

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM F-3REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**Adagene Inc.**

(Exact Name of Registrant as specified in its charter)

Cayman Islands(State or other jurisdiction of
Incorporation or Organization)**Not Applicable**(I.R.S. Employer
Identification Number)4F, Building C14, No. 218
Xinghu Street, Suzhou Industrial Park
Suzhou, Jiangsu Province, 215123
People's Republic of China
+86-512-8777-3632

(Address and telephone number of Registrant's principal executive offices)

Cogency Global Inc.122 East 42nd Street, 18th Floor,
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+1 800-221-0102

(Name, address, and telephone number of Agent for Service)

Copy to:Xuelin (Steve) Wang, Esq.
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c/o 18th Floor, The Hong Kong Club Building
3A Chater Road,
Central, Hong Kong
+852-2533-3300**Approximate date of commencement of proposed sale to the public: From time to time after this registration statement becomes effective.**If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. 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, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration number of the earlier effective registration statement for the same offering. If this Form is a registration statement pursuant to General Instruction I.C. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.C. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933.

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. **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, as amended, or until this registration statement shall become effective on such date as the Securities and Exchange Commission acting pursuant to said Section 8(a) may determine.**[†] The term "new or revised financial accounting standard" refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

Subject to completion, dated October 31, 2025

PROSPECTUS

ADAGENE**Adagene Inc.****10,625,000 Ordinary Shares or
8,500,000 American Depositary Shares**

This prospectus covers the offer and resale from time to time of up to 10,625,000 ordinary shares, par value US\$0.0001 per share, or up to 8,500,000 American Depositary Shares (“ADSs”), each representing one and one quarter (1.25) of our ordinary shares by the selling shareholder identified in this prospectus, including their transferees, pledgees or donees or their respective successors. The securities offered by the selling shareholder consist of 10,625,000 ordinary shares (or up to 8,500,000 ADSs that may represent such ordinary shares) issuable upon the conversion of 1,062,500 Series A Non-Voting Redeemable Convertible Preferred Shares, par value US\$0.0001 per share of the Company (the “Series A Preferred Shares”) that are to be issued to the selling shareholder upon conversion of the Series A Preferred Shares that were sold and issued to the selling shareholder in a private placement pursuant to a securities purchase agreement, dated June 30, 2025, which closed on July 2, 2025.

The selling shareholder identified in this prospectus may offer the securities pursuant to this prospectus from time to time through public or private transactions at fixed prices, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at privately negotiated prices. The selling shareholder may sell shares to or through underwriters, broker-dealers or agents, who may receive compensation in the form of discounts, concessions or commissions from the selling shareholder, the purchasers of the shares, or both. For additional information on the methods of sale that may be used by the selling shareholder, see the section entitled “Plan of Distribution” on page 66. For the information of the selling shareholder, see the section entitled “Selling shareholder” on page 64.

We are not selling any securities under this prospectus and will not receive any proceeds from the sale by the selling shareholder of such shares. We are paying the cost of registering the ordinary shares covered by this prospectus as well as various related expenses. The selling shareholder is responsible for all selling commissions, transfer taxes and other costs related to the offer and sale of their shares.

You should carefully read this prospectus and any amendments or supplements accompanying this prospectus, together with any documents incorporated by reference herein or therein, before you make your investment decision.

The selling shareholder may sell any, all or none of the securities offered by this prospectus and we do not know when or in what amount the selling shareholder may sell their common shares hereunder following the effective date of the registration statement of which this prospectus forms a part.

The ADSs are traded on the Nasdaq Global Market, or the Nasdaq, under the symbol “ADAG.” As of October 30, 2025, the last reported sale price for the ADSs was US\$1.92 per ADS.

Investors in the ADSs or ordinary shares are purchasing securities of a Cayman Islands holding company rather than securities of our subsidiaries that have substantive business operations in the United States or China. Adagene Inc. is a Cayman Islands holding company that conducts its operations and operate its business in the U.S. through its U.S. subsidiary, Adagene Incorporated. In addition, Adagene Inc. conducts its operations in China through its PRC subsidiary, Adagene (Suzhou) Limited, or Adagene Suzhou. Such structure involves unique legal and operational risks to investors in the ADSs and ordinary shares. In particular, the PRC government has significant authority to exert influence on the ability of a company with substantive operations in China, such as us, to conduct its business, accept foreign investments or list on a U.S. or other foreign exchanges. For example, we face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, oversight on cybersecurity and data privacy. Such risks could result in a material change in our operations and/or the value of the ADSs representing our ordinary shares or could significantly limit or completely hinder our ability to offer or continue to offer our ordinary shares represented by ADSs to investors and cause the value of such securities to significantly decline or

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This 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.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This 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.

become worthless. As we are a holding company with substantive business operations in China, you should pay special attention to disclosures included in our most recent annual report on Form 20-F incorporated by reference in this prospectus and risk factors included herein.

In addition, our auditor is headquartered in mainland China, a jurisdiction where the Public Company Accounting Oversight Board, or PCAOB, was unable to conduct inspections without the approval of the Chinese authorities. Trading in our ADSs on the Nasdaq or over-the-counter may be prohibited, and as a result, our ADSs may be delisted under the Holding Foreign Companies Accountable Act, or HFCAA, if the PCAOB determines that it has been unable to inspect or investigate completely our auditor located in China for two consecutive years. On December 16, 2021, the PCAOB issued the HFCAA Determination Report to notify the SEC of its determinations, or 2021 Determinations, that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong, including our auditor. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. As a result, we do not expect to be identified as a “Commission-Identified Issuer” under the HFCAA in the near future. However, whether the PCAOB will continue to be able to satisfactorily conduct inspections and investigations of PCAOB-registered public accounting firms headquartered in mainland China and Hong Kong is subject to uncertainty and depends on a number of factors out of our, and our auditor’s, control, including positions taken by authorities of the PRC. The PCAOB is expected to continue to demand complete access to inspections and investigations against accounting firms headquartered in mainland China and Hong Kong in the future. The PCAOB is required under the HFCAA to make its determination on an annual basis with regards to its ability to inspect and investigate completely accounting firms based in the mainland China and Hong Kong. The possibility of being a “Commission-Identified Issuer” and risk of delisting could continue to adversely affect the trading price of our securities. If the PCAOB determines in the future that it no longer has full access to inspect and investigate accounting firms headquartered in mainland China and Hong Kong and we continue to use such accounting firm to conduct audit work, we would be identified as a “Commission-Identified Issuer” under the HFCAA following the filing of the annual report for the relevant fiscal year, and if we were so identified for two consecutive years, trading in our securities on U.S. markets would be prohibited under the HFCAA.

The PRC government has significant oversight over the conduct of our business and its laws, regulations and policies may affect our operations. The PRC government has recently published new policies that affected certain industries with respect to matters such as cybersecurity, data privacy, antitrust and competition, foreign investments, and overseas listings, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could adversely affect our business, financial condition and results of operations. Furthermore, the PRC regulatory authorities have issued new laws and regulations to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies like us. Any such action, once taken by the PRC regulatory authorities, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme cases, become worthless. For additional information, see “Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China” in our most recent annual report on Form 20-F incorporated by reference in this prospectus.

As used in this prospectus supplement, “Adagene” refers to Adagene Inc., a Cayman Islands exempted company with limited liability, “Adagene Incorporated” refers to Adagene Incorporated, our U.S. subsidiary, “Adagene Suzhou” refers to Adagene (Suzhou) Limited, a PRC incorporated company with limited liability, “Adagene Hong Kong” refers to Adagene (Hong Kong) Limited, our Hong Kong intermediary holding company, and “we,” “us,” “our company,” or “our” refers to Adagene Inc. and its subsidiaries.

With a holding company structure, we currently rely principally on equity financing for our cash requirements, including the funds necessary to pay cash considerations for services we may incur. In the future, if we become profitable and generate cash flows from operating activities, we may rely principally on dividends and other distributions on equity from our U.S., PRC and other subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders or for services of any debt we may incur. If any of our subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends or make other distributions to us. In 2022, 2023 and 2024, Adagene Inc. made payments of US\$24.5 million, US\$20.5 million and US\$16.3 million, respectively, in cash to Adagene Suzhou as consideration for providing services associated with research and development activities related to those

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This 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.

intellectual properties owned by Adagene Inc. There were no intercompany loans provided by Adagene Inc. to Adagene Suzhou during the years ended and as of December 31, 2022, 2023 and 2024. As advised by our PRC legal counsel, Jingtian & Gongcheng, Adagene Suzhou is able to mark up and charge to Adagene Inc., its ultimate parent, for providing services associated with research and development activities related to those intellectual properties owned by Adagene Inc. and Adagene Inc. is able to make cash payments to Adagene Suzhou for considerations of such services. In the future, cash proceeds raised from overseas financing activities may be transferred by Adagene Inc., the Cayman Islands holding company, (i) to Adagene Incorporated, our U.S. subsidiary, (ii) through Adagene (Hong Kong) Limited, our Hong Kong subsidiary, to Adagene Suzhou, our PRC subsidiary and (iii) to other subsidiaries, via capital contribution, shareholder loans or consideration for the services rendered, as the case may be. Other than the above disclosed transfer of funds, we did not transfer any type of assets between Adagene Suzhou and other Adagene subsidiaries in 2022, 2023 or 2024. For risks associated with this structure, see “Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in China — We may rely on dividends and other distributions on equity paid by our PRC subsidiary to fund any cash and financing requirements that we may have, and any limitation on the ability of our PRC subsidiary to make payments to us could have material and adverse effect on our ability to conduct our business” and “— PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our public offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business” in our most recent annual report on Form 20-F incorporated by reference in this prospectus.

Investing in these securities involves certain risks. Please carefully consider the “Risk Factors” in Item 3.D of our most recent annual report on Form 20-F incorporated by reference in this prospectus, the “Risk Factors” beginning on page 15 of this prospectus, and in any applicable prospectus supplement, for a discussion of the factors you should consider carefully before deciding to purchase these securities.

This prospectus may not be used to offer or sell any Securities unless accompanied by a prospectus supplement.

Neither the Securities and Exchange Commission nor any state or other 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.

The date of this prospectus is _____, 2025.

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You should rely only on the information contained or incorporated by reference into this prospectus, in the applicable prospectus supplement or in any free writing prospectus filed by us with the SEC. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. You should not assume that the information contained or incorporated by reference into this prospectus and any prospectus supplement or in any free writing prospectus is accurate as of any date other than the respective dates thereof. Our business, financial condition, results of operations and prospects may have changed since those dates.

ABOUT THIS PROSPECTUS

We urge you to read carefully this prospectus, together with the information incorporated herein by reference as described under the heading “Where You Can Find More Information,” before buying any of the securities being offered.

You should rely only on the information contained or incorporated by reference in this prospectus. The selling shareholder has not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. This prospectus may only be used where it is legal to offer and sell our ordinary shares and/or ADSs. If it is against the law in any jurisdiction to make an offer to sell these shares, or to solicit an offer from someone to buy these shares, then this prospectus does not apply to any person in that jurisdiction, and no offer or solicitation is made by this prospectus to any such person. You should assume that the information appearing in this prospectus is accurate only as of the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or of any sale of ordinary shares and/or ADSs. Our business, financial condition, results of operations and prospects may have changed since such date. Information contained on our website is not a part of this prospectus.

Neither we nor the selling shareholder have authorized anyone to provide you with information that is different from that contained in this prospectus, any amendment or supplement to this prospectus, or any free writing prospectus we may authorize to be delivered or made available to you. Neither we nor the selling shareholder take responsibility for, or provide assurance as to the reliability of, any other information that others may give you. This prospectus does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in this prospectus or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful.

Neither we nor the selling shareholder have taken any action that would permit the possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities described herein and the distribution of this prospectus outside the United States.

In this prospectus, unless otherwise indicated or unless the context otherwise requires,

- “Adagene Suzhou” refers to Adagene (Suzhou) Limited, our subsidiary in the PRC;
- “Adagene Incorporated” refers to Adagene Incorporated, our subsidiary in the U.S.;
- “ADSs” refers to the American depository shares, each representing one and one quarter (1.25) of our ordinary shares;
- “Antibody binding interface” or “antibody binding sites” refers to the antibody binding surface spots in contact with its recognition antigen;
- “China” or “PRC” refers to the People’s Republic of China;
- “conformational diversity” or “dynamic diversity” refers to the existence of more than one conformation or structure due to dynamic fluctuation of the structures for a given protein sequence, independent of any conformational changes caused by external binding;
- “epitopes” or “epitope of an antigen” refers to the specific binding spots of an antigen in contact with its antibody binding surface;
- “Exchange Act” refers to the Exchange Act of 1934, as amended;
- “Greater China”, for the purpose of this prospectus/registration statement, refers to the People’s Republic of China, Hong Kong, Macau and Taiwan;
- “multi-specificity” refers to a protein exerting a similar function (such as binding) on distinctly different ligands, perhaps while using different active site residues;
- “NEObody(ies)” refers to antibody(ies) designed with dynamic binding sites that adapt kinetically to unique epitopes through novel MOA(s), using our NEObody technology; NEObody[®] is a registered

trademark in the United States, China, Australia, Japan, Singapore, Switzerland, Korea, United Kingdom and the European Union;

- “ordinary shares” or “shares” refers to our ordinary shares of par value US\$0.0001 per share;
- “POWERbody(ies)” refers to antibody(ies) that utilize(s) our SAFEbody technology to create new bispecific T-cell engagers, antibody-drug conjugates, or antibody(ies), which is(are) designed to reach beyond the therapeutic potency of traditional monospecific antibody(ies); POWERbody® is a registered trademark in the United States, China, Australia, Japan, Singapore, Switzerland, Korea, United Kingdom and the European Union;
- “RMB” or “Renminbi” refers to the legal currency of the People’s Republic of China;
- “SAFEbody(ies)” refers to antibody(ies) engineered with its(their) binding sites masked, which is(are) designed to be selectively activated in the tumor microenvironment (TME), potentially limiting on-target off-tumor toxicity in normal tissues; SAFEbody® is a registered trademark in the United States, China, Australia, Japan, Singapore, and the European Union; SAFEbody® is a registered trademark in the United States, China, Australia, Japan, Singapore, Switzerland, Korea, United Kingdom and the European Union;
- “Securities Act” refers to the Securities Act of 1933, as amended;
- “Series A Preferred Shares” refers to Series A Non-Voting Redeemable Convertible Preferred Shares;
- “species cross-reactivity” refers to reactivity of the same protein that recognizes and binds to similar epitopes of a given class of targets in different species;
- “US\$,” “dollars” or “U.S. dollars” refers to the legal currency of the United States; and
- “we,” “us,” “our company,” and “our” refer to Adagene Inc., a Cayman Islands exempted company and its subsidiaries.

References in any prospectus supplement to “the accompanying prospectus” are to this prospectus and to “the prospectus” are to this prospectus and the applicable prospectus supplement taken together.

PROSPECTUS SUMMARY

This summary highlights selected information that is presented in greater detail elsewhere, or incorporated by reference, in this prospectus. It does not contain all of the information that may be important to you and your investment decision. Before investing in our securities, you should carefully read this entire prospectus, including the matters set forth in the section titled "Risk Factors" and the financial statements and related notes and other information that we incorporate by reference herein, including our Annual Report on Form 20-F. Unless the context indicates otherwise, references in this prospectus to "Adagene," "we," "our" and "us" refer, collectively, to Adagene, Inc. and its subsidiaries taken as a whole.

Company Overview

We are a platform-driven, clinical-stage biotechnology company transforming the discovery and development of novel antibody-based cancer immunotherapies. We leverage computational biology to design and develop novel antibodies that address unmet patient needs. Powered by our proprietary Dynamic Precision Library (DPL) platform, which fuels our NEObody[®], SAFEbody[®], and POWERbody[®] technologies, we are developing a highly differentiated pipeline of novel immunotherapies. Our lead candidate is an anti-CTLA-4 SAFEbody, ADG126 (muzastotug), which is currently in phase 1b/2 development, and focused initially on metastatic microsatellite-stable (MSS) colorectal cancer (CRC). We also have a robust pipeline of earlier stage candidates that apply our NEObody and SAFEbody technologies to targets associated with toxicity challenges, including modalities with potent efficacy features, such as Fc-empowered antibodies (e.g., IgG1 isotype and its enhanced version) and bi/multispecific T-cell engagers. Additionally, we have forged strategic collaborations with reputable global partners that leverage our SAFEbody technology in multiple approaches at the vanguard of science.

We aim to push the boundaries of antibody discovery and engineering through the precise design, construction, and selection of antibody product candidates intractable to traditional antibody technology. We have pioneered a dynamic antibody technology interface to harness the conformational diversity of antibodies, which enlarges epitope sampling of a given drug target for differentiated therapeutic antibody development. Additionally, we have proprietary precision masking technology and specialized antibody engineering capabilities which enable us to design therapeutics with unique features.

Our DPL fuels three antibody technology platforms, which can be used alone or together to create novel, differentiated antibody-based therapeutic candidates:

- The NEObody technology platform is a fully synthetic phage display and yeast display-based antibody discovery technology, which we believe is differentiated from other synthetic antibody technologies through its innovative designs and precise constructions. NEObody technology enables the generation of antibodies designed with dynamic binding sites that adapt kinetically to unique epitopes, triggering a novel MOA. The species cross-reactive antibodies generated by NEObody technology not only have the potential to reveal new biological functions of the targets, but also facilitate preclinical studies using various immune system intact animal models, resulting in high fidelity translation from preclinical to clinical studies. We refer to antibodies generated by our NEObody technology as NEObodies.
- The SAFEbody technology platform is designed to mask an antibody binding interface with a masking motif, which then prevents an antibody from binding to its target in healthy tissues, minimizing on target, off tumor toxicities. The masking motif is designed to activate, or unmask, the antibody to allow binding in the tumor microenvironment, or TME, where certain activation conditions such as a protease is upregulated as compared to healthy tissues, allowing the antibody to bind to its target for tumor killing. Our SAFEbody enabled therapeutic candidates are therefore designed to be activated predominantly in the TME while remaining largely in an inactive state in healthy tissues. Our SAFEbody technology can be applied to mask the binding sites of any antibodies including but not limited to NEObodies. We refer to such masked antibodies as SAFEbodies. Notably, SAFEbody technology can be applied to our NEObodies, such as what we did with ADG116 to potentially achieve an increased therapeutic index with ADG126.
- The POWERbody technology platform enables the creation of new versions of antibodies, which may be bi/multi-specific T-cell engagers, or TCEs, or Fc-enhanced antibodies, antibody-drug

conjugates, or ADCs, or antibodies that are designed to reach beyond the therapeutic potency of traditional monospecific antibodies. Our POWERbody candidates incorporate SAFEbody precision masking technology and are designed to improve antitumor activity while maintaining the enhanced safety profile for potentially safe and durable immunotherapies,

These proprietary technology platforms allow us to engineer and select species cross-reactive antibodies designed to dynamically adapt to unique and evolutionally conserved epitopes. We believe that comprehensive in vivo preclinical evaluations using these species cross-reactive antibodies are the key to assess the efficacy and safety potential of tailor-made antibody candidates before progressing them into lengthy and costly clinical trials. Our NEObody, SAFEbody and POWERbody technology platforms are all designed to facilitate favorable druggability, manageable CMC attributes, and reduced immunogenicity.

Corporate History and Structure

In February 2011, Adagene Inc. was incorporated under the laws of the Cayman Islands as our offshore holding company.

In December 2011, we established Adagene (Hong Kong) Limited, or Adagene Hong Kong, a wholly-owned subsidiary incorporated under the laws of Hong Kong, as our intermediary holding company. In February 2012, Adagene Hong Kong incorporated Adagene (Suzhou) Limited, or Adagene Suzhou, in China, through which we commenced our research and development activities in China.

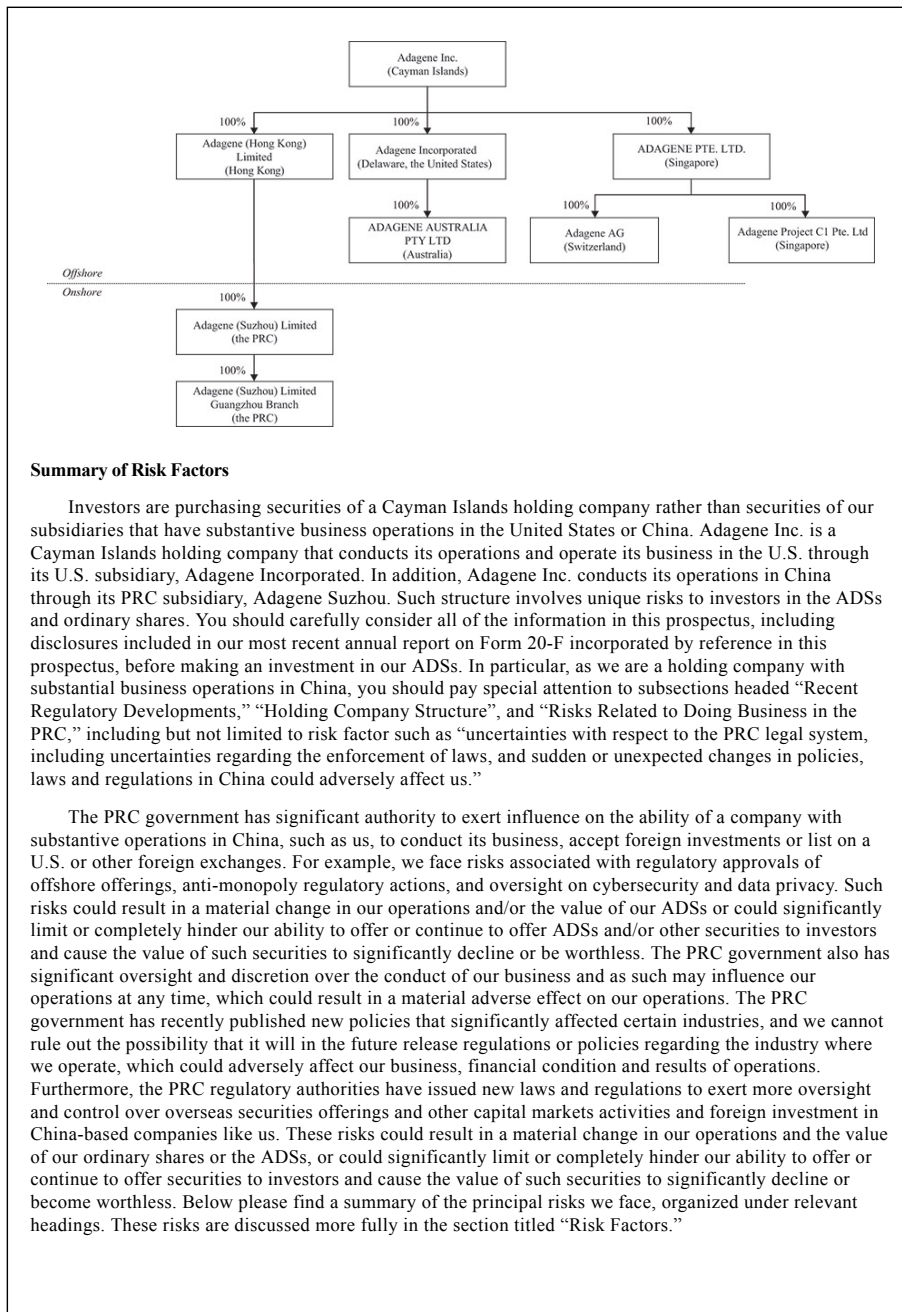
In September 2017, we established a wholly-owned subsidiary in the state of Delaware, the United States, Adagene Incorporated, to conduct our research and development activities in the United States to facilitate the discovery and development of product candidates and expand our global presence, we have further incorporated several subsidiaries overseas, such as Australia, Singapore and Switzerland.

We are a holding company and do not directly conduct any substantive business operations in the PRC. In addition to our R&D activities in the United States, Australia and Singapore, we currently focus our business operations within the PRC through Adagene Suzhou. We (Adagene Inc.), however, hold certain intellectual properties and outsource certain research and development activities related to these intellectual properties to our subsidiaries. See “Item 3 Key Information — D. Risk Factors — Risks Related to Doing Business in the PRC” in our most recent annual report on Form 20-F incorporated by reference in this prospectus.

In February 2021, we completed an initial public offering in which we offered and sold an aggregate of 10,571,375 ordinary shares in the form of ADSs. Upon the initial public offering, all of our then issued and outstanding preferred shares were automatically converted into ordinary shares on a one-for-one basis.

On February 9, 2021, the ADSs began trading on the Nasdaq under the symbol “ADAG.”

The following diagram illustrates our corporate structure as of the date of this prospectus, including our material subsidiaries directly or indirectly owned by us through equity ownership (our group structure does not include any variable interest entities):



Summary of Risk Factors

Investors are purchasing securities of a Cayman Islands holding company rather than securities of our subsidiaries that have substantive business operations in the United States or China. Adagene Inc. is a Cayman Islands holding company that conducts its operations and operate its business in the U.S. through its U.S. subsidiary, Adagene Incorporated. In addition, Adagene Inc. conducts its operations in China through its PRC subsidiary, Adagene Suzhou. Such structure involves unique risks to investors in the ADSs and ordinary shares. You should carefully consider all of the information in this prospectus, including disclosures included in our most recent annual report on Form 20-F incorporated by reference in this prospectus, before making an investment in our ADSs. In particular, as we are a holding company with substantial business operations in China, you should pay special attention to subsections headed “Recent Regulatory Developments,” “Holding Company Structure”, and “Risks Related to Doing Business in the PRC,” including but not limited to risk factor such as “uncertainties with respect to the PRC legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in China could adversely affect us.”

The PRC government has significant authority to exert influence on the ability of a company with substantive operations in China, such as us, to conduct its business, accept foreign investments or list on a U.S. or other foreign exchanges. For example, we face risks associated with regulatory approvals of offshore offerings, anti-monopoly regulatory actions, and oversight on cybersecurity and data privacy. Such risks could result in a material change in our operations and/or the value of our ADSs or could significantly limit or completely hinder our ability to offer or continue to offer ADSs and/or other securities to investors and cause the value of such securities to significantly decline or be worthless. The PRC government also has significant oversight and discretion over the conduct of our business and as such may influence our operations at any time, which could result in a material adverse effect on our operations. The PRC government has recently published new policies that significantly affected certain industries, and we cannot rule out the possibility that it will in the future release regulations or policies regarding the industry where we operate, which could adversely affect our business, financial condition and results of operations. Furthermore, the PRC regulatory authorities have issued new laws and regulations to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies like us. These risks could result in a material change in our operations and the value of our ordinary shares or the ADSs, or could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or become worthless. Below please find a summary of the principal risks we face, organized under relevant headings. These risks are discussed more fully in the section titled “Risk Factors.”

Risks Related to Doing Business in the PRC

Risks and uncertainties related to doing business in China include, but are not limited to, the following:

- uncertainties with respect to the PRC legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in China could adversely affect us;
- PRC government has significant oversight over the conduct of our business and as such may influence our operations at any time, which may potentially result in a material adverse effect on our operations;
- the PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections;
- our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment;
- the enactment of the Accelerating Holding Foreign Companies Accountable Act decreases the number of non-inspection years from three years to two, thus reducing the time period before our ADSs will be prohibited from trading on the Nasdaq Stock Market or in the over-the-counter market or delisted; and
- we may be required to obtain approval or complete filing or other requirements of the CSRC or other PRC government authorities in connection with our issuances of securities overseas, and, if required, we cannot predict whether we will be able to obtain such approval or complete such governmental procedure.

Risks Related to Our Financial Prospects and Need for Additional Capital

Risks and uncertainties related to our financial prospectus and need for additional capital include, but are not limited to, the following:

- we have a limited operating history, which may make it difficult to evaluate our current business and predict our future performance;
- we have incurred net losses historically and we may continue to incur net losses in the near future;
- we may need to obtain substantial additional financing to fund our growth and operations, which may not be available on acceptable terms, if at all;
- raising additional capital may lead to dilution of shareholdings by our existing shareholders and restrict our operations or require us to relinquish rights to our technologies or product candidates; and
- we have certain shareholders who have board representation rights and their individual interests may differ from yours.

Risks Related to Clinical Development of Our Product Candidates

Risks and uncertainties related to clinical development of our product candidates include, but are not limited to, the following:

- we may not be able to identify or discover new product candidates, and may allocate our limited resources to pursue a particular product candidate and fail to capitalize on product candidates that may later prove to be more profitable, or for which there is a greater likelihood of success;
- we may not be successful in our efforts to use and expand our proprietary platforms to build a pipeline of product candidates;

- any failures or setbacks in our platforms or our other proprietary technologies could negatively affect our business and financial condition;
- our product candidates, for which we intend to seek approval as biologics products, may face competition sooner than anticipated; and
- we depend substantially on the success of our product candidates, particularly our lead product candidate, ADG126, which is in phase 1b/2 clinical development, and our ability to advance and identify additional product candidates. Clinical trials of our product candidates may not be successful. If we are unable to successfully identify new product candidates, complete clinical development, obtain regulatory approval and commercialize our product candidates, or experience significant delays in doing so, our business will be materially harmed.

Risks Related to Obtaining Regulatory Approval of Our Drug Candidates

Risks and uncertainties related to obtaining regulatory approval of our drug candidates include, but are not limited to, the following:

- the regulatory approval processes of the FDA, NMPA and other comparable regulatory authorities are lengthy, time consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approvals for our product candidates, our business will be substantially harmed;
- disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire, retain or deploy key leadership and other personnel, or otherwise prevent new or modified products from being developed, approved or commercialized in a timely manner or at all, which could negatively impact our business;
- even if we obtain FDA approval of any of our product candidates, we may never obtain approval or commercialize such products outside of the United States, which would limit our ability to realize their full market potential;
- we are conducting clinical trials and may in the future conduct additional clinical trials for our product candidates outside the United States and/or China, and FDA, NMPA and similar foreign regulatory authorities may not accept data from such trials; and
- our product candidates may cause undesirable adverse events, side effects 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.

Risks Related to Our Intellectual Property

Risks and uncertainties related to our intellectual property include, but are not limited to, the following:

- it is difficult and costly to protect our proprietary rights and technology, and we may not be able to protect our intellectual property rights throughout the world;
- changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our product candidates;
- we may not be successful in obtaining or maintaining necessary rights for our development pipeline through acquisitions and licensing deals;
- we may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time consuming and unsuccessful, and any unfavorable outcome from such litigation could limit our research and development activities and/or our ability to commercialize our product candidates; and
- our commercial success depends significantly on our ability to operate without infringing upon, misappropriating or otherwise violating the intellectual property rights of third parties.

Risks Related to the ADSs

Risks and uncertainties related to the ADSs include, but are not limited to, the following:

- our business and financial results, including our ability to raise capital or raise capital on favorable terms and the market price of our ADSs, may be adversely affected by the geopolitical factors arising in connection with Russia's invasion of Ukraine, including particularly how countries like the United States and China choose to respond to this war. As a result, the value of our ADSs may significantly decline;
- you may be subject to limitations on transfer of your ADSs;
- the trading price of the ADSs is likely to be volatile, which could result in substantial losses to investors;
- we are an emerging growth company within the meaning of the Securities Act and may take advantage of certain reduced reporting requirements;
- if securities or industry analysts cease to publish research or reports about our business, or if they adversely change their recommendations regarding the ADSs, the market price for the ADSs and trading volume could decline;
- the sale or availability for sale, or perceived sale or availability for sale, of substantial amounts of the ADSs could adversely affect their market price;

PRC Regulatory Developments***Cybersecurity Review Measures***

On December 28, 2021, the Cyberspace Administration of China, or the CAC, and 12 other relevant PRC government authorities published the amended Cybersecurity Review Measures, or the Cybersecurity Review Measures, which went on February 15, 2022 and supersede and replace the current Cybersecurity Review Measures previously promulgated on April 13, 2020. The Cybersecurity Review Measures provide that the purchase of network products and services by a "critical information infrastructure operator" and the data processing activities of a "network platform operator" that affect or may affect national security shall be subject to the cybersecurity review. Furthermore, if a "network platform operator" that possesses personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review with the Cybersecurity Review Office. In addition, the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security.

On September 24, 2024, the State Council published the Regulation on Network Data Security Management, which stipulates that a network data processor shall, in accordance with the provisions of applicable laws and administrative regulations and the compulsory requirements of national standards, and on the basis of graded cybersecurity protection, strengthen network data security protection, establish and improve network data security management rules. Where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with the relevant provisions issued. See "Item 4. Information of the Company — 4.B. Business Overview — Regulation — Other PRC Government Regulations — Regulations on Information Security and Data Protection" in our most recent annual report on Form 20-F incorporated by reference in this prospectus for detailed discussion. As the Regulation on Network Data Security Management is relatively new, the specific implementation of it still remains uncertainties.

As advised by our PRC legal counsel, Jingtian & Gongcheng, given the nature of our business, since we do not possess or process personal information of more than one million users/individuals, and we do not believe we are a "critical information infrastructure operator," "network platform operator" or a data processor whose purchase of network products and services or data processing activities affect or may affect national security, the listing of our ADSs on the Nasdaq and future potential offering of our ADSs will not be subject to the cybersecurity review process under the Cybersecurity Review Measures, although we cannot guarantee that the relevant PRC regulatory authority will agree with our interpretation. Currently, the

Cybersecurity Review Measures and the Regulation on Network Data Security Management have not materially affected our business and operations, but in anticipation of the strengthened implementation of cybersecurity laws and regulations and the continued expansion of our business, we face potential risks if we are deemed as a critical information infrastructure operator, a network platform operator or data processing operator under the PRC cybersecurity laws and regulations. In such case, we must fulfill certain obligations as required under the PRC cybersecurity laws and regulations, including, among others, storing personal information and other important data collected and produced within the PRC territory as we advance our drug discovery pipelines as part of our future operations in China, and we may be subject to lengthy cybersecurity review, annual data security assessment and other enhanced regulatory requirements when purchasing network products and services or conducting other data processing activities. We may face challenges in addressing such enhanced regulatory requirements and be required to make necessary changes to our internal policies and practices in data privacy and cybersecurity matters. As advised by our PRC legal counsel, Jingtian & Gongcheng, as of the date of this prospectus, no detailed rules or implementation of the Cybersecurity Review Measures or the Regulation on Network Data Security Management have been issued by the PRC governmental authorities, and the PRC governmental authorities have broad discretion in the interpretation and enforcement of these laws and regulations. It also remains uncertain whether the future regulatory changes will impose additional restrictions on companies like us. We cannot predict the impact of the Cybersecurity Review Measures and/or the Regulation on Network Data Security Management, if any, at this stage, and we will closely monitor and assess any development in the rule-making process. If the future enacted laws and regulations, including the enacted version of the data security regulations mandate clearance of cybersecurity review and other specific actions to be completed by companies like us before we are able to facilitate the selling shareholder to complete this offering, we will face uncertainties as to whether such clearance and/or other specific actions can be timely obtained or completed, or at all. If we are not able to comply with the cybersecurity and data privacy requirements in a timely manner, or at all, we may be subject to government enforcement actions and investigations, fines, penalties, or suspension of our non-compliant operations, among other sanctions, which could materially and adversely affect our business and results of operations. Any failure to complete the required cybersecurity review may result in administrative penalties, including fines, a shut-down of our business, revocation of requisite licenses, as well as reputational damage or legal proceedings or actions against us, which may have material adverse effects on our business, financial condition and results of operations. As of the date of this prospectus, we have not been involved in any investigation on cybersecurity review made by the CAC on such basis, and we have not received any inquiry, notice, warning, or sanction in such respect, and we have not been subject to any material fines or other material penalties due to non-compliance with cybersecurity or data privacy laws or regulations. Our PRC legal counsel does not expect that, as of the date of this prospectus, we are required to file an application for the cybersecurity review by CAC in connection with our previous issuance of securities to foreign investors or maintaining our listing status on Nasdaq. We have been making continuous efforts to comply with the relevant cybersecurity and data protection laws and regulations of the PRC, and will endeavor to comply with any updated applicable laws, regulations or guidelines as issued by any relevant regulatory authority in the PRC. See “Item 3 Key Information — 3.D.Risk Factors — Risks Related to Doing Business in the PRC — Failure to comply with existing or future laws and regulations related to privacy or data security could lead to government enforcement actions, which could include civil or criminal fines or penalties, investigation or sanction by regulatory authorities, private litigation, other liabilities, and/or adverse publicity” in our most recent annual report on Form 20-F incorporated by reference in this prospectus.

CSRC Filing Requirements

On February 17, 2023, the CSRC issued the Notice on Filing Arrangements for Overseas Securities Offering and Listing by Domestic Companies (the “CSRC Filing Notice”), stating that the CSRC has published the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the “Trial Measures”) and supporting guidelines (the “Listing Guidelines”), collectively the Trial Measures and Listing Guidelines, which came into effect on March 31, 2023.

The Trial Measures provide that an overseas listing or offering securities (which, for the purposes of the Trial Measures, are defined thereunder as equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities that are offered and listed overseas, either directly or indirectly, by PRC domestic companies) is explicitly prohibited under any of the following circumstances: (i) such

securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules of the PRC; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company, its controlling shareholder(s) or the actual controller have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

A filing-based regulatory regime is adopted to regulate both direct and indirect overseas securities offering and listing by the domestic companies under the Trial Measures. Direct overseas offering and listing by domestic companies refers to such overseas offering and listing by a joint-stock company incorporated domestically, while the indirect overseas offering and listing by domestic companies refers to the offering and listing by a company in the name of an overseas incorporated entity which major business operations are located domestically and such offering and listing is based on the underlying equity, assets, earnings or other similar rights of a domestic company.

The Trial Measures stipulate that an overseas listing will be determined as "indirect" if the issuer meets both of the following conditions: (1) 50% or more of any of the issuer's operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year are accounted for by PRC domestic companies ("Condition I"), and (2) the main parts of the issuer's business activities are conducted in the PRC, or its main places of business are located in the PRC, or the senior managers in charge of its business operations and management are mostly Chinese citizens or domiciled in the PRC ("Condition II"); whether Chinese citizens from Taiwan, Hong Kong, and Macau are included in the foregoing specification is not specified. The determination as to whether or not an overseas offering and listing by PRC domestic companies is indirect shall be made on a "substance over form" basis; the Listing Guidelines further stipulate that if an issuer not satisfying Condition I submits an application for issuance and listing in overseas markets in accordance with relevant non-PRC issuance regulations requiring such issuer to disclose risk factors mainly related to the PRC, the securities firm(s) and the issuer's PRC counsel should follow the principle of "substance over form" in order to identify and argue whether the issuer should complete a filing under the Trial Measures.

Subsequent securities offerings of an issuer in (i) the same overseas market where it has previously offered and listed securities, and (ii) an overseas market other than one where the issuer has previously offered and listed securities shall be filed with the CSRC within three working days after offerings are completed. Additionally, the Trial Measures stipulate that after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting.

The CSRC Filing Notice states that, beginning from March 31, 2023, PRC domestic enterprises which have already issued and listed securities overseas and fall within the scope of filing under the Trial Measures shall be considered "existing enterprises" ("Existing Listed Enterprises"). Existing Listed Enterprises are not required to complete filings immediately; rather, Existing Listed Enterprises should complete filings if they are subsequently involved in matters require filings, such as follow-on financing activities, in accordance with the Trial Measures.

As this secondary offering is conducted by the selling shareholder, rather than by us, we have been advised by our PRC legal counsel, Jingtian & Gongcheng, that this secondary offering is not subject to the filing requirements under the Listing Guidelines.

Material Licenses and Approvals

Our PRC subsidiary's operations in China are covered by permissions requirements from the State Administration for Market Regulation, or the SAMR, and the National Medical Products Administration,

or the NMPA. Our PRC subsidiary has obtained all material licenses and approvals required for our operations in China. We believe, to the best of our knowledge, as of the date of this prospectus, our PRC subsidiary's operations in China are not subject to the approvals or filing requirements from the CSRC or cyber security review process from the CAC. If we or our PRC subsidiary(i) do not receive or maintain such permissions or approvals, (ii) inadvertently conclude that such permissions or approvals are not required or (iii) applicable laws, regulations, or interpretations change and we are required to obtain such permissions or approvals in the future, we may be subject to government enforcement actions, investigations, penalties, sanctions and fines imposed by the CSRC, the CAC and relevant departments of the State Council. In severe circumstances, the business of our PRC subsidiary may be ordered to suspend and its business qualifications and licenses may be revoked. For details of our material licenses and approvals, see "Item 4. Information of the Company — 4.B. Business Overview — Material Licenses and Approvals." For risks relating to licenses and approvals required for our operations in China, see "Item 3. Key Information — 3.D. Risk Factors — Risks Related to Doing Business in the PRC," "— Risks Related to Clinical Development of Our Product Candidates," and "— Risks Related to Obtaining Regulatory Approval of Our Drug Candidates." in our most recent annual report on Form 20-F incorporated by reference in this prospectus.

Transfer of Funds and Other Assets

As of the date of this prospectus, we do not have cash management policies and procedures in place that dictate how funds are transferred through our organization. Rather, the funds can be transferred in accordance with the applicable PRC laws and regulations discussed in this section. See also "Item 8. — Financial Information — 8.A. Consolidated Statements and Other Financial Information — Dividend Policy" in our most recent annual report on Form 20-F incorporated by reference in this prospectus. Under relevant PRC laws and regulations, we are permitted to remit funds to Adagene Suzhou through loans, capital contributions or as payment of considerations for the services rendered. In 2022, 2023 and 2024, Adagene Inc. made payments of US\$24.5 million, US\$20.5 million and US\$16.3 million, respectively, in cash to Adagene Suzhou as consideration for providing services associated with research and development activities related to those intellectual properties owned by Adagene Inc. There were no intercompany loans provided by Adagene Inc. to Adagene Suzhou during the years ended and as of December 31, 2022, 2023 and 2024. In addition, as advised by our PRC legal counsel, Jingtian & Gongcheng, Adagene Suzhou is able to mark up and charge to Adagene Inc., its ultimate parent, for providing services associated with research and development activities related to those intellectual properties owned by Adagene Inc. and Adagene Inc. is able to make cash payments to Adagene Suzhou for considerations of such services.

Other than the above disclosed transfer of funds, we did not transfer any type of assets between Adagene Suzhou and other Adagene subsidiaries in 2022, 2023 and 2024.

Holding Company Structure

Adagene Inc. is a holding company with no material operations of its own. Adagene Inc. holds certain intellectual properties and outsources certain research and development activities related to these intellectual properties to its subsidiaries. We conduct our operations primarily through our subsidiaries. As a result, our ability to pay dividends depends upon dividends paid by our subsidiaries. If our subsidiaries or any newly formed subsidiaries incur debt on their own behalf in the future, the instruments governing their debt may restrict their ability to pay dividends to us.

In addition, our subsidiary in China is permitted to pay dividends to us only out of their retained earnings, if any, as determined in accordance with the Accounting Standards for Business Enterprise as promulgated by the Ministry of Finance of the PRC, or PRC GAAP. Pursuant to the law applicable to China's foreign investment enterprise, our subsidiary that is foreign investment enterprise in the PRC has to make appropriation from its after-tax profit, as determined under PRC GAAP, to reserve funds including (i) general reserve fund, (ii) enterprise expansion fund and (iii) staff bonus and welfare fund. The appropriation to the general reserve fund must be at least 10% of the after-tax profits calculated in accordance with PRC GAAP. Appropriation is not required if the reserve fund has reached 50% of the registered capital of our subsidiary. Appropriation to the other two reserve funds are at our subsidiary's discretion.

As an offshore holding company, we are permitted under PRC laws and regulations to provide funding from the proceeds of our offshore fund-raising activities to our PRC subsidiary through loans or capital

contributions, subject to the satisfaction of the applicable government registration and approval requirements. See “Risk Factors — Risks Related to Doing Business in the PRC — PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our public offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.” As a result, there is uncertainty with respect to our ability to provide prompt financial support to our PRC subsidiary when needed.

