trade or business thereon which is now or may hereafter be declared to be an offensive trade under the Public Health & Urban Services Ordinance or any other Ordinances or Regulations and any enactment amending or substituting the same.
To keep interior etc. in repair	(h)	To keep all the interior of the said premises including the flooring and interior plaster or other finishes or rendering to walls, floors and ceilings and the Landlord's fixtures therein including all doors, windows, installations / wiring / pipes / drains in the said premises for the supply of water, gas, electricity, and for sanitation (inclusive of basins, sinks, baths and sanitary conveniences) in good, clean and tenantable repair and condition and properly reserved and painted and so to maintain the same at the expense of the Tenant and to deliver up the same to the Landlord at the expiration or sooner determination of the term in like condition (fair wear and tear excepted).
To protect interior from approaching typhoons	(i)	To take all precautions to protect the interior of the said premises against damage by storm or typhoon or the like.
To repair and replace electrical wiring etc. within the premises	(j)	To repair or place, if so required by the appropriate supply company, statutory undertaker or authority (as the case may be) under the terms of any Electricity Supply or similar Ordinance for the time being in force or any Orders in Council or Regulations made thereunder, all electrical wiring installations and fittings within the said premises from the Tenant's meter or meters to and within the same.
To keep sanitary and water apparatus used exclusively in good repair	(k)	To keep the sanitary and water apparatus used exclusively by the Tenant and his servants, agents and licensees in good, clean and tenantable repair and condition to the satisfaction of the Landlord and in accordance with the Regulations or by-laws of all Public Health and other Government Authorities concerned.

To permit Landlord to enter and view, to repair, etc.	(l)	To permit the Landlord and all persons authorised by him at all reasonable times to enter and :- (i) view the state of repair of the said premises, take inventories of the fixtures therein, carry out any works or repairs which may be required to be done and, during the last three months of the said terms, show the said premises to prospective tenants or purchasers; and/or (ii) carry out any works or repairs in respect of other premises in the said building PROVIDED that in this connection the Landlord shall be responsible to make good all damage done to the said premises and the chattels of the Tenant.
To execute repair on receipt of notice	(m)	On receipt of any notice from the Landlord or his authorised representatives specifying any works or repairs which they require to be done and which are the responsibility of the Tenant hereunder, forthwith to put in hand and execute the same with all possible despatch and without any delay.
Not to erect install or alter partitioning fixtures etc. without Landlord's consent	(n)	Not without the previous written consent of the Landlord (which consent shall not be unreasonably withheld) to erect, install or alter any fixtures partitioning or other erection or installation in the said premises or any part thereof.
To remove illegal structures	(o)	To remove at any time during the said term at the cost of the Tenant any structures erections partitions and other alterations put up by the Tenant with or without the consent of the Landlord if required by the Building Authority or other competent Government Departments and to make good all damage caused by such removal. The Landlord shall not be responsible to the Tenant for any loss suffered by the Tenant in any way as a result of such removal.
Not to cut injure or maim walls, etc.	(p)	Not to cut, maim, injure, drill into, mark or deface or permit or suffer to be cut, maimed, injured, drilled into, marked or defaced any doors, windows, walls, beams, structural members or any part of the fabric of the said premises nor any of the plumbing or sanitary apparatus or installations included therein without the previous consent of the Landlord which consent shall not be unreasonably withheld.
Not to drive nails etc. into ceilings walls or floors	(q)	Not to drive or insert or permit or suffer to be driven or inserted any nails, screws, hooks, brackets or similar articles into the ceilings walls or floor of the said premises without the previous consent of the Landlord which shall not be unreasonably withheld, nor without the like consent to lay or use any floor covering which may damage the existing flooring.

Not to display signs except name etc. in places provided

(r) Not to affix or display or permit or suffer to be affixed or displayed outside the said premises any signboard, sign, decoration, or other device whether illuminated or not which may be visible from outside the said premises save that :-

(i) if the said premises hereby agreed to be let is a shop abutting a street or road, the Tenant may at its own expenses with the previous written consent of the Landlord erect and/or display a sign advertising the nature of the business carried on at the said premises by the Tenant provided always that the said sign shall in all respect comply with the provisions of the said Deed of Covenant, the said Management Agreement (if any), and the applicable Ordinances and Regulations.

(ii) the Tenant shall be entitled at his own expense to display his name exhibited in English and Chinese in such form or lettering or characters to be approved by the Landlord on the Directory Boards (if the same are provided in the said Building) and to have his name similarly printed on the Tenant's entrance door or doors.

If the Tenant carries on business under a name other than his own name, he shall notify the Landlord of the name under which his business is carried on and shall be entitled to have that name displayed, painted or affixed as aforesaid but the Tenant shall not be entitled to change the business name without the previous written consent of the Landlord which the Landlord may give or withhold at his discretion and without prejudice to the foregoing, the Landlord may, in connection with any application for consent under this Clause, require the Tenant to produce such evidence as it may think fit to show that no breach of Clause 2(aj) has taken place or is about to take place.

No hanging in common parts

(s) Not to use or cause or permit the use of the corridors, staircases or other common passages of the said building for the purpose of drying laundry or hanging or placing or storing any article or thing thereon or therein and not to permit the Tenant's agents servants employees guests invitees to use the same for loitering or eating.

Not to encumber or obstruct passages and common areas, etc.	(t)	Not to encumber or obstruct or permit to be encumbered or obstructed with any box, packaging or other obstruction of any kind or nature any of the entrances, staircases, landings, passages, lifts, lobbies or other parts of the said building in common use and not to leave rubbish or any other article or thing in any part of the said building not in the exclusive occupation of the Tenant.
Not to lay wiring or cable etc. in the public areas	(u)	Not to lay install affix or attach any wiring, cables or other article or thing in or upon any of the entrances, staircases, landings, passage-ways, lobbies or, public areas.
No supports etc. erected on exterior walls	(v)	Not to install or fix or erect any supports or any iron brackets or venetian blinds or sun blinds of any description to or on any part of the exterior walls of the said building for any purpose including the installation of air-conditioners without prior written approval of the Landlord.
No openings on exterior wall	(w)	Not to make any openings on any part of the exterior walls of the said building.
No shelters on flat roofs etc.	(x)	Not to erect any shelters or coverings on any part of the flat-roofs or roof of the said building.
No wiring from window	(y)	Not to erect or hang any wire or aerial wiring from the windows or outside the exterior walls of the said building.
Not to overload	(z)	The Tenant shall not without the prior written consent of the Landlord make or permit or suffer to be made alterations in or additions to the electrical wiring and installations or to install or permit or suffer to be installed any equipment, apparatus or machinery which imposes a weight on any part of the flooring in excess of that for which it is designed, or which requires any additional electrical main wiring or which consumes electricity not metered through the Tenant's separate meter. An application by the Tenant for the Landlord's consent under this Clause shall be accompanied by a plan showing the proposed changes. The Landlord shall be entitled to prescribe the maximum weight and permitted location of safes and other heavy equipment and to require that the same stand on supports of such dimensions and material to distribute the weight as the Landlord may deem necessary. In carrying out any electrical, mechanical or other building services work in the said premises the Tenant shall use only a contractor nominated and approved by the Landlord in writing for the purpose.

Not to use premises for manufacture or storage of goods	(aa)	The Tenant shall not use or permit or suffer the said premises to be used for the purpose of the manufacture of goods and merchandise or for the storage of goods and merchandise other than samples and exhibits reasonably required in connection with the Tenant's business carried on therein.
Not to alter smoke lobby doors	(ab)	Not to alter the position of the smoke lobby doors or to make any additions to such doors.
Delivery of bulky goods	(ac)	Not to take delivery of furniture or fixtures or bulky items of goods in and out of the said building during normal office hours and under no circumstances shall passenger lifts be used for delivery purposes at all times.
Not to overload lifts	(ad)	Not to overload the lifts in the said building in excess of their maximum capacity and to be responsible for any damage caused by any breach hereof.
Not to prepare food or permit odorous	(ae)	Not to prepare or permit or suffer to be prepared any food in the said premises or to cause or permit any offensive or unusual odorous to be produced upon, permeate through or emanate from the said premises.
Not to produce music or noise audible outside	(af)	Not to produce or permit or suffer to be produced any music or noise (including sound produced by broadcasting or any apparatus or equipment capable of producing, reproducing, receiving or recording sound) so as to cause a nuisance to other users of the said building, and where music is to be regularly played, to install at the Tenant's cost or expense and to the satisfaction of the Landlord adequate sound proving or insulation devices in the said premises.
Not to permit any nuisance or annoyance	(ag)	Not to do or permit or suffer to be done any thing which may be or become a nuisance or annoyance to the Landlord or to the tenant or occupiers of other premises in the said building or in any adjoining or neighbouring building.
Not to keep items of combustible or hazardous goods	(ah)	Not to keep or store or permit or suffer to be kept or stored in the said premises any arms, ammunition, gun-powder, salt-petre, kerosene or other explosive or combustible substance or otherwise unlawful or dangerous or hazardous goods.