Corporate Information

Adagene was incorporated in the Cayman Islands in February 2011. We conduct our operations in China primarily through our subsidiary in China, Adagene Suzhou, which was incorporated in February 2012. In September 2017, we established a wholly-owned subsidiary in the state of Delaware, the United States, Adagene Incorporated, to conduct our research and development activities in the United States to facilitate the discovery and development of product candidates and expand our global presence, we have further incorporated several subsidiaries overseas, such as Australia, Singapore and Switzerland. The ADSs, each representing one and one quarter (1.25) of our ordinary shares, par value US\$0.0001 per share, are currently traded on the Nasdaq under the symbol “ADAG”.

Our principal executive office of our main operations is located at 4F, Building C14, No. 218, Xinghu Street, Suzhou Industrial Park Suzhou, Jiangsu Province, 215123, People’s Republic of China. Our registered office is located at Vistra (Cayman) Limited, P. O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205 Cayman Islands. Our telephone number is +86-512-8777-3632. Our business address of our San Diego office is 6048 Cornerstone Court West Suite C, San Diego, CA 92121. We have appointed Cogency Global Inc., which is located at 122 East 42nd Street, 18th Floor, New York, NY 10168, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States with an offering of securities registered by the registration statement of which this prospectus is a part. Our corporate website is www.adagene.com. The reference to our website is an inactive textual reference only, and information contained therein or connected thereto is not incorporated into this prospectus or the registration statement of which it forms a part.

Implications of Being an Emerging Growth Company

We qualify as an “emerging growth company” as defined in the Jumpstart our Business Startups Act of 2012 (the “JOBS Act”). As an emerging growth company, we may take advantage of specified reduced reporting and other burdens that are otherwise applicable generally to public companies. These provisions include:

- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (the “Sarbanes- Oxley Act”); and
- to the extent that we no longer qualify as a foreign private issuer, (i) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (ii) exemptions from the requirements of holding a non-binding advisory vote on executive compensation, including golden parachute compensation.

We may take advantage of these provisions for up to five years or such earlier time that we are no longer an emerging growth company. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of at least US\$1.235 billion; (ii) the last day of our fiscal year following the fifth anniversary of the completion of our initial public offering; (iii) the date on which we have issued more than US\$1.0 billion in non-convertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC, which means the market value of our ordinary shares and/or ADSs that are held by non-affiliates equals or exceeds US\$700.0 million as of the last business day of our most recently completed second fiscal quarter. We may choose to take advantage of some but not all of these reduced burdens. For example, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards applicable to public

companies. This provision allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We do not plan to “opt out” of such exemptions afforded to an emerging growth company.

Implications of Being a Foreign Private Issuer

We are also considered as a “foreign private issuer.” Accordingly, we report under the Exchange Act of 1934, as amended (the “Exchange Act”), as a non-U.S. company with foreign private issuer status. This means that, even after we no longer qualify as an emerging growth company, as long as we qualify as a foreign private issuer under the Exchange Act, we will be exempt from certain provisions of the Exchange Act that are applicable to U.S. domestic public companies, including:

- the sections of the Exchange Act regulating the solicitation of proxies, consents or authorizations in respect of a security registered under the Exchange Act;
- the sections of the Exchange Act requiring insiders to file public reports of their stock ownership and trading activities and liability for insiders who profit from trades made in a short period of time; and
- the rules under the Exchange Act requiring the filing with the Securities and Exchange Commission, or SEC, of quarterly reports on Form 10-Q containing unaudited financial and other specified information, or current reports on Form 8-K, upon the occurrence of specified significant events.

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 as more than 50% of our outstanding voting securities are held by U.S. residents and any of the following three circumstances applies: (i) the majority of our executive officers or directors are U.S. citizens or residents, (ii) more than 50% of our assets are located in the United States or (iii) our business is administered principally in the United States.

In this prospectus and in the documents incorporated by reference in this prospectus, we have taken advantage of certain of the reduced reporting requirements as a result of being an emerging growth company and a foreign private issuer. Accordingly, the information contained in this prospectus and in the documents incorporated by reference in this prospectus may be different than the information you receive from other public companies in which you hold equity securities.

THE OFFERING

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| Securities Offered by the Selling Shareholder | up to 10,625,000 ordinary shares issuable upon the conversion of 1,062,500 Series A Preferred Shares or 8,500,000 ADSs representing such ordinary shares. |
| Offering Price | The selling shareholder may sell all or a portion of ordinary shares issuable upon the conversion of Series A Preferred Share (or in the form of ADSs) through public or private transactions at prevailing market prices or at privately negotiated prices. |
| Use of Proceeds | We will not receive any proceeds from the sale of ordinary shares or ADSs by the selling shareholder. |
| Risk Factors | Investing in our securities involves a high degree of risk. See "Risk Factors" beginning on page S-12 of this prospectus and the other information included in, or incorporated by reference into, this prospectus for a discussion of certain factors that you should carefully consider before deciding to invest in our ordinary shares and/or ADSs. |
| Nasdaq Global Market Symbol | ADAG |

The selling shareholder named in this prospectus may offer and sell up to 10,625,000 ordinary shares or 8,500,000 ADSs. Throughout this prospectus, when we refer to the ordinary shares and the corresponding ADSs being registered on behalf of the selling stockholder for offer and resale, we are referring to the ordinary shares issuable to the selling shareholder upon conversion of the Series A Preferred Share issued in the private placement as described above. When we refer to the selling shareholder in this prospectus, we are referring to the selling shareholder identified in this prospectus and, as applicable, its permitted transferees or other successors-in-interest that may be identified in a supplement to this prospectus or, if required, a post-effective amendment to the registration statement of which this prospectus is a part.

This prospectus reflects and assumes no exercise of outstanding options.

RISK FACTORS

Investors in the securities are purchasing securities of a Cayman Islands holding company rather than securities of its subsidiaries that have substantive business operations in China or in the U.S. Adagene is a Cayman Islands holding company that conducts its operations and operates its business in China through its PRC subsidiary, Adagene Suzhou. In addition, Adagene Inc. conducts a substantial portion of its operations in the U.S. through its U.S. subsidiary, Adagene Incorporated. Such structure involves unique risks to investors in the securities. You should carefully consider all of the information in this prospectus before making an investment in the securities.

Accordingly, you should carefully consider:

- the information contained in or incorporated by reference into this prospectus;
- the information contained in or incorporated by reference into any prospectus supplement relating to specific offerings of securities;
- the risks described in [our annual report on Form 20-F for our fiscal year ended December 31, 2024](#), on file with the SEC, which is incorporated by reference into this prospectus; and any updates to those risk factors in our reports on Form 6-K incorporated by reference in this prospectus; and
- other risks and other information that may be contained in, or incorporated by reference from, other filings we make with the SEC, including in any prospectus supplement relating to specific offerings of securities.

The discussion of risks contained in or incorporated by reference into this prospectus or into any prospectus supplement comprises material risks of which we are aware. You should pay special attention to subsections headed “Recent Regulatory Developments,” “Holding Company Structure,” and “Risks Related to Doing Business in the PRC.” Our actual results could differ materially and adversely from those anticipated in this prospectus. If any of the events or developments described actually occurs, our business, financial condition or results of operations would likely suffer, and you may lose all or part of your investment. Although we discuss key risks in our discussion of risk factors, new risks may emerge in the future, which may prove to be significant. We cannot predict future risks or estimate the extent to which they may affect our business, results of operations, financial condition and prospects.

Please see “Where You Can Find More Information” and “Incorporation of Certain Documents by Reference” for information on where you can find the documents we have filed with or furnished to the SEC and which are incorporated into this prospectus by reference.

Risks Related to This Offering

Conversion of the Series A Preferred Shares into ordinary shares and/or ADSs by the selling shareholder may result in additional dilution to you. In addition, we may issue additional equity or debt securities convertible into equity securities in the future, which may result in additional dilution to you.

The conversion of the Series A Preferred Shares into ordinary shares and/or ADSs by the selling shareholder may result in dilution to existing shareholders and/or holders of ADSs. To the extent outstanding stock options are exercised or outstanding restricted share units are vested, there will be further dilution to new investors. In addition, to the extent we need to raise additional capital in the future and we issue additional ordinary shares or securities convertible into or exchangeable for our Ordinary Shares, our then existing shareholders may experience dilution.

Risks Related to Doing Business in the PRC

Uncertainties with respect to the PRC legal system, including uncertainties regarding the enforcement of laws, and sudden or unexpected changes in policies, laws and regulations in China could adversely affect us.

Our operations in China are governed by the PRC laws and regulations. The PRC legal system is a civil law system based on written statutes. Unlike the common law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. In addition, any new PRC laws or

changes in PRC laws and regulations related to, among other things, foreign investment and manufacturing in China could have a material adverse effect on our business and our ability to operate our business in China.

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

Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such unpredictability towards our contractual, property and procedural rights could adversely affect our business, and impede our ability to continue our operations and proceed with our future business plans.

PRC government has significant oversight over the conduct of our business and as such may influence our operations at any time, which may potentially result in a material adverse effect on our operations.

The PRC government has significant oversight over the conduct of our business and its laws, regulations and policies may affect our operations. The PRC government has recently published new policies that affected certain industries with respect to matters such as cybersecurity, data privacy, antitrust and competition, foreign investments, and overseas listings, and we cannot rule out the possibility that it will in the future release regulations or policies regarding our industry that could adversely affect our business, financial condition and results of operations. Furthermore, the PRC regulatory authorities have issued new laws and regulations to exert more oversight and control over overseas securities offerings and other capital markets activities and foreign investment in China-based companies like us. Any such action, once taken by the PRC regulatory authorities, could significantly limit or completely hinder our ability to offer or continue to offer securities to investors and cause the value of such securities to significantly decline or in extreme cases, become worthless.

However, as there are still regulatory uncertainties in this regard, we cannot assure you that we will be able to comply with new laws and regulations in all respects, and we may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal by the regulatory authorities and become subject to material penalties, which may materially harm our business, financial condition, results of operations and prospects.

The PCAOB had historically been unable to inspect our auditor in relation to their audit work performed for our financial statements and the inability of the PCAOB to conduct inspections of our auditor in the past has deprived our investors with the benefits of such inspections.

Our auditor, the independent registered public accounting firm that issues the audit report included elsewhere in this annual report, as an auditor of companies that are traded publicly in the United States and a firm registered with the PCAOB, is subject to laws in the United States pursuant to which the PCAOB conducts regular inspections to assess its compliance with the applicable professional standards. The auditor is located in mainland China, a jurisdiction where the PCAOB was historically unable to conduct inspections and investigations completely before 2022. As a result, we and investors in the ADSs were deprived of the benefits of such PCAOB inspections. The inability of the PCAOB to conduct inspections of auditors in mainland China in the past has made it more difficult to evaluate the effectiveness of our independent registered public accounting firm's audit procedures or quality control procedures as compared to auditors outside of mainland China that are subject to the PCAOB inspections. On December 15, 2022, the PCAOB issued a report that vacated its December 16, 2021 determination and removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. However, if the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong, and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial

statements filed with the Securities and Exchange Commission, we and investors in our ADSs would be deprived of the benefits of such PCAOB inspections again, which could cause investors and potential investors in the ADSs to lose confidence in our audit procedures and reported financial information and the quality of our financial statements.

Our ADSs may be prohibited from trading in the United States under the HFCAA in the future if the PCAOB is unable to inspect or investigate completely auditors located in China. The delisting of the ADSs, or the threat of their being delisted, may materially and adversely affect the value of your investment.

Pursuant to the HFCAA and the Consolidated Appropriations Act, 2023, if the SEC determines that we have filed audit reports issued by a registered public accounting firm that has not been subject to inspections by the PCAOB for two consecutive years, the SEC will prohibit our shares or ADSs from being traded on a national securities exchange or in the over-the-counter trading market in the United States.

On December 16, 2021, the PCAOB issued a report to notify the SEC of its determination that the PCAOB was unable to inspect or investigate completely registered public accounting firms headquartered in mainland China and Hong Kong and our auditor was subject to that determination. In May 2022, the SEC conclusively listed us as a Commission-Identified Issuer under the HFCAA following the filing of our annual report on Form 20-F for the fiscal year ended December 31, 2021. On December 15, 2022, the PCAOB removed mainland China and Hong Kong from the list of jurisdictions where it is unable to inspect or investigate completely registered public accounting firms. Accordingly, until such time as the PCAOB issues any new determination, we are not at risk of having our securities subject to a trading prohibition under the HFCAA.

Each year, the PCAOB will determine whether it can inspect and investigate completely audit firms in mainland China and Hong Kong, among other jurisdictions. If the PCAOB determines in the future that it no longer has full access to inspect and investigate completely accounting firms in mainland China and Hong Kong and we use an accounting firm headquartered in one of these jurisdictions to issue an audit report on our financial statements filed with the Securities and Exchange Commission, we would be identified as a Commission-Identified Issuer following the filing of the annual report on Form 20-F for the relevant fiscal year. In accordance with the HFCAA, our securities would be prohibited from being traded on a national securities exchange or in the over-the-counter trading market in the United States if we are identified as a Commission-Identified Issuer for two consecutive years in the future. If our shares and ADSs are prohibited from trading in the United States, there is no certainty that we will be able to list on a non-U.S. exchange or that a market for our shares will develop outside of the United States. A prohibition of being able to trade in the United States would substantially impair your ability to sell or purchase our ADSs when you wish to do so, and the risk and uncertainty associated with delisting would have a negative impact on the price of our ADSs. Also, such a prohibition would significantly affect our ability to raise capital on terms acceptable to us, or at all, which would have a material adverse impact on our business, financial condition, and prospects.

The enactment of the Accelerating Holding Foreign Companies Accountable Act decreases the number of non-inspection years from three years to two, thus reducing the time period before our ADSs will be prohibited from trading on the Nasdaq Stock Market or in the over-the-counter market or delisted.

On June 22, 2021, the U.S. Senate passed a bill, also known as the Accelerating Holding Foreign Companies Accountable Act, to amend Section 104(i) of the Sarbanes-Oxley Act of 2002 (15 U.S.C. 7214(i)) to prohibit securities of any registrant from being listed on any of the U.S. securities exchanges or traded over-the-counter if the auditor of the registrant's financial statements is not subject to PCAOB inspection for two consecutive years, instead of three consecutive years as initially required under the HFCAA, after the law becomes effective. On February 4, 2022, the U.S. House of Representatives passed the America COMPETES Act of 2022, which includes the exact same amendments as the bill passed by the Senate. On December 29, 2022, the Accelerating Holding Foreign Companies Accountable Act was signed into law as part of the recently passed fiscal year 2023 omnibus spending legislation, which requires the SEC to prohibit an issuer's securities from trading on U.S. markets if the SEC identifies such issuer to be a Commission-Identified Issuer for two consecutive years.

We may be restricted from transferring our scientific data abroad.

On March 17, 2018, the General Office of the PRC State Council promulgated the Measures for the Management of Scientific Data, or the Scientific Data Measures, which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded, at least in part, by the PRC government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. Currently, as the term “state secret” is not clearly defined, there is no assurance that we can always obtain relevant approvals for sending scientific data (such as the results of our preclinical studies or clinical trials conducted within China) abroad, or to our foreign partners in China.

Moreover, the Cyberspace Administration of China, or the CAC, issued the Measures on Security Assessment of the Cross-border Transfer of Personal Information (Draft for Comment) in June 2019, pursuant to which, any cross-border transfer of information that may endanger national security, damage public interest, or fail to offer effective protection of personal information security, as assessed by relevant regulatory bodies, will be prohibited. In July 2022, CAC issued the Measures on Security Assessment of the Cross-border Data Transfer, regulating the thresholds for triggering mandatory security assessments not only in the cross-border transfers of personal information, but also in the cross-border transfers of “important data” collected and generated in China under certain circumstance, which were later amended in the Provisions on Promoting and Regulating Cross-border Flow of Data effective in March 2024. The term “important data” means any data, the tampering, damage, leakage, or illegal acquisition or use of which, if it happens, may endanger national security, the operation of the economy, social stability, public health and security, etc. Given that the government body will have full discretion in the assessment, it is unclear if and the extent to which our clinical data will be considered as an endangerment to national or personal information security. In March 2024, CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data, which mandates that if the company has not received notification from the relevant industrial or regional authorities that it processes important data, or certain types of data have not been publicly declared as important data, the company will be exempted from the obligation to submit a security assessment declaration solely on the factor of important data. In September 2024, the State Council promulgated the Regulation on Network Data Security Management, which strengthens the management measures for network data security by classifying and grading data, and clarifying the security assessment requirements for data outbound transfers. As these regulations are relatively new, there is still some uncertainty about their practical application.

Cross-border data transfer from other jurisdictions may also be limited if we fail to comply with relevant requirements, such as obtaining authorization from patients regarding the use, transfer and retrieval of their personal information or data and adopting measures to ensure the safety of personal information or data in the transfer. Also, cross-border transfer of personal data by its nature is subject to general data privacy regulations in various jurisdictions, and thus any failure to comply with data privacy protection may lead to a restriction of transferring our data across different jurisdictions.

If we are unable to obtain the necessary approvals in a timely manner, or at all, our research and development of product candidates may be hindered, which may materially and adversely affect our business, results of operations, financial conditions and prospects. If relevant government authorities consider the transmission of our scientific data to be in violation of the requirements under the Scientific Data Measures, we may be subject to specific administrative penalties imposed by those government authorities.

Failure to comply with existing or future laws and regulations related to privacy or data security could lead to government enforcement actions, which could include civil or criminal fines or penalties, private litigation, other liabilities, and/or adverse publicity. Compliance or the failure to comply with such laws could increase the costs of our products and services, limit their use or adoption, and otherwise negatively affect our operating results and business.

The regulatory framework for the collection, use, safeguarding, sharing, transfer and other processing of personal information and important data worldwide is rapidly evolving and is likely to remain uncertain

for the foreseeable future. Regulatory authorities in virtually every jurisdiction in which we operate have implemented and are considering a number of legislative and regulatory proposals concerning data protection.

Regulatory authorities in China have implemented and are considering a number of legislative and regulatory proposals concerning data protection. For example, China's Cybersecurity Law, which became effective in June 2017, established China's first national-level data protection for "network operators," which may include all organizations in China that connect to or provide services over the internet or other information network. The Cybersecurity Law requires network operators to perform certain functions related to cybersecurity protection. In addition, the Cybersecurity Law imposes certain requirements on network operators of critical information infrastructure, or the CIIOs. For example, the CIIOs generally shall, during their operations in the PRC, store the personal information and important data collected and produced within the territory of PRC, and shall perform certain security obligations as required under the Cybersecurity Law, including that the CIIOs shall pass the national security review when purchasing network product or service which may affect national security. In addition, China's Data Security Law, which was promulgated by the Standing Committee of PRC National People's Congress, or the SCNPC, on June 10, 2021 and came into effect on September 1, 2021, outlines the main system framework of data security protection. For example, the Data Security Law introduces a data classification and hierarchical protection system based on the importance of data in economic and social development, as well as the degree of harm it will cause to national security, public interests, or legitimate rights and interests of individuals or organizations when such data is tampered with, destroyed, leaked, or illegally acquired or used. Processors of "important data" are further required to conduct periodic risk assessment and submit assessment report to relevant regulatory authorities. In addition, the Data Security Law provides a national security review procedure for those data activities which may affect national security. Furthermore, Regulations on the Security Protection of Critical Information Infrastructure, which was promulgated by the State Council of PRC on July 30, 2021 and came into effect on September 1, 2021, or the CII Protection Regulations, stipulates the obligations and liabilities of the regulators, society and CIIOs in protecting the security of critical information infrastructure, or the CII. According to the CII Protection Regulations, regulators supervising specific industries shall formulate detailed guidance to recognize the CII in the respective sectors, and CIIOs shall take the responsibility to protect the CII's security by performing certain prescribed obligations. For example, CIIOs are required to conduct network security test and risk assessment, report the assessment results to relevant regulatory authorities, and timely rectify the issues identified at least once a year.

The Opinions on Strictly Cracking Down Illegal Securities Activities in Accordance with the Law, which were issued by the General Committee and State Council on July 6, 2021, require the speed-up of the revision of the provisions on strengthening the confidentiality and archives coordination between regulators related to overseas issuance and listing of securities, and improvement to the laws and regulations related to data security, cross-border data flow, and management of confidential information. Numerous regulations, guidelines and other measures have been or are expected to be adopted under the umbrella of, or in addition to the Cybersecurity Law and Data Security Law, including the Cybersecurity Review Measures published by Cyberspace Administration of China, or the CAC, and other 12 relevant PRC government authorities in December 2021, which provides that, among others, if a "network platform operator" that possesses personal information of more than one million users intends to go public in a foreign country, it must apply for a cybersecurity review with the Cybersecurity Review Office, and that the relevant PRC governmental authorities may initiate cybersecurity review if they determine certain network products, services, or data processing activities affect or may affect national security.

In March 2024, CAC issued the Provisions on Promoting and Regulating Cross-border Flow of Data, which provide that unless otherwise stipulated, data processors shall apply for security assessment for cross-border data transfer in any of the following circumstances: (i) outbound transfer of personal information or important data by CIIO Operators; or (ii) outbound transfer of important data by a data processor other than CIIO Operators, or outbound transfer of personal information (other than sensitive personal information) of more than 1million people or sensitive personal information of more than 10,000 people by a data processor other than CIIO Operators since January 1 of the same year.

In September 2024, the State Council published the Regulation on Network Data Security Management, which stipulates that a network data processor shall, in accordance with the provisions of applicable laws and administrative regulations and the compulsory requirements of national standards, and on the basis of

graded cybersecurity protection, strengthen network data security protection, establish and improve network data security management rules. Where network data processing activities carried out by a network data processor affect or may affect national security, national security review shall be conducted in accordance with the relevant provisions issued. Also see “Item 4. Information on the Company — 4.B. Business Overview — Regulation — Other PRC Government Regulations — Regulations on Information Security and Data Protection” in our most recent annual report on Form 20-F incorporated in this prospectus by reference.

In February 2025, the CAC promulgated the Measures for the Management of Compliance Audits on Personal Information Protection, which has come into effect in May 2025, stipulating that personal information processors handling the personal information of more than 10 million individuals should conduct a compliance audit on personal information protection at least once every two years. A processor of important data shall conduct annual risk assessment of its data processing activities, and submit risk assessment reports to the appropriate department at or above the provincial level, which shall promptly notify the cyberspace administration and the public security authority at the same level. Where it is indeed necessary to provide an overseas party with important data collected and generated by a network data processor during its operation within the territory of the PRC, it shall be subject to the security assessment of outbound data transfer organized by the cyberspace administration of the state.

As of the date of this prospectus, the exact scope of CIOs and important data under the current laws, regulations and regulatory regime remains unclear, and the authorities may have wide discretion in the interpretation and enforcement of the related laws and regulations. If we are deemed as a CIO, or as an operator who collects, uses and processes important data according to the Cybersecurity Law, Data Security Law and other relevant laws and regulations, we may need to perform or be subject to certain prescribed obligations, and if we were found to be in violation of these applicable laws and regulations, we may be subject to administrative penalties, including fines and service suspension. We also cannot rule out the possibility that certain of our customers may be deemed as CIOs, or as operators processing important data, in which case our products or services or data processing activities, if being deemed as related to national security, will need to be submitted for cybersecurity review before we can enter into agreements with such customers, and before the conclusion of such procedure, the customers will not be allowed to use our products or services. If the reviewing authority considers that the use of our services by certain of our customers involves risk of disruption, is vulnerable to external attacks, or may negatively affect, compromise, or weaken the protection of national security, we may not be able to provide our products or services to such customers, which could have a material adverse effect on our results of operations and business prospects.

As of the date of this prospectus, we have not been involved in any investigations on cybersecurity review initiated by the Cyberspace Administration of China, and we have not received any inquiry, notice, warning, sanctions in such respect or any regulatory objections to our listing status on the Nasdaq. As there are still uncertainties regarding the further enactment of new laws and regulations as well as the revision, interpretation and implementation of those existing laws and regulations, however, we cannot assure you that we will be able to comply with such regulations in all respects, and we may be ordered to rectify, suspend or terminate any actions or services that are deemed illegal or non-compliance by the regulatory authorities and become subject to fines and/or other penalties. If we are unable to address such issue in a timely manner or at all, we may be required to suspend or terminate our related businesses or face other penalties, our business, financial condition, results of operations, and prospects could be materially harmed.

Furthermore, certain PRC regulatory authorities issued the Opinions on Strictly Cracking Down on Illegal Securities Activities in 2021. These opinions call for strengthened regulation over illegal securities activities and supervision of overseas listings by China-based companies and propose to take effective measures. As of the date of this prospectus, no official guidance or related implementation rules have been issued and taken into effect in relation to such opinions and as a result, the interpretation and implementation of these opinions remain unclear at this stage. We cannot assure you that we will not be required to obtain the pre-approval of the CSRC and potentially other regulatory authorities to pursue an offering of securities overseas or to maintain the listing status of our ADSs on the Nasdaq. See also “— We may be required to obtain approval or complete filing or other requirements of the CSRC or other PRC government authorities in connection with our issuances of securities overseas, and, if required, we cannot predict whether we will be able to obtain such approval or complete such governmental procedure.”

In addition, certain industry-specific laws and regulations affect the collection and transfer of personal data in China. For example, the PRC State Council promulgated Regulations on the Administration of Human Genetic Resources (effective in May 2024), which require approval from or filings with the health department of the State Council where human genetic resources, or HGR, are involved in any international collaborative project and additional approval for any export or cross-border transfer of the HGR samples or human genetic resource information.

It is possible that these laws may be interpreted and applied in a manner that is inconsistent with our practices, potentially resulting in confiscation of HGR samples and human genetic resource information and administrative fines or in worst cases, criminal penalties. In addition, the interpretation and application of data and personal information protection laws in China and elsewhere are often uncertain and in flux.

Dividends we receive from our subsidiaries located in the PRC may be taxed at a higher rate, which could materially and adversely affect the amount of dividends, if any, we may pay our shareholders.

Pursuant to the Double Tax Avoidance Arrangement between Hong Kong and China, or the Double Tax Avoidance Treaty, and the Notice on Certain Issues with Respect to the Enforcement of Dividend Provisions in Tax Treaties, or the Notice on Tax Treaties, issued on February 20, 2009 by the State Administration of Taxation of the PRC, or the SAT, if a Hong Kong resident enterprise owns more than 25% of the equity interest of a PRC company at all times during the twelve-month period immediately prior to obtaining a dividend from such company, the 10% withholding tax on such dividend is reduced to 5%, provided that certain other conditions and requirements under the Double Tax Avoidance Treaty and other applicable PRC laws are satisfied at the discretion of the relevant PRC tax authority. However, based on the Notice on Tax Treaties, if the relevant PRC tax authorities determine, in their discretion, that a company benefits from such reduced income tax rate due to a structure or arrangement that is primarily tax-driven, the PRC tax authorities may adjust the preferential tax treatment. Based on the Notice on Issues concerning Beneficial Owner in Tax Treaties, or Circular 9, issued on February 3, 2018 by the SAT and effective on April 1, 2018, when determining the applicant's status as a "beneficial owner" for purpose of tax treatments in connection with dividends, interests or royalties in the tax treaties, several factors will be taken into account, and it will be analyzed according to the actual circumstances of the specific cases. If our Hong Kong subsidiary is determined by PRC government authorities as receiving benefits from reduced income tax rates due to a structure or arrangement that is primarily tax-driven, the dividends paid by our PRC subsidiaries to our Hong Kong subsidiary will be taxed at a higher rate, which will have an adverse effect on our financial and operational conditions.

Your investments in our ADSs and/or ordinary shares are investments in equity securities of a Cayman Islands holding company rather than equity securities of our subsidiaries that have substantive business operations in China for instance. As a result, you may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management based on foreign laws.

Adagene Inc. is a holding company incorporated under the laws of the Cayman Islands with no operations of its own. It conducts a substantial portion of its operations in China primarily through its subsidiary in China, Adagene (Suzhou) Limited. In addition, Adagene Inc. conducts a substantial portion of its operations in the U.S. through its U.S. subsidiary, Adagene Incorporated. As such, investors in the ADSs or ordinary shares are not purchasing equity securities of our subsidiaries that have substantive business operations in China or in the U.S. but instead are purchasing equity securities of a Cayman Islands holding company. In addition, some of our senior executive officers and directors reside within China for a significant portion of the time and some are PRC nationals. As a result, it may be difficult for our shareholders or investors to effect service of process upon us or those persons inside China. In addition, China does not have treaties providing for the reciprocal recognition and enforcement of judgments of courts with the Cayman Islands and many other countries and regions. Therefore, recognition and enforcement in China of judgments of a court in any of these non-PRC jurisdictions in relation to any matter not subject to a binding arbitration provision may be difficult or impossible.

Shareholder claims that are common in the United States, including securities law class actions and fraud claims, generally are difficult to pursue as a matter of law or practicality in China. For example, in China, there are significant legal and other obstacles to obtaining information needed for shareholder

investigations or litigation outside China or otherwise with respect to foreign entities. Although the local authorities in China may establish a regulatory cooperation mechanism with the securities regulatory authorities of another country or region to implement cross-border supervision and administration, such regulatory cooperation with the securities regulatory authorities in the United States have not been efficient in the absence of mutual and practical cooperation mechanism. According to Article 177 of the PRC Securities Law which became effective in March 2020, no overseas securities regulator is allowed to directly conduct investigation or evidence collection activities within the territory of the PRC. Accordingly, without the consent of the competent PRC securities regulators and relevant authorities, no organization or individual may provide the documents and materials relating to securities business activities to overseas parties. See also “Item 3 Key Information — Risk Factors — Risks Related to the ADSs — You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law.” in our most recent annual report on Form 20-F incorporated in this prospectus by reference.

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

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

Changes in U.S. and international trade policies, particularly with regard to China, may adversely impact our business and operating results.

Although cross-border business may not be an area of our focus, if we plan to expand our business internationally in the future, any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for our products and services, impact our competitive position, or prevent us from being able to conduct business in certain countries. If any new tariffs, legislation, or regulations are implemented, or if existing trade agreements are renegotiated, such changes could adversely affect our business, financial condition, and results of operations. Recently, there have been heightened tensions in international economic relations, such as the one between the United States and China. The U.S. government has recently imposed, and has recently proposed to impose additional, new, or higher tariffs on certain products imported from China to penalize China for what it characterizes as unfair trade practices. China has responded by imposing, and proposing to impose additional, new, or higher tariffs on certain products imported from the United States. Following mutual retaliatory actions for months, on January 15, 2020, the United States and China entered into the Economic and Trade Agreement Between the United States of America and the People’s Republic of China as a phase one trade deal, effective on February 14, 2020. It remains unclear what additional actions, if any, will be taken by the U.S. or other governments with respect to international trade, tax policy related to international commerce, or other trade matters. The situation is further complicated by the political tensions between the United States and China that escalated during the outbreak of COVID-19 and in the wake of the PRC National People’s Congress’ decision on Hong Kong national security legislation, sanctions imposed by the U.S. Department of Treasury on certain officials of the Hong Kong Special Administrative Region and the central government of the PRC and the executive orders issued by U.S. President in August 2020 that prohibit certain transactions with certain China-based companies and their respective subsidiaries. Rising trade and political tensions could reduce levels of trade, investments, technological exchanges and other economic activities between China and other countries, which would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies.

Although the direct impact of the current international trade and political tension, and any escalation of such tension, on the biopharmaceutical companies in China is uncertain, the negative impact on general, economic, political and social conditions may adversely impact our business, financial condition and results of operations.

We may be required to obtain approval or complete filing or other requirements of the CSRC or other PRC government authorities in connection with our issuances of securities overseas, and, if required, we cannot predict whether we will be able to obtain such approval or complete such governmental procedure.

The M&A Rules requires an overseas special purpose vehicle formed for listing purposes through acquisitions of PRC domestic companies and controlled by PRC companies or individuals to obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle's securities on an overseas stock exchange. However, the application of the M&A Rules remains unclear. If CSRC approval is required for any of our future offerings of securities overseas or to maintain the listing status of the ADSs, it is uncertain whether it would be possible for us to obtain the approval, and any failure to obtain or delay in obtaining such approval would subject us to sanctions imposed by the CSRC and other PRC government authorities.

In addition, the General Office of the Central Committee of the Communist Party of China and the General Office of the State Council jointly issued the "Opinions on Severely Cracking Down on Illegal Securities Activities According to Law" ("Opinions") which were made available to the public on July 6, 2021. The Opinions emphasized the need to strengthen the administration over illegal securities activities and the supervision on overseas listings by China-based companies. These Opinions proposed to take effective measures, such as promoting the construction of relevant regulatory systems, to deal with the risks and incidents facing China-based overseas-listed companies and the demand for cybersecurity and data privacy protection. The policies described above and any related implementation rules to be enacted may subject us to additional compliance requirement in the future. As the Opinions only provide general guidance, the interpretation and implementation of the Opinions remain unclear in several respects at this time. Therefore, we cannot assure you that we will remain fully compliant with all new regulatory requirements of the Opinions or any future implementation rules on a timely basis, or at all.

On December 24, 2021, the CSRC issued the Provisions of the State Council on the Administration of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments) and the Administrative Measures for the Filing of Overseas Securities Offering and Listing by Domestic Companies (Draft for Comments), collectively the Draft Overseas Listing Regulations, for public comment until January 23, 2022. Following issuance of the Draft Overseas Listing Regulations, on February 17, 2023, the CSRC issued the Notice on Filing Arrangements for Overseas Securities Offering and Listing by Domestic Companies (the "CSRC Filing Notice"), stating that the CSRC has published the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (the "Trial Measures") and supporting guidelines (the "Listing Guidelines"), collectively the Trial Measures and Listing Guidelines, which came into effect on March 31, 2023.

The Trial Measures provide that an overseas listing or offering securities (which, for the purposes of the Trial Measures, are defined thereunder as equity shares, depository receipts, corporate bonds convertible to equity shares, and other equity securities that are offered and listed overseas, either directly or indirectly, by PRC domestic companies) is explicitly prohibited under any of the following circumstances: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules of the PRC; (ii) the intended securities offering and listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the domestic company, its controlling shareholder(s) or the actual controller have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the domestic company is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the domestic company's controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

A filing-based regulatory regime is adopted to regulate both direct and indirect overseas securities offering and listing by the domestic companies under the Trial Measures. Direct overseas offering and listing by domestic companies refers to such overseas offering and listing by a joint-stock company incorporated domestically, while the indirect overseas offering and listing by domestic companies refers to the offering and listing by a company in the name of an overseas incorporated entity which major business operations are located domestically and such offering and listing is based on the underlying equity, assets, earnings or other similar rights of a domestic company.

The Trial Measures stipulate that an overseas listing will be determined as “indirect” if the issuer meets both of the following conditions: (1) 50% or more of any of the issuer’s operating revenue, total profit, total assets or net assets as documented in its audited consolidated financial statements for the most recent accounting year are accounted for by PRC domestic companies (“Condition I”), and (2) the main parts of the issuer’s business activities are conducted in the PRC, or its main places of business are located in the PRC, or the senior managers in charge of its business operations and management are mostly Chinese citizens or domiciled in the PRC (“Condition II”); whether Chinese citizens from Taiwan, Hong Kong, and Macau are included in the foregoing specification is not specified. The determination as to whether or not an overseas offering and listing by PRC domestic companies is indirect shall be made on a “substance over form” basis; the Listing Guidelines further stipulate that if an issuer not satisfying Condition I submits an application for issuance and listing in overseas markets in accordance with relevant non-PRC issuance regulations requiring such issuer to disclose risk factors mainly related to the PRC, the securities firm(s) and the issuer’s PRC counsel should follow the principle of “substance over form” in order to identify and argue whether the issuer should complete a filing under the Trial Measures.

Subsequent securities offerings of an issuer in (i) the same overseas market where it has previously offered and listed securities, and (ii) an overseas market other than one where the issuer has previously offered and listed securities shall be filed with the CSRC within three working days after offerings are completed. Additionally, the Trial Measures stipulate that after an issuer has offered and listed securities in an overseas market, the issuer shall submit a report to the CSRC within three working days after the occurrence and public disclosure of (i) a change of control thereof, (ii) investigations of or sanctions imposed on the issuer by overseas securities regulators or relevant competent authorities, (iii) changes of listing status or transfers of listing segment, and (iv) a voluntary or mandatory delisting.

The CSRC Filing Notice states that, beginning from March 31, 2023, PRC domestic enterprises which have already issued and listed securities overseas and fall within the scope of filing under the Trial Measures shall be considered “existing enterprises” (“Existing Listed Enterprises”). Existing Listed Enterprises are not required to complete filings immediately; rather, Existing Listed Enterprises should complete filings if they are subsequently involved in matters require filings, such as follow-on financing activities, in accordance with the Trial Measures.

As advised by our PRC legal counsel, Jingtian & Gongcheng, in the event that the issuer does not meet either Condition I or Condition II, the filing requirements under the Trial Measures will not apply. If our relevant indicators meet both Condition I and Condition II, we need to file at the CSRC according to the requirements under the Trial Measures. However, as the Trial Measures are relatively new, there is some uncertainty about the time required for the filing process. As a result, we cannot guarantee whether the filing process will affect our future financing activities. We are deemed as a PRC domestic company that is subject to the CSRC filing, and we are an Existing Listed Enterprise as defined under the CSRC Filing Notice. As such, our future offerings of listed securities or listings outside China by us or voluntary delisting may be subject to CSRC filing requirements in accordance with the Trial Measures. Given that the Trial Measures and Listing Guidelines have been introduced recently, and that there remain substantial uncertainties surrounding the enforcement thereof, we cannot assure you that, if required, we would be able to complete the filings and fully comply with the relevant new rules on a timely basis, if at all.

If we are classified as a PRC resident enterprise for PRC income tax purposes, such classification could result in unfavorable tax consequences to us and our non-PRC shareholders or ADS holders.

Under the PRC Enterprise Income Tax Law and its implementation rules, an enterprise established outside of the PRC with a “de facto management body” within the PRC is considered a “resident enterprise” and will be subject to the enterprise income tax on its global income at the rate of 25%. The implementation

rules define the term “de facto management body” as the body that exercises full and substantial control over and overall management of the business, productions, personnel, accounts and properties of an enterprise. In 2009, SAT issued a circular, known as SAT Circular 82, which provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore is located in China. Although this circular only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by PRC individuals or foreigners, the criteria set forth in the circular may reflect the SAT’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. According to SAT Circular 82, an offshore incorporated enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and the places where they perform their duties are in the PRC; (ii) decisions relating to the enterprise’s financial and human resource matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC.

We believe that we are not a PRC resident enterprise for PRC tax purposes. See “Item 10 Additional Information — Taxation — Material PRC Income Tax Considerations.” However, the tax resident status of an enterprise is subject to determination by the PRC tax authorities and uncertainties remain with respect to the interpretation of the term “de facto management body.” If the PRC tax authorities determine that we or any of our non-PRC subsidiaries are a PRC resident enterprise for enterprise income tax purposes, we or the subsidiary will be subject to PRC tax at a rate of 25%. In addition, we may be required to withhold taxes from dividends, and non-PRC shareholders (including ADS holders) may be subject to PRC tax on gains realized on the sale or other disposition of ADSs or ordinary shares, if such income is treated as sourced from within the PRC, as described below under “Item 3.D.Risk Factors — Risks Related to the ADS — You may be subject to PRC income tax on dividends from us or any gain realized on the transfer of our ADSs.” in our most recent annual report on Form 20-F incorporated in this prospectus by reference.

You may be subject to PRC income tax on dividends from us or on any gain realized on the transfer of our ADSs.

Under the Enterprise Income Tax Law of the PRC, or the EIT Law, and its implementation rules, PRC withholding tax at the rate of 10% is generally applicable to dividends from PRC sources paid to investors that are resident enterprises outside of China and that do not have an establishment or place of business in China, or that have an establishment or place of business in China but the relevant income is not effectively connected with the establishment or place of business. Any gain realized on the transfer of shares by such investors is subject to 10% PRC income tax if this gain is regarded as income derived from sources within China. Under the PRC Individual Income Tax Law and its implementation rules, dividends from sources within China paid to foreign individual investors who are not PRC residents are generally subject to a PRC withholding tax at a rate of 20% and gains from PRC sources realized by these investors on the transfer of shares are generally subject to 20% PRC income tax. Any such PRC tax liability may be reduced by the provisions of an applicable tax treaty.

Although we have substantial business operations in China, it is unclear whether the dividends we pay with respect to our shares or ADSs, or the gains realized from the transfer of our shares or ADSs, would be treated as income derived from sources within China and as a result be subject to PRC income tax if we were considered a PRC resident enterprise. If PRC income tax is imposed on gains realized through the transfer of our ADSs or on dividends paid to our non-resident investors, the value of your investment in our ADSs may be adversely affected. Furthermore, our shareholders whose jurisdictions of residence have tax treaties or arrangements with China may not qualify for, or able to obtain in practice, the benefits under these tax treaties or arrangements.

The biopharmaceutical industry in China is highly regulated and such regulations are subject to changes which may affect approval and commercialization of our product candidates.

Part of our research and development operations are in China, which we believe confers clinical, commercial and regulatory advantages. The biopharmaceutical industry in China is subject to comprehensive

government regulation and supervision, encompassing the approval, registration, manufacturing, packaging, licensing and marketing of new product candidates. See “Item 4 Information on the Company — Regulation” in our most recent annual report on Form 20-F incorporated in this prospectus by reference for a discussion of the regulatory requirements that are applicable to our current and planned business activities in China. In recent years, the regulatory framework in China regarding the biopharmaceutical 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 product candidates in China and reduce the current benefits we believe are available to us from developing and manufacturing drugs in China. PRC authorities have become increasingly vigilant in enforcing laws in the biopharmaceutical 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 fines, warnings, administrative or criminal penalties in China. We believe our strategy and approach are aligned with the PRC government’s regulatory policies, but we cannot ensure that our strategy and approach will continue to be aligned.

Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law and how it may impact the viability of our current corporate structure, corporate governance and business operations.

On March 15, 2019, the PRC National People’s Congress approved the Foreign Investment Law, which came into effect on January 1, 2020 and replaces the trio of existing laws regulating foreign investment in the PRC, namely, the Sino-Foreign Equity Joint Venture Enterprise Law, the Sino-Foreign Cooperative Joint Venture Enterprise Law and the Wholly Foreign-Invested Enterprise Law, together with their implementation rules and ancillary regulations and become the legal foundation for foreign investment in the PRC. Meanwhile, the *Implementation Regulation of the Foreign Investment Law and the Measures for Reporting of Information on Foreign Investment* came into effect as of January 1, 2020, which clarified and elaborated the relevant provisions of the *Foreign Investment Law*.

The Foreign Investment Law sets out the basic regulatory framework for foreign investments and proposes to implement a system of pre-entry national treatment with a negative list for foreign investments, pursuant to which (i) foreign entities and individuals are prohibited from investing in the areas that are not open to foreign investments, (ii) foreign investments in the restricted industries must satisfy certain requirements under the law, and (iii) foreign investments in business sectors outside of the negative list will be treated equally with domestic investments. The Foreign Investment Law also sets forth necessary mechanisms to facilitate, protect and manage foreign investments and proposes to establish a foreign investment information reporting system, through which foreign investors or foreign-invested enterprises are required to submit initial report, report of changes, report of deregistration and annual report relating to their investments to the Ministry of Commerce, or MOFCOM, or its local branches.

Our business may be negatively affected by the potential obligations to make additional social insurance and housing fund contributions.

We are required by PRC labor laws and regulations, such as the Social Insurance Law, Administrative Regulations on the Housing Provident Fund and other related rules, to pay various statutory employee benefits, including pensions insurance, medical insurance, work-related injury insurance, unemployment insurance, maternity insurance and housing fund, to designated government agencies for the benefit of our employees. The relevant government agencies may examine whether an employer has made adequate and timely payments of the requisite statutory employee benefits, and employers who fail to make adequate and timely payments may be subject to supplemental contributions, late payment fees, fines compulsory enforcement and/or other penalties. If the relevant PRC authorities determine that we shall make supplemental social insurance and housing fund contributions or that we are subject to fines and legal sanctions in relation to our failure to make social insurance and housing fund contributions in full for our employees, our business, financial condition and results of operations may be adversely affected.

The lease agreements of our leased properties have not been registered with the relevant PRC government authorities as required by PRC law, which may expose us to potential fines.

Under PRC law, lease agreements of commodity housing tenancy are required to be registered with the local construction (real estate) departments. Although failure to do so does not in itself invalidate the leases, the parties of the lease agreements may be exposed to potential fines if they fail to rectify such non-compliance within the prescribed time frame after receiving notice from the relevant PRC government authorities. The penalty ranges from RMB1,000 to RMB10,000 for each unregistered lease, at the discretion of the relevant authority. As of the date of this prospectus supplement, the lease agreements for our leased properties in China have not been registered with the relevant PRC government authorities. As of the date of this prospectus, we are not aware of any regulatory or governmental actions, claims or investigations being contemplated or any challenges by third parties to our use of our leased properties that the lease agreements of which have not been registered with the government authorities. However, we cannot assure you that the government authorities will not impose fines on us due to our failure to register any of our lease agreements, which may negatively impact our financial condition.

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

In February 2012, SAFE promulgated the Notices on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company, replacing earlier rules promulgated in 2007. Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiary of such overseas-listed company, and complete certain other procedures. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or who reside in the PRC for a continuous period of not less than one year and who have been granted options will be subject to these regulations. Failure to complete the SAFE registrations may subject them to fines and legal sanctions, there may be additional restrictions on the ability of them to exercise their stock options or remit proceeds gained from the sale of their stock into the PRC. We also face regulatory uncertainties that could restrict our ability to adopt incentive plans for our directors, executive officers and employees under PRC law.

We face uncertainty with respect to indirect transfers of equity interests in PRC resident enterprises by their non-PRC holding companies.

Pursuant to the Announcement of the State Administration of Taxation on Several Issues concerning Enterprise Income Tax on the Indirect Transfers of Property by Non-Resident Enterprises, issued by the SAT in 2015, where a non-resident enterprise indirectly transfers equities and other property of a Chinese resident enterprise to evade its obligation of paying enterprise income tax by implementing arrangements that are not for bona fide commercial purpose, such indirect transfer shall, in accordance with the provisions of Article 47 of the Enterprise Income Tax Law, be re-identified and recognized as a direct transfer of equities and other property of the Chinese resident enterprise.

On February 3, 2015, the SAT issued the Announcement of the State Administration of Taxation on Several Issues Concerning the Enterprise Income Tax on Indirect Property Transfer by Non-Resident Enterprises, or SAT Bulletin 7. SAT Bulletin 7 supersedes the rules with respect to the Indirect Transfer under SAT Circular 698. SAT Bulletin 7 has introduced a new tax regime that is significantly different from the previous one under SAT Circular 698. SAT Bulletin 7 extends the PRC's tax jurisdiction to not only Indirect Transfers set forth under SAT Circular 698 but also transactions involving a transfer of other taxable assets through an offshore transfer of a foreign intermediate holding company. In addition, SAT Bulletin 7 provides clearer criteria than SAT Circular 698 for assessment of reasonable commercial purposes and has introduced safe harbors for internal group restructurings and the purchase and sale of equity through a public securities market. SAT Bulletin 7 also brings challenges to both foreign transferor and transferee (or another person who is obligated to pay for the transfer) of taxable assets. Where a non-resident enterprise

transfers taxable assets indirectly by disposing of the equity interests of an overseas holding company, which is an Indirect Transfer, the non-resident enterprise, being the transferor, or the transferee, or the PRC entity that directly owns the taxable assets, may report such Indirect Transfer to the relevant tax authority. Using a “substance over form” principle, the PRC tax authority may disregard the existence of the overseas holding company if it lacks a reasonable commercial purpose and was established for the purpose of reducing, avoiding or deferring PRC tax. As a result, gains derived from such Indirect Transfer may be subject to PRC enterprise income tax, and the transferee or another person who is obligated to pay for the transfer is obligated to withhold the applicable taxes, currently at a rate of 10% for the transfer of equity interests in a PRC resident enterprise. Both the transferor and the transferee may be subject to penalties under PRC tax laws if the transferee fails to withhold the taxes and the transferor fails to pay the taxes.

On October 17, 2017, the SAT issued the Announcement of the State Administration of Taxation on Matters Concerning Withholding of Income Tax of Non-resident Enterprises at Source, or SAT Bulletin 37, which, among others, repealed the SAT Circular 698 on December 1, 2017. SAT Bulletin 37 further details and clarifies the tax withholding methods in respect of income of non-resident enterprises under SAT Circular 698. In addition, certain rules stipulated in SAT Bulletin 7 are replaced by SAT Bulletin 37. Where the non-resident enterprise fails to declare the tax payable pursuant to Article 39 of the PRC Enterprise Income Tax Law, the tax authority may order it to pay the tax due within required time limits, and the non-resident enterprise shall declare and pay the tax payable within such time limits specified by the tax authority; however, if the non-resident enterprise voluntarily declares and pays the tax payable before the tax authority orders it to do so within required time limits, it shall be deemed that such enterprise has paid the tax in time.

We face uncertainties as to the reporting and other implications of certain past and future transactions where PRC taxable assets are involved, such as offshore restructuring, sale of the shares in our offshore subsidiaries and investments. Our company may be subject to filing obligations or taxed if our company is a transferor in such transactions, and may be subject to withholding obligations if our company is a transferee in such transactions, under SAT Bulletin 7 and SAT Bulletin 37. For transfer of shares in our company by investors who are non-PRC resident enterprises, our PRC subsidiary may be requested to assist in the filing under SAT Bulletin 7 and SAT Bulletin 37. As a result, we may be required to expend valuable resources to comply with SAT Bulletin 7 and SAT Bulletin 37 or to request the relevant transferors from whom we purchase taxable assets to comply with these circulars, or to establish that our company should not be taxed under these circulars, which may have a material adverse effect on our financial condition and results of operations.

If our preferential tax treatments are revoked, become unavailable or if the calculation of our tax liability is challenged by the PRC tax authorities, we may be required to pay tax, interest and penalties in excess of our tax provisions, and our results of operations could be materially and adversely affected.

The Chinese government has provided various tax incentives to our subsidiaries in China. These incentives include reduced enterprise income tax rates. For example, under the Enterprise Income Tax Law and its implementation rules, the statutory enterprise income tax rate is 25%. However, the income tax of an enterprise that has been determined to be a technologically advanced service enterprise can be reduced to a preferential rate of 15%. Any increase in the enterprise income tax rate applicable to our PRC subsidiary, or any discontinuation or retroactive or future reduction of any of the preferential tax treatments currently enjoyed by our PRC subsidiary, could adversely affect our business, financial condition and results of operations. In addition, in the ordinary course of our business, we are subject to complex income tax and other tax regulations and significant judgment is required in the determination of a provision for income taxes. Although we believe our tax provisions are reasonable, if the PRC tax authorities successfully challenge our position and we are required to pay tax, interest and penalties in excess of our tax provisions, our financial condition and results of operations would be materially and adversely affected.

Certain PRC regulations may make it more difficult for us to pursue growth through acquisitions.

Among other things, the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors, or the M&A Rules, adopted by six PRC regulatory agencies in 2006 and amended in 2009, established additional procedures and requirements that could make merger and acquisition activities by

foreign investors more time-consuming and complex. Such regulation requires, among other things, the MOFCOM be notified in advance or its approval be obtained in certain situations, such as any change-of-control transaction in which a foreign investor acquires control of a PRC domestic enterprise of Undertakings, issued by the State Council in 2008 and amended in 2018, were triggered. Moreover, the Anti-Monopoly Law promulgated by the Standing Committee of the PRC National People's Congress, or NPC, which was last revised in June 2022 and came into effect in August 2022, requires that transactions which are deemed concentrations and involve parties with specified turnover thresholds must be cleared by the State Council's anti-monopoly law enforcement authority before they can be completed. In addition, PRC national security review rules which became effective in September 2011 require acquisitions by foreign investors of PRC companies engaged in military-related or certain other industries that are crucial to national security be subject to security review before consummation of any such acquisition. We may pursue potential strategic acquisitions that are complementary to our business and operations. Complying with the requirements of these regulations to complete such transactions could be time-consuming, and any required approval processes, including obtaining approval or clearance from the State Council's anti-monopoly law enforcement authority, may delay or inhibit our ability to complete such transactions, which could affect our ability to expand our business or maintain our market share.

PRC regulations relating to offshore investment activities by PRC residents may limit our PRC subsidiaries' ability to change their registered capital or distribute profits to us or otherwise expose us or our PRC resident beneficial owners to liability and penalties under PRC laws.

In July 2014, SAFE promulgated the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents' Offshore Investment and Financing and Roundtrip Investment Through Special Purpose Vehicles, or SAFE Circular 37. SAFE Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals that are deemed as PRC residents for foreign exchange administration purpose) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. SAFE Circular 37 is applicable to our shareholders who are PRC residents and may be applicable to any offshore acquisitions that we make in the future. Under SAFE Circular 37, PRC residents who make, or have prior to the implementation of SAFE Circular 37 made, direct or indirect investments in offshore special purpose vehicles, or SPVs, will be required to register such investments with SAFE or its local branches. In addition, any PRC resident who is a direct or indirect shareholder of an SPV, is required to update its filed registration with the local branch of SAFE with respect to that SPV, to reflect any material change, including, among other things, any major change of a PRC resident shareholder, name or term of operation of the SPVs, or any increase or reduction of the SPVs' registered capital, share transfer or swap, merger or division. Moreover, any subsidiary of such SPV in China is required to urge the PRC resident shareholders to update their registration with the local branch of SAFE. If any PRC shareholder of such SPV fails to make the required registration or to update the previously filed registration, the subsidiary of such SPV in China may be prohibited from distributing its profits or the proceeds from any capital reduction, share transfer or liquidation to the SPV, and the SPV may also be prohibited from making additional capital contributions into its subsidiary in China. On February 13, 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment, or SAFE Notice 13, which became effective on June 1, 2015. Under SAFE Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under SAFE Circular 37, will be filed with qualified banks instead of SAFE or its branches. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE.

Some of our existing shareholders, each of whom owns our ordinary shares and/or ADSs, including but not limited to as a result of exercising share options, are PRC residents under SAFE Circular 37. However, we cannot provide any assurance that these PRC residents comply with our request to make or obtain any applicable registrations or change registration or comply with all of the requirements under SAFE Circular 37 or other related rules. Furthermore, we may not be informed of the identities of all the PRC residents holding direct or indirect interest in our company. The failure or inability of our PRC resident shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions, restrict our cross-border investment activities, limit the ability of our wholly foreign-owned subsidiary in China to distribute dividends and the proceeds from any reduction in capital, share transfer or liquidation to us, and we may also be prohibited from injecting additional capital into the subsidiary.

Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

Furthermore, the interpretation and implementation of these foreign exchange regulations has been constantly evolving, it is unclear how these regulations, and any future regulation concerning offshore or cross-border transactions, will be interpreted, amended and implemented by the relevant government authorities. For example, we may be subject to a more stringent review and approval process with respect to our foreign exchange activities, such as remittance of dividends and foreign-currency-denominated borrowings, which may adversely affect our financial condition and results of operations. In addition, if we decide to acquire a PRC domestic company, we cannot assure you that we or the owners of such company, as the case may be, will be able to obtain the necessary approvals or complete the necessary filings and registrations required by the foreign exchange regulations. This may restrict our ability to implement our acquisition strategy and could adversely affect our business and prospects.

We may be materially adversely affected if our shareholders and beneficial owners who are PRC entities fail to comply with the relevant PRC overseas investment regulations.

On December 26, 2017, the NDRC promulgated the Administrative Measures on Overseas Investments, or NDRC Order No. 11, which took effect as of March 1, 2018. According to NDRC Order No. 11, non-sensitive overseas investment projects are subject to record-filing requirements with the local branch of the NDRC. On September 6, 2014, MOFCOM promulgated the *Administrative Measures on Overseas Investments*, which took effect as of October 6, 2014. According to this regulation, overseas investments of PRC enterprises that involve non-sensitive countries and regions and non-sensitive industries are subject to record-filing requirements with a local MOFCOM branch. According to the *Circular of the State Administration of Foreign Exchange on Issuing the Regulations on Foreign Exchange Administration of the Overseas Direct Investment of Domestic Institutions*, which was promulgated by SAFE on July 13, 2009 and took effect on August 1, 2009, PRC enterprises must register for overseas direct investment with a local SAFE branch.

We may not be fully informed of the identities of all our shareholders or beneficial owners who are PRC entities, and we cannot provide any assurance that all of our shareholders and beneficial owners who are PRC entities has or will comply with our request to complete the overseas direct investment procedures under the aforementioned regulations or other related rules in a timely manner, or at all. If they fail to complete the filings or registrations required by the overseas direct investment regulations, the relevant authorities may order them to suspend or cease the implementation of such investment impose warnings and sanctions and make corrections within a specified time, or limit our ability to distribute dividends and proceeds to our PRC subsidiary, which may adversely affect our business, financial condition and results of operations.

PRC regulation of loans to and direct investment in PRC entities by offshore holding companies and governmental control of currency conversion may delay or prevent us from using the proceeds of our initial public offering to make loans or additional capital contributions to our PRC subsidiary, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

We are an offshore holding company conducting our operations in China through our PRC subsidiary. We also hold certain intellectual properties and outsource certain research and development activities related to these intellectual properties to our subsidiaries. We may in the future make loans or provide guarantee to our PRC subsidiary subject to the approval or registration from governmental authorities and limitation of amount, or we may make additional capital contributions to our wholly foreign-owned subsidiary in China. Any loans to our wholly foreign-owned subsidiary in China, which are treated as foreign-invested enterprises under PRC law, are subject to foreign exchange loan registrations. In addition, a foreign-invested enterprise, or FIE, shall use its capital pursuant to the principle of authenticity and self-use within its business scope. The capital of an FIE shall not be used for the following purposes: (i) directly or indirectly used for payment beyond the business scope of the enterprises or the payment prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities or investments other than banks' principal-secured

products unless otherwise provided by relevant laws and regulations; (iii) the granting of loans to non-affiliated enterprises, except where it is expressly permitted in the business license; and (iv) paying the expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

In light of the various requirements imposed by PRC regulations on loans to and direct investment in PRC entities by offshore holding companies, we cannot assure you that we will be able to complete the necessary government registrations or obtain the necessary government approvals on a timely basis, if at all, with respect to future loans by us to our PRC subsidiary or with respect to future capital contributions by us to our PRC subsidiary. If we fail to complete such registrations or obtain such approvals, our ability to use the proceeds from our initial public offering and to capitalize or otherwise fund our PRC operations may be negatively affected, which could materially and adversely affect our liquidity and our ability to fund and expand our business.

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

We are a Cayman Islands holding company and we currently rely principally on equity financing for our cash requirements, including the funds necessary to pay cash considerations for services we may incur. In the future, when and after we become profitable and generate cash flows from operating activities, we may rely principally on dividends and other distributions on equity from our PRC and U.S. subsidiaries for our cash requirements, including the funds necessary to pay dividends and other cash distributions to our shareholders for services of any debt we may incur. If our PRC subsidiary incurs debt on its own behalf in the future, the instruments governing the debt may restrict its ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiary, which is a wholly foreign-owned enterprise, may pay dividends only out of its respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, a wholly foreign-owned enterprise is required to set aside at least 10% of its accumulated after-tax profits each year, if any, to fund a certain statutory reserve fund, until the aggregate amount of such fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends. At its discretion, a wholly foreign-owned enterprise may allocate a portion of its after-tax profits based on PRC accounting standards to an enterprise expansion fund, or a staff welfare and bonus fund.

A portion of our revenue was generated by our PRC subsidiary in Renminbi, which is not freely convertible into other currencies. As a result, any restriction on currency exchange may limit the ability of our PRC subsidiary to use its Renminbi revenues to pay dividends to us.

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

In addition, the Enterprise Income Tax Law and its implementation rules provide that a withholding tax rate of up to 10% will be applicable to dividends payable by Chinese companies to non-PRC-resident enterprises unless otherwise exempted or reduced according to treaties or arrangements between the PRC central government and governments of other countries or regions where the non-PRC-resident enterprises are incorporated.

Fluctuations in exchange rates could have a material adverse effect on our results of operations and the value of your investment.

The value of the Renminbi against the U.S. dollar and other currencies may fluctuate and is affected by, among other things, changes in political and economic conditions in China and by China's foreign exchange policies. On July 21, 2005, the PRC government changed its policy of pegging the value of the Renminbi to the U.S. dollar, and the Renminbi appreciated more than 20% against the U.S. dollar over the

following three years. Between July 2008 and June 2010, this appreciation halted and the exchange rate between the Renminbi and the U.S. dollar remained within a narrow band. Since June 2010, the Renminbi has fluctuated against the U.S. dollar, at times significantly and unpredictably. Since October 1, 2016, Renminbi has joined the International Monetary Fund's basket of currencies that make up the Special Drawing Right, or SDR, along with the U.S. dollar, the Euro, the Japanese yen and the British pound. In the fourth quarter of 2016, the Renminbi has depreciated significantly in the backdrop of a surging U.S. dollar and persistent capital outflows of China. With the development of the foreign exchange market and progress towards interest rate liberalization and Renminbi internationalization, the PRC government may in the future announce further changes to the exchange rate system, and we cannot assure you that the Renminbi will not appreciate or depreciate significantly in value against the U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between the Renminbi and the U.S. dollar in the future.

Significant revaluation of the Renminbi may have a material and adverse effect on your investment. For example, to the extent that we need to convert U.S. dollars we received from our equity financings into Renminbi for our operations, appreciation of the Renminbi against the U.S. dollar would have an adverse effect on the Renminbi amount we would receive from the conversion. Conversely, if we decide to convert our Renminbi into U.S. dollars for the purpose of making payments for dividends on our ordinary shares or the ADSs or for other business purposes, appreciation of the U.S. dollar against the Renminbi would have a negative effect on the U.S. dollar amount available to us.

Very limited hedging options are available in China to reduce our exposure to exchange rate fluctuations. To date, we have not entered into any hedging transactions in an effort to reduce our exposure to foreign currency exchange risk. While we may decide to enter into hedging transactions in the future, the availability and effectiveness of these hedges may be limited and we may not be able to adequately hedge our exposure or at all. In addition, our currency exchange losses may be magnified by PRC exchange control regulations that restrict our ability to convert Renminbi into foreign currency.

Governmental control of currency conversion may limit our ability to utilize our cash balance effectively and affect the value of your investment

The PRC government imposes controls on the convertibility of the Renminbi into foreign currencies and, in certain cases, the remittance of currency out of China. We did not receive any of our revenues in Renminbi in cash in the years ended December 31, 2022, 2023 and 2024. Under our current corporate structure, our Cayman Islands holding company primarily relies on proceeds from previous equity financing activities to fund any cash and financing requirements we may have. Under existing PRC foreign exchange regulations, payments of current account items, including profit distributions, interest payments and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval of SAFE by complying with applicable laws and regulations, as well as certain procedural requirements.

Specifically, under the existing exchange restrictions, without prior approval of SAFE, cash generated from the operations of our PRC subsidiary may be used to pay dividends to our company. However, approval from or registration with appropriate government authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies. As a result, we need to obtain SAFE approval to use the cash generated from the operations of our PRC subsidiary to pay off their respective debt in a currency other than Renminbi owed to entities outside China, or to make other capital expenditure payments outside China in a currency other than Renminbi. The PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. If the foreign exchange control system prevents us from obtaining sufficient foreign currencies to satisfy our foreign currency demands, we may not be able to pay dividends in foreign currencies to our shareholders, including holders of the ADSs.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements that reflect our current expectations and views of future events. All statements other than statements of historical facts are forward-looking statements. These forward-looking statements are made under the “safe harbor” provision under Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, and as defined in the Private Securities Litigation Reform Act of 1995. These statements involve known and unknown risks, uncertainties and other factors, including but not limited to Adagene’s ability to demonstrate the safety and efficacy of its drug candidates; the clinical results for its drug candidates, which may not support further development or regulatory approval; the content and timing of decisions made by the relevant regulatory authorities regarding regulatory approval of Adagene’s drug candidates; Adagene’s ability to achieve commercial success for its drug candidates, if approved; Adagene’s ability to obtain and maintain protection of intellectual property for its technology and drugs; Adagene’s reliance on third parties to conduct drug development, manufacturing and other services; Adagene’s limited operating history and Adagene’s ability to obtain additional funding for operations and to complete the development and commercialization of its drug candidates; Adagene’s ability to enter into additional collaboration agreements beyond its existing strategic partnerships or collaborations, and the impact of the outbreak of a widespread health epidemic on Adagene’s clinical development, commercial and other operations, as well as those risks more fully discussed in the “Risk Factors” section in Adagene’s filings with the SEC. Such known and unknown risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from those expressed or implied by the forward-looking statements. In some cases, you can identify these forward-looking statements by terminology such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “is/are likely to,” “potential,” “continue” or other similar expressions. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy and financial needs. These forward-looking statements include, but are not limited to, statements about:

- our goals and growth strategies;
- our future business development, results of operations and financial condition;
- the timing of the initiation, progress and potential results of our preclinical studies, clinical trials and our discovery programs;
- our ability to utilize our proprietary Dynamic Precision Library platform, or DPL, to design, construct and develop next-generation antibodies;
- our ability to advance product candidates into, and successfully complete, clinical trials;
- the timing or likelihood of regulatory filings and approvals;
- our estimates of the number of patients who suffer from the diseases we are targeting and the number of patients that may enroll in our clinical trials;
- the commercializing of our product candidates, if approved;
- our ability and the potential to successfully manufacture and supply our product candidates for clinical trials and for commercial use, if approved;
- future strategic arrangements and/or collaborations and the potential benefits of such arrangements;
- our anticipated use of our existing resources and the proceeds from our initial public offering;
- our estimates regarding expenses, future revenue, capital requirements and needs for additional financing and our ability to obtain additional capital;
- the sufficiency of our existing cash and cash equivalents to fund our future operating expenses and capital expenditure requirements;
- our ability to retain the continued service of our key personnel and to identify, hire and retain additional qualified professionals;
- the implementation of our business model, strategic plans for our business and product candidates;

- the scope of protection we are able to establish and maintain for intellectual property rights, such as our proprietary DPL, which includes NEObody platform, SAFEbody platform and POWERbody platform, product candidates and discovery programs;
- our potential to enter into new collaborations;
- our ability to contract with third-party suppliers and manufacturers and their ability to perform adequately;
- the pricing, coverage and reimbursement of our product candidates, if approved;
- developments relating to our competitors and our industry, including competing product candidates and therapies;
- the direct and indirect impact of the outbreak of a widespread health epidemic on our business and operations and on development of our clinical and preclinical programs, and the duration and impact of such widespread health epidemic or any of its variants that may affect, precipitate or exacerbate one or more of any of the risks and uncertainties mentioned in this prospectus;
- relevant government policies and regulations relating to our business and industry;
- general economic and business condition in the markets we have businesses; and
- assumptions underlying or related to any of the foregoing.

We would like to caution you not to place undue reliance on these forward-looking statements and you should read these statements in conjunction with the risk factors disclosed in “Item 3. Key Information — D. Risk Factors” in our most recent annual report on Form 20-F incorporated in this prospectus by reference, and other risks outlined in our other filings with the Securities and Exchange Commission, or the SEC. Those risks are not exhaustive. We operate in an evolving environment.

New risks emerge from time to time and it is impossible for our management to predict all risk factors and uncertainties, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement. We qualify all of our forward-looking statements by these cautionary statements.

You should not rely upon forward-looking statements as predictions of future events. The forward-looking statements contained in or incorporated into this prospectus and any applicable prospectus supplement speak only as of the date of hereof or thereof or of such documents incorporated by reference or, if obtained from third-party studies or reports, the date of the corresponding study or report, and are expressly qualified in their entirety by the cautionary statements in this prospectus, any applicable prospectus supplement and the documents incorporated by reference herein and therein.

We do not undertake any obligation to update or revise the forward-looking statements except as required under applicable law. You should read this prospectus and the documents that we reference in this prospectus completely and with the understanding that our actual future results may be materially different from what we expect.

USE OF PROCEEDS

All of the ordinary shares and/or ADSs offered by the selling shareholder pursuant to this prospectus will be sold by the selling shareholder for its account. We will not receive any of the proceeds from these sales.

The selling shareholder will pay any underwriting discounts and commissions and expenses incurred by them for brokerage, accounting, tax or legal services or any other expenses incurred in disposing of the securities. We will bear the costs, fees and expenses incurred in effecting the registration of the shares covered by this prospectus, including all registration and filing fees, and fees and expenses of our counsels and our independent registered public accounting firm.

CAPITALIZATION AND INDEBTEDNESS

The offering by the selling shareholder will not affect our capitalization as we will not issue any new ordinary shares and will not receive any proceeds from such offering.

DESCRIPTION OF SHARE CAPITAL AND MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary of our share capital and certain provisions of our amended and restated memorandum and articles of association. This summary does not purport to be complete and is qualified in its entirety by the provisions of our amended and restated memorandum and articles of association and applicable provisions of the laws of the Cayman Islands.

See “Where You Can Find More Information” elsewhere in this prospectus for information on where you can obtain copies of our articles of incorporation and our bylaws, which have been filed with and are publicly available from the SEC.

As of the date of this prospectus, our authorized share capital is US\$80,000 divided into 800,000,000 shares comprising (i) 640,000,000 ordinary shares of a par value of US\$0.0001 each, and (ii) 160,000,000 shares of a par value of US\$0.0001 each of such class or classes (however designated) as our board of directors may determine in accordance with our amended and restated memorandum and articles of association (“**Undesignated Shares**”). On January 27, 2025, our board of directors passed resolutions designating 1,062,500 Undesignated Shares as Series A Non-Voting Convertible Preferred Shares of a par value of US\$0.0001 each.

The description of our Series A Preferred Shares set forth in [our current report on Form 6-K, excluding the exhibits attached thereof, furnished with the SEC on July 1, 2025 is incorporated herein by reference.](#)

Our Memorandum and Articles of Association

General. Holders of ordinary shares have the same rights. All of our issued and outstanding ordinary shares are fully paid and non-assessable. Certificates representing the ordinary shares are issued in registered form. We may not issue share to bearer. Our shareholders who are nonresidents of the Cayman Islands may freely hold, transfer and vote their ordinary shares.

Dividends. The holders of our ordinary shares are entitled to such dividends as may be declared by our board of directors subject to our amended and restated memorandum and articles of association and the Companies Act. In addition, our shareholders may, subject to the provisions of our articles of association, by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our directors. Our amended and restated memorandum and articles of association provide that dividends may be declared and paid out of our profits, realized or unrealized, or from any reserve set aside from profits which our board of directors determine is no longer needed. Dividends may also be declared and paid out of the share premium account or any other fund or account which can be authorized for this purpose in accordance with the Companies Act. No dividend may be declared and paid unless our directors determine that, immediately after the payment, we will be able to pay our debts as they become due in the ordinary course of business and we have funds lawfully available for such purpose.

Voting Rights. In respect of all matters subject to a shareholders’ vote, holder of an ordinary share is entitled to one vote for each ordinary share registered in his or her name on our register of members. Voting at any meeting of shareholders is by way of a poll unless a show of hands is permitted. A poll may be demanded by the chairman of such meeting or any one shareholder.

A quorum required for a meeting of shareholders consists of two or more shareholders holding not less than one-half of the votes attaching to the issued and outstanding shares entitled to vote at general meetings present in person or by proxy or, if a corporation or other non-natural person, by its duly authorized representative. As a Cayman Islands exempted company, we are not obliged by the Companies Act to call shareholders’ annual general meetings. Our amended and restated memorandum and articles of association provide that we may (but are not obliged to) in each year hold a general meeting as our annual general meeting in which case we will specify the meeting as such in the notices calling it, and the annual general meeting will be held at such time and place as may be determined by our board of directors. We, however, will hold an annual shareholders’ meeting during each fiscal year, as required by the Listing Rules of the Nasdaq Global Market. Each general meeting, other than an annual general meeting, shall be an extraordinary general meeting. Shareholders’ annual general meetings and any other general meetings of our shareholders may be called by a majority of our board of directors or our chairman or upon a requisition of shareholders holding at the date of deposit of the requisition not less than 20% of the votes attaching to the

issued and outstanding shares entitled to vote at general meetings, in which case the directors are obliged to call such meeting and to put the resolutions so requisitioned to a vote at such meeting; however, our post-offering memorandum and articles of association 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. Advance notice of at least seven (7) days is required for the convening of our annual general meeting and other general meetings in accordance with our amended and restated memorandum and articles of association.

An ordinary resolution to be passed at a meeting by the shareholders requires the affirmative vote of a simple majority of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting, while a special resolution also requires the affirmative vote of no less than two-thirds of the votes attaching to the ordinary shares cast by those shareholders entitled to vote who are present in person or by proxy at a general meeting. A special resolution will be required for important matters such as a change of name or making changes to our amended and restated memorandum and articles of association.

Transfer of ordinary shares. Subject to the restrictions in our amended and restated memorandum and articles of association as set out below, any of our shareholders may transfer all or any of his or her ordinary shares by an instrument of transfer in the usual or common form or any other form approved by our board of directors.

Our board of directors may, in its absolute discretion, decline to register any transfer of any ordinary share. Our board of directors may also decline to register any transfer of any ordinary share unless:

- the instrument of transfer is lodged with us, accompanied by the certificate for the ordinary shares to which it relates and such other evidence as our board of directors may reasonably require to show the right of the transferor to make the transfer;
- the instrument of transfer is in respect of only one class of shares;
- the instrument of transfer is properly stamped, if required;
- in the case of a transfer to joint holders, the number of joint holders to whom the ordinary share is to be transferred does not exceed four;
- the shares are free from any lien in favor of us; and
- a fee of such maximum sum as the Nasdaq may determine to be payable or such lesser sum as our directors may from time to time require is paid to us in respect thereof.

If our directors refuse to register a transfer, they shall, within three months after the date on which the instrument of transfer was lodged, send to each of the transferor and the transferee notice of such refusal.

The registration of transfers may, after compliance with any notice requirement of the Nasdaq, 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 as our board may determine.

Liquidation. On a return of capital on winding up or otherwise (other than on conversion, redemption or purchase of ordinary shares), if the assets available for distribution amongst our shareholders shall be more than sufficient to repay the whole of the share capital at the commencement of the winding up, the surplus shall be distributed amongst our shareholders in proportion to the par value of the shares held by them at the commencement of the winding up, subject to a deduction from those shares in respect of which there are monies due, of all monies payable to our company for unpaid calls or otherwise. 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 in proportion to the par value of the shares held by them. Any distribution of assets or capital to a holder of ordinary shares will be the same in any liquidation event.

Calls on ordinary shares and Forfeiture of ordinary shares. Our board of directors may from time to time make calls upon shareholders for any amounts unpaid on their ordinary shares in a notice served to such shareholders at least 14 clear days prior to the specified time of payment. The ordinary shares that have been called upon and remain unpaid are subject to forfeiture.

Redemption, Repurchase and Surrender of ordinary shares. We may issue shares on terms that such shares are subject to redemption, at our option or at the option of the holders thereof, on such terms and in such manner as may be determined, before the issue of such shares, by our board of directors or by an ordinary resolution of our shareholders. Our company may also repurchase any of our shares provided that the manner and terms of such purchase have been approved by our board of directors or by an ordinary resolution of our shareholders, or are otherwise authorized by our post-offering memorandum and articles of association. Under the Companies Act, the redemption or repurchase of any share may be paid out of our company's profits or out of the proceeds of a fresh issue of shares made for the purpose of such redemption or repurchase, or out of capital (including share premium account and capital redemption reserve) if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. In addition, under the Companies Act no such share may be redeemed or repurchased (a) unless it is fully paid up, (b) if such redemption or repurchase would result in there being no shares outstanding, or (c) if the company has commenced liquidation. In addition, our company may accept the surrender of any fully paid share for no consideration.

Variations of Rights of Shares. If at any time our share capital is divided into different classes or series of shares, the rights attached to any class or series of shares (unless otherwise provided by the terms of issue of the shares of that class or series), whether or not our company is being wound-up, may be varied with the consent in writing of holders of not less than a majority of the issued shares of that class or series or with the sanction of a special resolution at a separate meeting of the holders of the shares of the class or series. The rights conferred upon the holders of the shares of any class issued shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* with such existing class of shares.

Inspection of Books and Records. Holders of our ordinary shares have no general right under Cayman Islands law to inspect or obtain copies of our list of shareholders or our corporate records. However, we will provide our shareholders with annual audited financial statements. See "Where You Can Find More Information."

Issuance of Additional Shares. Our amended and restated memorandum and articles of association authorizes our board of directors to issue additional ordinary shares from time to time as our board of directors shall determine, to the extent of available authorized but unissued shares.

Our amended and restated memorandum and articles of association also authorizes our board of directors to establish from time to time one or more series of preferred shares and to determine, 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 authorized but unissued. Issuance of these shares may dilute the voting power of holders of ordinary shares.

Anti-Takeover Provisions. Some provisions of our amended and restated memorandum and articles of association 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.

Changes in Capital.

We may from time to time by ordinary resolution:

- increase the share capital by such sum, to be divided into shares of such classes and amount, as the resolution shall prescribe;

- consolidate and divide all or any of our share capital into shares of a larger amount than our existing shares;
- sub-divide our existing shares, or any of them into shares of a smaller amount; or
- cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the shares so canceled.

We may by special resolution, subject to any confirmation or consent required by the Companies Act, reduce our share capital or any capital redemption reserve in any manner permitted by law.

Exempted Company. We are an exempted company with limited liability under the Companies Act. The Companies Act distinguishes between ordinary resident companies and exempted companies. Any company that is registered in the Cayman Islands but conducts business mainly outside of the Cayman Islands may apply to be registered as an exempted company. The requirements for an exempted company are essentially the same as for an ordinary company except that an exempted company:

- does not have to file an annual return of its shareholders with the Registrar of Companies;
- is not required to open its register of members for inspection;
- does not have to hold an annual general meeting;
- may issue shares with no par value;
- may obtain an undertaking against the imposition of any future taxation (such undertakings are usually given for 30 years in the first instance);
- may register by way of continuation in another jurisdiction and be deregistered in the Cayman Islands;
- may register as a limited duration company; and
- may register as a segregated portfolio company.

“Limited liability” means that the liability of each shareholder is limited to the amount unpaid by the shareholder on that shareholder’s shares of the company.

Register of Members

Under the Companies Act, we must keep a register of members and there should be entered therein:

- the names and addresses of our members, and a statement of the shares held by each member, which shall include: (i) the amount paid or agreed to be considered as paid on the shares of each member, (ii) the number and category of shares held by each member, and (iii) whether each relevant category of shares held by a member carries voting rights under the post-offering memorandum and articles of association, and if so, whether such voting rights are conditional;
- 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 the Companies Act, the register of members of our company is prima facie evidence of the matters set out therein (that is, the register of members will raise a presumption of fact on the matters referred to above unless rebutted) and a member registered in the register of members is deemed as a matter of the Companies Act to have legal title to the shares as set against its name in the register of members.

Upon completion of this offering, we will perform the procedure necessary to immediately update the register of members to record and give effect to the transfer of shares by the selling shareholder to the Depositary (or its nominee) as the depositary. Once our register of members has been updated, the shareholders recorded in the register of members will be deemed to have legal title to the shares set against their 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 Grand Court of the Cayman Islands for an order that the register be rectified, and the Court may either refuse such application or it may, if satisfied of the justice of the case, make an order for the rectification of the register.

Differences in Corporate Law

The Companies Act is derived, to a large extent, from the older Companies Acts of England, but does not follow many recent English law statutory enactments. In addition, the Companies Act differs from laws applicable to United States corporations and their shareholders. Set forth below is a summary 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 Act 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 (b) a “consolidation” means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company.

In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorized by (a) a special resolution of the shareholders of each constituent company, and (b) such other authorization, if any, as may be specified in such constituent company’s articles of association. The written 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, a declaration as to the assets and liabilities of each constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

A merger between a Cayman parent company and its Cayman subsidiary or subsidiaries does not require authorization by a resolution of shareholders of that Cayman subsidiary if a copy of the plan of merger is given to every member of that Cayman subsidiary to be merged unless that member agrees otherwise.

For this purpose, a company is a “parent” of a subsidiary if it holds issued shares that together represent at least ninety percent (90%) of the votes at a general meeting of the subsidiary.

The consent of each holder of a fixed or floating security interest over a constituent company is required unless this requirement is waived by a court in the Cayman Islands.

Save in certain limited circumstances, a shareholder of a Cayman constituent company who dissents from the merger or consolidation is entitled to payment of the fair value of his shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) upon dissenting to the merger or consolidation, provided that the dissenting shareholder complies strictly with the procedures set out in the Companies Act. The exercise of dissenter rights will preclude the exercise by the dissenting shareholder of any other rights to which he or she might otherwise be entitled by virtue of holding shares, save for the right to seek relief on the grounds that the merger or consolidation is void or unlawful.

Separate from the statutory provisions relating to mergers and consolidations, the Companies Act also contains statutory provisions that facilitate the reconstruction and amalgamation of companies by way of schemes of arrangement, provided that the arrangement is approved by a majority in number of each class of creditors with whom the arrangement is to be made (if any), and who must in addition represent three-fourths in value of each such class of shareholders or creditors, as the case may be, that are present and voting either in person or by proxy at a meeting, or meetings, convened for that purpose. The convening of the meetings and subsequently the arrangement must be sanctioned by the Grand Court of the Cayman Islands. While a dissenting shareholder has the right to express to the court the view that the transaction ought not to be approved, the court can be expected to approve the arrangement if it determines that:

- the statutory provisions as to the required majority vote have been met;
- the shareholders have been fairly represented at the meeting in question and the statutory majority are acting bona fide without coercion of the minority to promote interests adverse to those of the class;
- the arrangement is such that may be reasonably approved by an intelligent and honest man of that class acting in respect of his interest; and
- the arrangement is not one that would more properly be sanctioned under some other provision of the Companies Act.

The Companies Act also contains a statutory power of compulsory acquisition which may facilitate the “squeeze out” of a dissenting minority shareholder upon a tender offer. When a tender offer is made and accepted by holders of 90.0% of the shares affected within four months, the offeror may, within a two-month period commencing on the expiration of such four-month period, require the holders of the remaining shares to transfer such shares to the offeror on the terms of the offer. An objection can be made to the Grand Court of the Cayman Islands but this is unlikely to succeed in the case of an offer which has been so approved unless there is evidence of fraud, bad faith or collusion.

If an arrangement and reconstruction is thus approved, or if a tender offer is made and accepted, a dissenting shareholder would have no rights comparable to appraisal rights, which would otherwise ordinarily be available to dissenting shareholders of Delaware corporations, providing rights to receive payment in cash for the judicially determined value of the shares.

Shareholders’ Suits. In principle, we will normally be the proper plaintiff to sue for a wrong done to us as a company, and as a general rule a derivative action may not be brought by a minority shareholder. However, based on English authorities, which would in all likelihood be of persuasive authority in the Cayman Islands, the Cayman Islands court can be expected to follow and apply the common law principles (namely the rule in *Foss v. Harbottle* and the exceptions thereto) which permit a minority shareholder to commence a class action against or derivative actions in the name of the company to challenge actions where:

- a company acts or proposes to act illegally or ultra vires;
- the act complained of, although not ultra vires, could only be effected duly 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. 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 post-offering memorandum and articles of association provide that that we shall indemnify our officers and directors against all actions, proceedings, costs, charges, expenses, losses, damages or liabilities incurred or sustained by such directors or officer, other than by reason of such person’s dishonesty, willful default or fraud, in or about the conduct of our company’s business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by such director or officer in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. This standard of conduct is generally the same as permitted under the Delaware General Corporation Law for a Delaware corporation.

In addition, we have entered into indemnification agreements with our directors and executive officers that provide such persons with additional indemnification beyond that provided in our post-offering memorandum and articles of association.

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 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 position as director (unless the company permits him to do so), a duty not to put himself in a position where the interests of the company conflict with his personal interest or his duty to a third party, and a duty to exercise powers for the purpose for which such powers were intended. A director of a Cayman Islands company owes to the company a duty to act with skill and care. It was previously considered that a director need not exhibit in the performance of his duties a greater degree of skill than may reasonably be expected from a person of his knowledge and experience. However, English and Commonwealth courts have moved towards an objective standard with regard to the required skill and care and these authorities are likely to be followed in the Cayman Islands.

Under our post-offering memorandum and articles of association, directors who are in any way, whether directly or indirectly, interested in a contract or proposed contract with our company must declare the nature of their interest at a meeting of the board of directors.

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. The Companies Act and our post-offering memorandum and articles of association provide that our 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 Act 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 post-offering memorandum and articles of association allow our shareholders holding in aggregate not less than twenty percent of all votes attaching to the issued and outstanding shares of our company entitled to vote at general meetings to requisition an extraordinary general meeting of our shareholders, in which case our board is obliged to convene an extraordinary general meeting and to put the resolutions so requisitioned to a vote at such meeting. Other than this right to requisition a shareholders' meeting, our post-offering memorandum and articles of association do not provide our shareholders with any other right to put proposals before annual

general meetings or extraordinary general meetings not called by such shareholders. As an exempted Cayman Islands company, we are not obliged by law to call shareholders' annual general meetings.

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 laws of the Cayman Islands but our post-offering memorandum and articles of association do not provide for cumulative voting. As a result, our shareholders are not afforded any less protections or rights on this issue than shareholders of a Delaware corporation.

Removal of Directors. Under the Delaware General Corporation Law, a director of a corporation with a classified board may be removed only for cause with the approval of a majority of the outstanding shares entitled to vote, unless the certificate of incorporation provides otherwise. Under our post-offering memorandum and articles of association, directors not appointed by Peter Luo, JSR Limited, Wuxi Pharmatech Healthcare Fund I L.P., and General Atlantic Singapore AI Pte. Ltd. ("GA") may be removed with or without cause, by an ordinary resolution of our shareholders. In March 2025, GA has delivered a written undertaking to irrevocably waive its board appointment right and the director appointed by GA has stepped down from our board. A director shall hold office until the expiration of his or her term or his or her successor shall have been elected and qualified, or until his or her office is otherwise vacated. In addition, a director's office shall be vacated if the director (i) becomes bankrupt or makes any arrangement or composition with his creditors; (ii) is found to be or becomes of unsound mind or dies; (iii) resigns his office by notice in writing to the company; (iv) without special leave of absence from our board of directors, is absent from three consecutive meetings of the board and the board resolves that his office be vacated; (v) is prohibited by law or the Listing Rules of the Nasdaq Global Market from being a director; or (vi) is removed from office pursuant to any other provisions of our post-offering memorandum and articles of association.

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.

Cayman Islands law has no comparable statute. As a result, we cannot avail ourselves of the types of protections afforded by the Delaware business combination statute. However, although Cayman Islands law does not regulate transactions between a company and its significant shareholders, the directors of the Company are required to comply with fiduciary duties which they owe to the Company under Cayman Islands laws, including the duty to ensure that, in their opinion, any such transactions must be entered into bona fide in the best interests of the company, and are entered into for a proper corporate purpose and not with the effect of constituting a fraud on the minority shareholders.

Dissolution; Winding up. Under the Delaware General Corporation Law, unless the board of directors approves the proposal to dissolve, dissolution must be approved by shareholders holding 100% of the total voting power of the corporation. Only if the dissolution is initiated by the board of directors may it be approved by a simple majority of the corporation's outstanding shares. Delaware law allows a Delaware corporation to include in its certificate of incorporation a supermajority voting requirement in connection with dissolutions initiated by the board.

Under Cayman Islands 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.