Not to keep animals or pets and to prevent infection

(ai) Not to keep or permit or suffer to be kept any animals or pets inside the said premises and to take all such steps and precautions to the satisfaction of the Landlord to prevent the said premises or any part thereof from becoming infested by termites, rats, mice roaches, or any other pests or vermin.

Not to assign underlet etc.

(aj) Not to assign, underlet, part with the possession of, or transfer the said premises or any part thereof or any interest therein, nor permit or suffer any arrangement or transaction whereby any person who is not a party to this Agreement obtains to use, possession, occupation or enjoyment of the said premises or any part thereof irrespective of whether any rental or other consideration is given therefor. The Tenancy shall be personal to the Tenant named in this Agreement and without in any way limiting the generality of the foregoing, the following acts and events shall, unless approved in writing be deemed to be breaches of this Clause :-

(i) in the case of a tenant which is a partnership, the taking in of one or more new partners whether on the death or retirement of an existing partner or otherwise.

(ii) in the case of a tenant who is an individual (including a sole surviving partner of a partnership tenant) the death, insanity or other disability of that individual, to the intent that no right to use, possess, occupy or enjoy the said premises or any part thereof shall vest in the executors, administrators, personal representatives, next of kin, trustee or committee of any such individual.

(iii) in the case of a corporation, any reconstruction, amalgamation, merger or voluntary liquidation, or any change in shareholding or in the control of ultimate beneficial ownership.

(iv) the giving by the Tenant of a Power of Attorney or similar authority whereby the donee of the Power obtains the right to use, possess, occupy or enjoy the said premises or any part thereof or does in fact use, possess, occupy or enjoy the same.

Not to breach Government Lease or cause insurance to be voided or premium increased	(ak)	Not to do or permit or suffer to be done any act, deed, matter or thing whatsoever which amounts to a breach of any of the terms and conditions under which the land on which the said building stands is held from the Government or whereby any insurance on the said building against loss or damage by fire and/or claims by third parties for the time being in force may be rendered void or voidable or whereby the premium thereon may be increased Provided that if as the result of any act, deed, matter or thing done permitted or suffered by the Tenant, the premium on any such policy of insurance shall be increased, the Landlord shall be entitled at his option either to terminate this Agreement or to continue the same upon payment by the Tenant of the additional premium and upon such other terms and conditions as the Landlord may, at his discretion, think fit to impose.
To comply with Deed of Mutual Covenants and Ordinances etc.	(al)	To obey and comply with and to indemnify the Landlord against the breach of the said Deed of Covenant and the said Management Agreement (if any) of the said building and all ordinances, regulations, by-laws, rules and requirements of any Governmental or other competent authority relating to the conduct and carrying on of the Tenant's business on the said premises or to any other acts, deed, matter or thing done, permitted suffered or omitted therein or thereon by the Tenant or any employee, agent or licensee of the Tenant.
To make good damage to building	(am)	To make good at the expenses of the Tenant any portion of the said building which may be damaged through any omission act or default of the Tenant or of any of his servants visitors or through the escape of water, fire, smoke or fumes from or explosion in the said premises.
To reimburse Landlord for work done	(an)	To reimburse the Landlord for the costs of any work which the Tenant is liable to perform hereunder and has defaulted in performing the same including but not limited to all costs incurred by the Landlord in cleansing or clearing any of the drains, pipes or sanitary or plumbing apparatus choked or stopped up owing to the careless or improper use or neglect by the Tenant or any employee agent or licensee of the Tenant.
To be responsible for loss or damage caused by interior defects	(ao)	To be wholly responsible for any loss, damage or injury caused to any other person whomsoever directly or indirectly through the defective or damaged condition of any part of the interior of the said premises and to make good the same by payment or otherwise and to indemnify the Landlord against all actions, proceedings, claims and demands made upon the Landlord in respect of any such loss, damage or injury and all costs and expenses incidental thereto.

To be responsible for contractors, servants, agents and licensees	(ap)	To be responsible to the Landlord for the acts, neglects and defaults of all contractors, servants, agents and licensees of the Tenant as if they were the acts, neglects and defaults of the Tenant himself and for the purpose of this Agreement “licensee” shall include any person present in, using or visiting the said premises with the consent of the Tenant express or implied.
To notify Landlord of accidents and defects in fittings and fixtures	(aq)	To notify the Landlord of any accidents to or defects in the water pipes gas pipes electrical wire or fittings or other facilities provided by the Landlord in the said premises whether or not the Tenant is liable hereunder for the repair of the same upon the same coming to the knowledge of the Tenant.
To remove refuse to a place specified by Landlord	(ar)	To remove each day from the said premises all refuse and rubbish to such spot as shall be specified by the Landlord from time to time and subject to such reasonable rules and regulations as the Landlord may from time to time determine.
Replacement of windows	(as)	To pay to or reimburse the Landlord the cost of replacing all broken and damaged windows (if any) and glass and any part of the glass curtain wall (if any) whether or not the same be broken or damaged by the negligence of the Tenant or owing to circumstances beyond the control of the Tenant.
Re-instate premises	(at)	Unless the Landlord otherwise agrees in writing, to re-instate and restore the said premises to their original condition and to make good all damage caused or occasioned by the erection and removal of alterations partitions or other erections.
To yield up at the end of term	(au)	Quietly to yield up the said premises together with all fixtures, fittings and additions therein and thereto which the Landlord agrees to retain at the expiration or sooner determination of this tenancy in good, clean and tenantable repair and condition (fair wear and tear excepted).

Landlord's covenants

3. THE LANDLORD HEREBY AGREES WITH THE TENANT as follows:-

To pay Government rent etc.

(a) That the Landlord will pay the Government rent and rates payable in respect of the said premises and the Property Tax (if any) payable in respect of the said premises and any expenses of a capital or non-recurring nature provided that all charges and outgoings in relation to the Tenant's own installations shall be borne by the Tenant solely.

That Tenant shall have quiet enjoyment

(b) That the Tenant paying the rent and management fees and maintenance charges hereby agreed to be paid on the days and in manner herein provided for payment of the same and observing and performing the agreements, stipulations and conditions herein contained and on the Tenant's part to be observed and performed shall peaceably hold and enjoy the said premises during the said term without any interruption by the Landlord or any person lawfully claiming under or in trust for the Landlord.

To keep in repair the outside main walls and roof, etc.

(c) To keep the outside main walls and roof of the said building and the lift entrance hall corridor passages staircases and the convenience (if any) intended for the common use of the occupants at all times in repair in accordance with the relevant provisions of the said Deed of Covenant and/or the said Management Agreement.

4. IT IS HEREBY FURTHER EXPRESSLY AGREED AND DECLARED as follows :-

Other provisions
Landlord's right of re-entry

(a) If the rent and/or air-conditioning charges and/or management fees and maintenance charges and/or other charges hereby agreed to be paid or any part thereof shall be unpaid for seven working days after the same shall become payable (whether legally or formally demanded or not) or if the Tenant shall fail or neglect to observe or perform any of the agreement, stipulations or conditions herein contained and on the Tenant's part to be observed and performed or if the Tenant shall become bankrupt, or being a corporation shall go into liquidation or if any petition shall be filed for the winding up of the Tenant, or if the Tenant otherwise becomes insolvent or makes any composition or arrangement with creditors or shall suffer any execution to be levied on the said premises or otherwise on the Tenant's goods, then and in any such case it shall be lawful for the Landlord at any time thereafter to re-enter the said premises or any part thereof in the name of the whole whereupon this Agreement shall absolutely cease and determine but without prejudice to any right of action by the Landlord in respect of any outstanding breach or non-observance or non-performance of any of the agreement, stipulations and conditions herein contained and on the Tenant's part to be observed and performed and to the Landlord's right to deduct all loss and damage thereby incurred from the deposit paid by the Tenant in accordance with Clause 5 hereof.

Written notice sufficient exercise of right	(b)	A written notice served by the Landlord on the Tenant in manner hereinafter mentioned to the effect that the Landlord thereby exercise the power of re-entry herein contained shall be full and sufficient exercise of such power without actual entry on the part of the Landlord.
Acceptance of rent not waiver of breach of covenant	(c)	Acceptance of rent (or management fees) by the Landlord shall not be deemed to operate as a waiver by the Landlord of any right to proceed against the Tenant in respect of any breach non-observance or non-performance by the Tenant of any of the agreements, stipulations and conditions herein contained and on the Tenant's part to be observed and performed.
Landlord not liable for overflow of water Tenant to indemnify Landlord against certain claims	(d)	The Landlord shall not be under any liability to the Tenant or to any other person whomsoever in respect of any loss or damage to person or property sustained by the Tenant or any such other person caused by or through or in any way owing to the overflow of water from anywhere within the said building. The Tenant shall fully and effectually indemnify the Landlord from and against all claims and demands made against the Landlord by any person in respect of any loss, damage or injury caused by or through or in any way owing to the overflow of water from the said premises or to the neglect or default of the Tenant, his servants, agents or licensees or to the defective or damaged condition of the interior of the said premises or any fixtures or fittings for the repair of which the Tenant is responsible hereunder and against all costs and expenses incurred by the Landlord in respect of any such claim or demand.
No advance payment of rent	(e)	No advance payment of rent has been paid to the Landlord except in pursuance to Clause 1 hereof.
Landlord not liable for breakdown in air-conditioning or lifts	(f)	The Landlord shall not in any circumstances be liable to the Tenant for any defect in or failure or breakdown of electricity gas or water supply, lifts services and air-conditioning system nor shall the rent or management fees and maintenance charges abate or cease to be payable on account thereof.