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 Cayman Islands law and our post-offering memorandum and articles of association, 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 not less than a majority of the issued shares of that class or with the sanction of a special resolution passed at a general meeting of the holders of the shares of that class.

Amendment of Governing Documents. Under the Delaware General Corporation Law, a corporation's 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. Under the Companies Act and our post-offering memorandum and articles of association, our memorandum and articles of association may only be amended by a special resolution of our shareholders.

Rights of Nonresident or Foreign Shareholders. There are no limitations imposed by our post-offering memorandum and articles of association on the rights of nonresident or foreign shareholders to hold or exercise voting rights on our shares. In addition, there are no provisions in our post-offering amended and restated memorandum and articles of association governing the ownership threshold above which shareholder ownership must be disclosed.

History of Securities Issuances

The following is a summary of securities issuances by Adagene Inc. in the years ended December 31, 2022, 2023 and 2024.

ordinary shares

From April 2024 and up to the date of this prospectus, we offered and sold an aggregate of US\$7.5 million ADSs under our ATM program.

Upon the completion of our initial public offering in February 2021, all of our then issued and outstanding preferred shares were automatically converted into ordinary shares on a one-for-one basis.

Award Grants

We have granted awards to purchase our ordinary shares to certain of our directors, executive officers and employees pursuant to the Second Amended and Restated Share Incentive Plan in December 2019, or the 2019 Plan, and the 2021 Performance Incentive Plan, or the 2021 Plan. As of February 28, 2025, the aggregate number of our ordinary shares underlying our outstanding awards under the 2019 Plan was 1,922,960. As of February 28, 2025, we have granted 8,795,907 shares awards under the 2021 Plan, excluding awards that were forfeited, cancelled or exercised after the relevant grant dates.

DESCRIPTION OF AMERICAN DEPOSITARY SHARES

American Depositary Receipts

JPMorgan Chase Bank, N.A. (“JPMorgan”), as depositary, will issue the ADSs which you will be entitled to receive in this offering. Each ADS will represent an ownership interest in a designated number of shares which we will deposit with the custodian, as agent of the depositary, under the deposit agreement among ourselves, the depositary, yourself as an ADR holder and all other ADR holders, and all beneficial owners of an interest in the ADSs evidenced by ADRs from time to time.

The depositary’s office is located at 383 Madison Avenue, Floor 11, New York, NY 10179.

The ADS to share ratio is subject to amendment as provided in the form of ADR (which may give rise to fees contemplated by the form of ADR). In the future, each ADS will also represent any securities, cash or other property deposited with the depositary but which they have not distributed directly to you.

A beneficial owner is any person or entity having a beneficial ownership interest ADSs. A beneficial owner need not be the holder of the ADR evidencing such ADS. If a beneficial owner of ADSs is not an ADR holder, it must rely on the holder of the ADR(s) evidencing such ADSs in order to assert any rights or receive any benefits under the deposit agreement. A beneficial owner shall only be able to exercise any right or receive any benefit under the deposit agreement solely through the holder of the ADR(s) evidencing the ADSs owned by such beneficial owner. The arrangements between a beneficial owner of ADSs and the holder of the corresponding ADRs may affect the beneficial owner’s ability to exercise any rights it may have.

An ADR holder shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by the ADRs registered in such ADR holder’s name for all purposes under the deposit agreement and ADRs. The depositary’s only notification obligations under the deposit agreement and the ADRs is to registered ADR holders. Notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder’s ADRs.

Unless certificated ADRs are specifically requested, all ADSs will be issued on the books of our depositary in book-entry form and periodic statements will be mailed to you which reflect your ownership interest in such ADSs. In our description, references to American depositary receipts or ADRs shall include the statements you will receive which reflect your ownership of ADSs.

You may hold ADSs either directly or indirectly through your broker or other financial institution. If you hold ADSs directly, by having an ADS registered in your name on the books of the depositary, you are an ADR holder. This description assumes you hold your ADSs directly. If you hold the ADSs through your broker or financial institution nominee, you must rely on the procedures of such broker or financial institution to assert the rights of an ADR holder described in this section. You should consult with your broker or financial institution to find out what those procedures are.

As an ADR holder or beneficial owner, we will not treat you as a shareholder of ours and you will not have any shareholder rights. Cayman Islands law governs shareholder rights. Because the depositary or its nominee will be the shareholder of record for the shares represented by all outstanding ADSs, shareholder rights rest with such record holder. Your rights are those of an ADR holder or of a beneficial owner. Such rights derive from the terms of the deposit agreement to be entered into among us, the depositary and all holders and beneficial owners from time to time of ADRs issued under the deposit agreement and, in the case of a beneficial owner, from the arrangements between the beneficial owner and the holder of the corresponding ADRs. The obligations of the depositary and its agents are also set out in the deposit agreement. Because the depositary or its nominee will actually be the registered owner of the shares, you must rely on it to exercise the rights of a shareholder on your behalf.

The following is a summary of what we believe to be the material terms of the deposit agreement. Notwithstanding this, because it is a summary, it may not contain all the information that you may otherwise deem important. For more complete information, you should read the entire deposit agreement and the form of ADR which contains the terms of your ADSs. You can read a copy of the deposit agreement which is filed as an exhibit to the registration statement of which this prospectus forms a part. You may

also obtain a copy of the deposit agreement at the SEC's Public Reference Room which is located at 100 F Street, NE, Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-732-0330. You may also find the registration statement and the attached deposit agreement on the SEC's website at <http://www.sec.gov>.

Share Dividends and Other Distributions

How will I receive dividends and other distributions on the shares underlying my ADSs?

We may make various types of distributions with respect to our securities. The depositary has agreed that, to the extent practicable, it will pay to you the cash dividends or other distributions it or the custodian receives on shares or other deposited securities, after converting any cash received into U.S. dollars (if it determines such conversion may be made on a reasonable basis) and, in all cases, making any necessary deductions provided for in the deposit agreement. The depositary may utilize a division, branch or affiliate of JPMorgan to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement. Such division, branch and/or affiliate may charge the depositary a fee in connection with such sales, which fee is considered an expense of the depositary. You will receive these distributions in proportion to the number of underlying securities that your ADSs represent.

Except as stated below, the depositary will deliver such distributions to ADR holders in proportion to their interests in the following manner:

- *Cash.* The depositary will distribute any U.S. dollars available to it resulting from a cash dividend or other cash distribution or the net proceeds of sales of any other distribution or portion thereof (to the extent applicable), on an averaged or other practicable basis, subject to (i) appropriate adjustments for taxes withheld, (ii) such distribution being impermissible or impracticable with respect to certain registered ADR holders, and (iii) deduction of the depositary's and/or its agents' expenses in (1) converting any foreign currency to U.S. dollars to the extent that it determines that such conversion may be made on a reasonable basis, (2) transferring foreign currency or U.S. dollars to the United States by such means as the depositary may determine to the extent that it determines that such transfer may be made on a reasonable basis, (3) obtaining any approval or license of any governmental authority required for such conversion or transfer, which is obtainable at a reasonable cost and within a reasonable time and (4) making any sale by public or private means in any commercially reasonable manner. *If exchange rates fluctuate during a time when the depositary cannot convert a foreign currency, you may lose some or all of the value of the distribution.*
- *Shares.* In the case of a distribution in shares, the depositary will issue additional ADRs to evidence the number of ADSs representing such shares. Only whole ADSs will be issued. Any shares which would result in fractional ADSs will be sold and the net proceeds will be distributed in the same manner as cash to the ADR holders entitled thereto.
- *Rights to receive additional shares.* In the case of a distribution of rights to subscribe for additional shares or other rights, if we timely provide evidence satisfactory to the depositary that it may lawfully distribute such rights, the depositary will distribute warrants or other instruments in the discretion of the depositary representing such rights. However, if we do not timely furnish such evidence, the depositary may:
 - (i) sell such rights if practicable and distribute the net proceeds in the same manner as cash to the ADR holders entitled thereto; or
 - (ii) if it is not practicable to sell such rights by reason of the non-transferability of the rights, limited markets therefor, their short duration or otherwise, do nothing and allow such rights to lapse, in which case ADR holders will receive nothing and the rights may lapse.
- *Other Distributions.* In the case of a distribution of securities or property other than those described above, the depositary may either (i) distribute such securities or property in any manner it deems equitable and practicable or (ii) to the extent the depositary deems distribution of such securities or property not to be equitable and practicable, sell such securities or property and distribute any net proceeds in the same way it distributes cash.

If the depositary determines in its discretion that any distribution described above is not practicable with respect to any specific registered ADR holder, the depositary may choose any method of distribution that it deems practicable for such ADR holder, including the distribution of foreign currency, securities or property, or it may retain such items, without paying interest on or investing them, on behalf of the ADR holder as deposited securities, in which case the ADSs will also represent the retained items.

Any U.S. dollars will be distributed by checks drawn on a bank in the United States for whole dollars and cents. Fractional cents will be withheld without liability and dealt with by the depositary in accordance with its then current practices.

The depositary is not responsible if it fails to determine that any distribution or action is lawful or reasonably practicable.

There can be no assurance that the depositary will be able to convert any currency at a specified exchange rate or sell any property, rights, shares or other securities at a specified price, nor that any of such transactions can be completed within a specified time period. All purchases and sales of securities will be handled by the depositary in accordance with its then current policies, which are currently set forth on the "Disclosures" page (or successor page) of www.adr.com (as updated by the depositary from time to time, "ADR.com").

Deposit, Withdrawal and Cancellation

How does the depositary issue ADSs?

The depositary will issue ADSs if you or your broker deposit shares or evidence of rights to receive shares with the custodian and pay the fees and expenses owing to the depositary in connection with such issuance. In the case of the ADSs to be issued under this prospectus, we will arrange with the selling shareholder to deposit such shares.

Shares deposited in the future with the custodian must be accompanied by certain delivery documentation and shall, at the time of such deposit, be registered in the name of JPMorgan Chase Bank, N.A., as depositary for the benefit of holders of ADRs or in such other name as the depositary shall direct.

The custodian will hold all deposited shares (including those being deposited by or on our behalf in connection with the offering to which this prospectus relates) for the account and to the order of the depositary, in each case for the benefit of ADR holders. ADR holders and beneficial owners thus have no direct ownership interest in the shares and only have such rights as are contained in the deposit agreement. The custodian will also hold any additional securities, property and cash received on or in substitution for the deposited shares. The deposited shares and any such additional items are referred to as "deposited securities".

Deposited securities are not intended to, and shall not, constitute proprietary assets of the depositary, the custodian or their nominees. Beneficial ownership in deposited securities is intended to be, and shall at all times during the term of the deposit agreement continue to be, vested in the beneficial owners of the ADSs representing such deposited securities. Notwithstanding anything else contained herein, in the deposit agreement, in the form of ADR and/or in any outstanding ADSs, the depositary, the custodian and their respective nominees are intended to be, and shall at all times during the term of the deposit agreement be, the record holder(s) only of the deposited securities represented by the ADSs for the benefit of the ADR holders. The depositary, on its own behalf and on behalf of the custodian and their respective nominees, disclaims any beneficial ownership interest in the deposited securities held on behalf of the ADR holders.

Upon each deposit of shares, receipt of related delivery documentation and compliance with the other provisions of the deposit agreement, including the payment of the fees and charges of the depositary and any taxes or other fees or charges owing, the depositary will issue an ADR or ADRs in the name or upon the order of the person entitled thereto evidencing the number of ADSs to which such person is entitled. All of the ADSs issued will, unless specifically requested to the contrary, be part of the depositary's direct registration system, and a registered holder will receive periodic statements from the depositary which will show the number of ADSs registered in such holder's name. An ADR holder can request that the ADSs not be held through the depositary's direct registration system and that a certificated ADR be issued.

How do ADR holders cancel an ADS and obtain deposited securities?

When you turn in your ADR certificate at the depository's office, or when you provide proper instructions and documentation in the case of direct registration ADSs, the depository will, upon payment of certain applicable fees, charges and taxes, deliver the underlying shares to you or upon your written order. Delivery of deposited securities in certificated form will be made at the custodian's office. At your risk, expense and request, the depository may deliver deposited securities at such other place as you may request.

The depository may only restrict the withdrawal of deposited securities in connection with:

- temporary delays caused by closing our transfer books or those of the depository or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends;
- the payment of fees, taxes and similar charges; or
- compliance with any U.S. or foreign laws or governmental regulations relating to the ADRs or to the withdrawal of deposited securities.

This right of withdrawal may not be limited by any other provision of the deposit agreement.

Record Dates

The depository may, after consultation with us if practicable, fix record dates (which, to the extent applicable, shall be as near as practicable to any corresponding record dates set by us) for the determination of the registered ADR holders who will be entitled (or obligated, as the case may be):

- to receive any distribution on or in respect of deposited securities,
- to give instructions for the exercise of voting rights at a meeting of holders of shares, or
- to pay the fee assessed by the depository for administration of the ADR program and for any expenses as provided for in the ADR,
- to receive any notice or to act in respect of other matters,

all subject to the provisions of the deposit agreement.

Voting Rights***How do I vote?***

If you are an ADR holder and the depository asks you to provide it with voting instructions, you may instruct the depository how to exercise the voting rights for the shares which underlie your ADSs. As soon as practicable after receipt from us of notice of any meeting at which the holders of shares are entitled to vote, or of our solicitation of consents or proxies from holders of shares, the depository shall fix the ADS record date in accordance with the provisions of the deposit agreement, provided that if the depository receives a written request from us in a timely manner and at least 30 days prior to the date of such vote or meeting, the depository shall, at our expense, distribute to the registered ADR holders a "voting notice" stating (i) final information particular to such vote and meeting and any solicitation materials, (ii) that each ADR holder on the record date set by the depository will, subject to any applicable provisions of Cayman Islands law, be entitled to instruct the depository as to the exercise of the voting rights, if any, pertaining to the deposited securities represented by the ADSs evidenced by such ADR holder's ADRs and (iii) the manner in which such instructions may be given or deemed given in accordance with the deposit agreement, including instructions for giving a discretionary proxy to a person designated by us. Each ADR holder shall be solely responsible for the forwarding of voting notices to the beneficial owners of ADSs registered in such ADR holder's name. There is no guarantee that ADR holders and beneficial owners generally or any holder or beneficial owner in particular will receive the notice described above with sufficient time to enable such ADR holder or beneficial owner to return any voting instructions to the depository in a timely manner.

Following actual receipt by the ADR department responsible for proxies and voting of ADR holders' instructions (including, without limitation, instructions of any entity or entities acting on behalf of the

nominee for DTC), the depositary shall, in the manner and on or before the time established by the depositary for such purpose, endeavor to vote or cause to be voted the deposited securities represented by the ADSs evidenced by such ADR holders' ADRs in accordance with such instructions insofar as practicable and permitted under the provisions of or governing deposited securities.

To the extent that (A) we have provided the depositary with at least 35 days' notice of the proposed meeting, (B) the voting notice will be received by all ADR holders and beneficial owners no less than 10 days prior to the date of the meeting and/or the cut-off date for the solicitation of consents, and (C) the depositary does not receive instructions on a particular agenda item from an ADR holder (including, without limitation, any entity or entities acting on behalf of the nominee for DTC) in a timely manner, such ADR holder shall be deemed, and in the deposit agreement the depositary is instructed to deem such ADR holder, to have instructed the depositary to give a discretionary proxy for such agenda item(s) to a person designated by us to vote the deposited securities represented by the ADSs for which actual instructions were not so given by all such ADR holders on such agenda item(s), provided that no such instruction shall be deemed given and no discretionary proxy shall be given unless (1) we inform the depositary in writing (and we agree to provide the depositary with such instruction promptly in writing) that (a) we wish such proxy to be given with respect to such agenda item(s), (b) there is no substantial opposition existing with respect to such agenda item(s) and (c) such agenda item(s), if approved, would not materially or adversely affect the rights of holders of shares, and (2) the depositary has obtained an opinion of counsel, in form and substance satisfactory to the depositary, confirming that (i) the granting of such discretionary proxy does not subject the depositary to any reporting obligations in the Cayman Islands, (ii) the granting of such proxy will not result in a violation of the laws, rules, regulations or permits of the Cayman Islands, (iii) the voting arrangement and deemed instruction as contemplated herein will be given effect under the laws, rules and regulations of the Cayman Islands, and (iv) the granting of such discretionary proxy will not under any circumstances result in the shares represented by the ADSs being treated as assets of the depositary under the laws, rules or regulations of the Cayman Islands.

The depositary may from time to time access information available to it to consider whether any of the circumstances described above exist, or request additional information from us in respect thereto. By taking any such action, the depositary shall not in any way be deemed or inferred to have been required, or have had any duty or responsibility (contractual or otherwise), to monitor or inquire whether any of the circumstances described above existed. In addition to the limitations provided for in the deposit agreement, ADR holders and beneficial owners are advised and agree that (a) the depositary will rely fully and exclusively on us to inform it of any of the circumstances set forth above, and (b) neither the depositary, the custodian nor any of their respective agents shall be obliged to inquire or investigate whether any of the circumstances described above exist and/or whether we complied with our obligation to timely inform the depositary of such circumstances. Neither the depositary, the custodian nor any of their respective agents shall incur any liability to ADR holders or beneficial owners (i) as a result of our failure to determine that any of the circumstances described above exist or our failure to timely notify the depositary of any such circumstances or (ii) if any agenda item which is approved at a meeting has, or is claimed to have, a material or adverse effect on the rights of holders of shares. Because there is no guarantee that ADR holders and beneficial owners will receive the notices described above with sufficient time to enable such ADR holders or beneficial owners to return any voting instructions to the depositary in a timely manner, ADR holders and beneficial owners may be deemed to have instructed the depositary to give a discretionary proxy to a person designated by us in such circumstances, and neither the depositary, the custodian nor any of their respective agents shall incur any liability to ADR holders or beneficial owners in such circumstances.

ADR holders are strongly encouraged to forward their voting instructions to the depositary as soon as possible. For instructions to be valid, the ADR department of the depositary that is responsible for proxies and voting must receive them in the manner and on or before the time specified, notwithstanding that such instructions may have been physically received by the depositary prior to such time. The depositary will not itself exercise any voting discretion in respect of deposited securities. The depositary and its agents will not be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any voting instructions are given or deemed to be given in accordance with the deposit agreement, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed to grant a discretionary proxy (or deemed to have been instructed to grant a discretionary proxy

in accordance with the deposit agreement), or for the effect of any such vote. Notwithstanding anything contained in the deposit agreement or any ADR, the depositary may, to the extent not prohibited by any law, regulation, or requirement of the stock exchange on which the ADSs are listed, in lieu of distribution of the materials provided to the depositary in connection with any meeting of or solicitation of consents or proxies from holders of deposited securities, distribute to the registered holders of ADRs a notice that provides such ADR holders with or otherwise publicizes to such ADR holders instructions on how to retrieve such materials or receive such materials upon request (*i.e.*, by reference to a website containing the materials for retrieval or a contact for requesting copies of the materials).

We have advised the depositary that under Cayman Islands law and our constituent documents, each as in effect as of the date of the deposit agreement, voting at any meeting of shareholders is by show of hands unless a poll is (before or on the declaration of the results of the show of hands) demanded. In the event that voting on any resolution or matter is conducted on a show of hands basis in accordance with our constituent documents, the depositary will refrain from voting and the voting instructions received by the depositary from ADR holders shall lapse. The depositary will not demand a poll or join in demanding a poll, whether or not requested to do so by ADR holders or beneficial owners.

There is no guarantee that you will receive voting materials in time to instruct the depositary to vote and it is possible that you, or persons who hold their ADSs through brokers, dealers or other third parties, will not have the opportunity to exercise a right to vote.

Reports and Other Communications

Will ADR holders be able to view our reports?

The depositary will make available for inspection by ADR holders at the offices of the depositary and the custodian the deposit agreement, the provisions of or governing deposited securities, and any written communications from us which are both received by the custodian or its nominee as a holder of deposited securities and made generally available to the holders of deposited securities.

Additionally, if we make any written communications generally available to holders of our shares, and we furnish copies thereof (or English translations or summaries) to the depositary, it will distribute the same to registered ADR holders.

Fees and Expenses

What fees and expenses will I be responsible for paying?

The depositary may charge each person to whom ADSs are issued, including, without limitation, issuances against deposits of shares, issuances in respect of share distributions, rights and other distributions, issuances pursuant to a stock dividend or stock split declared by us or issuances pursuant to a merger, exchange of securities or any other transaction or event affecting the ADSs or deposited securities, and each person surrendering ADSs for withdrawal of deposited securities or whose ADRs are cancelled or reduced for any other reason, US\$5.00 for each 100 ADSs (or any portion thereof) issued, delivered, reduced, cancelled or surrendered, or upon which a share distribution or elective distribution is made or offered, as the case may be. The depositary may sell (by public or private sale) sufficient securities and property received in respect of a share distribution, rights and/or other distribution prior to such deposit to pay such charge.

The following additional charges shall also be incurred by the ADR holders, the beneficial owners, by any party depositing or withdrawing shares or by any party surrendering ADSs and/or to whom ADSs are issued (including, without limitation, issuance pursuant to a stock dividend or stock split declared by us or an exchange of stock regarding the ADSs or the deposited securities or a distribution of ADSs), whichever is applicable:

- a fee of US\$1.50 per ADR or ADRs for transfers of certificated or direct registration ADRs;
- a fee of US\$0.05 or less per ADS held for any cash distribution made, or for any elective cash/stock dividend offered, pursuant to the deposit agreement;

- an aggregate fee of US\$0.05 or less per ADS per calendar year (or portion thereof) for services performed by the depositary in administering the ADRs (which fee may be charged on a periodic basis during each calendar year and shall be assessed against holders of ADRs as of the record date or record dates set by the depositary during each calendar year and shall be payable in the manner described in the next succeeding provision);
- a fee for the reimbursement of such fees, charges and expenses as are incurred by the depositary and/or any of its agents (including, without limitation, the custodian and expenses incurred on behalf of ADR holders in connection with compliance with foreign exchange control regulations or any law or regulation relating to foreign investment) in connection with the servicing of the shares or other deposited securities, the sale of securities (including, without limitation, deposited securities), the delivery of deposited securities or otherwise in connection with the depositary's or its custodian's compliance with applicable law, rule or regulation (which fees and charges shall be assessed on a proportionate basis against ADR holders as of the record date or dates set by the depositary and shall be payable at the sole discretion of the depositary by billing such ADR holders or by deducting such charge from one or more cash dividends or other cash distributions);
- a fee for the distribution of securities (or the sale of securities in connection with a distribution), such fee being in an amount equal to the US\$0.05 per ADS issuance fee for the execution and delivery of ADSs which would have been charged as a result of the deposit of such securities (treating all such securities as if they were shares) but which securities or the net cash proceeds from the sale thereof are instead distributed by the depositary to those ADR holders entitled thereto;
- stock transfer or other taxes and other governmental charges;
- cable, telex and facsimile transmission and delivery charges incurred at your request in connection with the deposit or delivery of shares, ADRs or deposited securities;
- transfer or registration fees for the registration of transfer of deposited securities on any applicable register in connection with the deposit or withdrawal of deposited securities; and
- fees of any division, branch or affiliate of the depositary utilized by the depositary to direct, manage and/or execute any public and/or private sale of securities under the deposit agreement.

To facilitate the administration of various depositary receipt transactions, including disbursement of dividends or other cash distributions and other corporate actions, the depositary may engage the foreign exchange desk within JPMorgan Chase Bank, N.A. (the "**Bank**") and/or its affiliates in order to enter into spot foreign exchange transactions to convert foreign currency into U.S. dollars. For certain currencies, foreign exchange transactions are entered into with the Bank or an affiliate, as the case may be, acting in a principal capacity. For other currencies, foreign exchange transactions are routed directly to and managed by an unaffiliated local custodian (or other third party local liquidity provider), and neither the Bank nor any of its affiliates is a party to such foreign exchange transactions.

The foreign exchange rate applied to an foreign exchange transaction will be either (a) a published benchmark rate, or (b) a rate determined by a third party local liquidity provider, in each case plus or minus a spread, as applicable. The depositary will disclose which foreign exchange rate and spread, if any, apply to such currency on the "Disclosures" page (or successor page) of ADR.com. Such applicable foreign exchange rate and spread may (and neither the depositary, the Bank nor any of their affiliates is under any obligation to ensure that such rate does not) differ from rates and spreads at which comparable transactions are entered into with other customers or the range of foreign exchange rates and spreads at which the Bank or any of its affiliates enters into foreign exchange transactions in the relevant currency pair on the date of the foreign exchange transaction. Additionally, the timing of execution of an foreign exchange transaction varies according to local market dynamics, which may include regulatory requirements, market hours and liquidity in the foreign exchange market or other factors. Furthermore, the Bank and its affiliates may manage the associated risks of their position in the market in a manner they deem appropriate without regard to the impact of such activities on the depositary, us, holders or beneficial owners. *The spread applied does not reflect any gains or losses that may be earned or incurred by the Bank and its affiliates as a result of risk management or other hedging related activity.*

Notwithstanding the foregoing, to the extent we provide U.S. dollars to the depositary, neither the Bank nor any of its affiliates will execute a foreign exchange transaction as set forth herein. In such case, the depositary will distribute the U.S. dollars received from us.

Further details relating to the applicable foreign exchange rate, the applicable spread and the execution of foreign exchange transactions will be provided by the depositary on ADR.com. Each holder and beneficial owner by holding or owning an ADR or ADS or an interest therein, and we, each acknowledge and agree that the terms applicable to foreign exchange transactions disclosed from time to time on ADR.com will apply to any foreign exchange transaction executed pursuant to the deposit agreement.

We will pay all other charges and expenses of the depositary and any agent of the depositary (except the custodian) pursuant to agreements from time to time between us and the depositary.

The right of the depositary to receive payment of fees, charges and expenses survives the termination of the deposit agreement, and shall extend for those fees, charges and expenses incurred prior to the effectiveness of any resignation or removal of the depositary.

The fees and charges described above may be amended from time to time by agreement between us and the depositary.

The depositary may make available to us a set amount or a portion of the depositary fees charged in respect of the ADR program or otherwise upon such terms and conditions as we and the depositary may agree from time to time. The depositary collects its fees for issuance and cancellation of ADSs directly from investors depositing shares or surrendering ADSs for the purpose of withdrawal or from intermediaries acting for them. The depositary collects fees for making distributions to investors by deducting those fees from the amounts distributed or by selling a portion of distributable property to pay the fees. The depositary may collect its annual fee for depositary services by deduction from cash distributions, or by directly billing investors, or by charging the book-entry system accounts of participants acting for them. The depositary will generally set off the amounts owing from distributions made to holders of ADSs. If, however, no distribution exists and payment owing is not timely received by the depositary, the depositary may refuse to provide any further services to ADR holders that have not paid those fees and expenses owing until such fees and expenses have been paid. At the discretion of the depositary, all fees and charges owing under the deposit agreement are due in advance and/or when declared owing by the depositary.

Payment of Taxes

ADR holders or beneficial owners must pay any tax or other governmental charge payable by the custodian or the depositary on any ADS or ADR, deposited security or distribution. If any taxes or other governmental charges (including any penalties and/or interest) shall become payable by or on behalf of the custodian or the depositary with respect to any ADR, any deposited securities represented by the ADSs evidenced thereby or any distribution thereon, including, without limitation, any Chinese Enterprise Income Tax owing if the Circular Guoshuifa [2009] No. 82 issued by the Chinese State Administration of Taxation (SAT) or any other circular, edict, order or ruling, as issued and as from time to time amended, is applied or otherwise, such tax or other governmental charge shall be paid by the ADR holder thereof to the depositary and by holding or owning, or having held or owned, an ADR or any ADSs evidenced thereby, the ADR holder and all beneficial owners thereof, and all prior ADR holders and beneficial owners thereof, jointly and severally, agree to indemnify, defend and save harmless each of the depositary, us and its and our agents in respect of such tax or other governmental charge. Notwithstanding the depositary's right to seek payment from current and former beneficial owners, by holding or owning, or having held or owned, an ADR, the ADR holder thereof (and prior ADR holder thereof) acknowledges and agrees that the depositary has no obligation to seek payment of amounts owing from any current or former beneficial owner. If an ADR holder owes any tax or other governmental charge, the depositary may (i) deduct the amount thereof from any cash distributions, or (ii) sell deposited securities (by public or private sale) and deduct the amount owing from the net proceeds of such sale. In either case the ADR holder remains liable for any shortfall. If any tax or governmental charge is unpaid, the depositary may also refuse to effect any registration, registration of transfer, split-up or combination of deposited securities or withdrawal of deposited securities until such payment is made. If any tax or governmental charge is required to be withheld on any cash distribution, the depositary may deduct the amount required to be withheld from any cash distribution or, in the case of a

non-cash distribution, sell the distributed property or securities (by public or private sale) in such amounts and in such manner as the depositary deems necessary and practicable to pay such taxes and distribute any remaining net proceeds or the balance of any such property after deduction of such taxes to the ADR holders entitled thereto.

As an ADR holder or beneficial owner, you will be agreeing to indemnify us, the depositary, its custodian and any of our or their respective officers, directors, employees, agents and affiliates against, and hold each of them harmless from, any claims by any governmental authority with respect to taxes, additions to tax, penalties or interest arising out of any refund of taxes, reduced rate of withholding at source or other tax benefit obtained.

Reclassifications, Recapitalizations and Mergers

If we take certain actions that affect the deposited securities, including (i) any change in par value, split-up, consolidation, cancellation or other reclassification of deposited securities or (ii) any distributions of shares or other property not made to holders of ADRs or (iii) any recapitalization, reorganization, merger, consolidation, liquidation, receivership, bankruptcy or sale of all or substantially all of our assets, then the depositary may choose to, and shall if reasonably requested by us:

- amend the form of ADR;
- distribute additional or amended ADRs;
- distribute cash, securities or other property it has received in connection with such actions;
- sell any securities or property received and distribute the proceeds as cash; or
- none of the above.

If the depositary does not choose any of the above options, any of the cash, securities or other property it receives will constitute part of the deposited securities and each ADS will then represent a proportionate interest in such property.

Amendment and Termination

How may the deposit agreement be amended?

We may agree with the depositary to amend the deposit agreement and the ADSs without your consent for any reason. ADR holders must be given at least 30 days' notice of any amendment that imposes or increases any fees or charges (other than stock transfer or other taxes and other governmental charges, transfer or registration fees, SWIFT, cable, telex or facsimile transmission costs, delivery costs or other such expenses), or otherwise prejudices any substantial existing right of ADR holders or beneficial owners.

Such notice need not describe in detail the specific amendments effectuated thereby, but must identify to ADR holders and beneficial owners a means to access the text of such amendment. If an ADR holder continues to hold an ADR or ADRs after being so notified, such ADR holder and any beneficial owner are deemed to agree to such amendment and to be bound by the deposit agreement as so amended. No amendment, however, will impair your right to surrender your ADSs and receive the underlying securities, except in order to comply with mandatory provisions of applicable law.

Any amendments or supplements which (i) are reasonably necessary (as agreed by us and the depositary) in order for (a) the ADSs to be registered on Form F-6 under the Securities Act of 1933 or (b) the ADSs or shares to be traded solely in electronic book-entry form and (ii) do not in either such case impose or increase any fees or charges to be borne by ADR holders, shall be deemed not to prejudice any substantial rights of ADR holders or beneficial owners. Notwithstanding the foregoing, if any governmental body or regulatory body should adopt new laws, rules or regulations which would require amendment or supplement of the deposit agreement or the form of ADR to ensure compliance therewith, we and the depositary may amend or supplement the deposit agreement and the ADR at any time in accordance with such changed laws, rules or regulations. Such amendment or supplement to the deposit agreement in such

circumstances may become effective before a notice of such amendment or supplement is given to ADR holders or within any other period of time as required for compliance.

Notice of any amendment to the deposit agreement or form of ADRs shall not need to describe in detail the specific amendments effectuated thereby, and failure to describe the specific amendments in any such notice shall not render such notice invalid, provided, however, that, in each such case, the notice given to the ADR holders identifies a means for ADR holders and beneficial owners to retrieve or receive the text of such amendment (*i.e.*, upon retrieval from the SEC's, the depositary's or our website or upon request from the depositary).

How may the deposit agreement be terminated?

The depositary may, and shall at our written direction, terminate the deposit agreement and the ADRs by mailing notice of such termination to the registered holders of ADRs at least 30 days prior to the date fixed in such notice for such termination; provided, however, if the depositary shall have (i) resigned as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered ADR holders unless a successor depositary shall not be operating under the deposit agreement within 60 days of the date of such resignation, and (ii) been removed as depositary under the deposit agreement, notice of such termination by the depositary shall not be provided to registered holders of ADRs unless a successor depositary shall not be operating under the deposit agreement on the 60th day after our notice of removal was first provided to the depositary.

If the shares are not listed or quoted for trading on a stock exchange or in a securities market as of the date so fixed for termination, then after such date fixed for termination (a) all direct registration ADRs shall cease to be eligible for the direct registration system and shall be considered ADRs issued on the ADR register maintained by the depositary and (b) the depositary shall use its reasonable efforts to ensure that the ADSs cease to be DTC eligible so that neither DTC nor any of its nominees shall thereafter be a holder of ADRs. At such time as the ADSs cease to be DTC eligible and/or neither DTC nor any of its nominees is a holder of ADRs, the depositary shall (a) instruct its custodian to deliver all shares and/or deposited securities to us along with a general stock power that refers to the names set forth on the ADR register maintained by the depositary and (b) provide us with a copy of the ADR register maintained by the depositary. Upon receipt of such shares and/or deposited securities and the ADR register maintained by the depositary, we have agreed to use our best efforts to issue to each register ADR holder a share certificate representing the shares represented by the ADSs reflected on the ADR register maintained by the depositary in such registered ADR holder's name and to deliver such share certificate to the registered ADR holder at the address set forth on the ADR register maintained by the depositary. After providing such instruction to the custodian and delivering a copy of the ADR register to us, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs and shall cease to have any obligations under the deposit agreement and/or the ADRs. After we receive the copy of the ADR register and the shares and/or deposited securities from the depositary, we shall be discharged from all obligations under the deposit agreement except (i) to distribute the shares to the registered ADR holders entitled thereto and (ii) for its obligations to the depositary and its agents.

If the shares are listed or quoted for trading on a stock exchange or in a securities market as of the date so fixed for termination, then instead of the provisions in the prior paragraph, after the date so fixed for termination, the depositary and its agents will perform no further acts under the deposit agreement or the ADRs, except to receive and hold (or sell) distributions on shares and/or deposited securities and deliver shares and/or deposited securities being withdrawn. As soon as practicable after the date so fixed for termination, the depositary has agreed to use its reasonable efforts to sell the shares and/or deposited securities and shall thereafter (as long as it may lawfully do so) hold in an account (which may be a segregated or unsegregated account) the net proceeds of such sales, together with any other cash then held by it under the deposit agreement, without liability for interest, in trust for the pro rata benefit of the registered ADR holders not theretofore surrendered. After making such sale, the depositary shall be discharged from all obligations in respect of the deposit agreement and the ADRs, except to account for such net proceeds and other cash. After the date so fixed for termination, we shall be discharged from all obligations under the deposit agreement except for our obligations to the depositary and its agents.

Notwithstanding anything to the contrary, in connection with any such termination, the depositary may, in its sole discretion and without notice to us, establish an unsponsored American depositary share program (on such terms as the depositary may determine) for our shares and make available to ADR holders a means to withdraw the shares represented by the ADSs issued under the deposit agreement and to direct the deposit of such shares into such unsponsored American depositary share program, subject, in each case, to receipt by the depositary, at its discretion, of the fees, charges and expenses provided for under the deposit agreement and the fees, charges and expenses applicable to the unsponsored American depositary share program.

Limitations on Obligations and Liability to ADR holders

Limits on our obligations and the obligations of the depositary; limits on liability to ADR holders and holders of ADSs

Prior to the issue, registration, registration of transfer, split-up, combination, or cancellation of any ADRs, or the delivery of any distribution in respect thereof, and from time to time in the case of the production of proofs as described below, we or the depositary or its custodian may require:

- payment with respect thereto of (i) any stock transfer or other tax or other governmental charge, (ii) any stock transfer or registration fees in effect for the registration of transfers of shares or other deposited securities upon any applicable register and (iii) any applicable fees and expenses described in the deposit agreement;
- the production of proof satisfactory to it of (i) the identity of any signatory and genuineness of any signature and (ii) such other information, including without limitation, information as to citizenship, residence, exchange control approval, beneficial or other ownership of, or interest in, any securities, compliance with applicable law, regulations, provisions of or governing deposited securities and terms of the deposit agreement and the ADRs, as it may deem necessary or proper; and
- compliance with such regulations as the depositary may establish consistent with the deposit agreement.

The issuance of ADRs, the acceptance of deposits of shares, the registration, registration of transfer, split-up or combination of ADRs or the withdrawal of shares, may be suspended, generally or in particular instances, when the ADR register or any register for deposited securities is closed or when any such action is deemed advisable by the depositary; provided that the ability to withdraw shares may only be limited under the following circumstances: (i) temporary delays caused by closing transfer books of the depositary or our transfer books or the deposit of shares in connection with voting at a shareholders' meeting, or the payment of dividends, (ii) the payment of fees, taxes, and similar charges, and (iii) compliance with any laws or governmental regulations relating to ADRs or to the withdrawal of deposited securities.

The deposit agreement expressly limits the obligations and liability of the depositary, ourselves and our respective agents, provided, however, that no disclaimer of liability under the Securities Act of 1933 is intended by any of the limitations of liabilities provisions of the deposit agreement. The deposit agreement provides that each of us, the depositary and our respective agents will:

- incur or assume no liability (including, without limitation, to holders or beneficial owners) if any present or future law, rule, regulation, fiat, order or decree of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction, or of any governmental or regulatory authority or securities exchange or market or automated quotation system, the provisions of or governing any deposited securities, any present or future provision of our charter, any act of God, war, terrorism, epidemic, pandemic, nationalization, expropriation, currency restrictions, work stoppage, strike, civil unrest, revolutions, rebellions, explosions, computer failure or circumstance beyond our, the depositary's or our respective agents' direct and immediate control shall prevent or delay, or shall cause any of them to be subject to any civil or criminal penalty in connection with, any act which the deposit agreement or the ADRs provide shall be done or performed by us, the depositary or our respective agents (including, without limitation, voting);

- incur or assume no liability (including, without limitation, to holders or beneficial owners) by reason of any non-performance or delay, caused as aforesaid, in the performance of any act or things which by the terms of the deposit agreement it is provided shall or may be done or performed or any exercise or failure to exercise discretion under the deposit agreement or the ADRs including, without limitation, any failure to determine that any distribution or action may be lawful or reasonably practicable;
- incur or assume no liability (including, without limitation, to holders or beneficial owners) if it performs its obligations under the deposit agreement and ADRs without gross negligence or willful misconduct;
- in the case of the depositary and its agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs;
- in the case of us and our agents, be under no obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities the ADSs or the ADRs, which in our or our agents' opinion, as the case may be, may involve it in expense or liability, unless indemnity satisfactory to us or our agent, as the case may be against all expense (including fees and disbursements of counsel) and liability be furnished as often as may be requested;
- not be liable (including, without limitation, to holders or beneficial owners) for any action or inaction by it in reliance upon the advice of or information from any legal counsel, any accountant, any person presenting shares for deposit, any registered holder of ADRs, or any other person believed by it to be competent to give such advice or information and/or, in the case of the depositary, us; or
- may rely and shall be protected in acting upon any written notice, request, direction, instruction or document believed by it to be genuine and to have been signed, presented or given by the proper party or parties.

Neither the depositary nor its agents have any obligation to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs. We and our agents shall only be obligated to appear in, prosecute or defend any action, suit or other proceeding in respect of any deposited securities, the ADSs or the ADRs, which in our opinion may involve us in expense or liability, if indemnity satisfactory to us against all expense (including fees and disbursements of counsel) and liability is furnished as often as may be required. The depositary and its agents may fully respond to any and all demands or requests for information maintained by or on its behalf in connection with the deposit agreement, any registered holder or holders of ADRs, any ADRs or otherwise related to the deposit agreement or ADRs to the extent such information is requested or required by or pursuant to any lawful authority, including without limitation laws, rules, regulations, administrative or judicial process, banking, securities or other regulators. The depositary shall not be liable for the acts or omissions made by, or the insolvency of, any securities depository, clearing agency or settlement system. Furthermore, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, the insolvency of any custodian that is not a branch or affiliate of JPMorgan. Notwithstanding anything to the contrary contained in the deposit agreement or any ADRs, the depositary shall not be responsible for, and shall incur no liability in connection with or arising from, any act or omission to act on the part of the custodian except to the extent that any registered ADR holder has incurred liability directly as a result of the custodian having (i) committed fraud or willful misconduct in the provision of custodial services to the depositary or (ii) failed to use reasonable care in the provision of custodial services to the depositary as determined in accordance with the standards prevailing in the jurisdiction in which the custodian is located. The depositary and the custodian(s) may use third party delivery services and providers of information regarding matters such as, but not limited to, pricing, proxy voting, corporate actions, class action litigation and other services in connection with the ADRs and the deposit agreement, and use local agents to provide services such as, but not limited to, attendance at any meetings of security holders of issuers. Although the depositary and the custodian will use reasonable care (and cause their agents to use reasonable care) in the selection and retention of such third party providers and local agents, they will not be responsible for any errors or omissions made by them in providing the relevant information or services. The depositary shall not have any liability for the price received in connection with any sale of securities, the timing thereof or any delay in action or omission to act nor shall it be responsible for any error or delay in action, omission to act, default or negligence on the part of the party so retained in connection with any such sale or proposed sale.

The depositary has no obligation to inform ADR holders or beneficial owners about the requirements of the laws, rules or regulations or any changes therein or thereto of the Cayman Islands, Hong Kong, the People's Republic of China, the United States or any other country or jurisdiction or of any governmental or regulatory authority or any securities exchange or market or automated quotation system.

Additionally, none of the depositary, the custodian or us, or any of their or our respective directors, officers, employees, agents or affiliates shall be liable for the failure by any registered holder of ADRs or beneficial owner therein to obtain the benefits of credits or refunds of non-U.S. tax paid against such ADR holder's or beneficial owner's income tax liability. The depositary is under no obligation to provide the ADR holders and beneficial owners, or any of them, with any information about our tax status. None of the depositary, custodian, us or any of their or our respective directors, officers, employees, agents or affiliates shall incur any liability for any tax or tax consequences that may be incurred by registered ADR holders or beneficial owners on account of their ownership or disposition of ADRs or ADSs.

Neither the depositary nor its agents will be responsible for any failure to carry out any instructions to vote any of the deposited securities, for the manner in which any voting instructions are given or deemed to be given pursuant to the terms of the deposit agreement, including instructions to give a discretionary proxy to a person designated by us, for the manner in which any vote is cast, including, without limitation, any vote cast by a person to whom the depositary is instructed (or deemed to have been instructed to grant a discretionary proxy in accordance with the deposit agreement), or for the effect of any such vote. The depositary may rely upon instructions from us or our counsel in respect of any approval or license required for any currency conversion, transfer or distribution. The depositary shall not incur any liability for the content of any information submitted to it by us or on our behalf for distribution to ADR holders or for any inaccuracy of any translation thereof, for any investment risk associated with acquiring an interest in the deposited securities, for the validity or worth of the deposited securities, for the credit-worthiness of any third party, for allowing any rights to lapse upon the terms of the deposit agreement or for the failure or timeliness of any notice from us. The depositary shall not be liable for any acts or omissions made by a successor depositary whether in connection with a previous act or omission of the depositary or in connection with any matter arising wholly after the removal or resignation of the depositary. Subject to certain customary exceptions, neither the depositary nor us, nor any of its or our agents shall be liable to the other for any indirect, special, punitive or consequential damages (excluding reasonable fees and expenses of counsel) or lost profits, in each case of any form incurred by any of them, or liable to any other person or entity (including, without limitation holders or beneficial owners of ADRs and ADSs) for any indirect, special, punitive or consequential damages (including fees and expenses of counsel) or lost profits, whether or not foreseeable and regardless of the type of action in which such a claim may be brought.