Suspension or abatement of rent in case of fire etc.	(g)	If the said premises or the said building or any part thereof shall be at any time during the tenancy be inaccessible or so destroyed or damaged owing to fire water storm wind typhoon defective construction white ants earthquake subsidence of the ground or any calamity beyond the control of the Landlord as to render the said premises unfit for habitation and use and the policy or policies of insurance effected by the Landlord shall not have been vitiated or payment of the policy moneys refused in whole or in part in consequence of any act or default of the Tenant or if at any time during the continuance of this tenancy the said premises or the said building shall be condemned as a dangerous structure or a demolition order or closing order shall become operative in respect of the said premises or the said building then the rent hereby reserved or a fair proportion thereof according to the nature and extent of the damage sustained or order made shall after the expiration of the then current month be suspended and ceased until the said premises or said building shall again be rendered accessible or fit for habitation and use (as the case may be) provided that should the said premises or the said building not have been reinstated in the meantime either the Landlord or the Tenant may at any time after three months from the occurrence of such damage or destruction or order give to the other of them notice in writing to determine this present tenancy and thereupon the same and everything herein contained shall determine as from the date of the occurrence of such destruction or damage or order of the said premises or of the said building becoming inaccessible but without prejudice to the rights and remedies of either party against the other in respect of any antecedent claim or breach of the agreements stipulations terms and conditions herein contained or of the Landlord in respect of the rent and management fees and other charges payable hereunder prior to the coming into effect of the suspension.
For the purpose of distraint of rent in arrears if not paid in advance on due date	(h)	For the purposes of Part III of the Landlord and Tenant (Consolidation) Ordinance (Chapter 7) and of these presents, the rent and management fees and other charges payable in respect of the said premises shall be and be deemed to be in arrears if not paid in advance at the time and in manner hereinbefore provided for payment thereof. All costs and expenses for and incidental to any distraint shall be paid by the Tenant and is recoverable from him as a debt on a full indemnity basis. For the purpose of distraint and these presents, any outstanding management fees payable in respect of the said premises shall be deemed to be arrears of rent.

No waiver by Landlord	(i)	No condoning, excusing or waiving by the Landlord of any default, breach or non-observance or non-performance by the Tenant at any time or times of any of the Tenant's obligations herein contained shall operate as a waiver of the Landlord's rights hereunder in respect of any continuing or subsequent default, breach or non-observance or non-performance or so as to defeat or affect in any way the rights and remedies of the Landlord hereunder in respect of any such continuing or subsequent default or breach and no waiver by the Landlord shall be inferred from or implied by anything done or omitted by the Landlord unless expressed in writing and signed by the Landlord. Any consent given by the Landlord shall operate as a consent only for the particular matter to which it relates and in no way shall be considered as a waiver or release of any of the provisions hereof nor shall it be construed as dispensing with the necessity of obtaining the specific written consent of the Landlord in the future, unless expressly so provided.
Landlord can exhibit letting notices during last three months of term	(j)	During the three months immediately preceding the expiration of the term hereby created, the Landlord shall be at liberty to affix and maintain without interference upon any external part of the said premises a notice stating that the said premises are to be let and such other information in connection therewith as the Landlord shall reasonably require.
Landlord is entitled to change the name of the building	(k)	The Landlord shall at any time during the term hereby granted be entitled to change the name of the said building on giving reasonable notice to the Tenant and in respect thereof the Landlord shall not be liable in damages to the Tenant or be made a party to any other proceedings or for costs or expenses of whatsoever nature incurred by the Tenant as a result of such change.
No warranty as to user	(l)	The Landlord does not warrant that the said premises are suitable for any particular purpose.
Service of notice	(m)	Any notice required to be served hereunder shall, if to be served on the Tenant, be sufficiently served if addressed to the Tenant and sent by prepaid post to or delivered at the said premises or the Tenant's last known place of business or residence in Hong Kong and if to be served on the Landlord, shall be sufficiently served if addressed to the Landlord and sent by prepaid post to or delivered to the Landlord's address as shown in this Agreement.

Stamp Duty & Costs

(n) The legal costs of Messrs. Ng, Lie, Lai & Chan and the stamp duty and other disbursements on this Agreement and its counterpart shall be borne by the Landlord and the Tenant in equal shares.

Tenant's deposit

5. (a) The Tenant shall on the signing hereof deposit and maintain with the Landlord a deposit of the amount as set out in the Third Schedule hereto to secure the due observance and performance by the Tenant of the agreements, stipulations and conditions herein contained and on the Tenant's part to be observed and performed. The said deposit shall be retained by the Landlord throughout the said term free of any interest to the Tenant and in the event of any breach or non-observance or non-performance by the Tenant of any of the said agreements, stipulations or conditions aforesaid, the Landlord shall be entitled to terminate this Agreement and to forfeit the said deposit by way of liquidated damages without prejudice to the Landlord's right to claim against the Tenant for further damages suffered by the Landlord as a result of the Tenant's breach of this Agreement. Notwithstanding the foregoing, the Landlord may in any such event at his option elect not to terminate this Agreement and forfeit the deposit but to deduct therefrom the amount of any monetary loss incurred by the Landlord in consequence of the breach, non-observance or non-performance by the Tenant in which event the Tenant shall as a condition precedent to the continuation of the tenancy deposit with the Landlord the amount so deducted and if the Tenant shall fail so to do, the Landlord shall forthwith be entitled to re-enter the said premises and to determine this Agreement and forfeit the deposit as hereinbefore provided.

Repayment of deposit

(b) Subject as aforesaid, the said deposit shall be refunded to the Tenant by the Landlord without interest within thirty days after the expiration or sooner determination of this Agreement and the delivery of vacant possession to the Landlord or within thirty days of the settlement of the last outstanding claim by the Landlord against the Tenant in respect of any breach, non-observance or non-performance of any of the agreements, stipulations or conditions herein contained and on the part of the Tenant to be observed and performed, whichever is the later.

(c) In the event that the Landlord shall assign its reversionary interest in the said premises, the Tenant shall agree to the Landlord transferring the said Deposit to the assignee and shall waive its right to recover the said Deposit from the Landlord upon receipt of a written notice from the Landlord that such transfer has been effected.

Resumption

6. Notwithstanding anything herein contained, the parties hereto agree that if the said premises form the subject matter of resumption by the Hong Kong SAR Government or similar authority under the Lands Resumption Ordinance or similar legislation direct or through Urban Renewal Authority or other authority, the only compensation that the Tenant may have for early termination of the term herein created as a result of the resumption shall be such that is available to the Tenant as contained in the provisions of the Lands Resumption Ordinance Cap.124. The Landlord undertakes to give notice to the Tenant as soon as practicable once such resumption notice shall have been duly served on the Landlord.

Third Party Rights

7. Any person, firm, company or corporation who is not a party to this Agreement shall have no right under the Contracts (Rights of Third Parties) Ordinance to enforce any of its terms except and to the extent that this Agreement expressly provides otherwise and without prejudice to any right of the Landlord provided in this Agreement which is also applicable to and enforceable by or against such third party without resorting to the Contracts (Rights of Third Parties) Ordinance.

Break Clause

8. The Tenant has an option to terminate this Agreement after twenty four months from 1st February 2018 by giving to the Landlord not less than three months' prior written notice or by payment of three months' rent in lieu of such notice and during the said three months period the Tenant shall allow the Landlord together with the intended tenant to enter the said premises at any reasonable time with prior appointment. For the avoidance of doubt, the said notice shall not be served on the Landlord on or before 31st January 2020.

Law

9. This Agreement shall be construed and take effect in accordance with Hong Kong law.

Marginal notes

10. The marginal notes are intended for guidance only and do not form part of this Agreement nor shall any of the provisions in this Agreement be construed or interpreted by reference thereto or in any way affected or limited thereby.

THE FIRST SCHEDULE ABOVE REFERRED TO

LANDLORD	:	JURCHEN INVESTMENT CORPORATION (□□□□□□□□) a company incorporated in the British Virgin Islands with its registered office at Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands. (hereinafter called "the Landlord")
TENANT	:	APTUS MANAGEMENT LIMITED whose registered office is situate at 17th Floor, Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong. (hereinafter called "the Tenant")

THE SECOND SCHEDULE ABOVE REFERRED TO

Part 1 : The Premises

ALL THAT PORTION of the SEVENTEENTH FLOOR of GUANGDONG INVESTMENT TOWER, No.148 Connaught Road Central, Hong Kong as shown within the area outlined or delineated in pink on the Plan annexed hereto standing on ALL THAT piece or parcel of ground registered in the Land Registry as Marine Lot No.332, Marine Lot No.333, Section A of Marine Lot No.334, The Remaining Portion of Marine Lot No.334, Marine Lot No.335, Section A of Marine Lot No.336, The Remaining Portion of Marine Lot No.336, Inland Lot No.2142 and Inland Lot No.2143 subject to the right of access in favour of the Landlord, its assigns, nominees and tenants over the portion of the said Seventeenth Floor hatched black on the Plan annexed hereto.

Part 2

Deed of Mutual Covenant incorporation Management Agreement registered in the Land Registry by Memorial No.6911305.

THE THIRD SCHEDULE ABOVE REFERRED TO

Term	:	For the term of THREE (3) YEARS commencing from the 1st day of February 2018 to the 31st day of January 2021 (both dates inclusive)
Rent	:	HK$130,000.00 per calendar month (exclusive of management fee but inclusive of rates) payable in advance clear of all deductions on the first day of each and every calendar month, the first of such payments to be made on the signing hereof
User	:	For commercial purpose
Deposit	:	Hong Kong Dollars Three Hundred and Ninety Thousand Only (HK$390,000.00)

AS WITNESS the hands of the parties hereto the day and year first above written.

SIGNED by)
)
for and on behalf of the Landlord)
)
in the presence of :-)

SIGNED by)
)
for and on behalf of the Tenant in the)
)
presence of :-)

RECEIVED of and from the Tenant the)
)
sum of Hong Kong Dollars Three Hundred and Ninety) HK$390,000.00
)
Thousand Only being the deposit money above)
)
expressed to be paid by the Tenant to the Landlord.)

the Landlord

APTORUM GROUP LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS

I. PURPOSE

This Code of Business Conduct and Ethics (the "**Code**") contains general guidelines for conducting the business of Aptorum Group Limited, a Cayman Islands company, and its subsidiaries and affiliates (collectively, the "**Company**") consistent with the highest standards of business ethics, and is intended to qualify as a "code of ethics" within the meaning of Section 406(c) of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. To the extent this Code requires a higher standard than required by commercial practice or applicable laws, rules or regulations, we adhere to these higher standards.

This Code is designed to deter wrongdoing and to promote:

- honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits to, the U.S. Securities and Exchange Commission (the "**SEC**") and in other public communications made by the Company;
- compliance with applicable laws, rules and regulations;
- prompt internal reporting of violations of the Code; and
- accountability for adherence to the Code.

II. APPLICABILITY

This Code applies to all directors, officers and employees of the Company, whether they work for the Company on a full-time, part-time, consultative or temporary basis (each, an "**employee**" and collectively, the "**employees**"). Certain provisions of the Code apply specifically to our chief executive officer, chief financial officer, senior finance officer and any other persons who perform similar functions for the Company (each, a "**senior officer**," and collectively, the "**senior officers**").

The Board of Directors of the Company (the "**Board**") has appointed the Company's Chief Financial Officer as the Compliance Officer for the Company (the "**Compliance Officer**"). If you have any questions regarding the Code or would like to report any violation of the Code, please contact the Compliance Officer.

This Code has been adopted by the Board and shall become effective (the "**Effective Time**") upon the effectiveness of the Company's registration statement on Form F-1 filed by the Company with the SEC relating to the Company's initial public offering. Following the Effective Time, the Board and the Compliance Officer, as well as any duly appointed committee charged with enforcing this Code, shall be entitled to enforce this Code to the full extent permitted by law.

III. CONFLICTS OF INTEREST

Identifying Conflicts of Interest

A conflict of interest occurs when an employee's private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. An employee should actively avoid any private interest that may impact such employee's ability to act in the interests of the Company or that may make it difficult to perform the employee's work objectively and effectively. In general, the following should be considered conflicts of interest:

- Competing Business. No employee may be employed by a business that competes with the Company or deprives it of any business.

- Corporate Opportunity. No employee should use corporate property, information or his/her position with the Company to secure a business opportunity that would otherwise be available to the Company. If an employee discovers a business opportunity that is in the Company's line of business through the use of the Company's property, information or position, the employee must first present the business opportunity to the Company and obtain approval from the Company's Audit Committee before pursuing the opportunity in his/her individual capacity.

- Financial Interests

    i. No employee may have any financial interest (ownership or otherwise), either directly or indirectly through a spouse or other family member, in any other business or entity if such interest adversely affects the employee's performance of duties or responsibilities to the Company, or requires the employee to devote time to it during such employee's working hours at the Company; provided, however that an Officer or Director may devote time to such other interest during working hours so long as it does not interfere with his/her ability to carry out his/her duties at the Company;

    ii. No employee may hold any ownership interest in a privately held company that is in competition with the Company;

    iii. An employee may hold up to 5% ownership interest in a publicly traded company that is in competition with the Company; provided that if the employee's ownership interest in such publicly traded company increases to more than 5%, the employee must immediately report such ownership to the Compliance Officer;

iv. No employee may hold any ownership interest in a company that has a business relationship with the Company if such employee's duties at the Company include managing or supervising the Company's business relations with that company; and

v. Notwithstanding the other provisions of this Code,

(a) a director or any immediate family member of such director (collectively, "**Director Affiliates**") or a senior officer or any immediate family member of such senior officer (collectively, "**Officer Affiliates**") may continue to hold his/her investment or other financial interest in a business or entity (an "**Interested Business**") that:

(1) was made or obtained either (x) before the Company invested in or otherwise became interested in such business or entity; or (y) before the director or senior officer joined the Company (for the avoidance of doubt, regardless of whether the Company had or had not already invested in or otherwise become interested in such business or entity at the time the director or senior officer joined the Company); or

(2) may in the future be made or obtained by the director or senior officer, provided that at the time such investment or other financial interest is made or obtained, the Company has not yet invested in or otherwise become interested in such business or entity;

provided that such director or senior officer shall disclose such investment or other financial interest to the Board;

(b) an interested director or senior officer shall refrain from participating in any discussion among senior officers of the Company relating to an Interested Business and shall not be involved in any proposed transaction between the Company and an Interested Business; and

(c) before any Director Affiliate or Officer Affiliate (i) invests, or otherwise acquires any equity or other financial interest, in a business or entity that is in competition with the Company; or (ii) enters into any transaction with the Company, the related director or senior officer shall obtain prior approval from the Audit Committee of the Board.

For purposes of this Code, a company or entity is deemed to be "in competition with the Company" if it competes with the Company's business of providing biomedical or biopharmaceutical products and services, or engaging in research and development of biomedical or biopharmaceutical innovations that may result in such said products or services, and/or any other business in which the Company is engaged.

- Loans or Other Financial Transactions. No employee may obtain loans or guarantees of personal obligations from, or enter into any other personal financial transaction with, any company that is a material customer, supplier or competitor of the Company. This guideline does not prohibit arms-length transactions with recognized banks or other financial institutions.

- Service on Boards and Committees. No employee shall serve on a board of directors or trustees or on a committee of any entity (whether profit or not-for-profit) whose interests could reasonably be expected to conflict with those of the Company. Employees must obtain prior approval from the Board or the Company's Audit Committee, as required by the rules of NASDAQ, before accepting any such board or committee position. The Company may revisit its approval of any such position at any time to determine whether an employee's service in such position is still appropriate.

The above is in no way a complete list of situations where conflicts of interest may arise. The following questions might serve as a useful guide in assessing a potential conflict of interest situation not specifically addressed above:

- Is the action to be taken legal?
- Is it honest and fair?
- Is it in the best interests of the Company?

Disclosure of Conflicts of Interest

The Company requires that employees fully disclose any situations that could reasonably be expected to give rise to a conflict of interest. If an employee suspects that he/she has a conflict of interest, or a situation that others could reasonably perceive as a conflict of interest, the employee must report it immediately to the Compliance Officer. Conflicts of interest may only be waived by the Board, the appropriate committee of the Board and in some cases, as in accordance with NASDAQ rules, only by the Company's Audit Committee, and will be promptly disclosed to the public to the extent required by law and applicable rules of Nasdaq.

Family Members and Work

The actions of family members outside the workplace may also give rise to conflicts of interest because they may influence an employee's objectivity in making decisions on behalf of the Company. If a member of an employee's family is interested in doing business with the Company, the criteria as to whether to enter into or continue the business relationship and the terms and conditions of the relationship must be no less favorable to the Company compared with those that would apply to an unrelated party seeking to do business with the Company under similar circumstances.

Employees should report any situation involving family members that could reasonably be expected to give rise to a conflict of interest to their supervisor or the Compliance Officer. For purposes of this Code, “family members” or “members of employee’s family” include an employee’s spouse, siblings, parents, in-laws and children.

IV. GIFTS AND ENTERTAINMENT

The giving and receiving of appropriate gifts may be considered common business practice. Appropriate business gifts and entertainment are welcome courtesies designed to build relationships and understanding among business partners. However, gifts and entertainment should never compromise, or appear to compromise, an employee’s ability to make objective and fair business decisions.