In the deposit agreement each party thereto (including, for avoidance of doubt, each ADR holder and beneficial owner) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depositary and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory). No provision of the deposit agreement or the ADRs is intended to constitute a waiver or limitation of any rights which an ADR holder or any beneficial owner may have under the Securities Act of 1933 or the Securities Exchange Act of 1934, to the extent applicable.

The depositary and its agents may own and deal in any class of securities of our company and our affiliates and in ADRs.

Disclosure of Interest in ADSs

To the extent that the provisions of or governing any deposited securities may require disclosure of or impose limits on beneficial or other ownership of, or interest in, deposited securities, other shares and other securities and may provide for blocking transfer, voting or other rights to enforce such disclosure or limits, you as ADR holders or beneficial owners agree to comply with all such disclosure requirements and ownership limitations and to comply with any reasonable instructions we may provide in respect thereof. We reserve the right to instruct you as ADS holders to deliver your ADSs for cancellation and withdrawal of the deposited securities so as to permit us to deal directly with the holder thereof as a holder of shares and, by holding an ADS or an interest therein, you and beneficial owners will be agreeing to comply with such instructions.

Books of Depository

The depository or its agent will maintain a register for the registration, registration of transfer, combination and split-up of ADRs, which register shall include the depository's direct registration system. Registered holders of ADRs may inspect such records at the depository's office at all reasonable times, but solely for the purpose of communicating with other ADR holders in the interest of the business of our company or a matter relating to the deposit agreement. Such register may be closed at any time or from time to time, when deemed expedient by the depository or, in the case of the issuance book portion of the ADR Register, when reasonably requested by the Company solely in order to enable the Company to comply with applicable law.

The depository will maintain facilities for the delivery and receipt of ADRs.

Appointment

In the deposit agreement, each registered holder of ADRs and each beneficial owner, upon acceptance of any ADSs or ADRs (or any interest in any of them) issued in accordance with the terms and conditions of the deposit agreement will be deemed for all purposes to:

- be a party to and bound by the terms of the deposit agreement and the applicable ADR or ADRs,
- appoint the depository its attorney-in-fact, with full power to delegate, to act on its behalf and to take any and all actions contemplated in the deposit agreement and the applicable ADR or ADRs, to adopt any and all procedures necessary to comply with applicable laws and to take such action as the depository in its sole discretion may deem necessary or appropriate to carry out the purposes of the deposit agreement and the applicable ADR and ADRs, the taking of such actions to be the conclusive determinant of the necessity and appropriateness thereof; and
- acknowledge and agree that (i) nothing in the deposit agreement or any ADR shall give rise to a partnership or joint venture among the parties thereto, nor establish a fiduciary or similar relationship among such parties, (ii) the depository, its divisions, branches and affiliates, and their respective agents, may from time to time be in the possession of non-public information about us, ADR holders, beneficial owners and/or their respective affiliates, (iii) the depository and its divisions, branches and affiliates may at any time have multiple banking relationships with us, ADR holders, beneficial owners and/or the affiliates of any of them, (iv) the depository and its divisions, branches and affiliates may, from time to time, be engaged in transactions in which parties adverse to us, ADR holders, beneficial owners and/or their respective affiliates may have interests, (v) nothing contained in the deposit agreement or any ADR(s) shall (A) preclude the depository or any of its divisions, branches or affiliates from engaging in any such transactions or establishing or maintaining any such relationships, or (B) obligate the depository or any of its divisions, branches or affiliates to disclose any such transactions or relationships or to account for any profit made or payment received in any such transactions or relationships, (vi) the depository shall not be deemed to have knowledge of any information held by any branch, division or affiliate of the depository and (vii) notice to an ADR holder shall be deemed, for all purposes of the deposit agreement and the ADRs, to constitute notice to any and all beneficial owners of the ADSs evidenced by such ADR holder's ADRs. For all purposes under the deposit agreement and the ADRs, the ADR holders thereof shall be deemed to have all requisite authority to act on behalf of any and all beneficial owners of the ADSs evidenced by such ADRs.

Governing Law

The deposit agreement, the ADSs and the ADRs are governed by and construed in accordance with the internal laws of the State of New York. In the deposit agreement, we have submitted to the non-exclusive jurisdiction of the courts of the State of New York and appointed an agent for service of process on our behalf. Any action based on the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby may also be instituted by the depository against us in any competent court in the Cayman Islands, Hong Kong, the People's Republic of China and the United States.

Under the deposit agreement, by holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each irrevocably agree that any legal suit, action or proceeding against or

involving ADR holders or beneficial owners brought by us or the depository, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may be instituted in a state or federal court in New York, New York, irrevocably waive any objection which you may have to the laying of venue of any such proceeding, and irrevocably submit to the non-exclusive jurisdiction of such courts in any such suit, action or proceeding. By holding or owning an ADR or ADS or an interest therein, ADR holders and beneficial owners each also irrevocably agree that any legal suit, action or proceeding against or involving the depository brought by ADR holders or beneficial owners, arising out of or based upon the deposit agreement, the ADSs, the ADRs or the transactions contemplated thereby, may only be instituted in a state or federal court in New York, New York.

Notwithstanding the foregoing, (i) the depository may, in its sole discretion, elect to institute any dispute, suit, action, controversy, claim or proceeding directly or indirectly based on, arising out of or relating to the deposit agreement, the ADSs, the ADRs or the transactions contemplated therein or thereby, including without limitation any question regarding its or their existence, validity, interpretation, performance or termination, against any other party or parties to the deposit agreement (including, without limitation, against ADR holders and beneficial owners of interests in ADSs), by having the matter referred to and finally resolved by an arbitration conducted under the terms described below, and (ii) the depository may in its sole discretion require, by written notice to the relevant party or parties, that any dispute, suit, action, controversy, claim or proceeding against the depository by any party or parties to the deposit agreement (including, without limitation, by ADR holders and beneficial owners of interests in ADSs) shall be referred to and finally settled by an arbitration conducted under the terms described below. Any such arbitration shall be conducted in the English language either in New York, New York in accordance with the Commercial Arbitration Rules of the American Arbitration Association or in Hong Kong following the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

Jury Trial Waiver

In the deposit agreement, each party thereto (including, for the avoidance of doubt, each holder and beneficial owner of, and/or holder of interests in, ADSs or ADRs) irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any suit, action or proceeding against the depository and/or us directly or indirectly arising out of or relating to the shares or other deposited securities, the ADSs or the ADRs, the deposit agreement or any transaction contemplated therein, or the breach thereof (whether based on contract, tort, common law or any other theory), including any claim under the U.S. federal securities laws.

If we or the depository were to oppose a jury trial demand based on such waiver, the court would determine whether the waiver was enforceable in the facts and circumstances of that case in accordance with applicable state and federal law, including whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. The waiver to right to a jury trial in the deposit agreement is not intended to be deemed a waiver by any holder or beneficial owner of ADSs of our or the depository's compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

ENFORCEABILITY OF CIVIL LIABILITIES

Adagene Inc. is incorporated in the Cayman Islands in order to enjoy the following benefits:

- political and economic stability;
- an effective judicial system;
- a favorable tax system;
- the absence of exchange control or currency restrictions; and
- the availability of professional and support services.

However, certain disadvantages accompany incorporation in the Cayman Islands. These disadvantages include, but are not limited to, the following:

- the Cayman Islands has a less developed body of securities laws as compared to the United States and these securities laws provide significantly less protection to investors; and
- Cayman Islands companies may not have standing to sue before the federal courts of the United States.

Our constitutional documents do not contain provisions requiring that disputes, including those arising under the securities laws of the United States, between us, our officers, directors and shareholders, be arbitrated.

We have substantive business operations conducted in China, and a significant portion of our assets are located in China. A number of our directors and executive officers are nationals or residents of jurisdictions other than the United States and a substantial portion of their assets are located outside the United States. As a result, it may be difficult for a shareholder to effect service of process within the United States upon these persons, or to enforce against us or them judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States.

We have appointed Cogency Global Inc., located at 122 East 42nd Street, 18th Floor, New York, NY 10168, as our agent upon whom process may be served in any action brought against us under the securities laws of the United States.

Walkers (Hong Kong), our counsel as to Cayman Islands law, and Jingtian & Gongcheng, our counsel as to PRC law, have advised us, respectively, that there is uncertainty as to whether the courts of the Cayman Islands and China, respectively, would:

- recognize or enforce judgments of United States courts obtained against us or our directors or officers predicated upon the civil liability provisions of the securities laws of the United States or any state in the United States; or
- entertain original actions brought in each respective jurisdiction against us or our directors or officers predicated upon the securities laws of the United States or any state in the United States.

We have been advised by our Cayman Islands legal counsel, Walkers (Hong Kong), that the courts of the Cayman Islands are unlikely (i) to recognize or enforce against us judgments of courts of the United States predicated upon the civil liability provisions of the securities laws of the United States or any State; and (ii) in original actions brought in the Cayman Islands, to impose liabilities against us predicated upon the civil liability provisions of the securities laws of the United States or any State, so far as the liabilities imposed by those provisions are penal in nature. In those circumstances, although there is no statutory enforcement in the Cayman Islands of judgments obtained in the United States, the courts of the Cayman Islands, will, at common law, recognize and enforce a foreign money judgment of a foreign court of competent jurisdiction without retrial on the merits of the underlying dispute, based on the principle that a judgment of a competent foreign court imposes upon the judgment debtor an obligation to pay the sum for which judgment has been given provided certain conditions are met. For such a foreign judgment to be enforced in the Cayman Islands, such judgment must be final and conclusive and for a liquidated sum, and must not be in respect of taxes or a fine or penalty nor inconsistent with a Cayman Islands judgment in respect of the

same matter, impeachable on the grounds of fraud or obtained in a manner, and be of a kind the enforcement of which is, contrary to natural justice or the public policy of the Cayman Islands (awards of punitive or multiple damages may well be held to be contrary to public policy). A Cayman Islands court may stay enforcement proceedings if concurrent proceedings are being brought elsewhere.

PRC

We have been advised by Jingtian & Gongcheng, our PRC legal counsel, that there is uncertainty as to whether the courts of the PRC would enforce judgments of United States courts or Cayman courts obtained against us or these persons predicated upon the civil liability provisions of the U.S. federal and state securities laws. Jingtian & Gongcheng has further advised us that the recognition and enforcement of foreign judgments are provided for under the PRC Civil Procedures Law. PRC courts may recognize and enforce foreign judgments in accordance with the requirements of the PRC Civil Procedures Law and other applicable laws and regulations based either on treaties between China and the country where the judgment is made or on principles of reciprocity between jurisdictions. China does not have any treaties or other form of reciprocity with the United States or the Cayman Islands that provide for the reciprocal recognition and enforcement of foreign judgments. In addition, some of our executive officers and directors reside within China for a significant portion of the time and some are PRC nationals. Further, according to the PRC Civil Procedures Law, courts in the PRC will not enforce a foreign judgment against us or our directors and officers if they decide that the judgment violates the basic principles of PRC law or national sovereignty, security or public interest. As a result, it may be difficult for our shareholders or investors to effect service of process upon us or such individuals inside China, and it is uncertain whether and on what basis a PRC court would enforce a judgment rendered by a court in the United States or in the Cayman Islands. Under the PRC Civil Procedures Law, foreign shareholders may originate actions based on PRC law against a company in the PRC, if they can establish sufficient nexus to the PRC for a PRC court to have jurisdiction, and meet other procedural requirements. However, it would be difficult for foreign shareholders to establish sufficient nexus to the PRC by virtue only of holding the ADSs or ordinary shares. See “Risk Factors — Risks Related to Doing Business in the PRC — Your investments in our ADSs, ordinary shares and/or other Securities are investments in securities of a Cayman Islands holding company rather than securities of our subsidiaries that have substantive business operations in China. As a result, you may experience difficulties in effecting service of legal process, enforcing foreign judgments or bringing actions in China against us or our management based on foreign laws.” and “Item 3 Key Information — Risk Factors — Risks Related to the ADSs — You may face difficulties in protecting your interests, and your ability to protect your rights through U.S. courts may be limited, because we are incorporated under Cayman Islands law” in our most recent annual report on Form 20-F incorporated in this prospectus by reference.

TAXATION

Material income tax consequences relating to the purchase, ownership and disposition of any of the ordinary shares and/or ADSs offered by this prospectus will be set forth in the applicable prospectus supplement(s) relating to the offering of those ordinary shares and/or ADSs.

SELLING SHAREHOLDER

This prospectus covers the offer and resale or other disposition of our ordinary shares and/or ADS by the selling shareholder named below, and its donees, pledgees, transferees or other successors-in-interest, or interests in such shares received after the date of this prospectus from the selling shareholder as a gift, pledge, partnership distribution or other transfer. The ordinary shares and/or ADSs being offered by the selling shareholder are those ordinary shares and/or ADSs issuable upon conversion of the Series A Preferred Share previously issued to the selling shareholder. See “Prospectus Summary — Private Placement and Stock Purchase Agreement” for additional information regarding the issuance of the Series A Preferred Share and the ordinary shares issuable upon conversion thereof.

The table below sets forth, to our knowledge, information concerning the beneficial ownership of our ordinary shares by the selling shareholder as of October 31, 2025. The information in the table below with respect to the selling shareholder has been obtained from the selling shareholder. The selling shareholder may sell all, some or none of the ordinary shares and/or ADS subject to this prospectus. See “Plan of Distribution” as may be supplemented and amended from time to time. We do not know how long the selling shareholder will hold the shares before selling them, and we currently have no agreements, arrangements or understandings with the selling shareholder regarding the sale or other disposition of any of the shares.

The number of ordinary shares beneficially owned prior to the offering for the selling shareholder includes (i) all our ordinary shares beneficially held by such selling shareholder as of October 31, 2025, (ii) the number of ordinary shares and/or ADSs that may be offered under this prospectus, and (iii) the number and percentage of our ordinary shares beneficially owned by the selling shareholder assuming all of the ordinary shares registered hereunder are sold. The table below and footnotes assume that the selling shareholder will sell all of the shares listed. However, because the selling shareholder may sell all or some of the ordinary shares held or issuable to it under this prospectus from time to time, or in another permitted manner, we cannot assure you as to the actual number of ordinary shares that will be sold by the selling shareholder or that will be held by the selling shareholder after completion of any sales. The percentages of ordinary shares owned after the offering are based on (i) 58,914,087 ordinary shares outstanding as of June 30, 2025 and (ii) The ordinary shares issuable upon conversion of the Series A Preferred Shares previously issued to the selling shareholder.

Beneficial ownership is determined in accordance with the rules of the SEC and includes voting or investment power with respect to our ordinary shares. Generally, a person “beneficially owns” our ordinary shares if the person has or shares with others the right to vote those shares or to dispose of them, or if the person has the right to acquire voting or disposition rights within 60 days. The inclusion of any shares in this table does not constitute an admission of beneficial ownership for any selling shareholder named below.

Information about the selling shareholder may change over time. Any changed information will be set forth in an amendment to the registration statement or supplement to this prospectus, to the extent required by law.

| Name of Selling Shareholder | Ordinary Shares Beneficially Owned Prior to Offering ⁽¹⁾ | | Ordinary Shares Being Offered ⁽²⁾ | Ordinary Shares to be Beneficially Owned After Offering ⁽³⁾ | |
|---|---|------------|--|--|------------|
| | Number | Percentage | Number | Number | Percentage |
| Sanofi Foreign Participations B.V. ⁽⁴⁾ | 2,939,812 | 4.99% | 10,625,000 | — | — |

- (1) The selling shareholder owns 1,062,500 Series A Preferred Share convertible into up 10,625,000 ordinary shares or 8,500,000 ADSs. The Series A Preferred Share are subject to terms that limit conversion, if, after such conversion, the holder and its affiliates would beneficially own more than 4.99% of the number of ordinary shares then issued and outstanding (which such percentage may be increased or decreased by the holder, upon 61 days’ written notice, up to a maximum of 19.99%). As a result of the limitation in the previous sentence, for purposes of the column entitled “Ordinary shares Beneficially Owned Prior to Offering” in the table above, only 2,939,812 ordinary shares issuable upon the conversion of Series A Preferred Share beneficially owned by the selling shareholder are reflected.

- (2) The number of ordinary shares in the column “Number of Ordinary shares Being Offered” represents the ordinary shares issuable upon conversion of the Series A Preferred Shares, which the selling shareholder may at any time choose to convert into ordinary shares and thereafter offer and sell from time to time under this prospectus.
- (3) We do not know when or in what amounts the selling shareholder may offer shares for sale. The selling shareholder might not sell any or might sell all of the shares offered by this prospectus. Because the selling shareholder may offer all or some of the shares pursuant to this offering, and because, except as set forth elsewhere in this prospectus, there are currently no agreements, arrangements or understandings with respect to the sale of any of the shares, we cannot estimate the number of the shares that will be held by the selling shareholder after completion of the offering. However, for purposes of this table, we have assumed that, after completion of the offering, none of the shares covered by this prospectus will be held by the selling shareholder.
- (4) Consists of 2,939,812 ordinary shares issuable upon conversion of Series A Preferred Share owned by Sanofi Foreign Participations B.V., a private limited company incorporated in the Netherlands. Sanofi Foreign Participations B.V. is a wholly owned subsidiary of Sanofi S.A., a French société anonyme (limited liability company), which may be deemed to have voting and dispositive power over the securities held by Sanofi Foreign Participations B.V. The address of Sanofi Foreign Participations B.V. is c/o Sanofi — Global Alliance Management, 450 Water Street, Cambridge, MA 02141.

PLAN OF DISTRIBUTION

The selling shareholder, which as used herein includes donees, pledgees, transferees or other successors-in-interest selling ordinary shares and/or ADSs or interests in ordinary shares and/or ADSs received after the date of this prospectus from a selling shareholder, may, from time to time, sell, transfer, or otherwise dispose of any or all of their any or all of its ordinary shares and/or ADSs or interests therein on any stock exchange, market or trading facility on which the shares are traded or in private transactions. These dispositions 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 shareholder may use any one or more of the following methods when disposing of ordinary shares and/or ADSs, or interests therein:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the 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;
- short sales effected after the date the registration statement of which this prospectus is a part is declared effective by the SEC;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- broker-dealers may agree with the selling shareholder to sell a specified number of such shares at a stipulated price per share;
- a combination of any such methods of sale; and
- any other method permitted by applicable law.

The selling shareholder may, from time to time, pledge or grant a security interest in some or all of the ordinary shares and/or ADSs owned by them and, if they default in the performance of its secured obligations, the pledgees or secured parties may offer and sell ordinary shares and/or ADSs, from time to time, under this prospectus, or under an amendment to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933, as amended (the "Securities Act"), amending the list of selling shareholder to include the pledgee, transferee or other successors in interest as selling shareholder under this prospectus. The selling shareholder also may transfer the ordinary shares and/or ADSs, in other circumstances, in which case the transferees, pledgees or other successors-in-interest will be the selling shareholder for purposes of this prospectus.

In connection with the sale of our ordinary shares and/or ADSs, or interests therein, the selling shareholder may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the ordinary shares and/or ADSs, in the course of hedging the positions they assume. The selling shareholder may also sell our ordinary shares and/or ADSs short and deliver these securities to close out its short positions, or loan or pledge the ordinary shares and/or ADSs, to broker-dealers that in turn may sell these securities. The selling shareholder 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 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 shareholder may arrange for other broker-dealers to participate in sales. Broker-dealers may receive commissions in the form of discounts, concessions or commissions from the selling shareholder or commissions from purchasers of the securities for whom they may act as agent or to whom they may sell as principal. Such commissions will be in amounts to be negotiated, but, except as set forth in a further prospectus supplement or an amendment to this prospectus, in the case of an agency

transaction not in excess of a customary brokerage commission in compliance with FINRA Rule 2121; and in the case of a principal transaction, a markup or markdown in compliance with FINRA Rule 2121.01

The aggregate proceeds to the selling shareholder from the sale of the securities offered by them will be the purchase price of the securities less discounts or commissions, if any. The selling shareholder reserves the right to accept and, together with its agents from time to time, to reject, in whole or in part, any proposed purchase of securities to be made directly or through agents. We will not receive any of the proceeds from this offering.

The selling shareholder also may resell all or a portion of the ordinary shares and/or ADSs in open market transactions in reliance upon Rule 144 under the Securities Act, provided that they meet the criteria and conform to the requirements of that rule, or another available exemption from the registration requirements of the Securities Act.

The selling shareholder and any underwriters, broker-dealers or agents that participate in the sale of the ordinary shares and/or ADSs or interests therein may be “underwriters” within the meaning of Section 2(a)(11) of the Securities Act. Any discounts, commissions, concessions or profit they earn on any resale of the shares and/or ADSs may be underwriting discounts and commissions under the Securities Act. Selling shareholder who are “underwriters” within the meaning of Section 2(a)(11) of the Securities Act will be subject to the prospectus delivery requirements of the Securities Act.

To the extent required, our ordinary shares and/or ADSs to be sold, the names of the selling shareholder, the respective purchase prices and public offering prices, the names of any agents, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying prospectus supplement or, if appropriate, a post-effective amendment to the registration statement that includes this prospectus.

In order to comply with the securities laws of some states, if applicable, the ordinary shares and/or ADSs may be sold in these jurisdictions only through registered or licensed brokers or dealers. In addition, in some states the ordinary shares and/or ADSs may not be sold unless it has been registered or qualified for sale or an exemption from registration or qualification requirements is available and is complied with.

We have agreed to indemnify the selling shareholder against certain liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the ordinary shares and/or ADSs offered by this prospectus.

We have agreed with the selling shareholder to use commercially reasonable efforts to cause the registration statement of which this prospectus constitutes a part to become effective and to remain continuously effective until the earlier of (1) such time as all of the shares covered by this prospectus have been disposed of pursuant to and in accordance with such registration statement or (2) the date that all the shares covered by this prospectus cease to be “Registrable Shares” as defined in the securities purchase agreement.

EXPENSES

The following table sets forth an estimate of the fees and expenses relating to the issuance and distribution of the Securities being registered hereby and the private placement of Series A Preferred Shares, all of which shall be borne by our company. All of such fees and expenses, except for the SEC registration fee, are estimates.

| | |
|---|---------------------|
| SEC registration fee for securities offered by the selling shareholder identified in the prospectus | \$ 2,095.32 |
| Legal fees and expenses | \$450,000.00 |
| Printing fees and expenses | \$ 25,000.00 |
| Accounting fees and expenses | — |
| Miscellaneous fees and expenses | \$ 9,299.00 |
| Total | <u>\$486,394.32</u> |

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

We incorporate by reference the filed documents listed below, except as superseded, supplemented or modified by this prospectus:

- [our annual report on Form 20-F for the fiscal year ended December 31, 2024, filed with the SEC on March 24, 2025 \(File No. 001-39997\)](#);
- the description of our ordinary shares contained in the registration statement on [Form 8-A filed with the SEC on February 3, 2021](#), and any other amendment or report filed for the purpose of updating such description;
- [our current report on Form 6-K, excluding the exhibits attached thereof, furnished with the SEC on July 1, 2025](#);
- our current report on Form 6-K, including [Exhibits 99.1](#) and [99.2](#) attached thereof, furnished with the SEC on August 12, 2025;
- any future annual reports on Form 20-F filed with the SEC after the date of this prospectus and prior to the termination of the offering of the securities offered by this prospectus; and
- any future reports on Form 6-K that we furnished to the SEC after the date of this prospectus that are identified in such reports as being incorporated by reference in this prospectus.

Potential investors, including any beneficial owner, may obtain a copy of any of the documents summarized herein (subject to certain restrictions because of the confidential nature of the subject matter) or any of our SEC filings incorporated by reference herein without charge by written request directed to 4F, Building C14, No. 218, Xinghu Street, Suzhou Industrial Park Suzhou, Jiangsu Province, 215123, People's Republic of China.

You should rely only on the information incorporated by reference or provided in this prospectus or any prospectus supplement. We have not authorized anyone else to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the front of those documents.

Any statement contained in a document incorporated by reference herein shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein, or in a subsequently filed document incorporated by reference herein, modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this prospectus.

LEGAL MATTERS

We are being represented by Davis Polk & Wardwell LLP with respect to certain legal matters as to United States federal securities and New York State law. The validity of the ordinary shares represented by the ADSs will be passed upon for us by Walkers (Hong Kong). Certain legal matters as to PRC law (excluding the laws of Taiwan, Hong Kong and Macau) will be passed upon for us by Jingtian & Gongcheng. Davis Polk & Wardwell LLP may rely upon Walkers (Hong Kong) with respect to matters governed by Cayman Islands law and Jingtian & Gongcheng with respect to matters governed by PRC law (excluding the laws of Taiwan, Hong Kong and Macau).

EXPERTS

The financial statements incorporated in this Prospectus by reference to the [Annual Report on Form 20-F for the year ended December 31, 2024](#) have been so incorporated in reliance on the report of PricewaterhouseCoopers Zhong Tian LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The offices of PricewaterhouseCoopers Zhong Tian LLP are located at 42/F New Bund Center, 588 Dongyu Road, Pudong New Area, Shanghai 200126, the People's Republic of China.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form F-3 under the Securities Act with respect to the offer and sale of securities pursuant to this prospectus. This prospectus, filed as a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules thereto in accordance with the rules and regulations of the SEC and no reference is hereby made to such omitted information. Statements made in this prospectus concerning the contents of any contract, agreement or other document filed as an exhibit to the registration statement are summaries of all of the material terms of such contract, agreement or document, but do not repeat all of their terms.

Reference is made to each such exhibit for a more complete description of the matters involved and such statements shall be deemed qualified in their entirety by such reference. The registration statement and the exhibits and schedules thereto filed with the SEC may be obtained from the SEC's website that contains reports, proxy and information statements and other information regarding registrants that file electronically through the SEC's Electronic Data Gathering, Analysis and Retrieval ("EDGAR") system, including the Company, which can be accessed at <http://www.sec.gov>. For further information pertaining to the securities offered by this prospectus and Adagene Inc., reference is made to the registration statement.

We furnish reports and other information to the SEC. You may read and copy any document we furnish at the SEC's public reference facilities and the website of the SEC referred to above. Our file number with the SEC is 001-39997.

ADAGENE

Adagene Inc.

**10,625,000 Ordinary Shares or
8,500,000 American Depositary Shares**

PROSPECTUS

, 2025

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 8. Indemnification of Directors and Officers.

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 the consequences of committing a crime, or against the indemnified person's own fraud or dishonesty. Our amended and restated memorandum and articles of association provides for indemnification of our officers and directors, to the fullest extent permitted by applicable law, against all actions, proceedings, costs, charges, expenses, losses, damages, or liabilities (collectively "Losses") incurred or sustained by him otherwise than by reason of his own dishonesty, willful default or fraud as determined by a court of competent jurisdiction, in or about the conduct of our company's business or affairs (including as a result of any mistake of judgment) or in the execution or discharge of his duties, powers, authorities or discretions, including without prejudice to the generality of the foregoing, any costs, expenses, losses or liabilities incurred by him in defending (whether successfully or otherwise) any civil proceedings concerning our company or its affairs in any court whether in the Cayman Islands or elsewhere. Such Losses incurred in defending any such proceeding shall be paid by our company as they are incurred upon receipt, in each case, of an undertaking by or on behalf of the indemnified person to repay such amounts if it is ultimately determined by a non-appealable order of a court of competent jurisdiction that such indemnified person is not entitled to indemnification hereunder with respect thereto. However, our company will not indemnify our directors, officers, or persons controlling us for liabilities arising under the Securities Act, because it is the SEC's opinion that such indemnification is against public policy as expressed in such act and is, therefore, unenforceable.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers or persons controlling us pursuant to 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 theretofore unenforceable.

Item 9. Exhibits

The exhibit index attached hereto is incorporated herein by reference.

Item 10. Undertakings.

- (a) The undersigned Registrant hereby undertakes:
- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by Section 10(a)(3) of the Securities Act;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement;
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (a)(1)(ii) and (a)(1)(iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the Registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

- (2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment 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.
- (3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.
- (4) To file a post-effective amendment to the registration statement to include any financial statements required by Item 8.A of Form 20-F at the start of any delayed offering or throughout a continuous offering. Financial statements and information otherwise required by Section 10(a)(3) of the Securities Act need not be furnished, *provided* that the Registrant includes in the prospectus, by means of a post-effective amendment, financial statements required pursuant to this paragraph (a)(4) and other information necessary to ensure that all other information in the prospectus is at least as current as the date of those financial statements. Notwithstanding the foregoing, with respect to registration statements on Form F-3, a post-effective amendment need not be filed to include financial statements and information required by Section 10(a)(3) of the Securities Act or Item 8.A of Form 20-F if such financial statements and information are contained in periodic reports filed with or furnished to the SEC by the Registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the Form F-3.
- (5) That, for the purpose of determining liability under the Securities Act to any purchaser:
 - (i) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and
 - (ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. *Provided*, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date; or
- (6) That, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the

purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

- (i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement 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.
- (c) Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the 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.

EXHIBIT INDEX

The following documents are filed as part of this registration statement:

| Exhibit No. | Description |
|-------------|--|
| 3.1 | Seventh Amended and Restated Memorandum and Articles of Association of the Registrant, as currently effective (incorporated by reference to Exhibit 3.2 from our registration statement on Form F-1 (File No. 333-252210), as amended, initially filed publicly with the SEC on January 19, 2021) |
| 3.2† | Certificate of Designations of Preferences, Rights and Limitations of Series A Non-Voting Redeemable Convertible Preferred Shares |
| 4.1 | Registrant's Specimen Certificate for ordinary shares (incorporated by reference to Exhibit 4.2 from our registration statement on Form F-1 (File No. 333-252210), as amended, initially filed publicly with the SEC on January 19, 2021) |
| 4.2 | Form of Deposit Agreement between the Registrant, the depositary and holders of the American Depositary Shares (incorporated by reference to Exhibit 4.3 from our registration statement on Form F-1 (File No. 333-252210), as amended, initially filed publicly with the SEC on January 19, 2021) |
| 4.3 | Form of Registrant's Specimen American Depositary Receipt ((incorporated by reference to Exhibit 4.3 from our registration statement on Form F-1 (File No. 333-252210), as amended, initially filed publicly with the SEC on January 19, 2021)) |
| 5.1† | Opinion of Walkers (Hong Kong) regarding the validity of the ordinary shares |
| 8.1† | Opinion of Walkers (Hong Kong) regarding certain Cayman Islands tax matters (included in Exhibit 5.1) |
| 8.2† | Opinion of Jingtian & Gongcheng regarding certain PRC tax matters |
| 10.1† | Securities Purchase Agreement, dated June 30, 2025, by and between the Company and Sanofi |
| 23.1† | Consent of PricewaterhouseCoopers Zhong Tian LLP, Independent Registered Public Accounting Firm |
| 23.2† | Consent of Walkers (Hong Kong) (included in Exhibit 5.1) |
| 23.3† | Consent of Jingtian & Gongcheng (included in Exhibit 8.2) |
| 24.1† | Power of Attorney (included in signature page of this registration statement) |
| 107† | Calculation of Filing Fee Tables |

† Filed with this registration statement on Form F-3.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on October 31, 2025.

Adagene Inc.By: /s/ PETER LUO

Name: Peter Luo

Title: *Chief Executive Officer***POWER OF ATTORNEY**

Each of the undersigned officers and directors of Adagene Inc. hereby severally constitutes and appoints Peter Luo, the true and lawful attorney with full power to him, to sign for the undersigned and in his name in the capacities indicated below, any and all amendments, including post-effective amendments to this registration statement and any related registration statements under Rule 462 under the Securities Act of 1933, as amended, and generally to do all such things in the undersigned's name and behalf in such capacities to enable Adagene Inc. to comply with the applicable provisions of the Securities Act of 1933, as amended, and all rules and regulation thereunder, and all requirements of the Securities and Exchange Commission, and each of the undersigned hereby ratifies and confirms all that said attorneys or any of them shall lawfully do or cause to be done by virtue hereof. Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated

| Signature | Title | Date |
|---|---|------------------|
| <u>/s/ Peter Luo</u> Peter Luo | Chief Executive Officer and Director (principal executive officer) | October 31, 2025 |
| <u>/s/ Man Kin (Raymond) Tam</u> Man Kin (Raymond) Tam | Chief Financial Officer and Director (principal financial officer and principal accounting officer) | October 31, 2025 |
| <u>/s/ Andy (Yiu Leung) Cheung</u> Andy (Yiu Leung) Cheung | Director | October 31, 2025 |
| <u>/s/ Cuong Do</u> Cuong Do | Director | October 31, 2025 |
| <u>/s/ Li Zhu</u> Li Zhu | Director | October 31, 2025 |
| <u>/s/ Ulf Grawunder</u> Ulf Grawunder | Director | October 31, 2025 |

SIGNATURE OF AUTHORIZED REPRESENTATIVE IN THE UNITED STATES

Pursuant to the Securities Act of 1933, as amended, the undersigned, the duly authorized representative in the United States of Adagene Inc., has signed this registration statement or amendment thereto in New York on October 31, 2025.

Authorized U.S. Representative
Cogency Global Inc.

By: /s/ Colleen A. De Vries

Name: Colleen A. De Vries

Title: Senior Vice President

FORM OF
ADAGENE INC.
CERTIFICATE OF DESIGNATIONS OF PREFERENCES, RIGHTS AND LIMITATIONS
OF
SERIES A NON-VOTING CONVERTIBLE PREFERRED SHARES

PURSUANT TO ARTICLE 9 OF THE
SEVENTH AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF ADAGENE INC.

ADAGENE INC., an exempted company incorporated in the Cayman Islands (the "**Company**"), does hereby certify that the powers, preferences, rights, qualifications, limitations and restrictions thereof (in addition to any provisions set forth in the Seventh Amended and Restated Memorandum and Articles of Association (the "**MA&A**") that are applicable to the Series A Non-Voting Convertible Preferred Shares) of the Series A Non-Voting Convertible Preferred Shares, par value US\$0.0001 per share, of the Company are hereby fixed as set out in this Certificate of Designations of Preferences, Rights and Limitations.

SERIES A NON-VOTING CONVERTIBLE PREFERRED SHARES

Section 1. Definitions. For the purposes hereof, the following terms shall have the following meanings:

"**ADS**" means American depositary shares, each representing one and one quarter Ordinary Shares.

"**Affiliate**" means any person or entity that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a person or entity, as such terms are used in and construed under Rule 144 under the U.S. Securities Act of 1933, as amended.

"**Attribution Parties**" has the meaning set forth in **Section 6(d)**.

"**Business Day**" means any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States, a public holiday in Hong Kong or any day on which banking institutions in the State of New York or Hong Kong are authorized or required by law or other governmental action to close.

"**Buy-In**" has the meaning set forth in **Section 6(b)(iii)**.

"**Certificate of Preferred Shares**" means this Certificate of Designations of Preferences, Rights and Limitations.

"**Commission**" means the U.S. Securities and Exchange Commission.

"**Conversion Date**" has the meaning set forth in **Section 6(b)(i)**.

"**Conversion Ratio**" for each Series A Preferred Share shall be ten (10) Ordinary Shares, subject to appropriate adjustment in the event of any share capitalization, share split, combination or other similar recapitalization.

“**Conversion Shares**” means the Ordinary Shares issuable upon conversion of each Series A Preferred Share in accordance with the terms hereof.

“**Deemed Liquidation Event**” means (a) a merger or consolidation in which (i) the Company is a constituent party or (ii) a subsidiary of the Company is a constituent party and the Company issues shares of its capital pursuant to such merger or consolidation, except any such merger or consolidation involving the Company or a subsidiary in which the securities of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for securities that represent, immediately following such merger or consolidation, at least a majority, by voting power, of (1) the surviving or resulting company, or (2) if the surviving or resulting company is a wholly owned subsidiary of another company immediately following such merger or consolidation, the parent company of such surviving or resulting company; or (b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Company or any subsidiary of the Company of all or substantially all the assets of the Company and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Company if substantially all of the assets of the Company and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Company.

“**Delivery Deadline**” has the meaning set forth in [Section 6\(b\)\(i\)](#).

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“**Holder**” means any holder of Series A Preferred Shares.

“**Liquidation**” has the meaning set forth in [Section 5](#).

“**Liquidation Preference Amount**” has the meaning set forth in [Section 5](#).

“**Liquidation Preference Outside Date**” means the later of: (i) December 31, 2027 and (ii) the public release of the top line data of product candidate ADG126.

“**Maximum Percentage**” has the meaning set forth in [Section 6\(d\)](#).

“**Notice of Conversion**” has the meaning set forth in [Section 6\(b\)\(i\)](#).

“**Ordinary Shares**” means the Company’s ordinary shares, par value US\$0.0001 per share.

“**Original Purchase Price**” means, with respect to each Series A Preferred Share, the actual purchase price paid to the Company for such Series A Preferred Share pursuant to the Securities Purchase Agreement, subject to appropriate adjustment in the event of any share capitalization, share split, combination or other similar recapitalization.

“**Person**” means any individual or company, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, government (or an agency or subdivision thereof) or other entity of any kind.

“**Reported Outstanding Share Number**” has the meaning set forth in [Section 6\(d\)](#).

“**Securities Purchase Agreement**” means that certain Securities Purchase Agreement for the purchase and sale of the Series A Preferred Shares, dated as of June 30, 2025, by and between the Company and Sanofi Foreign Participations B.V.

“**Series A Preferred Share**” has the meaning set forth in [Section 2\(a\)](#).

“**Series A Preferred Share Register**” has the meaning set forth in [Section 2\(b\)](#).

“**Signing Date**” means the effective date of the Securities Purchase Agreement.

“**Trading Day**” means a day on which ADSs or Ordinary Shares are traded for any period on a principal securities exchange or if ADSs or Ordinary Shares are not traded on a principal securities exchange, on a day that ADSs or Ordinary Shares are traded on another securities market on which ADSs or Ordinary Shares are then being traded.

[Section 2. Designation, Amount and Par Value; Assignment.](#)

(a) The distinctive serial designations of the series of Preferred Shares designated by the Board of Directors to have the terms and rights as set out in this Certificate of Preferred Shares shall be designated as the Company’s Series A Non-Voting Convertible Preferred Shares (the “**Series A Preferred Shares**”). The number of Series A Preferred Shares so designated shall be 1,062,500. The Series A Preferred Shares shall have a par value of US\$0.0001 per share.

(b) The Company shall register the Series A Preferred Shares on the register of members to be maintained by the Company’s share registrar for that purpose (the “**Series A Preferred Share Register**”) in the name of the Holders thereof from time to time. The Company and its share registrar may deem and treat the registered Holder of Series A Preferred Shares as the absolute owner thereof for the purpose of any conversion thereof and for all other purposes. Series A Preferred Shares may be issued solely on the Series A Preferred Share Register. The Company shall cause its share registrar to register the issuance or transfer of any Series A Preferred Shares in the Series A Preferred Share Register within 5 Business Days following the production of any documentation reasonably requested by the Company’s share registrar in relation to the Holder, including a letter of instruction from the Company in relation to the issuance or transfer. The provisions of this Certificate of Preferred Shares are intended to be for the benefit of all Holders from time to time and shall be enforceable by any such Holder.

[Section 3. Dividends.](#) At all times following their respective date of issuance, while Series A Preferred Shares are issued and outstanding, holders of Series A Preferred Shares shall be entitled to receive, only when, as and if declared by the Board of Directors, out of any funds and assets legally available therefor, a dividend on each outstanding Series A Preferred Share equal to US\$0.0001 per share (subject to appropriate adjustment in the event of any share capitalization, share split, combination or other similar recapitalization with respect to the Series A Preferred Share), prior and in preference to any declaration or payment of any dividend (excluding, for the avoidance of doubt, any share capitalization in respect of the Ordinary Shares) on Ordinary Shares during the same calendar year. The right to receive dividends on Series A Preferred Shares pursuant to the preceding sentence of this [Section 3](#) shall not be cumulative, and no right to dividends shall accrue to holders of Series A Preferred Shares by reason of the fact that dividends on such shares are not declared or paid. Payment of any dividends to the holders of Series A Preferred Shares shall be on a pro rata, *pari passu* basis. Subject to the preferential rights described above, holders of Series A Preferred Shares shall be entitled to receive, and the Company shall pay, dividends on Series A Preferred Shares equal (on an as-if-converted-to-Ordinary-Shares basis and without regard to any limitations on conversion set forth herein or otherwise) to and in the same form as dividends actually paid on the Ordinary Shares when, as and if such dividends are paid on the Ordinary Shares (excluding, for the avoidance of doubt, any share capitalization in respect of the Ordinary Shares). No other dividends shall be paid on Series A Preferred Shares.

Section 4. Voting Rights.

(a) The Company shall not, without the affirmative vote or consent of a majority of the outstanding Series A Preferred Shares, alter or change adversely the powers, preferences or rights of the Series A Preferred Shares or alter or amend this Certificate of Preferred Shares; *provided* that the Company shall in any case be in compliance with Article 12 of the MA&A.

(b) Except as provided in Section 4(a) or as otherwise required by law, holders of Series A Preferred Shares shall have no voting rights on any Company matter.

Section 5. Liquidation.

(a) Prior to the Liquidation Preference Outside Date, in the event of (i) any voluntary or involuntary liquidation, dissolution or winding up of the Company, the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its shareholders, and (ii) a Deemed Liquidation Event (together with any liquidation, dissolution or winding up of the Company, and each such event, a "**Liquidation**"), the holders of Series A Preferred Shares then outstanding shall be entitled to be paid out of the consideration payable to shareholders in such Deemed Liquidation Event or the other proceeds available for distribution to shareholders, in each case, before any payment shall be made to the holders of Ordinary Shares by reason of their ownership thereof, an amount per Series A Preferred Share then outstanding equal to the greater of (A) the Original Purchase Price, *plus* any dividends declared but unpaid thereon or (B) such amount per Series A Preferred Share as would have been payable had all Series A Preferred Shares (and all shares of all other preferred shares or other convertible securities that would receive a larger distribution per share if such preferred shares were converted into Ordinary Shares) been converted into Ordinary Shares pursuant to Section 6 immediately prior to such Liquidation, without regard to any limitations on conversion set forth herein or otherwise and without regard as to whether sufficient Ordinary Shares are available out of the Company's authorized but unissued share capital for the purpose of effecting the conversion of the Series A Preferred Shares (the amount payable pursuant to this sentence, the "**Liquidation Preference Amount**"), provided, however, that the holders of Series A Preferred Shares shall not be entitled to any further participation in distribution of any remaining assets or consideration following the payment in full of the Liquidation Preference Amount. If upon any such Liquidation, the assets of the Company available for distribution to its shareholders, or in the event of a Deemed Liquidation Event, the consideration payable to shareholders in such Deemed Liquidation Event or the other proceeds available for distribution to shareholders, shall be insufficient to pay the holders of Series A Preferred Shares the full Liquidation Preference Amount, the holders of Series A Preferred Shares shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, after the payment in full of the Liquidation Preference Amount required to be paid to the holders of Series A Preferred Shares, the remaining assets of the Company available for distribution to its shareholders, or in the case of a Deemed Liquidation Event, the consideration not payable to the holders of Series A Preferred Shares pursuant to this Section 5(a) shall be distributed among the holders of Ordinary Shares, *pro rata* based on the number of Ordinary Shares held by such holders.

(b) Following the Liquidation Preference Outside Date, upon any Liquidation, the assets of the Company or consideration, as the case may be, available for distribution to shareholders of the Company shall be distributed, after payment in full of any dividends declared but unpaid on the Series A Preferred Shares, among the holders of the Series A Preferred Shares and Ordinary Shares *pro rata* based on the number of shares held by each such holder, treating for this purpose all Series A Preferred Shares as if they had been converted to Ordinary Shares pursuant to the terms of this Certificate of Preferred Shares immediately prior to such Liquidation, without regard to any limitations on conversion set forth herein or otherwise and without regard as to whether sufficient Ordinary Shares are available out of the Company's authorized but unissued share capital for the purpose of effecting the conversion of the Series A Preferred Shares. For the avoidance of doubt, following the Liquidation Preference Outside Date, there will be no Liquidation Preference Amount payable on the Series A Preferred Shares.