It is the responsibility of employees to use good judgment in this area. As a general rule, employees may give or receive gifts or entertainment to or from customers or suppliers only if the gift or entertainment is in compliance with applicable law, insignificant in amount and not given in consideration or expectation of any action by the recipient. All gifts and entertainment expenses made on behalf of the Company must be properly accounted for on expense reports.

We encourage employees to submit gifts received to the Company. While it is not mandatory to submit small gifts, gifts of over USD 100 must be submitted immediately to the administration department of human resource center of the Company.

Bribes and kickbacks are criminal acts, strictly prohibited by law. An employee must not offer, give, solicit or receive any form of bribe or kickback anywhere in the world.

V. FCPA COMPLIANCE

The U.S. Foreign Corrupt Practices Act (“**FCPA**”) prohibits giving anything of value, directly or indirectly, to officials of foreign governments or foreign political candidates in order to obtain or retain business. A violation of FCPA does not only violate the Company’s policy but also constitute a civil or criminal offense under FCPA which the Company is subject to after the Effective Time. No employee shall give or authorize directly or indirectly any illegal payments to government officials of any country. While the FCPA does, in certain limited circumstances, allow nominal “facilitating payments” to be made, any such payment must be discussed with and approved by an employee’s supervisor in advance before it can be made.

VI. PROTECTION AND USE OF COMPANY ASSETS

Employees should protect the Company's assets and ensure their efficient use for legitimate business purposes only. Theft, carelessness and waste have a direct impact on the Company's profitability. Any use of the funds or assets of the Company, whether for personal gain or not, for any unlawful or improper purpose is strictly prohibited.

To ensure the protection and proper use of the Company's assets, each employee should:

- Exercise reasonable care to prevent theft, damage or misuse of Company property;
- Promptly report any actual or suspected theft, damage or misuse of Company property;
- Safeguard all electronic programs, data, communications and written materials from unauthorized access; and
- Use Company property only for legitimate business purposes.

Except as approved in advance by the Chief Executive Officer or Chief Financial Officer of the Company, the Company prohibits political contributions (directly or through trade associations) by any employee on behalf of the Company. Prohibited political contributions include:

- any contributions of the Company's funds or other assets for political purposes;
- encouraging individual employees to make any such contribution; and
- reimbursing an employee for any political contribution.

VII. INTELLECTUAL PROPERTY AND CONFIDENTIALITY

Employees should abide by the Company's rules and policies in protecting the intellectual property and confidential information, including the following:

- All inventions, creative works, computer software, and technical or trade secrets developed by an employee in the course of performing the employee's duties or primarily through the use of the Company's assets or resources while working at the Company shall be the property of the Company.
- Employees should maintain the confidentiality of information entrusted to them by the Company or entities with which the Company has business relations, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might be of use to competitors, or harmful to the company or its business associates, if disclosed.

- The Company maintains a strict confidentiality policy. During an employee's term of employment with the Company, the employee shall comply with any and all written or unwritten rules and policies concerning confidentiality and shall fulfill the duties and responsibilities concerning confidentiality applicable to the employee.

- In addition to fulfilling the responsibilities associated with his/her position in the Company, an employee shall not, without obtaining prior approval from the Company, disclose, announce or publish trade secrets or other confidential business information of the Company, nor shall an employee use such confidential information outside the course of his/her duties to the Company.

- Even outside the work environment, an employee must maintain vigilance and refrain from disclosing important information regarding the Company or its business, business associates or employees.

- An employee's duty of confidentiality with respect to the confidential information of the Company survives the termination of such employee's employment with the Company for any reason until such time as the Company discloses such information publicly or the information otherwise becomes available in the public sphere through no fault of the employee.

- Upon termination of employment, or at such time as the Company requests, an employee must return to the Company all of its property without exception, including all forms of medium containing confidential information, and may not retain duplicate materials.

VIII. ACCURACY OF FINANCIAL REPORTS AND OTHER PUBLIC COMMUNICATIONS

Upon the Effective Time, the Company will be required to report its financial results and other material information about its business to the public and the SEC. It is the Company's policy to promptly disclose accurate and complete information regarding its business, financial condition and results of operations. Employees must strictly comply with all applicable standards, laws, regulations and policies for accounting and financial reporting of transactions, estimates and forecasts. Inaccurate, incomplete or untimely reporting will not be tolerated and can severely damage the Company and result in legal liability.

Employees should be on guard for, and promptly report, any possibility of inaccurate or incomplete financial reporting. Particular attention should be paid to:

- Financial results that seem inconsistent with the performance of the underlying business;
- Transactions that do not seem to have an obvious business purpose; and
- Requests to circumvent ordinary review and approval procedures.

The Company's senior financial officers and other employees working in the finance department have a special responsibility to ensure that all of the Company's financial disclosures are full, fair, accurate, timely and understandable. Any practice or situation that might undermine this objective should be reported to the Compliance Officer.

Employees are prohibited from directly or indirectly taking any action to coerce, manipulate, mislead or fraudulently influence the Company's independent auditors for the purpose of rendering the financial statements of the Company materially misleading. Prohibited actions include but are not limited to:

- issuing or reissuing a report on the Company's financial statements that is not warranted in the circumstances (due to material violations of U.S. GAAP, generally accepted auditing standards or other professional or regulatory standards);
- not performing audit, review or other procedures required by generally accepted auditing standards or other professional standards;
- not withdrawing an issued report when withdrawal is warranted under the circumstances; or
- not communicating matters required to be communicated to the Company's Audit Committee.

IX. COMPANY RECORDS

Accurate and reliable records are crucial to the Company's business and form the basis of its earnings statements, financial reports and other disclosures to the public. The Company's records are a source of essential data that guides business decision-making and strategic planning. Company records include, but are not limited to, booking information, payroll, timecards, travel and expense reports, e-mails, accounting and financial data, measurement and performance records, electronic data files and all other records maintained in the ordinary course of business.

All Company records must be complete, accurate and reliable in all material respects. There is never an acceptable reason to make false or misleading entries. Undisclosed or unrecorded funds, payments or receipts are strictly prohibited. An employee is responsible for understanding and complying with the Company's recordkeeping policy. An employee should contact the Compliance Officer if he/she has any questions regarding the recordkeeping policy.

X. COMPLIANCE WITH LAWS AND REGULATIONS

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. This includes, without limitation, laws covering commercial bribery and kickbacks, patent, copyrights, trademarks and trade secrets, information privacy, insider trading, offering or receiving gratuities, employment harassment, environmental protection, occupational health and safety, false or misleading financial information, misuse of corporate assets and foreign currency exchange activities. Employees are expected to understand and comply with all laws, rules and regulations that apply to their positions at the Company. If any doubt exists about whether a course of action is lawful, the employee should seek advice immediately from the Compliance Officer.

XI. DISCRIMINATION AND HARASSMENT

The Company is firmly committed to providing equal opportunity in all aspects of employment and will not tolerate any illegal discrimination or harassment based on race, ethnicity, religion, gender, age, national origin or any other protected class. For further information, employees should consult the Compliance Officer.

XII. FAIR DEALING

Each employee should endeavor to deal fairly with the Company’s customers, suppliers, competitors and employees. None should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

XIII. HEALTH AND SAFETY

The Company strives to provide employees with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for other employees by following environmental, safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions. Violence or threats of violence are not permitted.

Each employee is expected to perform his/her duty to the Company in a safe manner, not under the influence of alcohol, illegal drugs or other controlled substances. The use of illegal drugs or other controlled substances in the workplace is prohibited.

XIV. VIOLATIONS OF THE CODE

All employees have a duty to report any known or suspected violation of this Code, including any violation of laws, rules, regulations or policies that apply to the Company. Reporting a known or suspected violation of this Code by others will not be considered an act of disloyalty, but an action to safeguard the reputation and integrity of the Company and its employees.

If an employee knows of or suspects a violation of this Code, it is such employee's responsibility to immediately report the violation to the Compliance Officer, who will work with the employee to investigate his/her concern. All questions and reports of known or suspected violations of this Code will be treated with sensitivity and discretion. The Compliance Officer and the Company will protect the employee's confidentiality to the extent possible, consistent with the law and the Company's need to investigate the employee's concern.

It is the Company's policy that any employee who violates this Code will be subject to appropriate discipline, including termination of employment, based upon the facts and circumstances of each particular situation. An employee's conduct, if it does not comply with the law or with this Code, can result in serious consequences for both the employee and the Company.

The Company strictly prohibits retaliation against an employee who, in good faith, seeks help or reports known or suspected violations. An employee inflicting reprisal or retaliation against another employee for reporting a known or suspected violation will be subject to disciplinary action, including termination of employment.

XV. WAIVERS OF THE CODE

Waivers of this Code will be granted on a case-by-case basis and only in extraordinary circumstances. Waivers of this Code may be made only by the Board, or the appropriate committee of the Board, and may be promptly disclosed to the public if so required by applicable laws and regulations and rules of the Nasdaq. Notwithstanding the foregoing, any waiver of this Code for a senior officer or a director may only be granted by the Board and must be publicly disclosed in accordance with the applicable rules of the Nasdaq.