Section 6. Conversion.

(a) Conversions at Option of Holder. Subject to the limitations set forth in Section 6(d), at the option of the Holder thereof, each Series A Preferred Share shall be convertible into a number of Ordinary Shares equal to the Conversion Ratio. To the extent any conversion in accordance with this Section 6(a) would cause a Holder to beneficially own a number of Ordinary Shares that exceeds the amount that could be issued to such Holder pursuant to Section 6(d), then, at the Conversion Date, (x) only such portion of such Holder's Series A Preferred Shares that may be converted without exceeding the limitations in Section 6(d) shall be converted to Ordinary Shares and (y) the remaining Series A Preferred Shares that would otherwise have been converted into Ordinary Shares shall remain outstanding as Series A Preferred Shares.

(b) Mechanics of Conversion.

(i) Notice of Conversion. Holders shall effect conversions pursuant to Section 6(a) by providing the Company and its share registrar with the form of conversion notice attached hereto as Annex A (a "Notice of Conversion"), duly completed and executed. The Notice of Conversion must specify the number of Series A Preferred Shares to be converted, the number of Series A Preferred Shares owned immediately prior to the conversion at issue, and the number of Ordinary Shares to be issued in respect of the conversion at issue. The issue of the Conversion Shares to the Holder will be reflected in the register of members maintained at the Company's share registrar as soon as practicable and in any case no later than three (3) Trading Days following the Conversion Date (the "Delivery Deadline") and shall bear the restrictive legend set forth in Section 4.1 of the Securities Purchase Agreement; provided, however, that such restrictive legend may be removed subject and pursuant to the provisions of Section 4.1(c) of the Securities Purchase Agreement. The date on which such conversion shall take place (a "Conversion Date"), shall be defined as the Trading Day that the Notice of Conversion, completed and executed, is sent by electronic mail to, and received during regular business hours by, the Company and its share registrar, or at such later time as is specified in the Notice of Conversion. The calculations set forth in the Notice of Conversion shall control in the absence of manifest or mathematical error. All conversions in accordance with the terms of this Certificate of Preferred Shares shall take place automatically and immediately on the Conversion Date, and any conversion under this Certificate of Preferred Shares shall be effected in accordance with this Section 6(b).

(ii) Obligation Absolute. The Company's obligation to issue and deliver the Conversion Shares upon conversion of Series A Preferred Shares in accordance with the terms hereof are absolute and unconditional, irrespective of any action or inaction by a Holder to enforce the same, any waiver or consent with respect to any provision hereof, the recovery of any judgment against any Person or any action to enforce the same, or any setoff, counterclaim, recoupment, limitation or termination, or any breach or alleged breach by such Holder or any other Person of any obligation to the Company or any violation or alleged violation of law by such Holder or any other Person, and irrespective of any other circumstance which might otherwise limit such obligation of the Company to such Holder in connection with the issuance of such Conversion Shares. Nothing herein shall limit a Holder's right to pursue actual damages for the Company's failure to deliver Conversion Shares within the period specified herein and such Holder shall have the right to pursue all remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief; provided that such Holder shall not receive duplicate damages for the Company's failure to deliver Conversion Shares within the period specified herein. The exercise of any such rights shall not prohibit a Holder from seeking to enforce damages pursuant to any other Section hereof or under applicable law.

(iii) Compensation for Buy-In on Failure to Timely Deliver Shares Upon Conversion. If the Company, (or the Company's share registrar or custodian, as applicable) fails to reflect the issue of the Conversion Shares to the Holder in the register of members pursuant to Section 6(b), by the Delivery Deadline (other than a failure caused by incorrect or incomplete information provided by the Holder to the Company), and if after such Delivery Deadline such Holder is required to purchase (in an open market transaction or otherwise) ADSs to deliver in satisfaction of a sale by the Holder of ADSs represented by such Conversion Shares which such Holder was entitled to receive from the Company without any restrictive legend relating to such Delivery Deadline (a "Buy-In") then the Company shall, within four (4) Trading Days after such Holder's request and in such Holder's sole discretion, (A) pay in cash to such Holder (in addition to any other remedies available to or elected by such Holder) the amount by which (x) such Holder's total purchase price (including any brokerage commissions) for the ADSs so purchased exceeds (y) the product of (1) the aggregate number of Ordinary Shares (expressed on a per ADS-basis) that such Holder was entitled to receive from the conversion at issue multiplied by (2) the actual sale price at which the sell order giving rise to such purchase obligation was executed (including any brokerage commissions) and (B) at the option of such Holder, either reissue (if repurchased) the Series A Preferred Shares equal to the number of Series A Preferred Shares submitted for conversion or deliver to such Holder the number of Ordinary Shares that would have been issued if the Company had timely complied with its delivery requirements under Section 6(b)(i). For example, if a Holder purchases ADSs having a total purchase price of \$11,000 to cover a Buy-In with respect to an attempted conversion of Series A Preferred Shares, with respect to which the actual sale price (including any brokerage commissions) giving rise to such purchase obligation was a total of \$10,000 under clause (A) of the immediately preceding sentence, the Company shall be required to pay such Holder \$1,000. The Holder shall provide the Company written notice, within three (3) Trading Days after the occurrence of a Buy-In, indicating the amounts payable to such Holder in respect of such Buy-In together with applicable confirmations and other evidence reasonably requested by the Company. Nothing herein shall limit a Holder's right to pursue any other remedies available to it hereunder, at law or in equity including, without limitation, a decree of specific performance and/or injunctive relief with respect to the Company's failure to timely deliver Ordinary Shares upon conversion of the Series A Preferred Shares as required pursuant to the terms hereof; provided, however, that the Holder shall not be entitled to both (i) require the reissuance of the Series A Preferred Shares submitted for conversion for which such conversion was not timely honored and (ii) receive the number of Ordinary that would have been issued if the Company had timely complied with its obligations under Section 6(b)(i).

(iv) Reservation of Shares Issuable Upon Conversion. The Company covenants that it will at all times reserve and keep available out of its authorized and unissued share capital for the sole purpose of issuance upon conversion of the Series A Preferred Shares, free from preemptive rights or any other actual or contingent purchase rights of Persons other than the Holders of Series A Preferred Shares, not less than such aggregate number of Ordinary Shares as shall be issuable (taking into account the adjustments of Section 7) upon the conversion of all outstanding Series A Preferred Shares. Such reservation shall comply without regard to the provisions of Section 6(d). The Company covenants that all Ordinary Shares that shall be so issuable shall, upon issue, be duly authorized, validly issued, fully paid, non-assessable and free and clear of all liens and other encumbrances.

(v) Fractional Shares. No fractional shares or scrip representing fractional Ordinary Shares shall be issued upon the conversion of Series A Preferred Shares. All fractional shares shall be rounded up to the nearest whole Ordinary Share.

(vi) References in this Certificate of Preferred Shares to “converted” or “conversion” shall mean the compulsory repurchase by the Company without notice of Series A Preferred Shares of the Holder and, on behalf of such Holder, automatic application of such repurchase proceeds in paying for such new Ordinary Shares into which the Series A Preferred Shares have been converted or exchanged in accordance with the terms of this Certificate of Preferred Shares. The Ordinary Shares to be issued on an exchange or conversion shall be registered in the name of such Holder.

(c) Status as Shareholder. Upon each Conversion Date in which Series A Preferred Shares are converted into Ordinary Shares: (i) the Series A Preferred Shares being converted shall be deemed converted into Ordinary Shares; and (ii) the Holder’s rights as a holder of such Series A Preferred Shares shall cease and terminate, excepting only the right to receive an updated register of members of the Company showing the Holder as the owner of the relevant Ordinary Shares and for any remedies provided herein or otherwise available at law or in equity to such Holder because of a failure by the Company to comply with the terms of this Certificate of Preferred Shares. In all cases, the Holder shall retain all of its rights and remedies for the Company’s failure to convert its Series A Preferred Shares.

(d) Limitations on Conversion. Except as set forth in this Section 6(d), a Holder shall not have the right to convert any portion of its Series A Preferred Shares or be issued Ordinary Shares upon any conversion of Series A Preferred Shares, nor shall the Company have any obligation to effect any purported conversion, in each case, to the extent that after giving effect to such conversion, action or issue, as applicable, such Holder (together with such Holder’s Affiliates, any other Persons acting as a group together, and any other Persons whose beneficial ownership of Ordinary Shares would be aggregated with the Holder’s and the other Attribution Parties for purposes of Section 13(d) of the Exchange Act (such Persons, “Attribution Parties”)) would beneficially own in excess of 4.99% (the “Maximum Percentage”) of the Ordinary Shares outstanding immediately after giving effect to such conversion. For purposes of the foregoing sentence, the aggregate number of Ordinary Shares held and/or beneficially owned by such Holder and its Attribution Parties shall include the number of Ordinary Shares (including those underlying any ADSs) held by the Holder and all other Attribution Parties plus the number of Ordinary Shares issuable upon conversion of the Series A Preferred Shares with respect to which the determination of such sentence is being made, but shall exclude Ordinary Shares which would be issuable upon (i) conversion of the remaining, unconverted Series A Preferred Shares beneficially owned by such Holder and its Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Holder and its Attribution Parties (including, without limitation, any convertible notes or convertible preferred shares or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein. For purposes of this Section 6(d), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act. For purposes of determining the number of outstanding Ordinary Shares, a Holder may rely on the number of outstanding Ordinary Shares as reflected in (1) the Company’s most recent Annual Report on Form 20-F, Report of Foreign Private Issuer on Form 6-K or other public filing with the Commission, as the case may be, (2) a more recent public announcement by the Company or (3) any other notice by the Company setting forth the number of Ordinary Shares outstanding (the “Reported Outstanding Share Number”). If the Company receives a Conversion Notice from a Holder at a time when the actual number of issued and outstanding Ordinary Shares is less than the Reported Outstanding Share Number, the Company shall notify such Holder in writing via electronic mail of the number of Ordinary Shares then outstanding and, to the extent that such Conversion Notice would cause such Holder’s beneficial ownership, as determined pursuant to this Section 6(d), to exceed the Maximum Percentage, such Holder must notify that Company of a reduced number of Ordinary Shares to be issued by amending such Conversion Notice. For any reason at any time, upon the written request of a Holder, where such request indicates that it is being made pursuant to this Section 6(d), the Company shall as soon as practicable but in any case no later than two (2) Business Days confirm in writing via electronic mail to such Holder the number of Ordinary Shares then outstanding. The Holder shall disclose to the Company the number of Ordinary Shares that it, together with the Attribution Parties holds and/or beneficially owns and has the right to acquire through the conversion of Series A Preferred Shares and any limitations on conversion analogous to the limitation contained herein contemporaneously or immediately prior to submitting a Notice of Conversion. In any case, the number of outstanding Ordinary Shares shall be determined after giving effect to the conversion or exercise of securities of the Company, including the Series A Preferred Shares, by a Holder and its Attribution Parties since the date as of which such number of outstanding Ordinary Shares was reported. Upon delivery of a written notice to the Company, a Holder may from time to time increase or decrease the Maximum Percentage to any other percentage (not in excess of 19.99% of the issued and outstanding Ordinary Shares immediately after giving effect to the issuance of the Ordinary Shares issuable upon conversion of the Series A Preferred Shares) as specified in such notice; provided that (i) any such increase in the Maximum Percentage will not be effective until the sixty-first (61st) day after such notice is delivered to the Company and (ii) any such increase or decrease will apply only to such Holder and other Attribution Parties and not to any other holder of Series A Preferred Shares, provided, for the avoidance of doubt, that no such decrease shall affect the validity of any prior conversion of the Series A Preferred Shares by a Holder or any Attribution Party. For purposes of clarity, the Ordinary Shares issuable pursuant to the terms hereof in excess of the Maximum Percentage shall not be deemed to be beneficially owned by a Holder for any purpose including for purposes of Section 13(d) or, if applicable, Rule 16a-1(a)(1) of the Exchange Act. No prior inability to convert Series A Preferred Shares pursuant to this Section 6(d) shall have any effect on the applicability of the provisions of this Section 6(d) with respect to any subsequent determination of whether Series A Preferred Shares may be converted. The provisions of this paragraph shall be construed and implemented in a manner otherwise than in strict conformity with the terms of this Section 6(d) to the extent necessary to correct this paragraph or any portion of this paragraph which may be defective or inconsistent with the intended beneficial ownership limitation contained in this Section 6(d), or to make changes or supplements necessary or desirable to properly give effect to such limitation.

Section 7. Certain Adjustments.

(a) Share Capitalization and Share Splits. If the Company, at any time while any Series A Preferred Shares are outstanding: (i) approves a share capitalization with respect to the then outstanding Ordinary Shares; (ii) subdivides outstanding Ordinary Shares into a larger number of shares; or (iii) combines (including by way of a share consolidation) outstanding Ordinary Shares into a smaller number of shares, then the Conversion Ratio shall be multiplied by a fraction of which the numerator shall be the number of Ordinary Shares (excluding any treasury shares of the Company) outstanding immediately after such event and of which the denominator shall be the number of Ordinary Shares outstanding immediately before such event (excluding any treasury shares of the Company). Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of shareholders entitled to receive such capitalization and shall become effective immediately after the effective date in the case of a subdivision or combination.

(b) Reclassification, Exchange or Substitution. If Ordinary Shares issuable upon the conversion of Series A Preferred Shares shall be changed into the same or a different number of shares of any class or classes, whether by capital reorganization, reclassification, or otherwise (other than a subdivision or combination of shares or share dividend provided for above, or a reorganization, merger, consolidation, or sale of assets provided for below), then and in each such event the Holder of each such Series A Preferred Share shall have the right thereafter to convert such share into the kind and amount of shares and other securities and property receivable, upon such reorganization, reclassification, or other change, by holders of the number of Ordinary Shares into which such Series A Preferred Shares might have been converted immediately prior to such reorganization, reclassification, or change, all subject to further adjustment as provided herein.

(c) Merger or Reorganization, etc. If there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Company in which the Ordinary Shares (but not the Series A Preferred Shares) are converted into or exchanged for securities, cash or other property (other than a transaction covered by paragraphs (a) or (b) of this Section 7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each Series A Preferred Share shall be convertible into the kind and amount of securities, cash or other property which a holder of the number of Ordinary Shares of the Company issuable upon conversion of one Series A Preferred Share immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction (without regard to any limitation in Section 6(d), on the conversion of the Series A Preferred Shares); and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors) shall be made in the application of the provisions in this Section 7 with respect to the rights and interests thereafter of the holders of the Series A Preferred Shares to the end that the provisions set forth in this Section 7 (including provisions with respect to changes in and other adjustments of the Conversion Ratio, as applicable) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Series A Preferred Shares.

(d) Calculations. All calculations under this Section 7 shall be made to the nearest cent or the nearest 1/100th of a share, as the case may be. For purposes of this Section 7, the number of Ordinary Shares deemed to be issued and outstanding as of a given date shall be the sum of the number of Ordinary Shares (excluding any treasury shares of the Company) issued and outstanding.

(e) Notice to the Holders.

(i) Adjustment to Conversion Ratio. Whenever the Conversion Ratio is adjusted pursuant to any provision of this Section 7, the Company shall promptly deliver to each Holder a notice setting forth the Conversion Ratio after such adjustment and setting forth a brief statement of the facts requiring such adjustment.

(ii) Other Notices. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Ordinary Shares, (B) the Company shall declare declaration by the Company of a special nonrecurring cash dividend on or a redemption of the Ordinary Shares, (C) the Company shall authorize the granting to all holders of Ordinary Shares of rights or warrants to subscribe for or purchase any shares of any class or of any rights, (D) the approval of any shareholders of the Company shall be required in connection with any reclassification of Ordinary Shares, any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Ordinary Shares are converted into other securities, cash or property, or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case, the Company shall cause to be filed at each office or agency maintained for the purpose of conversion of Series A Preferred Shares and shall cause to be delivered to each Holder at its last address as it shall appear upon the books of the Company, at least 10 calendar days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Ordinary Shares of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such reclassification, consolidation, merger, sale, transfer or share exchange is expected to become effective or close, and the date as of which it is expected that holders of Ordinary Shares of record shall be entitled to exchange their Ordinary Shares of for securities, cash or other property deliverable upon such reclassification, consolidation, merger, sale, transfer or share exchange, provided that the failure to deliver such notice or any defect therein or in the delivery thereof shall not affect the validity of the corporate action required to be specified in such notice and provided further, that in each case, the Company will only be required to provide such information to the Holder if such information shall have been made known to the public prior to or in conjunction with such notice being provided to the Holder.

Section 8. Miscellaneous.

(a) Waiver. Any waiver by the Company or a Holder of a breach of any provision of this Certificate of Preferred Shares shall not operate as or be construed to be a waiver of any other breach of such provision or of any breach of any other provision of this Certificate of Preferred Shares or a waiver by any other Holders. The failure of the Company or a Holder to insist upon strict adherence to any term of this Certificate of Preferred Shares on one or more occasions shall not be considered a waiver or deprive that party (or any other Holder) of the right thereafter to insist upon strict adherence to that term or any other term of this Certificate of Preferred Shares. Any waiver by the Company or a Holder must be in writing.

(b) Severability. If any provision of this Certificate of Preferred Shares is invalid, illegal or unenforceable, the balance of this Certificate of Preferred Shares shall remain in effect, and if any provision is inapplicable to any Person or circumstance, it shall nevertheless remain applicable to all other Persons and circumstances. If it shall be found that any interest or other amount deemed interest due hereunder violates the applicable law governing usury, the applicable rate of interest due hereunder shall automatically be lowered to equal the maximum rate of interest permitted under applicable law.

(c) Next Business Day. Whenever any payment or other obligation hereunder shall be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day.

(d) Headings. The headings contained herein are for convenience only, do not constitute a part of this Certificate of Preferred Shares and shall not be deemed to limit or affect any of the provisions hereof.

IN WITNESS WHEREOF, Adagene Inc. has caused this Certificate of Designations of Preferences, Rights and Limitations of Series A Non-Voting Convertible Preferred Shares to be executed by its duly authorized officer this ____ day of ____, 2025.

ADAGENE INC.

By: _____
Name: Peter Luo, Ph.D.
Title: Chairman of the Board of Directors and Chief Executive Officer

[SIGNATURE PAGE TO CERTIFICATE OF PREFERRED SHARES]

ANNEX A

ADAGENE INC.

NOTICE OF CONVERSION

(TO BE EXECUTED BY THE REGISTERED HOLDER
IN ORDER TO CONVERT SERIES A PREFERRED SHARES)

Adagene Inc.
c/o Walkers Corporate Limited
190 Elgin Avenue, George Town
Grand Cayman KY1-9008
Cayman Islands

VIA EMAIL

[DATE]

Capitalized terms utilized but not defined herein shall have the meaning ascribed to such terms in that certain Certificate of Designations of Preferences, Rights and Limitations of Preferred Shares approved by the Board of Directors of the Company on January 24, 2024, January 27, 2025 and March 21, 2025 and by the pricing committee of the Board of Directors of the Company on June 20, 2025.

The undersigned Holder hereby irrevocably elects to convert the number of Series A Preferred Shares indicated below, into Ordinary Shares as indicated below; provided that, to the extent such conversion would cause such Holder to exceed the Maximum Percentage, any Series A Preferred Shares convertible into the number of Ordinary Shares that would result in the foregoing exceeding the Maximum Percentage shall not convert into Ordinary Shares and such Holder shall retain any such Series A Preferred Shares. If securities are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto.

The undersigned Holder's right to convert the Series A Preferred Shares is subject to the Maximum Percentage described in Section 6(d) of the Certificate of Preferred Shares. Therefore, the number of Ordinary Shares (including those underlying any ADSs) beneficially owned by the undersigned Holder (together with any Attribution Parties), including the number of Ordinary Shares issuable upon conversion of Series A Preferred Shares subject to this Notice of Conversion, but excluding (i) exercise of the remaining, unconverted portion of Series A Preferred Shares beneficially owned by such Person and its Attribution Parties and (ii) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company beneficially owned by such Person and its Attribution Parties (including, without limitation, any convertible notes or convertible preferred share or warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein, shall not exceed the Maximum Percentage of the Ordinary Shares outstanding immediately following the effectiveness of this conversion.

Conversion calculations:

Date to Effect Conversion: []

Number of Series A Preferred Shares owned immediately prior to Conversion: []

Number of Series A Preferred Shares to be Converted: []

Number of Ordinary Shares to be Issued: []

Address for delivery of physical certificates: []*[optional]*

HOLDER:

By:
Name:
Title:
Date:

**Partners:**

Paul Aherne **
 Brett Basdeo ***
 John Cartwright *
 John Crook *
 Mark Cummings *****
 Natalie Curtis ****
 James Gaden ****
 Kevin Ho ****
 Kristen Kwok **
 Wing Lam *
 William Lee *
 Thomas Pugh *****
 Andrew Randall **
 Victoria Raymond *
 Wei Ching Teo *****

31 October 2025

Our Ref: MRC/KH/A6545-H27564

Adagene Inc.

c/o Vistra (Cayman) Limited
 PO Box 31119
 Grand Pavilion, Hibiscus Way
 802 West Bay Road
 Grand Cayman KY1-1205
 Cayman Islands

Dear Sir or Madam

Adagene Inc.

We have acted as Cayman Islands legal advisers to Adagene Inc. (the "**Company**") in connection with the Registration Statement (as defined in Schedule 1), to be filed with the Securities and Exchange Commission (the "**Commission**") relating to the registration under the U.S. Securities Act of 1933, as amended, of 10,625,000 Ordinary Shares of a par value of US\$0.000 each (the "**Ordinary Shares**") in the share capital of the Company, to be offered and resold by the selling shareholder identified in the Registration Statement. We are furnishing this opinion as exhibit 5.1 to the Registration Statement.

For the purposes of giving this opinion, we have examined and relied upon the originals, copies or translations of the documents listed in Schedule 1.

In giving this opinion we have relied upon the assumptions set out in Schedule 2, which we have not independently verified.

We are Cayman Islands Attorneys at Law and express no opinion as to any laws other than the laws of the Cayman Islands in force and as interpreted at the date of this opinion. We have not, for the purposes of this opinion, made any investigation of the laws, rules or regulations of any other jurisdiction. Except as explicitly stated herein, we express no opinion in relation to any representation or warranty contained in any of the documents cited in this opinion nor upon matters of fact or the commercial terms of the transactions the subject of this opinion.

Based upon the examinations and assumptions stated herein and upon such searches as we have conducted and having regard to legal considerations which we consider relevant, and subject to the qualification set out in Schedule 3, and under the laws of the Cayman Islands, we give the following opinions in relation to the matters set out below.

1. The Company is an exempted company duly incorporated with limited liability, validly existing under the laws of the Cayman Islands and is in good standing with the Registrar of Companies in the Cayman Islands.
2. Based on our review of the Memorandum and Articles (as defined in Schedule 1), the Company has an authorised share capital of US\$80,000 divided into 800,000,000 shares comprising (i) 640,000,000 ordinary shares of a nominal or par value of US\$0.0001 each ("**Ordinary Shares**"), and (ii) 160,000,000 shares of a nominal or par value of US\$0.0001 each of such class or classes (however designated) as the board of directors may determine in accordance with Article 9 of the Memorandum and Articles (the "**Undesignated Shares**"). Based on the January Resolution (as defined in Schedule 1), a certain number of Undesignated Shares were designated as Series A Non-Voting Redeemable Convertible Preferred Shares of a nominal or par value of US\$0.0001 (the "**Preferred Shares**") each with the rights and obligations set out in the Certificate of Designations (as defined in Schedule 1) and the January Resolution.

Walkers (Hong Kong)
 滙嘉律師事務所 (香港)

15th Floor, Alexandra House, 18 Chater Road, Central, Hong Kong

T +852 2284 4566 F +852 2284 4560

Bermuda | British Virgin Islands | Cayman Islands | Dubai | Guernsey | Hong Kong | Ireland | Jersey | London | Singapore
 *England and Wales; **BVI; ***Cayman Islands; ****New South Wales (Australia); *****Bermuda, *****Singapore

3. The issue and allotment of the Ordinary Shares described in the Registration Statement to be issued upon conversion of the Preferred Shares (the "**Conversion Shares**") has been duly and validly authorised and, when issued and delivered against the repurchase and cancellation of the Preferred Shares being converted in accordance with the Resolutions, and when appropriate entries have been made in the Register of Members of the Company, the Conversion Shares will be validly issued, allotted and fully paid, and there will be no further obligation on the holder of any of the Conversion Shares to make any further payment to the Company in respect of such Conversion Shares.
4. The statements under the caption "ENFORCEABILITY OF CIVIL LIABILITIES", "TAXATION – Cayman Islands Taxation" and "LEGAL MATTERS" in the prospectus forming part of the Registration Statement, to the extent that they constitute statements of Cayman Islands law, are accurate in all material respects.

We hereby consent to the use of this opinion in, and the filing hereof, as an exhibit to the Registration Statement and further consent to all references to our name in the Registration Statement. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the U.S. Securities Act of 1933, as amended, or the rules and regulations of the Commission promulgated thereunder.

This opinion is limited to the matters referred to herein and shall not be construed as extending to any other matter or document not referred to herein.

This opinion shall be construed in accordance with the laws of the Cayman Islands.

Yours faithfully

/s/ WALKERS (HONG KONG)

WALKERS (HONG KONG)

SCHEDULE 1

LIST OF DOCUMENTS EXAMINED

1. The Certificate of Incorporation dated 25 February 2011, the Seventh Amended and Restated Memorandum and Articles of Association as adopted by special resolutions passed on 19 January 2021 (the "**Memorandum and Articles**"), in each case, of the Company, copies of which have been provided to us by the Company (together the "**Company Records**").
 2. The Cayman Online Registry Information System (CORIS), the Cayman Islands' General Registry's online database, searched on 31 October 2025.
 3. A Certificate of Good Standing dated 20 June 2025 in respect of the Company issued by the Registrar of Companies in the Cayman Islands (the "**Certificate of Good Standing**").
 4. A copy of the executed minutes of a meeting of the board of directors of the Company held on 27 January 2025 (the "**January Resolutions**"), the executed minutes of a meeting of the board of directors of the Company held on 21 March 2025, the executed written resolutions of the pricing committee of the board of directors of the Company dated 20 June 2025 (together, the "**Resolutions**").
 5. The Company's registration statement on Form F-3 to be filed by the Company with the Commission on or about 31 October (the "**Registration Statement**").
 6. The certificate of designations of preferences, rights and limitations of Series A Non-Voting Redeemable Convertible Preferred Shares dated 2 July 2025 (the "**Certificate of Designations**").
-

SCHEDULE 2**ASSUMPTIONS**

1. All authorisations, approvals, consents, licences and exemptions required by, and all filings and other steps required of each of the parties to the Registration Statement outside the Cayman Islands to ensure the legality, validity and enforceability of the Registration Statement have been or will be duly obtained, made or fulfilled and are and will remain in full force and effect and any conditions to which they are subject have been satisfied.
 2. The Resolutions are and shall remain in full force and effect and have not been and will not be rescinded or amended.
 3. The originals of all documents examined in connection with this opinion are authentic. All documents purporting to be sealed have been so sealed. All copies are complete and conform to their originals. Any translations are a complete and accurate translation of the original document they purport to translate.
 4. The Registration Statement and the documents or agreements referred to therein have been or will be duly authorised, executed and delivered by or on behalf of all relevant parties prior to the offer and resale of the Ordinary Shares and will be legal, valid, binding and enforceable against all relevant parties in accordance with their terms.
 5. We have relied upon the statements and representations of directors, officers and other representatives of the Company as to factual matters.
 6. On the date of issue of the Ordinary Shares, the Company shall have sufficient authorised but unissued share capital available.
 7. The Resolutions were: (i) duly adopted at duly convened meetings of the board of directors of the Company and such meetings were held and conducted in accordance with the Memorandum and Articles, or (ii) duly executed (and where by a corporate entity such execution has been duly authorised if so required) by or on behalf of each Director and the signatures and initials thereon are those of a person or persons in whose name the Resolutions have been expressed to be signed.
 8. The Company has received, or will on issue of the Ordinary Shares receive, consideration in money or money's worth for each share when issued, such consideration in any event not being less than the stated par or nominal value of each share.
 9. The Company has, or will on issue of the relevant Ordinary Shares have, offered and sold the shares in the manner contemplated by the Registration Statement and the documents or agreements referred to therein and otherwise in compliance with all applicable laws.
 10. The Memorandum and Articles are the memorandum and articles of association of the Company and are in force at the date hereof.
 11. The Company Records are complete and accurate and all matters required by law and the Memorandum and Articles to be recorded therein are completely and accurately so recorded.
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12. There are no records of the Company (other than the Company Records), agreements, documents or arrangements other than the documents expressly referred to herein as having been examined by us which materially affect, amend or vary the transactions envisaged in the Registration Statement or restrict the powers and authority of the directors of the Company in any way or which would affect any opinion herein.
 13. No resolution voluntarily to wind up the Company has been adopted by the members of the Company and no event of a type which is specified in the Memorandum and Articles as giving rise to the winding up of the Company (if any) has in fact occurred.
-

SCHEDULE 3
QUALIFICATIONS

1. If any business of a company has been carried on with intent to defraud creditors of the company or creditors of any other person or for any fraudulent purpose, the Court may declare that any persons who were knowingly parties to the carrying on of the business of the company in such manner are liable to make such contributions, if any, to the company's assets as the Court thinks proper.
 2. The obligations of the Company may be subject to restrictions pursuant to United Nations and United Kingdom sanctions extended to the Cayman Islands by Orders in Council.
 3. Our opinion as to good standing is based solely upon receipt of the Certificate of Good Standing issued by the Registrar. The Company shall be deemed to be in good standing under section 200A of the Companies Act on the date of issue of the certificate if all fees and penalties under the Companies Act have been paid and the Registrar has no knowledge that the Company is in default under the Companies Act.
 4. We express no opinion upon any provisions in the Memorandum and Articles or any document which contains a reference to any law or statute that is not a Cayman Islands law or statute.
 5. We render no opinion as to the specific enforcement as against the Company of covenants granted by the Company to do or to omit to do any action or other matter which is reserved by applicable law or the Company's constitutional documents to the members of the Company or to any other person.
 6. Based on the decision in the English case of *Houldsworth v City of Glasgow Bank* (1880) 5 App Cas 317 HL, in the event of a misrepresentation by a company on which a member relied in agreeing to subscribe for shares in such company, the member may be entitled to rescind the share subscription agreement and thereafter claim damages against such company for any additional loss suffered as a result of the misrepresentation. Such a claim for damages will not arise unless and until the member has successfully rescinded the share subscription agreement. A member may be barred from rescinding on the grounds of delay or affirmation and if such company is wound up (whether voluntarily or compulsorily), such member will lose the right to rescind the share subscription agreement. In light of recent Cayman Islands case law, it is currently uncertain whether the rule in *Houldsworth* remains applicable in the Cayman Islands. There are currently two conflicting decisions of the Grand Court of the Cayman Islands: *In the matter of HQP Corporation Limited (in Official Liquidation)* (Cause No. FSD 190 of 2021, unreported, 7 July 2023, Doyle J), Justice Doyle held, amongst other things, that *Houldsworth* did not apply in the Cayman Islands (meaning shareholders may in principle issue claims for misrepresentation against companies in liquidation); and *In the matter of Direct Lending (in Official Liquidation)* (Cause No. FSD 108 of 2019, 13 March 2024, Segal J), Justice Segal held, amongst other things, that *Houldsworth* did apply in the Cayman Islands and that it would be for the Cayman legislature to modify or abolish the application of the rule.
 7. The Company may be required to submit (or to cause to be submitted on its behalf) a notification and report to the Cayman Islands Department for International Tax Cooperation to ensure compliance with any obligations it may have under the laws of the Cayman Islands relating to the automatic exchange of financial account information.
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8. Any legal person that is a Cayman Islands company, limited liability company, limited liability partnership, limited partnership, foundation company, exempted limited partnership, or any other person that may be prescribed in regulations from time to time (a "**Legal Person**") is subject to the Beneficial Ownership Transparency Act (as amended) of the Cayman Islands (the "**BOTA**"). An interest that a person holds in a Legal Person consisting of a partnership interest or shares or voting rights in the Legal Person or ultimate effective control over the management of the Legal Person (a "**Relevant Interest**") will be affected by a restrictions notice issued by the corporate services provider of such legal person pursuant to the BOTA (a "**Restrictions Notice**") if such a notice is issued by the corporate services provider. If a Restrictions Notice is issued, then: (i) any transfer or agreement to transfer the Relevant Interest shall be void; (ii) no rights shall be exercisable in respect of the Relevant Interest; (iii) no Relevant Interests may be issued in respect of the Relevant Interest or pursuant to an offer made to the person holding the Relevant Interest; and (iv) except in a liquidation, an agreement to transfer certain rights in relation to the Relevant Interest shall be void.
 9. A Restrictions Notice issued in respect of a Relevant Interest that is subject to a pre-existing security interest granted to a third party who is not affiliated with the person who holds such Relevant Interest, shall not take effect. In deciding whether to send a Restrictions Notice, a corporate service provider shall have regard to the effect of the notice on the rights of persons in respect of the Relevant Interest, including third parties, persons with a security interest over the Relevant Interest, registered shareholders and other beneficial owners. Further, a corporate services provider shall, by notice, withdraw a Restrictions Notice if the corporate services provider discovers that the rights of a third party in respect of a Relevant Interest are being unfairly affected by the Restrictions Notice.
 10. The Grand Court may, on an application by any person aggrieved by a decision of a corporate services provider to issue a Restrictions Notice, make an order giving directions for the purpose of protecting the rights of third parties, persons with a security interest over a Relevant Interest, shareholders or other beneficial owners in respect of a relevant interest, if the Court is satisfied that a restrictions notice unfairly affects those rights.
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競天公誠律師事務所
JINGTIAN & GONGCHENG

34/F, China Central Place, 77 Jianguo Road, Chaoyang District, Beijing 100025
Telephone: (86-10) 5809-1000 Facsimile: (86-10) 5809-1100

October 31, 2025

To:

Adagene Inc.

4F, Building C14, No. 218
Xinghu Street, Suzhou Industrial Park
Suzhou, Jiangsu Province,
People's Republic of China

(as the "Company")

Re: Legal Opinion Regarding Certain PRC Law Matters

We are qualified lawyers of the People's Republic of China (the "PRC") and are qualified to issue an opinion on the laws and regulations of the PRC (for the purposes of this opinion, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan).

We have acted as PRC counsel to Adagene Inc., a company incorporated under the laws of the Cayman Islands (the "Company"). With respect to the registration under the U.S. Securities Act of 1933, as amended, of 10,625,000 Ordinary Shares of a par value of US\$0.000 each (the "Ordinary Shares") in the share capital of the Company, to be offered and resold by the selling shareholder identified in the Registration Statement, you have requested us to furnish an opinion to you as to the matters hereinafter set forth.

A. Documents Examined, Definition and Information Provided

In connection with the furnishing of this opinion, we have examined copies, certified or otherwise identified to our satisfaction, of documents provided by the Company, and such other documents, the Registration Statements, corporate records, certificates, approvals and other instruments as we have deemed necessary for the purpose of rendering this opinion, including, without limitation, originals or copies of the certificates issued by PRC government authorities and officers of the Company. All of these documents are hereinafter collectively referred to as the "Documents".

Unless the context of this opinion otherwise provides, the following terms in this opinion shall have the meanings set forth below:

"Governmental Authorizations" mean all approvals, consents, permits, authorizations, filings, registrations, exemptions, certificates, permissions, waiver, endorsement, annual inspection, qualifications or license required by the applicable PRC Laws.

"PRC Company" means Adagene (Suzhou) Limited, which is a company incorporated in accordance with the PRC Laws.

"PRC Laws" mean the published and publicly available PRC laws, regulations, rules and judicial interpretations announced by the PRC Supreme People's Court available on the date hereof.

Capitalized terms used but not defined herein shall have the meanings set forth in the Registration Statements.

B. Assumptions

In our examination of the aforesaid Documents, we have assumed, without independent investigation and inquiry that:

1. all signatures, seals and chops are genuine and were made or affixed by representatives duly authorized by the respective parties, all natural persons have the necessary legal capacity, all Documents submitted to us as originals are authentic, and all Documents submitted to us as certified or photo static copies conform to the originals;
2. no amendments, revisions, modifications or other changes have been made with respect to any of the Documents after they were submitted to us for the purposes of this opinion and any Document submitted to us is effective and has not been varied, revoked, withheld, cancelled or superseded by some other documents or agreements or action of which we are not aware after due inquiry;
3. each of the parties to the Documents (except that we do not make such assumptions about the PRC Company) is duly organized and validly existing in good standing under the laws of its jurisdiction of organization and/or incorporation, and has been duly approved and authorized where applicable by the competent governmental authorities of the relevant jurisdiction to carry on its business and to perform its obligations under the Documents to which it is a party;
4. the truthfulness, accuracy and completeness of all factual statements in the Documents submitted and made available to us up to the date of this opinion. Where certain facts were not independently verified by us in order to render this opinion, we have relied upon the Documents issued by the PRC government agencies and representatives of the Company and the PRC Company with proper authority, and also upon representations, oral or written, made in, or pursuant to, the Documents;
5. all facts and Documents which may affect this opinion herein have been disclosed to us, and there has not been or will not be any omission in respect of such disclosure; and
6. all Governmental Authorizations and other official documentations were obtained from the competent PRC government agencies by lawful means.

In expressing the opinions set forth herein, we have relied upon the factual matters contained in the representations and warranties set forth in the Documents.

C. Opinion

Based upon the foregoing, we are of the opinion that:

1. With Respect to the Corporate Structure

The description of the ownership structure described under the caption "Corporate History and Structure" in the Registration Statement is true and accurate in all material respects and insofar as related to PRC Laws, nothing has been omitted from such description which would make the same misleading in any material respects. The ownership structures of the PRC Company as described in the Registration Statement comply, and immediately after giving effect of the offering of securities described in the Registration Statements will comply, with all applicable PRC Laws, and do not violate, breach, or otherwise conflict with any applicable PRC Laws, except as disclosed in the Registration Statement.

2. Taxation

The statements set forth under the caption "Taxation" in the Registration Statement, insofar as they constitute statements of PRC tax law, are accurate in all material respects and that such statements constitute our opinion, and insofar as related to PRC Laws nothing has been omitted from such statements which would make the same misleading in all material respects.

We hereby consent to the use of this opinion in, and the filing hereof as an exhibit to, the Registration Statements, and to the use of our firm's name under the captions "PRC Regulatory Developments", "Risk Factors", "Transfer of Funds and Other Assets", "Enforceability of Civil Liabilities", "Taxation" and "Legal Matters" in the Registration Statements and Registration Statement, as applicable. In giving such consent, we do not thereby admit that we come within the category of persons whose consent is required under Section 7 of the Securities Act of 1933, or under the Securities Exchange Act of 1934, in each case, as amended, or the regulations promulgated thereunder.

Yours faithfully,

/s/ Jingtian & Gongcheng

Jingtian & Gongcheng

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this “**Agreement**”) is dated as of June 30, 2025, by and between Adagene Inc., an exempted company with limited liability incorporated in the Cayman Islands (the “**Company**”), and Sanofi Foreign Participations B.V., a private limited company incorporated in the Netherlands (the “**Purchaser**”).

RECITALS

A. The Company and the Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act of 1933, as amended (the “**Securities Act**”).

B. The Company wishes to sell to the Purchaser, and the Purchaser desires to purchase from the Company, upon the terms and conditions stated in this Agreement, Series A Non-Voting Convertible Preferred Shares of the Company, par value US\$0.0001 per share (the “**Series A Preferred Shares**”), as more fully described in this Agreement (each, a “**Share**” and collectively the “**Shares**”).

C. Pursuant to the Certificate of Designations of the Series A Non-Voting Convertible Preferred Shares, in substantially the form attached hereto as Exhibit A (the “**Certificate of Preferred Shares**”), each Share will be convertible into a number of ordinary shares of the Company, par value US\$0.0001 per share (the “**Ordinary Shares**”) equal to the Conversion Ratio (as such term is defined in the Certificate of Preferred Shares). The Ordinary Shares that are issuable upon conversion of the Shares are referred to herein as the “**Conversion Shares**.”

D. The Shares and the Conversion Shares are referred to herein collectively as the “**Securities**.”

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Company and the Purchaser hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1 *Definitions.* In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

“**2024 Form 20-F**” means the Company’s Annual Report on Form 20-F for the year ended December 31, 2024, as filed with the SEC on March 24, 2025.

“**30-Day VWAP**” means the average VWAP of the thirty (30) Trading Days immediately preceding the date of delivery of the Second Closing Notice.

“**ADS Registration Statement**” has the meaning set forth in Section 3.1(ii).

“**Advance Indemnification Payment**” has the meaning set forth in Section 4.19(f)(iv).

“**Affiliate**” means, with respect to any 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, as such terms are used in and construed under Rule 405 under the Securities Act.

“**Agreement**” has the meaning set forth in the Preamble.

“**ADSs**” means American depositary shares, each representing one and one quarter (1.25) Ordinary Shares.

“**Applicable Closing**” means the First Closing or the Second Closing, as applicable.

“**Applicable Closing Date**” means the First Closing Date or the Second Closing Date, as applicable.

“**Board of Directors**” means the board of directors of the Company.

“**Business Day**” means any day except Saturday, Sunday, any day which shall be a federal legal holiday in the United States, a public holiday in Hong Kong or any day on which banking institutions in the State of New York or Hong Kong are authorized or required by law or other governmental action to close.

“**Certificate of Preferred Shares**” has the meaning set forth in the Recitals.

“**Clinical Trial Supply Agreement**” means that certain Clinical Trial Collaboration and Supply Agreement, dated on or about the date hereof, by and between the Company or its designated subsidiary and Sanofi US Services Inc.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Commission**” or the “**SEC**” means the U.S. Securities and Exchange Commission.

“**Company**” has the meaning set forth in the Preamble.

“**Company Counsel**” means Davis Polk & Wardwell LLP, with offices located at c/o 18th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong.

“**Company Cayman Counsel**” means Walkers (Hong Kong), as Cayman Islands counsel to the Company.

“**Company’s Knowledge**” means with respect to any statement made to the Company’s Knowledge, that the statement is based upon the actual knowledge of the executive officers of the Company having responsibility for the matter or matters that are the subject of the statement.

“**Company Party**” has the meaning set forth in Section 4.19(f)(ii).

“**Control**” (including the terms “controlling,” “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“**Conversion Shares**” has the meaning set forth in the Recitals.

“**CSRC**” has the meaning set forth in [Section 3.1\(g\)](#).

“**CSRC Archive Rules**” has the meaning set forth in [Section 3.1\(ee\)](#).

“**CSRC Filing**” has the meaning set forth in [Section 3.1\(i\)](#).

“**CSRC Filing Date**” has the meaning set forth in [Section 3.1\(i\)](#).

“**CSRC Filing Report**” has the meaning set forth in [Section 3.1\(i\)](#).

“**CSRC Filing Rules**” has the meaning set forth in [Section 3.1\(i\)](#).

“**CSRC Rules**” has the meaning set forth in [Section 3.1\(i\)](#).

“**Cut Back Shares**” has the meaning set forth in [Section 4.19\(c\)](#).

“**Depository**” means JPMORGAN CHASE BANK, N.A., a national banking association organized under the laws of the United States of America.

“**Disqualification Event**” has the meaning set forth in [Section 3.1\(cc\)](#).

“**Effective Date**” has the meaning set forth in [Section 4.19\(a\)\(vii\)](#).

“**Effectiveness Deadline**” has the meaning set forth in [Section 4.19\(a\)\(ii\)](#).

“**Environmental Laws**” has the meaning set forth in [Section 3.1\(p\)](#).

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“**Exempt Issuance**” means (a) the issuance of Ordinary Shares, options to purchase Ordinary Shares, or other Related Securities (as defined below), or Ordinary Shares upon exercise, conversion, or vesting and settlement of options or other Related Securities, as the case may be, pursuant to any share option, share bonus or other share plan or arrangement described in the SEC Reports, (b) the issuance of Ordinary Shares pursuant to the conversion or exchange of convertible or exchangeable securities or the exercise of warrants outstanding on the date hereof and described in the SEC Reports, provided that such securities have not been amended since the date hereof to increase the number of such securities or to decrease the exercise price, exchange price or conversion price of such securities (other than in connection with stock splits or combinations) or to extend the term of such securities, (c) the filing of a registration statement on Form F-8 to register Ordinary Shares issuable pursuant to the terms of a share option, share bonus or other share plan or arrangement described in the SEC Reports, (d) facilitating the establishment of a trading plan on behalf of a shareholder, officer or director of the Company pursuant to Rule 10b5-1 under the Exchange Act for the transfer of Ordinary Shares or ADSs, (e) the issuance of Ordinary Shares upon the exercise or exchange of or conversion of any Securities issued hereunder, and (f) the issuance of Ordinary Shares, ADSs or other Related Securities for a price per Ordinary Share (on an as-converted basis, as applicable) of equal to or greater than US\$1.60. For purposes of the foregoing, “*Related Securities*” shall mean any options or warrants or other rights to acquire ADSs or Ordinary Shares or any securities exchangeable or exercisable for or convertible into Ordinary Shares or ADSs, or to acquire other securities or rights ultimately exchangeable or exercisable for, or convertible into, Ordinary Shares or ADSs.

“**Expected First Closing Date**” means the date that is two (2) Business Days after the date of this Agreement, as set forth in the Preamble or other later date as mutually agreed between the Company and the Purchaser.

“**Expected Second Closing Date**” means the date specified in the Second Closing Notice delivered in accordance with [Section 2.4\(a\)](#), or other later date as mutually agreed between the Company and the Purchaser.

“**Filing Date**” means, with respect to the First Closing Registration Statement required hereunder, not later than four calendar months after the First Closing Date, and with respect to the Second Closing Registration Statement, not later than four calendar months after the Second Closing Date.

“**First Closing**” means the closing of the purchase and sale of Shares pursuant to [Section 2.1](#).

“**First Closing Date**” means the Trading Day when all of the conditions applicable to the First Closing set forth in [Sections 2.1, 2.2, 5.1 and 5.2](#) hereof are satisfied or waived, as the case may be, or such other date as the parties may agree.

“**First Closing Company Deliverables**” has the meaning set forth in [Section 2.2\(a\)](#).

“**First Closing Director’s Certificate**” has the meaning set forth in [Section 2.2\(a\)](#).

“**First Closing Purchase Price**” means US\$16.00 per Series A Preferred Share.

“**First Closing Purchaser Deliverables**” has the meaning set forth in [Section 2.2\(b\)](#).

“**First Closing Registration Statement**” means the Registration Statement filed pursuant to this Agreement and in connection with the First Closing.

“**First Closing Shares**” has the meaning set forth in [Section 2.1\(a\)](#).

“**First Closing Subscription Amount**” means the aggregate purchase price of US\$17,000,000.00 and in immediately available funds.

“**Full Phase 2 Enrollment**” shall be deemed to have occurred upon the first dosing of the final participant according to the protocol-defined enrollment target with respect to the Company’s phase 2 trial of ADG126 in combination with therapy involving anti-PD-1 for patients with advanced microsatellite stable colorectal cancer.

“**Form F-6**” has the meaning set forth in [Section 3.1\(ii\)](#).

“**GAAP**” means U.S. generally accepted accounting principles, as applied by the Company.

“**Governmental Authority**” means (i) any federal, provincial, state, local, municipal, national or international government or governmental authority, regulatory or administrative agency, governmental commission, department, board, bureau, agency or instrumentality, court, tribunal, arbitrator or arbitral body (public or private); (ii) any self-regulatory organization; or (iii) any political subdivision of any of the foregoing.

“**Health Care Laws**” has the meaning set forth in [Section 3.1\(v\)](#).

“**Indemnified Person**” has the meaning set forth in [Section 4.13](#).

“**Intellectual Property**” has the meaning set forth in [Section 3.1\(m\)](#).

“**Irrevocable Share Registrar Instructions**” means, with respect to the Company, the Irrevocable Share Registrar Instructions, in the form of [Exhibit C](#), executed by the Company and delivered to and acknowledged in writing by the Share Registrar.

“**Lien**” means any lien, charge, claim, encumbrance, security interest, right of first refusal, preemptive right or other restrictions of any kind.

“**Liquidated Damages**” has the meaning set forth in [Section 4.19\(b\)](#).

“**Losses**” has the meaning set forth in [Section 4.19\(f\)\(i\)](#).

“**MA&A**” means the Seventh Amended and Restated Memorandum and Articles of Association of the Company, as may be further amended and/or restated from time to time.

“**Material Adverse Effect**” means a material adverse effect on the results of operations, assets, prospects, business or financial condition of the Company and the Subsidiaries, taken as a whole, except that any of the following, either alone or in combination, shall not be deemed a Material Adverse Effect: (i) effects caused by changes or circumstances affecting general market conditions in the U.S. economy or which are generally applicable to the industry in which the Company operates, *provided* that such effects are not borne disproportionately by the Company, (ii) effects resulting from or relating to the announcement or disclosure of the sale of the Securities or other transactions contemplated by this Agreement, or (iii) effects caused by any event, occurrence or condition resulting from or relating to the taking of any action in accordance with this Agreement.

“**Material Contract**” means any contract, instrument or other agreement to which the Company is a party or by which it is bound and that is material to the business of the Company and has been, or is required to be, filed as an exhibit to the SEC Reports pursuant to Item 601(b)(2), Item 601(b)(4) or Item 601(b)(10) of Regulation S-K.

“**New York Courts**” means the state and federal courts sitting in the City of New York, Borough of Manhattan.

“**Off-Balance Sheet Transaction**” has the meaning set forth in [Section 3.1\(oo\)](#).

“**Ordinary Shares**” has the meaning set forth in the Recitals, and also includes any other class of securities into which the Ordinary Shares may hereafter be reclassified or changed into.

“**Ordinary Share Equivalents**” means any securities of the Company or any Subsidiary which would entitle the holder thereof to acquire at any time Ordinary Shares, including, without limitation, any debt, preferred share, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares or other securities that entitle the holder to receive, directly or indirectly, Ordinary Shares.

“**Outside Date**” means the fifth (5th) Business Day following the date of this Agreement.

“**Person**” means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, Governmental Authority or any other form of entity not specifically listed herein.

“**Piggyback Notice**” has the meaning set forth in [Section 4.19\(d\)](#).

“**PRC**” the People’s Republic of China, which, for purposes of this Agreement only, excludes Taiwan, The Hong Kong Special Administrative Region and The Macau Special Administrative Region.

“**PRC Business Day**” means any day except Saturday, Sunday or any day which shall be a federal legal holiday in the PRC.

“**PRC Overseas Investment and Listing Regulations**” has the meaning set forth in [Section 3.1\(pp\)](#).

“**Principal Trading Market**” means The Nasdaq Global Market.

“**Proceeding**” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“**Purchaser**” has the meaning set forth in the Recitals.

“**Purchaser Party**” has the meaning set forth in [Section 4.13](#).

“**Registrable Shares**” means, as of any date of determination, all Conversion Shares then issued or issuable upon conversion of Shares then issued upon the date of determination without taking into account any limitations upon conversion set forth in the Certificate of Preferred Shares; *provided, however*, that a security shall cease to be a Registrable Share upon the earliest to occur of the following: (a) a Registration Statement registering such security under the Securities Act has been declared or becomes effective and such security has been sold or otherwise transferred by the holder thereof pursuant to and in a manner contemplated by such effective Registration Statement, (b) such security is sold pursuant to Rule 144 under circumstances in which any legend borne by such security relating to restrictions on transferability thereof, under the Securities Act or otherwise, is removed by the Company, (c) such security is eligible to be sold pursuant to Rule 144 without condition or restriction, including without any limitation as to volume of sales, any requirement of the availability of current public information and without the holder complying with any method of sale requirements or notice requirements under Rule 144, or (d) such security shall cease to be outstanding following its issuance.

“**Registration Failure**” has the meaning set forth in [Section 4.19\(b\)](#).

“**Registration Statement**” means any registration statement or registration statements of the Company filed under the Securities Act pursuant to [Section 4.19](#) hereof, and shall include any preliminary prospectus, final prospectus, exhibit or amendment included in or relating to such registration statements, and all material incorporated by reference or deemed to be incorporated by reference in any such registration statement.

“**Reimbursement Failure**” has the meaning set forth in [Section 6.1\(c\)](#).

“**Reimbursement Liquidated Damages**” has the meaning set forth in [Section 6.1\(c\)](#).

“**Relevant Information**” has the meaning set forth in [Section 4.15](#).

“**Representative**” shall mean employees, directors, officers, third party advisors or attorneys (including external counsel) of any of the parties.

“**Restriction Termination Date**” has the meaning set forth in [Section 4.19\(c\)](#).

“**Rule 144**” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“**Sale Expenses**” has the meaning set forth in [Section 4.19\(e\)](#).

“**SAMR**” means the State Administration for Market Regulations of the PRC or its local branches.

“**Sanctions**” means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including, without limitation, those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom or other relevant sanctions authority.

“**Side Letter**” shall mean the letter agreement between the Company and the Purchaser, dated on or around the date hereof, in the form attached hereto as [Exhibit G](#).

“**SEC Guidance**” means (i) any publicly-available written or oral guidance of the Commission staff, or any comments, requirements or requests of the Commission staff and (ii) the Securities Act.

“**SEC Reports**” means reports, schedules, forms, statements and other documents required to be filed by the Company under the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law or regulation to file such materials), including (a) the exhibits thereto and documents incorporated by reference therein and (b) the Transaction 6-K.

“**SEC Restrictions**” has the meaning set forth in [Section 4.19\(c\)](#).

“**Second Closing**” means the closing of the purchase and sale of Shares pursuant to [Section 2.4](#).

“**Second Closing Company Deliverables**” has the meaning set forth in [Section 2.5\(a\)](#).

“**Second Closing Date**” means the Trading Day when all of the conditions applicable to the Second Closing set forth in [Sections 2.4, 2.5, 5.1](#) and [5.2](#) hereof are satisfied or waived, as the case may be, or such other date as the parties may agree.

“**Second Closing Director’s Certificate**” has the meaning set forth in [Section 2.5](#).

“**Second Closing Notice**” has the meaning set forth in [Section 2.4\(a\)](#).

“**Second Closing Purchase Price**” means a price per Series A Preferred Share, represented in United States Dollars, equal to the product of (a) the 30-Day VWAP divided by the number of Ordinary Shares represented by one ADS as of the date of determination (which, as of the date hereof, is one and one quarter Ordinary Shares) multiplied by (b) the Conversion Ratio (as such term is defined in the Certificate of Preferred Shares).

“**Second Closing Purchaser Deliverables**” has the meaning set forth in [Section 2.5\(b\)](#).

“**Second Closing Registration Statement**” means the Registration Statement filed pursuant to this Agreement and in connection with the Second Closing.

“**Second Closing Shares**” has the meaning set forth in [Section 2.4\(b\)](#).

“**Second Closing Subscription Amount**” means the aggregate purchase price of US\$8,000,000.00 and in immediately available funds.

“**Secondary Piggyback Registration**” has the meaning set forth in [Section 4.19\(d\)](#).

“**Securities**” has the meaning set forth in the Recitals.

“**Securities Act**” has the meaning set forth in the Recitals.

“**Series A Preferred Shares**” has the meaning set forth in the Recitals.

“**Share Registrar**” means Walkers Corporate Limited, the current holder of the register of members of the Company, with a mailing address of 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands, or any successor Share Registrar for the Company.

“**Shares**” has the meaning set forth in the Recitals.

“**Short Sales**” include, without limitation, (a) all “short sales” as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect share pledges, forward sale contracts, options, puts, calls, short sales, swaps, “put equivalent positions” (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and (b) sales and other transactions through non-U.S. broker dealers or foreign regulated brokers (but shall not be deemed to include the location and/or reservation of borrowable Ordinary Shares).

“**Signing Date**” means the date of this Agreement, as set forth in the Preamble.

“**Staff**” means the staff of the Commission.

“**Subsidiary**” means any subsidiary of the Company listed in the SEC Reports, and shall, where applicable, include any subsidiary of the Company formed or acquired after the date hereof.

“**Tax**” or “**Taxes**” means all federal, state, local, non-U.S. and other taxes, charges, fees, duties, levies, imposts, customs or other assessments, including all net income, gross income, gross receipts, sales, use, ad valorem, transfer, franchise, profits, profit share, license, lease, service, service use, value added, withholding, payroll, employment, excise, estimated, severance, stamp, occupation, premium, real property, personal property, payroll, escheat, unclaimed property, windfall profits, environmental, capital stock, social security (or similar), unemployment, disability, registration, alternative or add-on minimum, estimated, or other taxes, fees, assessments, customs, duties, levies, imposts or charges of any kind whatsoever, whether disputed or not, together with any interest, penalties, additions to tax, fines or other additional amounts imposed thereon or related thereto.

“**Tax Benefits**” has the meaning set forth in [Section 3.1\(pp\)](#).

“**Tax Returns**” means any return, statement, schedule, declaration, claim for refund, report, document or form filed or required to be filed with respect to Taxes, including any amendment, attachment and supplement thereof.

“**Trading Affiliate**” has the meaning set forth in [Section 3.2\(g\)](#).

“**Trading Day**” means (i) a day on which the Ordinary Shares or ADSs are listed or quoted and traded on the Principal Trading Market (other than the OTC Bulletin Board), or (ii) if the Ordinary Shares or ADSs are not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the Ordinary Shares or ADSs are traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the Ordinary Shares or ADSs are not quoted on any Trading Market, a day on which the Ordinary Shares or ADSs are quoted in the over-the-counter market as reported by OTC Markets Group Inc. (formerly OTC Markets Inc.) (or any similar organization or agency succeeding to its functions of reporting prices); *provided that*, in the event that the Ordinary Shares or ADSs are not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

“**Trading Market**” means whichever of the New York Stock Exchange, NYSE American, The Nasdaq Global Select Market, The Nasdaq Global Market, The Nasdaq Capital Market or the OTC Bulletin Board on which the Ordinary Shares or ADSs are listed or quoted for trading on the date in question.

“**Transaction 6-K**” means the Current Report on Form 6-K to be filed on or about the First Closing Date in substantially the form provided to the Purchaser prior to the Signing Date describing the terms of the Transaction Documents (and including as exhibits to such Current Report on Form 6-K this Agreement and the Certificate of Preferred Shares).

“**Transaction Documents**” means this Agreement, the schedules and exhibits attached hereto, the Certificate of Preferred Shares, the Irrevocable Share Registrar Instructions, the Side Letter and any other documents or agreements explicitly contemplated hereunder.

“**VWAP**” means, for any date, the price determined by the daily volume weighted average price of the ADSs for such date on the Principal Trading Market on which the ADSs are then listed or quoted as reported by Bloomberg L.P. (based on a Trading Day from 9:30 a.m. (New York City time) to 4:02 p.m. (New York City time)).

ARTICLE II. PURCHASE AND SALE

2.1 *First Closing.*

(a) *Amount.* Subject to the terms and conditions set forth in this Agreement, at the First Closing, the Company shall issue and sell to the Purchaser, and the Purchaser shall purchase from the Company, a number of Series A Preferred Shares equal to the First Closing Subscription Amount divided by the First Closing Purchase Price, rounded to the nearest whole Share (the “**First Closing Shares**”).

(b) *First Closing.* The First Closing of the purchase and sale of the First Closing Shares shall take place remotely via the exchange of documents and signatures on the First Closing Date or at such other locations as the parties may mutually agree.

(c) *Form of Payment.* Except as may otherwise be agreed between the Company and the Purchaser, on the First Closing Date, the Purchaser shall wire the First Closing Subscription Amount, in United States dollars and in immediately available funds, to an account established by the Company, and the Company shall (i) provide the Purchaser with an electronic copy of the register of members of the Company, free and clear of all restrictive and other legends (except as expressly provided in [Section 4.1\(b\)](#) hereof), evidencing the First Closing Shares subscribed for by the Purchaser hereunder at the First Closing, registered in the name set forth on the Certificate of Preferred Shares Questionnaire included as [Exhibit B](#) hereto, and (ii) irrevocably instruct the Share Registrar to reserve such number of Ordinary Shares as is sufficient for the Purchaser to convert in full all First Closing Shares.

2.2 *First Closing Deliverables.*

- (a) On or prior to the First Closing, the Company shall issue, deliver or cause to be delivered to the Purchaser the following (the “**First Closing Company Deliverables**”):
- (i) this Agreement, the Side Letter and the Clinical Trial Supply Agreement, each duly executed by the Company;
 - (ii) a duly executed electronic copy of the Certificate of Preferred Shares;
 - (iii) a legal opinion of each of: (A) Company Counsel, and (B) Company Cayman Counsel, each dated as of the First Closing Date, executed by such counsel and addressed to the Purchaser, in forms reasonably acceptable to the Purchaser;
 - (iv) duly executed Irrevocable Share Registrar Instructions acknowledged in writing by the Share Registrar instructing the Share Registrar to reserve such number of Ordinary Shares as is sufficient for the Purchaser to convert in full all First Closing Shares;
 - (v) a certificate of the Director of the Company (the “**First Closing Director’s Certificate**”), dated as of the First Closing Date, (a) certifying the resolutions adopted by the Board of Directors of the Company or a duly authorized committee thereof approving the transactions contemplated by this Agreement and the other Transaction Documents, the Certificate of Preferred Shares and the issuance of the First Closing Shares and underlying Conversion Shares, (b) certifying the current versions of the MA&A, and the Certificate of Preferred Shares and (c) certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company, in the form attached hereto as Exhibit D;
 - (vi) the compliance certificate referred to in Section 5.1(h);
 - (vii) satisfactory evidence of the good standing of the Company and its material subsidiaries in their respective jurisdictions of organization or incorporation;
 - (viii) a copy of the certificate of incorporation of the Company as in effect on the First Closing Date;
 - (ix) a copy of the register of members of the Company updated to show the Purchaser (or the name set forth on the Certificate of Preferred Shares Questionnaire) as the legal owner of the First Closing Shares; and
 - (x) wire instructions for delivery of the First Closing Subscription Amount, certified by an officer or a director of the Company.
- (b) On or prior to the First Closing, the Purchaser shall deliver or cause to be delivered to the Company the following (the “**First Closing Purchaser Deliverables**”):
- (i) this Agreement, duly executed by the Purchaser;
 - (ii) the First Closing Subscription Amount, in United States dollars and in immediately available funds, by wire transfer to a nominated bank account of the Company;
 - (iii) a fully completed and duly executed Certificate of Preferred Shares Questionnaire included as Exhibit B; and
 - (iv) an Internal Revenue Service Form W-9 (or any successor form or applicable Form W-8 if the Purchaser is not a U.S. person), duly and validly executed by the Purchaser (or its nominee in accordance with the Purchaser’s delivery instructions).

2.3 *First Closing Date.* In the event the First Closing does not occur within three (3) Business Days after the Expected First Closing Date, then (a) the Company shall promptly, upon the Purchaser's written request (but no later than one (1) Business Day thereafter), return the First Closing Subscription Amount funded to the Company by the Purchaser by wire transfer in United States dollars and in immediately available funds to the account specified by such Purchaser, and (b) the First Closing Shares issued to the Purchaser shall be deemed cancelled; *provided, that*, unless this Agreement has been terminated pursuant to [Section 6.17](#) hereof, such return of funds shall not terminate this Agreement or relieve the Company of its obligations to issue and sell, or of the Purchaser to purchase, the Shares at the Applicable Closing; *provided further*, that the Company shall not be obligated to issue and sell the First Closing Shares to the Purchaser unless the Purchaser had paid the First Closing Subscription Amount pursuant to [Section 2.2\(b\)\(ii\)](#), at which time the First Closing Shares shall be issued.

2.4 *Second Closing.*

(a) *Conditional Second Closing.* If at any time on or prior to March 31, 2027: (i) the Company achieves Full Phase 2 Enrollment, or (ii) the Company receives written notice from the Purchaser waiving subsection (i) above, then the Company will promptly distribute (and in any event within two (2) Trading Days of achieving such Full Phase 2 Enrollment or receipt of such written notice) to the Purchaser a notice (the "**Second Closing Notice**") that (y) includes evidence, reasonably satisfactory to the Purchaser, of the achievement of Full Phase 2 Enrollment; and (z) identifies the Expected Second Closing Date, which such Expected Second Closing Date shall be no earlier than ten (10) Trading Days from the date of the Second Closing Notice and no later than twenty (20) Trading Days from the date of the Second Closing Notice.

(b) *Amount.* Subject to the terms and conditions set forth in this Agreement, at the Second Closing, the Company shall issue and sell to the Purchaser, and the Purchaser shall purchase from the Company, a number of Series A Preferred Shares equal to the Second Closing Subscription Amount divided by the Second Closing Purchase Price, rounded to the nearest whole Share (the "**Second Closing Shares**").

(c) *Second Closing.* The Second Closing of the purchase and sale of the Second Closing Shares shall take place remotely via the exchange of documents and signatures on the Second Closing Date or at such other locations as the parties may mutually agree.

(d) *Form of Payment.* Except as may otherwise be agreed between the Company and the Purchaser, on the Second Closing Date, the Purchaser shall wire the Second Closing Subscription Amount, in United States dollars and in immediately available funds, to an account established by the Company, and the Company shall (i) provide the Purchaser with an electronic copy of the register of members of the Company, free and clear of all restrictive and other legends (except as expressly provided in [Section 4.1\(b\)](#) hereof), evidencing the Second Closing Shares subscribed for by the Purchaser on the Second Closing Date hereunder, registered in the name set forth on the Certificate of Preferred Shares Questionnaire included as [Exhibit B](#) hereto, and (ii) irrevocably instruct the Share Registrar to reserve such number of Ordinary Shares as is sufficient for the Purchaser to convert in full all Second Closing Shares.

2.5 *Second Closing Deliverables.*

(a) On or prior to the Second Closing, the Company shall issue, deliver or cause to be delivered to the Purchaser the following (the "**Second Closing Company Deliverables**"):

- (i) a duly executed Second Closing Notice;

(ii) a legal opinion of each of: (A) Company Counsel, and (B) Company Cayman Counsel, each dated as of the Second Closing Date, executed by such counsel and addressed to the Purchaser, in forms reasonably acceptable to the Purchaser;

(iii) duly executed Irrevocable Share Registrar Instructions acknowledged in writing by the Share Registrar instructing the Share Registrar to reserve such number of Ordinary Shares as is sufficient for the Purchaser to convert in full all Second Closing Shares;

(iv) a certificate of the Director of the Company (the “**Second Closing Director’s Certificate**”), dated as of the Second Closing Date, (a) certifying the resolutions adopted by the Board of Directors of the Company or a duly authorized committee thereof approving the transactions contemplated by this Agreement and the other Transaction Documents, the Certificate of Preferred Shares and the issuance of the Second Closing Shares and underlying Conversion Shares, (b) certifying the current versions of the MA&A, and the Certificate of Preferred Shares and (c) certifying as to the signatures and authority of persons signing the Transaction Documents and related documents on behalf of the Company, in the form attached hereto as Exhibit E;

(v) the compliance certificate referred to in Section 5.1(h) dated as of the Second Closing Date;

(vi) satisfactory evidence of the good standing of the Company and its material subsidiaries in their respective jurisdictions of organization or incorporation;

(vii) a copy of the certificate of incorporation of the Company as in effect on the Second Closing Date;

(viii) a copy of the register of members of the Company updated to show the Purchaser (or the name set forth on the Certificate of Preferred Shares Questionnaire) as the legal owner of the Second Closing Shares; and

(ix) wire instructions for delivery of the Second Closing Subscription Amount, certified by an officer or a director of the Company.

(b) On or prior to the Second Closing, the Purchaser shall deliver or cause to be delivered to the Company the Second Closing Subscription Amount, in United States dollars and in immediately available funds, by wire transfer to a nominated bank account of the Company.

2.6 *Second Closing Date.* In the event the Second Closing does not occur within three (3) Business Days after the Expected Second Closing Date, then (a) the Company shall promptly, upon the Purchaser’s written request (but no later than one (1) Business Day thereafter), return the Second Closing Subscription Amount funded to the Company by the Purchaser by wire transfer in United States dollars and in immediately available funds to the account specified by such Purchaser, and (b) the Second Closing Shares issued to the Purchaser shall be deemed cancelled; *provided, that*, unless this Agreement has been terminated pursuant to Section 6.17 hereof, such return of funds shall not terminate this Agreement or relieve the Company of its obligations to issue and sell, or of the Purchaser to purchase, the Second Closing Shares at the Second Closing; *provided further*, that the Company shall not be obligated to issue and sell the Second Closing Shares to the Purchaser unless the Purchaser had paid the Second Closing Subscription Amount pursuant to Section 2.5(b), at which time the Second Closing Shares shall be issued.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 *Representations and Warranties of the Company.* The Company hereby represents and warrants as of the date hereof and the Applicable Closing Date (except for the representations and warranties that speak as of a specific date, which shall be made as of such date), to the Purchaser:

(a) *Organization and Power.* The Company is a company duly organized, validly existing and in good standing under the laws of the Cayman Islands, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted, and is qualified to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification, and as proposed to be conducted, except where such failure to be in good standing or to have such power and authority or to so qualify would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. As of the date hereof, the Company has only the subsidiaries identified and listed in the Exhibit 8.1 to the 2024 Form 20-F. Each of such Subsidiaries is duly incorporated and validly existing and in good standing under the laws of the jurisdiction of its incorporation, has the requisite power and authority to own, lease and operate its properties and to carry on its business as now conducted and as proposed to be conducted, and is qualified to do business in each jurisdiction in which the character of its properties or the nature of its business requires such qualification, except where such failure to be in good standing or to have such power and authority or to so qualify would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect. Each Subsidiary of the Company that is a PRC entity has a valid business license issued by the SAMR or its local branch or other relevant Government Authorities, and has, since its establishment, carried on its business in compliance with the business scope set forth in its business license, except where such non-compliance would not individually or in the aggregate reasonably be expected to have a Material Adverse Effect.

(b) *Capitalization.* The authorized share capital of the Company consists of 640,000,000 Ordinary Shares, par value US\$0.0001 and 160,000,000 shares of a par value US\$0.0001 per share of such class or classes (however designated) as the Board of Directors may determine. The Company's issued and outstanding share capital is as set forth in the 2024 Form 20-F as of the date indicated therein (except for subsequent issuances, if any, pursuant to this Agreement or pursuant to reservations, agreements or employee benefit plans, in each case, as disclosed in the 2024 Form 20-F or pursuant to the exercise of convertible securities or options or the vesting of restricted share units as disclosed in the 2024 Form 20-F). All of the issued and outstanding Ordinary Shares have been duly authorized and validly issued and are fully paid and non-assessable. All of the issued and outstanding share capital or other equity or ownership interests of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are owned by the Company, directly or through subsidiaries, free and clear of any security interest, mortgage, pledge, lien, encumbrance or adverse claim. None of the issued and outstanding share capital of the Company were issued in violation of any preemptive or other similar rights of any securityholder of the Company which have not been waived. The Company does not have outstanding any shareholder rights plans, a "poison pill" or any similar anti takeover provision or arrangement in effect giving any Person the right to purchase any equity interest in the Company upon the occurrence of certain events. The issuance and sale of the Shares hereunder and the Conversion Shares will not be in violation of any preemptive or other similar rights of any securityholder of the Company which have not been waived, obligate the Company to issue any Ordinary Shares (other than the Conversion Shares) or other securities and will not result in the adjustment of the exercise, conversion, exchange or reset price of any security. The issuance and sale of the Shares hereunder and the Conversion Shares will not obligate the Company to issue Ordinary Shares (other than the Conversion Shares) or other securities to any other Person (other than to the Purchaser and inclusive of the Conversion Shares) and, will not result in the adjustment of the exercise, conversion, exchange or reset price of any outstanding security.

(c) *Registration Rights.* Except as set forth in this Agreement or as disclosed in the SEC Reports, the Company is presently not under any obligation, and has not granted any rights, to register under the Securities Act any of the Company's presently outstanding securities or any of its securities that may hereafter be issued that have not expired, and any such existing registration rights have been satisfied or waived with respect to each Registration Statement.

(d) *Authorization.* The Company has all requisite corporate power and authority to enter into the Transaction Documents and to carry out and perform its obligations under the terms of the Transaction Documents. All corporate action on the part of the Company, its officers, directors and shareholders necessary for the authorization of the Shares and the Conversion Shares, the authorization, execution, delivery and performance of the Transaction Documents and the consummation of the transactions contemplated herein has been taken. This Agreement has been duly executed and delivered by the Company and, assuming the due authorization, execution and delivery by the Purchaser and that this Agreement constitutes the legal, valid and binding agreement of the Purchaser, this Agreement constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws relating to or affecting creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(e) *Valid Issuance.* The Shares being purchased by the Purchaser hereunder, upon issuance pursuant to the terms hereof, against full payment therefor in accordance with the terms of this Agreement, will be duly and validly issued, fully paid and non-assessable and will be issued free and clear of any liens or other restrictions (other than those under applicable law). The Conversion Shares issuable upon conversion of the Shares have been duly authorized and, when issued in accordance with the terms of the Transaction Documents, will be duly and validly issued, fully paid and nonassessable and free and clear of all Liens, other than restrictions on transfer imposed by applicable securities laws and in these Transaction Documents, and shall not be subject to preemptive or similar rights that have not otherwise been duly waived or satisfied. Subject to the accuracy of the representations and warranties made by the Purchaser in Section 3.2 hereof, the offer and sale of the Shares to the Purchaser is and will be in compliance with applicable exemptions from (i) the registration and prospectus delivery requirements of the Securities Act and (ii) the registration and qualification requirements of applicable securities laws of the states of the United States, the Cayman Islands and the PRC, as applicable. The Company has reserved from its duly authorized but unissued share capital the maximum number of Conversion Shares issuable upon conversion of the Shares. So long as any of the Shares are outstanding, the Company shall take all action necessary to reserve and keep available out of its authorized and unissued share capital, solely for the purpose of effecting the conversion of the Shares, the maximum number of Ordinary Shares issuable upon the exercise or conversion thereof (without taking into account any limitations set forth in the Certificate of Preferred Shares).

(f) *No Conflict.* The execution, delivery and performance of the Transaction Documents by the Company, the issuance of the Shares and the Conversion Shares and the consummation of the other transactions contemplated hereby (including, without limitation, the issuance of the Securities) do not and will not (a) violate any provision of the MA&A, (b) conflict with or result in a violation of or default (with or without notice or lapse of time, or both) under, result in the creation of any lien upon any of the properties or assets of the Company or any of its Subsidiaries, or give rise to a right of termination, cancellation, amendment, anti-dilution or similar adjustments, or acceleration of any obligation, a change of control right or to a loss of a benefit (with or without notice or lapse of time or both) under any agreement or instrument, contract, credit facility, loan agreement, bond, note, or other evidence of indebtedness, franchise, license, permit, judgment, order, statute, law, ordinance, rule or regulation, applicable to the Company or its properties or assets or to the Subsidiaries and their respective properties and assets, or (c) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or Governmental Authority to which the Company or any of its Subsidiaries is subject (including federal and state securities laws and regulations) and the rules and regulations of any self-regulatory organization to which the Company or its securities are subject, or by which any property or asset of the Company or any of its Subsidiaries is bound or affected, except, in the case of clauses (b) and (c), as would not, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect.

(g) *Consents.* Assuming the accuracy of the representations and warranties of the Purchaser contained in Section 3.2 hereof, no consent, approval, authorization, filing with or order of or registration with, any court, regulatory body, self-regulatory organization, stock exchange, or governmental agency or body is required in connection with the transactions contemplated by the Transaction Documents, including the sale and issuance of the Shares or the issuance of the Conversion Shares, except such as (a) have been or will be obtained or made under the Securities Act or the Exchange Act, (b) the filing of any requisite notices and/or report to the China Securities Regulatory Commission (the “CSRC”) for the issuance and sale of the Shares and issuance of the Conversion Shares in the time and manner required thereby, or (c) may be required under the securities, or blue sky, laws of any state jurisdiction in connection with the offer and sale of the Shares by the Company in the manner contemplated herein or such that the failure of which to obtain would not have a Material Adverse Effect.

(h) *SEC Filings; Financial Statements.*

(i) The Company has filed or furnished, as applicable, in a timely manner all SEC Reports. As of the time it was filed with the SEC (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing), each of the SEC Reports complied in all material respects with the applicable requirements of the Securities Act or the Exchange Act (as the case may be) and, as of the time they were filed, none of the SEC Reports contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. As used in this Section 3.1(h), the term “file” and variations thereof shall be broadly construed to include any manner in which a document or information is furnished, supplied or otherwise made available to the SEC. There are no material outstanding or unresolved comments in comment letters from the staff of the Division of Corporation Finance of the SEC with respect to any of the SEC Reports. Each of the Material Contracts to which the Company or any Subsidiary is a party or to which the property or assets of the Company or any of its Subsidiaries are subject has been filed as an exhibit to the SEC Reports.

(ii) As of their respective filing dates, the financial statements of the Company included in the SEC Reports (collectively, the “**Financial Statements**”) fairly present in all material respects the financial position of the Company as of the dates indicated, and the results of its operations and cash flows for the periods therein specified. The Financial Statements have been prepared in accordance with GAAP, except as otherwise noted therein, and in the case of unaudited interim financial statements, which may not contain footnotes and are subject to normal and recurring year-end adjustments) applied on a consistent basis unless otherwise noted therein throughout the periods therein specified. Except as set forth in the Financial Statements filed prior to the date hereof, the Company has not incurred any liabilities, contingent or otherwise, except those incurred in the ordinary course of business, consistent (as to amount and nature) with past practices since the date of such Financial Statements, none of which, individually or in the aggregate, have had or would reasonably be expected to have a Material Adverse Effect.

(iii) To the Company's Knowledge, PricewaterhouseCoopers Zhong Tian LLP, who has certified certain financial statements of the Company and delivered their report with respect to the audited financial statements included in the SEC Reports, (i) have at all times since the date of enactment of the Sarbanes-Oxley Act been a registered public accounting firm (as defined in Section 2(a)(12) of the Sarbanes-Oxley Act), (ii) are "independent" with respect to the Company within the meaning of Regulation S-X under the Exchange Act and (iii) are in compliance with subsections (g) through (l) of Section 10A of the Exchange Act and the rules and regulations promulgated by the SEC and the Public Accounting Oversight Board thereunder.

(i) CSRC.

(i) Each letter, filing, correspondence, communication, document, response, undertaking and submission in any form, including any amendments, supplements and/or modifications thereof, made or to be made to the CSRC, relating to or in connection with the for the issuance and sale of the Shares pursuant to the CSRC Filing Rules and other applicable rules and requirements of the CSRC (including, without limitation, the filing report of the Company in relation to the issuance and sale of the Shares, including any amendments, supplements and/or modifications thereof, to be submitted to the CSRC no later than three (3) PRC Business Days following the Applicable Closing Date pursuant to the CSRC Filing Rules (a "CSRC Filing Report") (the "CSRC Filing" and such date on which a CSRC Filing is required to be filed with the CSRC, a "CSRC Filing Date") is and remains, and on each applicable CSRC Filing Date, will be, complete, true and accurate and not misleading in any respect, and does not, and will not on each applicable CSRC Filing Date, omit any information which would make the statements made therein, misleading in any respect, and does not contain any conflicting, inconsistent or materially different descriptions of facts.

(ii) The Company has complied with, and on each applicable CSRC Filing Date will remain in compliance with, all applicable requirements, and will timely submit by each applicable CSRC Filing Date, all requisite filings in connection with the issuance and sale of the Shares (including, without limitation, the CSRC Filing Report) with the CSRC pursuant to the CSRC Filing Rules and all applicable laws, and the Company has not received any notice of rejection, withdrawal or revocation from the CSRC in connection with such CSRC Filings.

(iii) Each CSRC Filing made by or on behalf of the Company is, and on each CSRC Filing Date, all other documents filed with the CSRC, or issued by or on behalf of the Company in connection with the issuance and sale of the Shares, are and will be, in compliance with the disclosure requirements pursuant to the CSRC Filing Rules and do not contain any statement or commentary in violation of Article 20 of the CSRC Filing Rules. Each CSRC Filing contains descriptions of all material events as required to be reported pursuant to the CSRC Filing Rules or other applicable laws, regulations and rules in the PRC.

(iv) The Company is not, and will not be until the later of the Closing Date, prohibited from conducting securities offerings outside the PRC under Article 8 of the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (境内企业境外发行证券和上市管理试行办法) and supporting guidelines issued by the CSRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time ("CSRC Filing Rules," together with the CSRC Archive Rules, the "CSRC Rules") or other applicable laws and regulations of the PRC.

(j) *Absence of Changes.* Except as otherwise stated or disclosed in the SEC Reports filed at least one (1) Business Day prior to the date hereof, since December 31, 2024, (a) the Company has conducted its business only in the ordinary course of business (except for the execution and performance of this Agreement and the discussions, negotiations and transactions related thereto), (b) the Company has not altered materially its method of accounting or the manner in which it keeps its accounting books and records, (c) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any of its share capital (other than in connection with repurchases of unvested shares issued to employees of the Company), (d) the Company has not issued any equity securities to any officer, director or Affiliate, except Ordinary Shares issued in the ordinary course pursuant to existing Company share option or share purchase plans or executive and director compensation arrangements disclosed in the SEC Reports, and (e) there have been no events, occurrences or developments that have had or would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect.

(k) *Absence of Litigation.* Except as disclosed in the SEC Reports, there is no action, suit, proceeding, arbitration, claim, investigation or inquiry pending or, to the Company's Knowledge, threatened in writing by or before any court or other governmental body against the Company or any of its Subsidiaries which, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect, nor are there any orders, writs, injunctions, judgments or decrees outstanding of any court or government agency or instrumentality and binding upon the Company or any of its Subsidiaries that have had or would reasonably be expected to have a Material Adverse Effect. Except as disclosed in the SEC Reports, neither the Company nor, to the knowledge of the Company, any director or officer thereof, is, or within the last ten years has been, the subject of any action involving a claim of violation of or liability under federal or state securities laws relating to the Company or a claim of breach of fiduciary duty relating to the Company. The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any of its Subsidiaries under the Exchange Act or the Securities Act.

(l) *Compliance with Law; Permits.* None of the Company or any of its Subsidiaries is in violation of, or has received any notices of violations with respect to, any applicable laws, statutes, ordinances, rules or regulations of any governmental body, court or government agency or instrumentality, except for violations which, individually or in the aggregate, have not had or would not reasonably be expected to have a Material Adverse Effect. The Company and its Subsidiaries have all required licenses, permits, certificates and other authorizations (collectively, "**Governmental Authorizations**") from such federal, state or local government or governmental agency, department or body that are currently necessary for the operation of the business of the Company and its Subsidiaries as currently conducted and as described in the SEC Reports, except where the failure to possess currently such Governmental Authorizations has not had or is not reasonably expected to have a Material Adverse Effect. None of the Company or any of its Subsidiaries has received any written notice regarding any revocation or material modification of any such Governmental Authorization, which, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, has or would reasonably be expected to have a Material Adverse Effect.

(m) *Intellectual Property.* The Company and its Subsidiaries own, or have rights to use, all inventions, patent applications, patents, trademarks, trade names, service names, service marks, copyrights, trade secrets, know how (including unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and other intellectual property as described in the 2024 Form 20-F (collectively, "**Intellectual Property**") necessary for, or used in the conduct of their respective businesses (including as described in the 2024 Form 20-F), except where any failure to own, possess or acquire such Intellectual Property would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Intellectual Property has not been adjudged by a court of competent jurisdiction to be invalid or unenforceable, in whole or in part. There are no third parties who have rights to any Intellectual Property, including no liens, security interests, or other encumbrances, and, to the Company's Knowledge, there is no infringement by third parties of any Intellectual Property. No action, suit, or other proceeding is pending or, to the Company's Knowledge, is threatened in writing: (A) challenging the Company's or Subsidiaries' rights in or to any Intellectual Property; (B) challenging the validity, enforceability or scope of any Intellectual Property; or (C) alleging that the Company or any of its Subsidiaries infringes, misappropriates, or otherwise violates any patent, trademark, trade name, service name, copyright, trade secret or other proprietary rights of others. The Company and its Subsidiaries have complied in all material respects with the terms of each agreement pursuant to which Intellectual Property has been licensed to the Company or any of its Subsidiaries, and to the Company's Knowledge all such agreements are in full force and effect. To the Company's Knowledge, there are no material defects in any of the patents or patent applications included in the Intellectual Property. The Company and its Subsidiaries have taken all reasonable steps to protect, maintain and safeguard their Intellectual Property, including the execution of appropriate nondisclosure, confidentiality, and invention assignment agreements and invention assignments with their employees. To the Company's Knowledge, the duty of candor and good faith as required by the United States Patent and Trademark Office (the "**USPTO**") during the prosecution of the United States patents and patent applications included in the Intellectual Property have been complied with. To the Company's Knowledge, there is no prior art that may render any patent within the Intellectual Property invalid or that may render any patent application within the Intellectual Property unpatentable that has not been disclosed to the USPTO.

(n) *Employee Benefits.* Except as would not be reasonably expected to have a Material Adverse Effect, each employee benefit plan has been established and administered in accordance with its terms and in compliance with applicable laws, rules and regulations. The Company is in compliance with all applicable federal, state, local and foreign laws, rules and regulations regarding employment and employment practices, terms and conditions of employment and wages and hours, except for any failures to comply that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect. There is no labor dispute, strike or work stoppage against the Company pending or, to the knowledge of the Company, threatened which may interfere with the business activities of the Company, except where such dispute, strike or work stoppage would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(o) *Taxes.* The Company and its Subsidiaries have filed all federal, state and foreign income Tax Returns and other Tax Returns required to have been filed under applicable law (or extensions have been duly obtained) and have paid all Taxes required to have been paid by them, except for those which are being contested in good faith or where failure to file such Tax Returns or pay such Taxes would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No assessment in connection with United States federal tax returns has been made against the Company. The charges, accruals and reserves on the books of the Company in respect of any material federal, state and foreign income and other tax liability for any years not finally determined are adequate to meet any assessments or reassessments for additional tax for any years not finally determined, except to the extent of any inadequacy that would not reasonably be expected to have a Material Adverse Effect. As of the date of this Agreement, the Company is not a tax resident in any jurisdiction (including the United States and the PRC) other than the Cayman Islands.

(p) *Environmental Laws.* Except as disclosed in the SEC Reports, the Company and its Subsidiaries (a) are in compliance with any and all applicable foreign, federal, state and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (b) have received all permits and other Governmental Authorizations required under applicable Environmental Laws to conduct its business and (c) are in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. None of the Company or any of its Subsidiaries have received, any written notice or other communication (in writing or otherwise), whether from a Governmental Authority or other Person, that alleges that the Company or any of its Subsidiaries is not in compliance with any Environmental Law and, to the knowledge of the Company, there are no circumstances that may prevent or interfere with the Company's or its Subsidiaries' compliance in any material respects with any Environmental Law in the future, except where such failure to comply would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company, no current or (during the time a prior property was leased or controlled by the Company) prior property leased or controlled by the Company or its Subsidiaries has received, any written notice or other communication relating to property owned or leased at any time by the Company or its Subsidiaries, whether from a Governmental Authority, or other Person, that alleges that such current or prior owner or the Company or any of its Subsidiaries is not in compliance with or violated any Environmental Law relating to such property. The Company has no material liability under any Environmental Law.