XVI. CONCLUSION

This Code contains general guidelines for conducting the business of the Company consistent with the highest standards of business ethics. If employees have any questions about these guidelines, they should contact the Compliance Officer. We expect all employees to adhere to these standards. Each employee is separately responsible for his/her actions. Conduct that violates the law or this Code cannot be justified by claiming that it was ordered by a supervisor or someone in higher management positions. If an employee engages in conduct prohibited by the law or this Code, such employee will be deemed to have acted outside the scope of his/her employment. Such conduct will subject the employee to disciplinary action, including termination of employment.

* * * * * * * * * * * * *

Exhibit 21.1

List of subsidiaries

Name	Jurisdiction
Aptorum Group Limited	Cayman Islands
Aptorum Therapeutics Limited	Cayman Islands
APTUS MANAGEMENT LIMITED	HK
Aptorum Medical Limited	Cayman Islands
Aptus Therapeutics (Hong Kong) Limited	HK
Aptus Biotechnology (Macao) Limited	Macao
Aptorum International Limited	United Kingdom
Aptorum Pharmaceutical Development Limited	Cayman Islands
Forum Property Holding Limited	Cayman Islands
Videns Incorporation Limited	Cayman Islands
mTOR (Hong Kong) Limited	HK
Videns Incorporation (Hong Kong) Limited	HK
Nativus Life Sciences Limited	Cayman Islands
Nativus Life Sciences (Hong Kong) Limited	HK
Scipio Life Sciences Limited	Cayman Islands
Scipio Life Sciences (Hong Kong) Limited	HK
Claves Life Sciences Limited	Cayman Islands
Claves Life Sciences (Hong Kong) Limited	HK
Signate Life Sciences Limited	Cayman Islands
Signate Life Sciences (Hong Kong) Limited	HK
Acticule Life Sciences Limited	Cayman Islands
Acticule Life Sciences (Hong Kong) Limited	HK
Lanither Life Sciences Limited	Cayman Islands
Lanither Life Sciences (Hong Kong) Limited	HK

CHARTER OF THE AUDIT COMMITTEE

OF THE BOARD OF DIRECTORS OF

APTORUM GROUP LIMITED

(Adopted by the Board of Directors of Aptorum Group Limited (the "Company") on October 13, 2017; effective upon the effectiveness of the Company's registration statement on Form F-1 relating to the Company's initial public offering)

I. PURPOSE OF THE COMMITTEE

The purpose of the Audit Committee (the "**Committee**") of the Board of Directors (the "**Board**") of the Company is to oversee the accounting and financial reporting processes of the Company and its subsidiaries and the audits of the financial statements of the Company.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors, as determined from time to time by the Board. Members of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the Nasdaq Listing Rules (or rules of the trading market on which the Company's securities then trade) (collectively with Nasdaq, the "Trading Market") and Rule 10A-3 under the Securities Exchange Act of 1934, as amended, and any additional requirements that the Board deems appropriate.

The chairperson of the Committee shall be designated by the Board, provided that if the Board does not so designate a chairperson, the members of the Committee, by a majority vote, may designate a chairperson.

Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

Each member of the Committee (i) must be able to read and understand fundamental financial statements, including the Company's balance sheet, income statement and cash flow statement, (ii) shall not have participated in the preparation of the financial statements of the Company or any current subsidiary of the Company at any time during the past three years, (iii) must not accept any consulting, advisory, or other compensatory fee from the Company other than for board service and (iv) must not be an affiliated person of the Company. In addition, at least one member of the Committee must be designated by the Board who qualifies as an "audit committee financial expert," under Item 407(d)(5)(ii) and (iii) of Regulation S-K.

III. MEETINGS OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than once every fiscal quarter. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

In carrying out its duties and responsibilities, the Committee's policies and procedures should remain flexible, so that it may be in a position to best address, react or respond to changing circumstances or conditions. The following duties and responsibilities are within the authority of the Committee and the Committee shall, consistent with and subject to applicable law and rules and regulations promulgated by the U.S. Securities and Exchange Commission ("**SEC**") , the Trading Market, or any other applicable regulatory authority:

Selection, Evaluation, and Oversight of the Auditors

a) Be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company, and each such registered public accounting firm must report directly to the Committee (the registered public accounting firm engaged for the purpose of preparing or issuing an audit report for inclusion in the Company's Annual Report on Form 20-F (or comparable form) is referred to herein as the "**independent auditors**");

b) Review and, in its sole discretion, approve in advance the Company's independent auditors' annual engagement letter, including the proposed fees contained therein, as well as all audit and, as provided in the Sarbanes-Oxley Act of 2002 (the "**Act**") and the SEC rules and regulations promulgated thereunder, all permitted non-audit engagements and relationships between the Company and such independent auditors (which approval should be made after receiving input from the Company's management, if desired). Approval of audit and permitted non-audit services will be made by the Committee or by one or more members of the Committee as shall be designated by the Committee/the chairperson of the Committee and the person[s] granting such approval shall report such approval to the Committee at the next scheduled meeting;

c) Review the performance of the Company's independent auditors, including the lead partner and reviewing partner of the independent auditors, and, in its sole discretion, make decisions regarding the replacement or termination of the independent auditors when circumstances warrant; and

d) Evaluate the independence of the Company's independent auditors to ensure compliance with the Act, rules and regulations promulgated by the SEC, as well as the Trading Market rules by, among other things:

i. obtaining and reviewing from the Company's independent auditors a formal written statement delineating all relationships between the independent auditors and the Company, consistent with Independence Standards Board Standard 1;

ii. actively engaging in a dialogue with the Company's independent auditors with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditors;

iii. taking, or recommending that the Board take, appropriate action to oversee the independence of the Company's independent auditors;

iv. monitoring compliance by the Company's independent auditors with the audit partner rotation requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder;

v. monitoring compliance by the Company of the employee conflict of interest requirements contained in the Act and the rules and regulations promulgated by the SEC thereunder; and

vi. engaging in a dialogue with the independent auditors to confirm that audit partner compensation is consistent with applicable SEC rules;

Oversight of Annual Audit and Quarterly Reviews

a) Review and discuss with the independent auditors their annual audit plan, including the timing and scope of audit activities, and monitor such plan's progress and results during the year;

b) Review with management, the Company's independent auditors and the director of the Company's internal auditing department, the following information which is required to be reported by the independent auditor:

i. all critical accounting policies and practices to be used;

ii. all alternative treatments of financial information that have been discussed by the independent auditors and management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors;

iii. all other material written communications between the independent auditors and management, such as any management letter and any schedule of unadjusted differences; and

iv. any material financial arrangements of the Company which do not appear on the financial statements of the Company; and

c) Resolve all disagreements between the Company's independent auditors and management regarding financial reporting;

Oversight of Financial Reporting Process and Internal Controls

a) Review:

i. the adequacy and effectiveness of the Company's accounting and internal control policies and procedures on a regular basis, including the responsibilities, budget, compensation and staffing of the Company's internal audit function, through inquiry and discussions with the Company's independent auditors and management;

ii. the yearly report prepared by management, and attested to by the Company's independent auditors, if required, assessing the effectiveness of the Company's internal control over financial reporting and stating management's responsibility for establishing and maintaining adequate internal control over financial reporting prior to its inclusion in the Company's Annual Report on Form 20-F; and

iii. the Committee's level of involvement and interaction with the Company's internal audit function, including the Committee's line of authority and role in appointing and compensating employees in the internal audit function;

b) Review with the executive chairperson, chief executive officer, chief financial officer and independent auditors, periodically, the following:

i. all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and

ii. any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting;

c) Discuss guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company, including the internal auditing department, assess and manage the Company's exposure to risk, as well as the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

d) Review with management the progress and results of all internal audit projects, and, when deemed necessary or appropriate by the Committee, direct the Company's chief executive officer to assign additional internal audit projects to the director of the Company's internal auditing department;

e) Receive periodic reports from the Company's independent auditors, management and director of the Company's internal auditing department to assess the impact on the Company of significant accounting or financial reporting developments that may have a bearing on the Company;

f) Establish and maintain free and open means of communication between and among the Committee, the Company's independent auditors, the Company's internal auditing department and management, including providing such parties with appropriate opportunities to meet separately and privately with the Committee on a periodic basis; and

g) Review the type and presentation of information to be included in the Company's earnings press releases (especially the use of "pro forma" or "adjusted" information not prepared in compliance with generally accepted accounting principles), as well as financial information and earnings guidance provided by the Company to analysts and rating agencies (which review may be done generally (i.e., discussion of the types of information to be disclosed and type of presentations to be made), and the Committee need not discuss in advance each earnings release or each instance in which the Company may provide earnings guidance);

Miscellaneous

a) Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings with respect to which executive officers or directors or members of their immediate families have an interest (including all transactions required to be disclosed by Item 404(a) of Regulation S-K);

b) Establish and implement policies and procedures for the Committee's review and approval or disapproval of proposed transactions or courses of dealings that may impact a director's independence, as such term is defined by Item 407 of Regulation S-K and applicable Trading Market rules;

c) Meet periodically with the general counsel, and outside counsel when appropriate, to review legal and regulatory matters, including (i) any matters that may have a material impact on the financial statements of the Company and (ii) any matters involving potential or ongoing material violations of law or breaches of fiduciary duty by the Company or any of its directors, officers, employees, or agents or breaches of fiduciary duty to the Company;

d) Review the Company's policies relating to the ethical handling of conflicts of interest and review past or proposed transactions between the Company and members of management as well as policies and procedures with respect to officers' expense accounts and perquisites, including the use of corporate assets, and consider the results of any review of these policies and procedures by the Company's independent auditors;

e) Review and pre-approve any proposed transaction between the Company or any of its subsidiaries or consolidated affiliated entities and any of the officers, directors or shareholders of the Company (each, a "**Related Party**") and/or any affiliate of a Related Party involving over US$100 (FINRA gift limit) in a single transaction or a series of related transactions;

f) Review and approve in advance any services provided by the Company's independent auditors to the Company's executive officers or members of their immediate family;

g) Review the Company's program to monitor compliance with the Company's Code of Business Conduct and Ethics (the "**Code of Conduct**"), and meet periodically with the Company's compliance officer to discuss compliance with the Code of Conduct;

h) Establish procedures for (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters;

i) Establish procedures for the receipt, retention and treatment of reports of evidence of a material violation made by attorneys appearing and practicing before the SEC in the representation of the Company or any of its subsidiaries, or reports made by the Company's chief executive officer or general counsel in relation thereto;

j) Propose appropriate funding to compensate the Company's accountants, auditors and advisors employed by the audit committee, to pay for ordinary administrative expenses of the audit committee and to fund or pay any other applicable items so as to satisfy Nasdaq Rule 5605;

k) Secure independent expert advice to the extent the Committee determines it to be appropriate, including retaining, with or without Board approval, independent counsel, accountants, consultants or others, to assist the Committee in fulfilling its duties and responsibilities, the cost of such independent expert advisors to be borne by the Company;

l) Review and assess the adequacy of this Charter on an annual basis; and

m) Perform such additional activities, and consider such other matters, within the scope of its responsibilities, as the Committee or the Board deems necessary or appropriate.

V. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may retain, at the Company's expense, such independent counsel or other consultants or advisers as it deems necessary.

* * *

While the Committee has the duties and responsibilities set forth in this charter, the Committee is not responsible for preparing or certifying the financial statements, for planning or conducting the audit, or for determining whether the Company's financial statements are complete and accurate and are in accordance with generally accepted accounting principles.

In fulfilling their responsibilities hereunder, it is recognized that members of the Committee are not full-time employees of the Company, it is not the duty or responsibility of the Committee or its members to conduct "field work" or other types of auditing or accounting reviews or procedures or to set auditor independence standards, and each member of the Committee shall be entitled to rely on (i) the integrity of those persons and organizations within and outside the Company from which it receives information and (ii) the accuracy of the financial and other information provided to the Committee absent actual knowledge to the contrary.

Nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of the members of the Committee, except to the extent otherwise provided under applicable federal or state law.

CHARTER OF THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF APTORUM GROUP LIMITED

(Adopted by the Board of Directors of Aptorum Group Limited (the "Company") on October 13, 2017, effective upon the effectiveness of the Company's registration statement on Form F-1 relating to the Company's initial public offering)

I. PURPOSE OF THE COMMITTEE

The purposes of the Company's Compensation Committee (the "**Committee**") of the Board of Directors (the "**Board**") shall be to oversee the Company's compensation and employee benefit plans and practices, including its executive compensation plans, and to perform such further functions as may be consistent with this Charter or assigned by applicable law, the Company's memorandum and articles of association or the Board.

II. COMPOSITION OF THE COMMITTEE

The Committee shall consist of three or more directors as determined from time to time by the Board. Each member of the Committee shall be qualified to serve on the Committee pursuant to the requirements of the Nasdaq, and any additional requirements that the Board deems appropriate. Composition of the Committee shall also comply with any other applicable laws and regulations. In addition, in affirmatively determining the independence of any director who will serve on the Committee, the Board must consider all factors specifically relevant to determining whether a director has a relationship to the Company which is material to that director's ability to be independent from management in connection with the duties of a Committee member, including but not limited to (i) the source of compensation of such director, including any consulting, advisory or other compensatory fee paid by the Company to such director; and (ii) whether such director is affiliated with the Company, a subsidiary of the Company or an affiliated of a subsidiary of the Company.

The chairperson of the Committee shall be designated by the Board. Any vacancy on the Committee shall be filled by majority vote of the Board. No member of the Committee shall be removed except by majority vote of the Board.

III. MEETINGS AND PROCEDURES OF THE COMMITTEE

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less than once annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary, provided, that the Chief Executive Officer of the Company may not be present during any portion of a Committee meeting in which deliberation or any vote regarding his or her compensation occurs.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall report regularly to the Board on its activities, as appropriate.

IV. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

A. Executive Compensation

The Committee shall have the following duties and responsibilities with respect to the Company's executive compensation plans:

a) To review at least annually the goals and objectives of the Company's executive compensation plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

b) To review at least annually the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt, or recommend to the Board the adoption of, new, or the amendment of existing, executive compensation plans.

c) To evaluate annually the performance of the Chief Executive Officer in light of the goals and objectives of the Company's executive compensation plans, and, either as a Committee or together with the other independent directors (as directed by the Board), determine and approve the Chief Executive Officer's compensation level based on this evaluation. In determining the long-term incentive component of the Chief Executive Officer's compensation, the Committee shall consider factors as it determines relevant, which may include, for example the Company's performance and relative shareholder return, the value of similar awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer of the Company in past years. The Committee may discuss the Chief Executive Officer's compensation with the Board if it chooses to do so.

d) To evaluate annually the performance of the other executive officers of the Company in light of the goals and objectives of the Company's compensation plans, and either as a Committee or together with the other independent directors (as directed by the Board) determine and approve the compensation of such other executive officers. To the extent that long-term incentive compensation is a component of such executive officer's compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.

e) To evaluate annually the appropriate level of compensation for Board and Committee service by non-employee directors.

f) To review and approve any severance or termination arrangements to be made with any executive officer of the Company.

g) To perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any executive compensation plan.

h) To review perquisites or other personal benefits to the Company's executive officers and directors and recommend any changes to the Board.

i) To review compensation arrangements for the Company's employees to evaluate whether incentive and other forms of pay encourage unnecessary or excessive risk taking, and review and discuss, at least annually, the relationship between risk management policies and practices, corporate strategy and the Company's compensation arrangements.

j) To review and approve the description of executive compensation included in the Company's annual report on Form 20-F.

k) To perform such other functions as assigned by law, the Company's memorandum and articles of association or the Board.

B. General Compensation and Employee Benefit Plans

The Committee shall have the following duties and responsibilities with respect to the Company's general compensation and employee benefit plans, including incentive compensation and equity-based plans:

a) To review at least annually the goals and objectives of the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, and amend, or recommend that the Board amend, these goals and objectives if the Committee deems it appropriate.

b) To review at least annually the Company's general compensation plans and other employee benefit plans, including incentive-compensation and equity-based plans, in light of the goals and objectives of these plans, and recommend that the Board amend these plans if the Committee deems it appropriate.

c) To review all equity-compensation plans to be submitted for shareholder approval under the Nasdaq listing standards, and to review and, in the Committee's sole discretion, approve all equity-compensation plans that are exempt from such shareholder approval requirement.

d) To perform such duties and responsibilities as may be assigned to the Board or the Committee under the terms of any compensation or other employee benefit plan, including any incentive-compensation or equity-based plan.

V. ROLE OF CHIEF EXECUTIVE OFFICER

The Chief Executive Officer may make, and the Committee may consider, recommendations to the Committee regarding the Company's compensation and employee benefit plans and practices, including its executive compensation plans, its incentive compensation and equity-based plans with respect to executive officers other than the Chief Executive Officer and the Company's director compensation arrangements.

VI. EVALUATION OF THE COMMITTEE

The Committee shall, no less frequently than annually, evaluate its own performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate to the Board for its consideration. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

VII. INVESTIGATIONS AND STUDIES; OUTSIDE ADVISERS

The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and may, in its sole discretion, retain or obtain the advice of a compensation consultant, legal counsel or other adviser. The Committee shall be directly responsible for the appointment, compensation and oversight of the work of any compensation consultant, legal counsel or other adviser retained by the Committee, the expense of which shall be borne by the Company. The Committee may select a compensation consultant, legal counsel or other adviser to the Committee, other than in-house legal counsel, only after taking into consideration all factors relevant to that person's independence from management, including the following:

a) The provision of other services to the Company by the person that employs the compensation consultant, legal counsel or other adviser;

b) The amount of fees received from the Company by the person that employs the compensation consultant, legal counsel or other adviser, as a percentage of the total revenue of the person that employs the compensation consultant, legal counsel or other adviser;

c) The policies and procedures of the person that employs the compensation consultant, legal counsel or other adviser that are designed to prevent conflicts of interest;

d) Any business or personal relationship of the compensation consultant, legal counsel or other adviser with a member of the Committee;

e) Any stock of the Company owned by the compensation consultant, legal counsel or other adviser; and

f) Any business or personal relationship of the compensation consultant, legal counsel, other adviser or the person employing the adviser with an executive officer of the Company.

The Committee shall conduct the independence assessment with respect to any compensation consultant, legal counsel or other adviser that provides advice to the Committee, other than: (1) in-house legal counsel; and (2) any compensation consultant, legal counsel or other adviser whose role is limited to the following activities for which no disclosure would be required under Item 407(e)(3)(iii) of Regulation S-K: consulting on any broad-based plan that does not discriminate in scope, terms, or operation, in favor of executive officers or directors of the Company, and that is available generally to all salaried employees; or providing information that either is not customized for the Company or that is customized based on parameters that are not developed by the compensation consultant, and about which the compensation consultant does not provide advice.

Nothing herein requires a compensation consultant, legal counsel or other compensation adviser to be independent, only that the Committee consider the enumerated independence factors before selecting or receiving advice from a compensation consultant, legal counsel or other compensation adviser. The Committee may select or receive advice from any compensation consultant, legal counsel or other compensation adviser it prefers, including ones that are not independent, after considering the six independence factors outlined above.

Nothing herein shall be construed: (1) to require the Committee to implement or act consistently with the advice or recommendations of the compensation consultant, legal counsel or other adviser to the Committee; or (2) to affect the ability or obligation of the Committee to exercise its own judgment in fulfillment of its duties.

* * *

While the members of the Committee have the duties and responsibilities set forth in this Charter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.

CHARTER OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE OF THE BOARD OF DIRECTORS OF APTORUM GROUP LIMITED

(Adopted by the Board of Directors of Aptorum Group Limited (the "Company") on October 13, 2017, effective upon the effectiveness of the Company's registration statement on Form F-1 relating to the Company's initial public offering)

I. PURPOSE OF THE COMMITTEE

The purpose of the Corporate Governance and Nominating Committee (the "**Committee**") of the Board is to assist the Board in discharging the Board's responsibilities regarding:

a) identification of qualified candidates to become Board members;

b) selection of nominees for election as directors at the next annual meeting of shareholders (or special meeting of shareholders at which directors are to be elected);

c) selection of candidates to fill any vacancies on the Board or any committee thereof;

d) annual review of the composition of the Board in light of the characteristics of independence, experience and availability of the Board members;

e) oversight of the evaluation of the Board; and

f) compliance with the Company's Code of Business Conduct and Ethics, including reviewing the adequacy and effectiveness of the Company's procedures to ensure proper compliance.

In addition to the powers and responsibilities expressly delegated to the Committee in this Charter, the Committee may exercise any other powers and carry out any other responsibilities delegated to it by the Board from time to time consistent with the Company's memorandum and articles of association (collectively, the "**Articles**"). The powers and responsibilities delegated by the Board to the Committee in this Charter or otherwise shall be exercised and carried out by the Committee as it deems appropriate without requirement of Board approval, and any decision made by the Committee (including any decision to exercise or refrain from exercising any of the powers delegated to the Committee hereunder) shall be at the Committee's sole discretion. While acting within the scope of the powers and responsibilities delegated to it, the Committee shall have and may exercise all the powers and authority of the Board. To the fullest extent permitted by law, the Committee shall have the power to determine which matters are within the scope of the powers and responsibilities delegated to it.

II. MEMBERSHIP

The Committee shall be comprised of three or more directors, as determined by the Board, each of whom (a) satisfies the independence requirements of the Nasdaq, and (b) has experience, in the business judgment of the Board, that would be helpful in addressing the matters delegated to the Committee; provided, however, that all but one of the members of the Committee may be exempt from the independence requirements of clause (a) for 90 days from the date of effectiveness of the registration statement for the Company's initial public offering, and that a minority of the members of the Committee may be exempt from such independence requirements for one year from the date of effectiveness of such registration statement.

The members of the Committee, including the chairperson of the Committee (the "**Chair**"), shall be appointed by the Board. Committee members may be removed from the Committee, with or without cause, by the Board. Any action duly taken by the Committee shall be valid and effective, whether or not the members of the Committee at the time of such action are later determined not to have satisfied the requirements for membership provided herein.

III. MEETINGS AND PROCEDURES

The Chair (or in his or her absence, a member designated by the Chair) shall preside at each meeting of the Committee and set the agendas for Committee meetings. The Committee shall have the authority to establish its own rules and procedures for notice and conduct of its meetings so long as they are not inconsistent with any provisions of the Company's Articles that are applicable to the Committee.

The Committee shall meet on a regularly scheduled basis at least once per year, or more frequently as the Committee deems necessary or desirable. A meeting of the Committee may be conducted in person or via telephone conference or similar communications equipment where every meeting participant can hear each other.

All non-management directors who are not members of the Committee may attend and observe meetings of the Committee, but shall not participate in any discussion or deliberation unless invited to do so by the Committee, and in any event shall not be entitled to vote. The Committee may, at its discretion, include in its meetings members of the Company's management, or any other person whose presence the Committee believes to be desirable and appropriate. Notwithstanding the foregoing, the Committee may exclude from its meetings any person it deems inappropriate, including but not limited to, any non-management director who is not a member of the Committee.

The Committee may retain any independent counsel, experts or advisors that the Committee believes to be desirable and appropriate. The Committee may also use the services of the Company's regular legal counsel or other advisors to the Company. The Company shall provide for appropriate funding, as determined by the Committee, for payment of compensation to any such persons employed by the Committee and for ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties. The Committee shall have sole authority to retain and terminate any search firm to be used to identify director candidates, including sole authority to approve such search firm's fees and other retention terms.

The Chair shall report to the Board regarding the activities of the Committee at appropriate times and as otherwise requested by the Chairperson of the Board. Minutes of the meetings shall be kept by a person designated by the Chair. Draft and final versions of the minutes of meetings shall be sent to all Committee members for their comments and records respectively, in both cases within a reasonable time after the meetings.

IV. DUTIES AND RESPONSIBILITIES

a) At an appropriate time prior to each annual meeting of shareholders at which directors are to be elected or re-elected, the Committee shall recommend to the Board for nomination by the Board such candidates as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

b) At an appropriate time after a vacancy arises on the Board or a director advises the Board of his or her intention to resign, the Committee shall recommend to the Board for appointment by the Board to fill such vacancy, such prospective member of the Board as the Committee, in the exercise of its judgment, has found to be well qualified and willing and available to serve.

c) For purposes of (a) and (b) above, the Committee may consider the following criteria, among others the Committee shall deem appropriate, in recommending candidates for election to the Board:

    i. personal and professional integrity, ethics and values;

    ii. experience in corporate management, such as serving as an officer or former officer of a publicly held company, and a general understanding of marketing, finance and other elements relevant to the success of a publicly-traded company in today's business environment;

    iii. experience in the Company's industry and with relevant social policy concerns;

    iv. experience as a board member of another publicly held company;

    v. academic expertise in an area of the Company's operations;

    vi. practical and mature business judgment, including ability to make independent analytical inquiries; and,

vii. if applicable, for re-election, the director's past attendance at meetings and participation in and contributions to the activities of the Board.

d) The foregoing notwithstanding, if the Company is legally bound by contract or otherwise to permit a third party to designate one or more of the directors to be elected or appointed (for example, pursuant to rights contained in shareholders' agreement), then the nomination or appointment of such directors shall be governed by such requirements.

e) The Committee shall advise the Board periodically with respect to significant developments in the law and practice of corporate governance as well as the Company's compliance with applicable laws and regulations, and make recommendations to the Board on all matters of corporate governance and on any corrective action to be taken.

f) The Committee shall monitor compliance with the Company's Code of Business Conduct and Ethics, including reviewing the adequacy and effectiveness of the Company's procedures to ensure proper compliance.

g) The Committee shall, at least annually, review the performance of each current director and shall consider the results of such evaluation when determining whether or not to recommend the nomination of such director for an additional term.

h) The Committee shall oversee the Board in the Board's annual review of its performance (including its composition and organization), and will make appropriate recommendations to improve performance; the Committee will also be responsible for establishing the evaluation criteria and implementing the process for such evaluation.

i) The Committee shall consider, develop and recommend to the Board such policies and procedures with respect to the nomination of directors or other corporate governance matters as may be required pursuant to any rules promulgated by the U.S. Securities and Exchange Commission or otherwise considered to be desirable and appropriate in the discretion of the Committee.

j) The Committee shall evaluate its own performance on an annual basis, including its compliance with this Charter, and provide the Board with any recommendations for changes in procedures or policies governing the Committee. The Committee shall conduct such evaluation and review in such manner as it deems appropriate.

k) The Committee shall periodically report to the Board on its findings and actions.

l) The Committee shall review and reassess this Charter at least annually and submit any recommended changes to the Board for its consideration.

V. DELEGATION OF DUTIES

In fulfilling its responsibilities, the Committee shall be entitled to delegate any or all of its responsibilities to a subcommittee of the Committee, to the extent consistent with the Company's Articles and applicable laws, regulations and rules of the markets in which the Company's securities then trade.