(q) *Title.* Each of the Company and its Subsidiaries has good and marketable title to all personal property owned by it that is material to the business of the Company, free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not interfere with the use made and proposed to be made of such property by the Company or its Subsidiaries, as the case may be. Any real property and buildings held under lease by the Company or its Subsidiaries are held under valid, subsisting and enforceable leases with such exceptions as are not material and do not interfere with the use made and proposed to be made of such property and buildings by the Company or its Subsidiaries, as the case may be. None of the Company or any of its Subsidiaries owns any real property.

(r) *Insurance.* The Company carries or is entitled to the benefits of insurance in such amounts and covering such risks that is customary for comparably situated companies and is adequate for the conduct of its business and the value of its properties and assets and the properties and assets of its Subsidiaries, and each of such insurance policies is in full force and effect and the Company is in compliance in all material respects with the terms thereof. Except as disclosed in the SEC Reports, other than customary end of policy notifications from insurance carriers, the Company has not received any notice or other communication regarding any actual or possible: (i) cancellation or invalidation of any insurance policy or (ii) refusal or denial of any coverage, reservation of rights or rejection of any material claim under any insurance policy. The Company has no reason to believe that it or any of its Subsidiaries will not be able (i) to renew its existing insurance coverage as and when such policies expire or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not reasonably be expected to have a Material Adverse Effect.

(s) *Nasdaq Stock Market.* The Ordinary Shares and ADSs are registered pursuant to Section 12(b) of the Exchange Act and the ADSs are listed for trading on The Nasdaq Global Market under the symbol "ADAG". There is no suit, action, proceeding or investigation pending or, to the knowledge of the Company, threatened against the Company by The Nasdaq Stock Market LLC or the SEC, respectively, to prohibit or terminate the listing of the ADSs on The Nasdaq Global Market or to deregister the Ordinary Shares or the ADSs under the Exchange Act. The Company has taken no action as of the date hereof that is designed to terminate the registration of the Ordinary Shares or the ADSs under the Exchange Act. The Company has not, in the twelve months preceding the date of the Applicable Closing, received any notice from any Person to the effect that the Company is not in compliance with the listing or maintenance requirements of The Nasdaq Global Market and the Company is in compliance with all such listing and maintenance requirements.

(t) *Sarbanes-Oxley Act.* The Company is, and since February 8, 2021 has been, in compliance in all material respects with applicable requirements of the Sarbanes-Oxley Act of 2002 and applicable rules and regulations promulgated by the SEC thereunder.

(u) *Clinical Data and Regulatory Compliance.* The preclinical tests and clinical trials, and other studies used to support regulatory approval (collectively, “**studies**”) being conducted by the Company and its Subsidiaries that are described in, or the results of which are referred to in, the SEC Reports were and, if still pending, are being conducted in all material respects in accordance with the approved protocols and applicable laws and regulations; each description of the results of such studies is accurate and complete in all material respects and fairly presents the data derived from such studies, and the Company and its Subsidiaries have no knowledge of any other studies the results of which the Company reasonably believes are inconsistent with, or otherwise call into question, the results described or referred to in the SEC Reports. The Company and its Subsidiaries have made all such filings and obtained all such approvals as may be required by the Food and Drug Administration of the U.S. Department of Health and Human Services or from any other U.S. or foreign government or Drug Regulatory Agency, or Institutional Review Board, each having jurisdiction over biopharmaceutical products (collectively, the “**Regulatory Agencies**”) for the conduct of its business as described in the SEC Reports, except where the failure to do so would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its Subsidiaries has received any notice of, or correspondence from, any Regulatory Agency requiring the termination or suspension of or imposing any clinical hold on any clinical trials that are described or referred to in the SEC Reports, and the Company and its Subsidiaries have each operated and currently are in compliance in all material respects with all applicable rules and regulations of the Regulatory Agencies, except where any noncompliance with such rules and regulations would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Compliance with Health Care Laws.* The Company and its Subsidiaries are, and at all times have been, in compliance with all Health Care Laws in all material respects and to the extent applicable to the Company’s current business and investigational product candidates. For purposes of this Agreement, “**Health Care Laws**” means: (i) the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Section 301 et seq.), the Public Health Service Act (42 U.S.C. Section 201 et seq.), and the regulations promulgated thereunder; (ii) all applicable federal, state, local and foreign health care fraud and abuse laws, including, without limitation, the Anti-Kickback Statute (42 U.S.C. Section 1320a-7b(b)); (iii) HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.) (iv) the Controlled Substances Act (21 U.S.C. §§ 801 et seq.) and the regulations promulgated thereunder; (v) the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010; (vi) licensure, quality, safety and accreditation requirements under applicable federal, state, local or foreign laws or regulatory bodies, including without limitation, the U.S. Food and Drug Administration and the China National Medical Products Administration; (vii) all statutes, rules and regulations applicable to the ownership, testing, research, development, manufacture, packaging, labeling, processing, use, distribution, promotion, sale, pricing, storage, import, export or disposal of any product in development, manufactured, distributed, marketed, offered for sale or sold by the Company or its Subsidiaries, and (viii) all other local, state, federal, national, supranational and foreign laws, relating to the regulation of the Company or its Subsidiaries, and (ix) the regulations promulgated pursuant to such statutes and any state or non-U.S. counterpart thereof. Neither the Company nor any of its Subsidiaries has received written notice, or, to the Company’s Knowledge, oral notice, of any notices or forms, written notice of adverse finding, warning letter, untitled letter, claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any court or arbitrator or governmental or regulatory authority or third party alleging that any product operation or activity is in violation of any Health Care Laws or any licenses, exemptions, certificates, approvals, clearances, authorizations or permits required by any such Health Care Laws nor, to the Company’s Knowledge, is any such notice, letter, claim, action, suit, proceeding, hearing, enforcement, investigation, arbitration or other action threatened. The Company and its Subsidiaries have filed, maintained or submitted all material reports, documents, forms, notices, applications, records, submissions and supplements or amendments as required by any Health Care Laws, and all such reports, documents, forms, notices, applications, records, submissions and supplements or amendments were complete and accurate on the date filed in all material respects (or were corrected or supplemented by a subsequent submission). Neither the Company nor any of its Subsidiaries is a party to any corporate integrity agreements, monitoring agreements, consent decrees, settlement orders, or similar agreements with or imposed by any governmental or regulatory authority. Additionally, none of the Company, any of its Subsidiaries or any of their respective employees, officers, directors, or, to the knowledge of the Company, agents has been excluded, suspended or debarred from participation in any U.S. federal health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that could reasonably be expected to result in debarment, suspension, or exclusion.

(w) *Accounting Controls and Disclosure Controls and Procedures.* The Company maintains a system of internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) that is sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, including policies and procedures sufficient to provide reasonable assurance (i) that the Company maintains records that in reasonable detail accurately and fairly reflect the Company's transactions and dispositions of assets, (ii) that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, (iii) that receipts and expenditures are made only in accordance with authorizations of management and the Board of Directors and (iv) regarding prevention or timely detection of the unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the Company's financial statements. The Company has not identified any material weaknesses in the design or operation of the Company's internal control over financial reporting. The Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) are designed to provide reasonable assurance that all information (both financial and non-financial) required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that all such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure. Since the end of the Company's most recent audited fiscal year, there has been no material weakness in the Company's internal control over financial reporting (whether or not remediated) and no changes in the Company's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. The Company is not aware of any change in its internal control over financial reporting that has occurred during its most recently completed fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(x) *Price Stabilization of Ordinary Shares or ADSs.* The Company has not taken, nor will it take, directly or indirectly, any action designed to stabilize or manipulate the price of the Ordinary Shares or ADSs to facilitate the sale of the Shares or resale of the Conversion Shares.

(y) *Investment Company Act.* The Company is not, and immediately after receipt of payment for the Shares will not be, an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and will not result in the Company or any of its Subsidiaries being not in compliance with any applicable laws, rules and regulations with respect to the administration of foreign exchange or overseas investment in the PRC.

(z) *General Solicitation; No Integration or Aggregation.* Neither the Company nor any other person or entity authorized by the Company to act on its behalf has engaged in a general solicitation or general advertising (within the meaning of Regulation D of the Securities Act) of investors with respect to offers or sales of Shares pursuant to this Agreement. The Company has not, directly or indirectly, sold, offered for sale, solicited offers to buy or otherwise negotiated in respect of, any security (as defined in the Securities Act) which is or will be (i) integrated with the Shares sold pursuant to this Agreement for purposes of the Securities Act or (ii) aggregated with prior offerings by the Company for the purposes of the rules and regulations of The Nasdaq Global Market.

(aa) *Brokers and Finders*. Neither the Company nor any other Person authorized by the Company to act on its behalf has retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement and no Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company or the Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Company with respect to the offer and sale of the Shares.

(bb) *Reliance by the Purchaser*. The Company acknowledges that the Purchaser will rely upon the truth and accuracy of, and the Company's compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Company set forth herein.

(cc) *No Disqualification Events*. No "bad actor" disqualifying event described in Rule 506(d)(1)(i)-(viii) of the Securities Act (a "**Disqualification Event**") is applicable to the Company or, to the knowledge of the Company, any Company Covered Person, except for a Disqualification Event as to which Rule 506(d)(2)(ii-iv) or (d)(3), is applicable.

(dd) *Anti-Bribery and Anti-Money Laundering Laws*. Each of the Company, each of its Subsidiaries and any of their respective officers, directors, supervisors, managers, agents, or employees is and has at all times been in compliance with, and its participation in the offering will not violate, any (a) anti-bribery laws, including but not limited to, any applicable law, rule, or regulation of any locality, including but not limited to any law, rule, or regulation promulgated to implement the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, signed December 17, 1997, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act 2010, or any other law, rule or regulation of similar purposes and scope or (b) anti-money laundering laws, including, but not limited to, applicable federal, state, international, foreign or other laws, regulations or government guidance regarding anti-money laundering, including, without limitation, Title 18 U.S. Code sections 1956 and 1957, the Patriot Act, the Bank Secrecy Act, and international anti-money laundering principles or procedures by an intergovernmental group or organization, such as the Financial Action Task Force on Money Laundering, of which the United States is a member and with which designation the United States representative to the group or organization continues to concur, all as amended, and any executive order, directive, or regulation pursuant to the authority of any of the foregoing, or any orders or licenses issued thereunder. The Company and its Subsidiaries maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with the laws, rules and policies referred to in this [Section 3.1\(dd\)](#).

(ee) *Cybersecurity*. Except as would not reasonably be expected to have a Material Adverse Effect, the Company and its Subsidiaries' information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases (collectively, "**IT Systems**") are adequate for, and operate and perform in all respects as required in connection with the operation of the business of the Company and its Subsidiaries as currently conducted and as described in the SEC Reports, and are free and clear of all material Trojan horses, time bombs, malware and other malicious code. The Company and its Subsidiaries have implemented and maintained commercially reasonable physical, technical and administrative controls designed to maintain and protect the confidentiality, integrity, availability, privacy and security of all sensitive, confidential or regulated data ("**Confidential Data**") used or maintained in connection with their businesses and Personal Data (defined below), and the integrity, availability continuous operation, redundancy and security of all IT Systems. "**Personal Data**" means the following data used in connection with the Company's and its Subsidiaries' businesses and in their possession or control: (i) a natural person's name, street address, telephone number, e-mail address, photograph, social security number or other tax identification number, driver's license number, passport number, credit card number, bank information, or customer or account number; (ii) information that identifies, relates to, or may reasonably be used to identify an individual; (iii) any information regarding an individual's medical history, mental or physical condition, or medical treatment or diagnosis by a health care professional; (iv) an individual's health insurance policy number or subscriber identification number, any unique identifier used by a health insurer to identify the individual, or any information in an individual's application and claims history; (v) any information which would qualify as "protected health information" under the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act (collectively, "**HIPAA**"); (vi) any information which would qualify as "personal data," "personal information" (or similar term) under the Privacy Laws; (vii) all personal, personally identifiable, health, sensitive, confidential, material or other regulated data, or any such data that may constitute trade secrets and working secrets of any governmental or regulatory authority in the PRC or any other data that would otherwise be detrimental to national security or public interest of the PRC pursuant to the applicable PRC laws; and (viii) any other piece of information that alone, or combined with other information, allows the identification of such natural person, or his or her family, or permits the collection or analysis of any data related to an identified person's health or sexual orientation. To the Company's Knowledge, there have been no breaches, outages or unauthorized uses of or accesses to the Company's IT Systems, Confidential Data, and Personal Data. The Company and its Subsidiaries are presently, and at all prior times were: (A) in material compliance with all applicable laws or statutes (including, without limitation, the Provisions on Strengthening Confidentiality and Archives Administration of Overseas Securities Offering and Listing by Domestic Companies (关于加强境内企业境外发行证券和上市相关保密和档案管理工作的规定) issued by the CSRC, Ministry of Finance of the PRC, National Administration of State Secrets Protection of the PRC, and National Archives Administration of the PRC (effective from 31 March 2023), as amended, supplemented or otherwise modified from time to time) (the "**Archive Rules**"); (B) in material compliance with all judgments and orders binding on the Company, applicable binding rules and regulations of any court or arbitrator or governmental or regulatory authority, and their internal policies and contractual obligations, each relating to the Processing (as defined below), privacy and security of Personal Data and Confidential Data, the privacy and security of IT Systems and the protection of such IT Systems, Confidential Data, and Personal Data from unauthorized use, access, misappropriation or modification, and (C) not subject to any investigation, inquiry or sanction relating to cybersecurity, data privacy, confidentiality or archive administration, or any cybersecurity review relating to cybersecurity, data privacy, confidentiality or archive administration, or any cybersecurity review of or relating to privacy and security, breaches, confidentiality and archive administration of IT Systems, Confidential Data, and Personal Data or to the protection of such IT Systems, Confidential Data, and Personal Data from unauthorized use, access, acquisition, disclosure, misappropriation or modification by the Cyberspace Administration of the PRC or any court or arbitrator or governmental or regulatory authority. Neither the Company nor any of its Subsidiaries is expected to be classified as a "critical information infrastructure operator" under the Cybersecurity Law of the PRC.

(ff) *Compliance with Data Privacy Laws*. The Company and its Subsidiaries are, and at all prior times were, in material compliance with all applicable state, federal and foreign data privacy and security laws and regulations regarding the collection, use, storage, retention, disclosure, transfer, disposal, or any other processing (collectively "**Process**" or "**Processing**") of Personal Data, including without limitation HIPAA, the California Consumer Privacy Act ("**CCPA**"), the European Union General Data Protection Regulation ("**GDPR**") (EU 2016/679) and, the Data Security Law of the PRC (中华人民共和国数据安全法), the Cybersecurity Law of the PRC (中华人民共和国网络安全法) and the Personal Information Protection Law of the PRC (中华人民共和国个人信息保护法) (collectively, the "**Privacy Laws**"). To ensure compliance with the Privacy Laws, the Company and its Subsidiaries have in place, comply with, and take all appropriate steps necessary to ensure compliance in all material respects with their policies and procedures relating to data privacy and security, and the Processing of Personal Data and Confidential Data (the "**Privacy Statements**"). The Company and its Subsidiaries have, except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, at all times since inception provided accurate notice of its Privacy Statements then in effect to its customers, employees, third party vendors and representatives. None of such disclosures made or contained in any Privacy Statements have been materially inaccurate, misleading, incomplete, or in material violation of any Privacy Laws. The Company further certifies that neither it nor any of its Subsidiaries: (i) has received notice of any actual or potential claim, complaint, proceeding, regulatory proceeding or liability under or relating to, or actual or potential violation of, any of the Privacy Laws, contracts related to the Processing of Personal Data or Confidential Data, or Privacy Statements, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) is currently conducting or paying for, in whole or in part, any investigation, remediation, or other corrective action pursuant to any Privacy Law or contract; or (iii) is a party to any order, decree, or agreement that imposes any obligation or liability under any Privacy Law.

(gg) *Transaction with Affiliates and Employees.* No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, shareholders, customers or suppliers of the Company, on the other hand, that is required to be described in the SEC Reports that is not so described.

(hh) *Shell Company Status.* The Company is not currently, and has never been, an issuer identified in Rule 144 (i)(1) under the Securities Act.

(ii) *ADS Registration Statement.* The Company and the Depositary have prepared and filed with the Commission a registration statement relating to the ADSs on Form F-6 (No. 333-252543) (the “**Form F-6**”) and a related prospectus for registration under the Securities Act of the ADSs, have filed such amendments thereto and such amended prospectuses as may have been required to the date hereof, and will file such additional amendments thereto and such amended prospectuses as may hereinafter be required. The Form F-6 for registration of the ADSs, as amended at the time it became effective (including by the filing of any post-effective amendments thereto), and the prospectus included therein, as then amended are hereinafter called the “**ADS Registration Statement**.” The Form F-6 was declared effective under the Securities Act on February 8, 2021, and (i) no stop order preventing or suspending the effectiveness of the Form F-6 is in effect, and no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission, (ii) the Form F-6 complies and, as amended or supplemented, if applicable, will comply in all material respects with the Securities Act and the applicable rules and regulations of the Commission thereunder, (iii) the Form F-6, when it became effective, did not contain and, as amended or supplemented, if applicable, will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein not misleading. The Form F-6 will, at all times while any Shares are outstanding, have sufficient ADSs available to effect the issuance in full of the Required Reserve Amount of ADSs in accordance therewith.

(jj) *OFAC.* None of the Company, any of its Subsidiaries or, to the Company’s Knowledge, any director, officer, agent, employee, affiliate or representative of the Company or any of its Subsidiaries is a Person currently the subject or target of any Sanctions, nor is the Company located, organized or resident in a country or territory that is the subject of Sanctions; and the Company will not directly or indirectly use the proceeds of the sale of the Shares, or lend, contribute or otherwise make available such proceeds to any Subsidiaries, joint venture partners or other Person, to fund or facilitate any activities of or business with any Person, or in any country or territory, that, at the time of such funding or facilitating, is the subject of Sanctions or in any other manner that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company and its Subsidiaries have not knowingly engaged in and are not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with country or territory that is the subject of Sanction.

(kk) *No Other Representations or Warranties.* Except for the representations and warranties of the Company expressly set forth in this Section 3.1, with respect to the transactions contemplated by this Agreement, the Company (i) expressly disclaims any representations or warranties of any kind or nature, express or implied, including with respect to the condition, value or quality of the Company or any of the assets or properties of the Company, and (ii) specifically disclaims any representation or warranty of merchantability, usage, suitability or fitness for any particular purpose with respect to any of the assets or properties of the Company. Notwithstanding the foregoing, in making the decision to invest in the Shares, the Purchaser will rely, and the Company agrees that the Purchaser may rely, on the information that has been provided in writing to the Purchaser by the Company or on behalf of the Company, including the SEC Reports.

(ll) *CFIUS Representations.* To the knowledge of the Company, neither the Company nor any of its subsidiaries engages in (a) the design, fabrication, development, testing, production or manufacture of one or more “critical technologies” within the meaning of the Defense Production Act of 1950, as amended, including all implementing regulations thereof (the “DPA”); (b) the ownership, operation, maintenance, supply, manufacture, or servicing of “covered investment critical infrastructure” within the meaning of the DPA (where such activities are covered by column 2 of Appendix A to 31 C.F.R. Part 800); or (c) the maintenance or collection, directly or indirectly, of “sensitive personal data” of U.S. citizens within the meaning of the DPA. The Company has no current intention of engaging in such activities in the future.

(mm) *OISP.* Neither the Company nor any of its Subsidiaries is a covered foreign person (within the meaning of 31 C.F.R. § 850.209).

(nn) *Private Placement.* Assuming the accuracy of the Purchaser’s representations and warranties set forth in Section 3.2 of this Agreement, no registration under the Securities Act is required for the offer and sale of the Securities by the Company to the Purchaser under the Transaction Documents. The issuance and sale of the Securities hereunder does not contravene the rules and regulations of the Principal Trading Market.

(oo) *Off Balance Sheet Arrangements.* There are no transactions, arrangements and other relationships between and/or among the Company, and/or, to the Company’s Knowledge of the Company, any of its affiliates and any unconsolidated entity, including, but not limited to, any structural finance, special purpose or limited purpose entity (each, an “**Off-Balance Sheet Transaction**”) that could reasonably be expected to affect materially the Company’s liquidity or the availability of or requirements for its capital resources, including those Off-Balance Sheet Transactions described in the Commission’s Statement about Management’s Discussion and Analysis of Financial Conditions and Results of Operations (Release Nos. 33-8056; 34-45321; FR-61), required to be described in the SEC Reports which have not been described as required.

(pp) *Compliance with PRC Regulations on PRC Overseas Investment and Listing.* Each of the Company and its subsidiaries that was incorporated outside of the PRC has complied with, and has taken all reasonable steps to comply with and to ensure compliance by each of its shareholders, option holders, directors, officers and employees that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen with any applicable rules and regulations of the relevant PRC government agencies (including but not limited to the Ministry of Commerce, the National Development and Reform Commission and the State Administration of Foreign Exchange) relating to overseas investment by PRC residents and citizens (the “**PRC Overseas Investment and Listing Regulations**”), including, without limitation, requesting each shareholder, option holder, director, officer and employee that is, or is directly or indirectly owned or controlled by, a PRC resident or citizen to complete any registration and other procedures required under applicable PRC Overseas Investment and Listing Regulations.

(qq) *Compliance with Tax Exemption Laws and Regulations.* Each of the Company's Subsidiaries operating in the PRC is in compliance in all material respects with all requirements under all applicable PRC laws and regulations to qualify for their income tax benefits, local, provincial and national PRC governmental tax holidays, relief, exemptions, concessions, waivers, preferential treatment and financial subsidies (the "Tax Benefits"). No submissions made to any PRC government authority in connection with obtaining its Tax Benefits contained any misstatement or omission that would have affected the granting of its Tax Benefits in any material respect. The Company's Subsidiaries in the PRC have not received notice of any deficiency in their respective applications for their Tax Benefits, and the Company is not aware of any reason why the Subsidiaries in the PRC might not qualify for, or be in compliance with the requirements for, their Tax Benefits.

(rr) *Indemnification and Contribution.* The indemnification and contribution provisions set forth in Sections 4.13, 4.14 and 4.19 hereof do not contravene Cayman Islands law or public policy.

(ss) *Dividends.* Except as disclosed in the SEC Reports, no approvals from any Governmental Authority are currently required in the Cayman Islands in order for the Company to pay dividends or other distributions declared by the Company to the holders of Ordinary Shares or Series A Preferred Shares. Under current laws and regulations of the Cayman Islands and any political subdivision thereof, any amount payable with respect to the Ordinary Shares or Series A Preferred Shares upon liquidation of the Company or upon redemption thereof and dividends and other distributions declared and payable on the share capital of the Company may be paid by the Company in United States dollars or euros and freely transferred out of the Cayman Islands, and no such payments made to the holders of the Ordinary Shares or Series A Preferred Shares who are non-residents of the Cayman Islands will be subject to income, withholding or other taxes under laws and regulations of the Cayman Islands or any political subdivision or taxing authority thereof or therein and without the necessity of obtaining any governmental authorization in the Cayman Islands or any political subdivision or taxing authority thereof or therein.

(tt) *Transaction Documents under Cayman Law.* Each of the Transaction Documents is in proper form to be enforceable against the Company in the Cayman Islands in accordance with its terms; to ensure the legality, validity, enforceability or admissibility into evidence in the Cayman Islands of any Transaction Document, it is not necessary that such Transaction Document be filed or recorded with any court or other authority in the Cayman Islands (other than court filings in the normal course of proceedings) or that any stamp or similar tax (other than nominal stamp duty if such Transaction Document is executed in or brought into the Cayman Islands) in the Cayman Islands be paid on or in respect of such Transaction Document or any other documents to be furnished hereunder.

(uu) *Choice of Law and Submission to Jurisdiction.* The choice of the laws of the State of New York as the governing law of the applicable Transaction Documents is a valid and legal choice of law under the laws of the Cayman Islands, the PRC and Hong Kong and will be honored by courts in the Cayman Islands, the PRC and Hong Kong, subject to the civil procedures of each respective jurisdiction. The Company has the power to submit, and pursuant to Section 6.8 of this Agreement, has legally, validly, effectively and irrevocably submitted, to the personal jurisdiction of each the New York Courts and the Company has the power to designate, appoint and authorize, and pursuant to Section 6.8 of this Agreement, has legally, validly, effectively and irrevocably designated, appointed and authorized an agent for service of process in any action arising out of or relating to this Agreement or the Securities in any New York Court, and service of process effected on such authorized agent will be effective to confer valid personal jurisdiction over the Company as provided in Section 6.8 hereof.

(vv) *No Rights of Immunity.* Except as provided by laws or statutes generally applicable to transactions of the type described in this Agreement, neither the Company nor any of its respective properties, assets or revenues has any right of immunity under the laws of the Cayman Islands, the PRC, Hong Kong, New York or the United States from any legal action, suit or proceeding, from the giving of any relief in any such legal action, suit or proceeding, from set-off or counterclaim, from the jurisdiction of any Cayman Islands, PRC, Hong Kong, United States federal or New York court, from service of process, attachment upon or prior judgment, or attachment in aid of execution of judgment, or from execution of a judgment, or other legal process or proceeding for the giving of any relief or for the enforcement of a judgment, in any such court, with respect to its obligations, liabilities or any other matter under or arising out of or in connection with this Agreement. To the extent that the Company or any of its respective properties, assets or revenues may have or may hereafter become entitled to any such right of immunity in any such court in which proceedings may at any time be commenced, the Company waives or will waive such right to the extent permitted by law and has consented to such relief and enforcement as provided in Section 6.8 of this Agreement.

(ww) *Enforceability of Judgments.* Any final judgment for a fixed or readily calculable sum of money rendered by a New York Court having jurisdiction under its own domestic laws and recognized by the Cayman Islands courts as having jurisdiction (according to Cayman Islands conflicts of laws principles and rules of Cayman Islands private international law at the time when proceedings were initiated) to give such final judgment in respect of any suit, action or proceeding against the Company based upon the applicable Transaction Documents and any instruments or agreements entered into for the consummation of the transactions contemplated therein would be enforceable against the Company, without re-examination or review of the merits of the cause of action in respect of which the original judgment was given or re-litigation of the matters adjudicated upon, by the courts of Cayman Islands, provided further that such judgement is not in respect of taxes, a fine or a penalty and was not obtained in a manner and is not of a kind the enforcement of which is contrary to natural justice or the public policy of the Cayman Islands.

(xx) *Foreign Private Issuer.* The Company is a “foreign private issuer” within the meaning of Rule 405 under the Securities Act. The Company agrees to notify the Purchaser as soon as practicable upon the Company ceasing to be a foreign private issuer. The Company further represents and warrants that: (i) pursuant to Nasdaq Listing Rule 5615 and in accordance with its election to follow home country practice, the Company is not subject to Nasdaq Listing Rule 5635, and (iii) Nasdaq Listing Rule 5635 is not applicable to the transactions contemplated by this Agreement due to the Company’s valid reliance on “home-country practice” afforded by the Nasdaq Listing Rules.

(yy) *Acknowledgment Regarding Purchaser’s Purchase of Securities.* The Company acknowledges and agrees that the Purchaser is acting solely in the capacity of an arm’s length purchaser with respect to this Agreement and the transactions contemplated hereby. The Company further acknowledges that the Purchaser is not acting as a financial advisor or fiduciary of the Company (or in any similar capacity) with respect to the Transaction Documents and the transactions contemplated thereby and any advice given by the Purchaser or any of their respective representatives or agents in connection with the Transaction Documents and the transactions contemplated thereby is merely incidental to the Purchaser’s purchase of the Securities. The Company further represents to the Purchaser that the Company’s decision to enter into this Agreement and the other Transaction Documents has been based solely on the independent evaluation of the transactions contemplated hereby by the Company and its representatives.

3.2 *Representations and Warranties of the Purchaser.* The Purchaser hereby represents and warrants as of the date hereof and as of the Applicable Closing Date to the Company as follows:

(a) *Organization; Authority.* The Purchaser is an entity validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement by the Purchaser and performance by the Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate action on the part of the Purchaser. Each Transaction document to which the Purchaser is a party has been duly executed by the Purchaser, and when delivered by the Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of the Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors’ rights and remedies or by other equitable principles of general application.

(b) *No Conflicts.* The execution, delivery and performance by the Purchaser of this Agreement and the consummation by the Purchaser of the transactions contemplated hereby and thereby will not (i) result in a violation of the organizational documents of the Purchaser, (ii) conflict with, or constitute a default (or an event which with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation of, any agreement, indenture or instrument to which the Purchaser is a party, or (iii) result in a violation of any law, rule, regulation, order, judgment or decree (including federal and state securities laws) applicable to the Purchaser, except in the case of clauses (ii) and (iii) above, for such conflicts, defaults, rights or violations which would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the ability of the Purchaser to perform its obligations hereunder.

(c) *Investment Intent.* The Purchaser understands that the Securities are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Shares and will acquire the Conversion Shares (upon conversion of the Shares) as principal for its own account and not with a view to, or for distributing or reselling such Securities or any part thereof in violation of the Securities Act or any applicable state securities laws, *provided, however,* that by making the representations herein, subject to the provisions of this Agreement, the Purchaser does not agree to hold any of the Securities for any minimum period of time and reserves the right at all times to sell or otherwise dispose of all or any part of such Securities pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable federal and state securities laws. The Purchaser does not presently have any agreement, plan or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Securities (or any securities which are derivatives thereof) to or through any person or entity; the Purchaser is not a registered broker-dealer under Section 15 of the Exchange Act or an entity engaged in a business that would require it to be so registered as a broker-dealer.

(d) *Purchaser Status.* At the time the Purchaser was offered the Shares, it was, and at the date hereof it is, an “accredited investor” as defined in Rule 501(a) under the Securities Act, satisfying the applicable requirements set forth on Schedule II.

(e) *General Solicitation.* The Purchaser is not purchasing the Securities as a result of any advertisement, article, notice or other communication regarding the Securities published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general advertisement.

(f) *Access to Information.* The Purchaser acknowledges that it has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Securities and the merits and risks of investing in the Securities; (ii) access to information about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other investigation conducted by or on behalf of the Purchaser or its representatives or counsel shall modify, amend or affect the Purchaser’s right to rely on the truth, accuracy and completeness of the SEC Reports and the Company’s representations and warranties contained in the Transaction Documents. The Purchaser has sought such accounting, legal and tax advice as it has considered necessary to make an informed decision with respect to its acquisition of the Securities.

(g) *Certain Trading Activities.* Other than with respect to the transactions contemplated herein, since the time that the Purchaser was first contacted by the Company or any other Person regarding the transactions contemplated hereby, neither the Purchaser nor any Affiliate of the Purchaser which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to the Purchaser's investments or trading or information concerning the Purchaser's investments, including in respect of the Securities, and (z) is subject to the Purchaser's review or input concerning such Affiliate's investments or trading (collectively, "**Trading Affiliates**") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with the Purchaser or Trading Affiliate, effected or agreed to effect any purchases or sales of the securities of the Company (including, without limitation, any Short Sales involving the Company's securities). Other than to other Persons party to this Agreement, the Purchaser has maintained the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction). Notwithstanding the foregoing, for avoidance of doubt, nothing contained herein shall constitute a representation or warranty, or preclude any actions, with respect to the identification of the availability of, or securing of, available shares to borrow in order to effect short sales or similar transactions in the future.

(h) *Brokers and Finders.* No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company or the Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Purchaser.

(i) *Independent Investment Decision.* The Purchaser has independently evaluated the merits of its decision to purchase Securities pursuant to the Transaction Documents. The Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Securities constitutes legal, tax or investment advice. The Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Securities. The Purchaser confirms that none of such Persons has made any representations or warranties to the Purchaser in connection with the transactions contemplated by the Transaction Documents.

(j) *Reliance on Exemptions.* The Purchaser understands that the Securities being offered and sold to it in reliance on specific exemptions from the registration requirements of United States federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and the Purchaser's compliance with, the representations, warranties, agreements, acknowledgements and understandings of the Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of the Purchaser to acquire the Securities.

(k) *Legends.* The Purchaser understands that upon the original issuance thereof, and until such time as the same is no longer required under applicable requirements of the Securities Act or applicable state securities laws or is otherwise removed in accordance with Section 4.1(c) herein, the certificates or other instruments representing the Securities, and all certificates or other instruments issued in exchange therefor or in substitution thereof, shall bear the legend(s) set forth in Section 4.1(b), and that the Company will make a notation on its records and give instructions to the Share Registrar of the Securities in order to implement the restrictions on transfer set forth and described herein.

The Company and the Purchaser acknowledge and agree that no party to this Agreement has made or makes any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Article III and the Transaction Documents.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 *Transfer Restrictions.*

(a) *Compliance with Laws.* Notwithstanding any other provision of this Article IV, the Purchaser covenants that the Securities may be disposed of only pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable state and federal securities laws. In connection with any transfer of the Securities (*provided* that the Purchaser provides the Company with reasonable assurances (in the form of seller and, if applicable, broker representation letters) that the securities may be sold pursuant to such rule), to the extent required by the Depository, Company Counsel will provide to the Depository an opinion of counsel reasonably acceptable to the Depository to the effect that such transfer does not require registration of such transferred Securities under the Securities Act. As a condition of a transfer other than (i) pursuant to an effective registration statement, (ii) to the Company or (iii) pursuant to Rule 144, any such transferee shall agree in writing to be bound by the terms of this Agreement, including for the avoidance of doubt Section 4.19, and shall have the rights of the Purchaser under this Agreement with respect to such transferred Securities.

(b) *Legends.* Certificates, including, if applicable, register of members with the Share Registrar, evidencing the Securities shall bear any legend as required by the “blue sky” laws of any state and a restrictive legend in substantially the following form, until such time as they are not required under Section 4.1(c):

NEITHER THESE SECURITIES NOR THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), OR APPLICABLE STATE SECURITIES LAWS. THE SECURITIES AND THE SECURITIES ISSUABLE UPON CONVERSION OF THESE SECURITIES MAY NOT BE OFFERED FOR SALE, SOLD, TRANSFERRED OR ASSIGNED (I) IN THE ABSENCE OF (A) AN EFFECTIVE REGISTRATION STATEMENT FOR THE SECURITIES UNDER THE SECURITIES ACT OR (B) AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY TO THE COMPANY, ITS SHARE REGISTRAR AND/OR THE DEPOSITARY OR (II) UNLESS SOLD PURSUANT TO RULE 144 UNDER THE SECURITIES ACT.

(c) *Removal of Legends.* The legend set forth in Section 4.1(b) above shall be removed and the Company shall, or shall cause its Share Registrar to, as applicable, issue an extract of the register of members and, if requested by the Purchaser, an original share certificate evidencing such Conversion Shares without such legend or any other legend to the holder of the Conversion Shares upon which it is stamped or issue to such holder, if (i) such Conversion Shares have been sold or transferred pursuant to (x) the plan of distribution set forth in an effective registration statement registering the Conversion Shares for resale (during such time that such registration statement is effective and not withdrawn or suspended) or (y) Rule 144, in each case upon delivery by the Purchaser to the Company, the Share Registrar, the Depository, as applicable, and Company Counsel of a customary seller’s representation letter and broker’s representation letter confirming the transfer of such Conversion Shares in the manner described in this clause (i), together with any other documentation reasonably required by the Company, the Share Registrar and/or the Depository (the “**Resale Deliverables**”), or (ii) in the absence of any sale of the Conversion Shares, following the date that is the one-year anniversary of the Applicable Closing Date and if requested by the Purchaser in writing, if such Conversion Shares are eligible for sale under Rule 144, without compliance with any of the requirements of such rule, including the current public information requirement and without volume or manner-of-sale restrictions, upon delivery by the Purchaser to the Company, the Share Registrar, the Depository, as applicable, and Company Counsel of a customary representation letter from the Purchaser confirming that the requirements set forth in this clause (ii) have been satisfied, together with any other documentation reasonably required by the Share Registrar, and/or the Depository (the “**Non-Resale Deliverables**”). Any fees (with respect to the Share Registrar, Company Counsel or otherwise) associated with the issuance of such opinion or the removal of such legend pursuant to the immediately preceding sentence shall be borne by the Company. The Company may not make any notation on its records or give instructions to the Share Registrar that enlarge the restrictions on transfer set forth in this Section 4.1(c).

(d) *Irrevocable Share Registrar Instructions.* Subject to the terms and conditions of this Agreement and the Securities Act, the Company shall issue irrevocable instructions to its Share Registrar, and any subsequent Share Registrar, in the form of Exhibit C attached hereto (the “**Irrevocable Share Registrar Instructions**”). The Company represents and warrants that no instruction other than the Irrevocable Share Registrar Instructions referred to in this Section (d) (or instructions that are not inconsistent therewith) will be given by the Company to its Share Registrar in connection with this Agreement, and that the Securities shall otherwise be freely transferable on the books and records of the Company as and to the extent provided in this Agreement and the other Transaction Documents and applicable law. The Company acknowledges that a breach by it of its obligations under this Section (d) will cause irreparable harm to the Purchaser. Accordingly, the Company acknowledges that the remedy at law for a breach of its obligations under this Section (d) will be inadequate and agrees, in the event of a breach or threatened breach by the Company of the provisions of this Section (d), that the Purchaser shall be entitled, in addition to all other available remedies, to an order and/or injunction restraining any breach and requiring immediate issuance and transfer, without the necessity of showing economic loss and without any bond or other security being required.

(e) *Acknowledgement.* The Purchaser hereunder acknowledges its primary responsibilities under the Securities Act and accordingly will not sell or otherwise transfer the Securities or any interest therein without complying with the requirements of the Securities Act. While a Registration Statement remains effective, the Purchaser hereunder may sell such Conversion Shares in accordance with the plan of distribution contained in the Registration Statement and if it does so it will comply therewith and with the related prospectus delivery requirements unless an exemption therefrom is available. The Purchaser agrees that if it is notified by the Company in writing at any time that any Registration Statement then in effect registering the resale of the Conversion Shares is not effective or that the prospectus included in such Registration Statement no longer complies with the requirements of Section 10 of the Securities Act, the Purchaser will refrain from selling such Conversion Shares until such time as the Purchaser is notified by the Company that such Registration Statement is effective or such prospectus is compliant with Section 10 of the Securities Act, unless the Purchaser is able to, and does, sell such Conversion Shares pursuant to an available exemption from the registration requirements of Section 5 of the Securities Act.

4.2 *Reservation of Shares.* The Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance from and after the Applicable Closing Date, for so long as any of the Shares are outstanding, and to reserve and keep available out of its authorized and unissued share capital, solely for the purpose of effecting the conversion of the Shares, the maximum number of Ordinary Shares issuable upon the conversion thereof (without taking into account any limitations set forth in the Certificate of Preferred Shares).

4.3 *Reservation of ADSs.* The Company shall take all action necessary to at all times have authorized and reserved for the purpose of issuance from and after the Applicable Closing Date, for so long as any of the Shares are outstanding, and to reserve and keep available the maximum number of ADSs that may ultimately be issuable to represent the maximum number of Conversion Shares (without taking into account any limitations set forth in the Certificate of Preferred Shares) (such number of ADSs, the “**Required Reserve Amount of ADSs**”). If at any time the ADS Registration Statement does not have sufficient ADSs available to effect the issuance in full of the Required Reserve Amount of ADSs, the Company shall promptly either file an amendment thereto or a new ADS Registration Statement on Form F-6, as necessary, to cure such failure.

4.4 *Nasdaq Listing.* The Company shall use commercially reasonable efforts to maintain the listing and trading of its ADSs on the Principal Trading Market and, in accordance therewith, will use reasonable best efforts to comply in all material respects with the Company’s reporting, filing and other obligations under the rules and regulations of the Principal Trading Market.

4.5 *Exchange of Ordinary Shares for ADSs.* The Company shall use commercially reasonable efforts to ensure that the Conversion Shares held in the form of Ordinary Shares are able to be deposited from time to time, upon request by the Purchaser, with the Depository, and to cause the Depository to issue an equivalent number of ADSs (at the then applicable exchange ratio, currently 1.25 to 1) to the Purchaser in exchange therefor upon deposit of such Ordinary Shares. The Company shall use commercially reasonable efforts to ensure that Conversion Shares deposited with the Depository will become eligible for electronic transfer through the Depository or another established clearing corporation and the Company is current in payment of the fees, subject to Section 6.1, to the Depository (or such other established clearing corporation) in connection with such electronic transfer.

4.6 *Further Assurances.* Each party shall do and perform, or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as any other party may reasonably request in order to carry out the intent and accomplish the purposes of this Agreement and the consummation of the transactions contemplated hereby, including in connection with the issuance to the Purchaser of any ADSs representing Conversion Shares.

4.7 *Furnishing of Information.* In order to enable the Purchaser to sell the Securities under Rule 144, for a period of twelve (12) months from each Applicable Closing, the Company shall use its commercially reasonable efforts to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the Applicable Closing Date pursuant to the Exchange Act. During each such twelve (12) month period, if the Company is not required to file reports pursuant to the Exchange Act, it will prepare and furnish to the Purchaser and make publicly available in accordance with Rule 144(c) such information as is required for the Purchaser to sell the Securities under Rule 144.

4.8 *CSRC Filings Assistance.* The Purchaser understands that the Company is required to make a filing with the CSRC in respect of the transaction under this Agreement within three (3) PRC Business Days following the First Closing. The Purchaser agrees to provide the Company with the information or assistance reasonably necessary to complete the above CSRC filings as set forth on Schedule III.

4.9 *Integration.* The Company shall not, and shall use its commercially reasonable efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Securities in a manner that would require the registration under the Securities Act of the sale of the Securities to the Purchaser, or that will be integrated with the offer or sale of the Securities for purposes of the rules and regulations of any Trading Market such that it would require shareholder approval prior to the closing of such other transaction unless shareholder approval is obtained before the closing of such subsequent transaction.

4.10 *Securities Laws Disclosure; Publicity.* On or before the second (2nd) Trading Day immediately following the execution of this Agreement, the Company shall issue a press release reasonably acceptable to the Purchaser. On or before the second (2nd) Trading Day immediately following the execution of this Agreement, the Company will file the Transaction 6-K with the Commission. Notwithstanding the foregoing, the Company shall not publicly disclose the name of the Purchaser or any of its Affiliates, or include the name of the Purchaser or any of its Affiliates in any press release or filing with the Commission (other than a Registration Statement) or any regulatory agency or Trading Market, without the prior written consent of the Purchaser, such consent not to be unreasonably withheld, except (i) as required by federal securities law in connection with (A) any registration statement contemplated by [Section 4.19](#) hereto and (B) the filing of final Transaction Documents (including signature pages thereto) with the Commission and (ii) to the extent such disclosure is required by law, request of the Staff or Trading Market regulations, in which case the Company shall provide the Purchaser with prior written notice of such disclosure permitted under this subclause (ii). As of immediately after the issuance of the Transaction 6-K, the Purchaser shall not be in possession of any material, non-public information received from the Company, any Subsidiary or any of their respective officers, directors, employees or agents, that is not disclosed in the Transaction 6-K. The Purchaser covenants that until such time as the transactions contemplated by this Agreement are required to be publicly disclosed by the Company as described in this [Section 4.10](#), the Purchaser will maintain the confidentiality of all disclosures made to it in connection with this transaction (including the existence and terms of this transaction); *provided, however*, that any disclosure may be made by the Purchaser solely on a need-to-know basis to the Purchaser's representatives or agents (including, but not limited to, the Purchaser's legal, tax and investment advisors) that are bound by obligations of confidentiality and restrictions against disclosure of any confidential information.

4.11 *Non-Public Information.* Except with respect to the material terms and conditions of the transactions contemplated by the Transaction Documents, including this Agreement and the Side Letter, or as expressly required by any applicable securities law, the Company covenants and agrees that neither it, nor any other Person acting on its behalf, will provide the Purchaser or its agents or counsel with any information regarding the Company that the Company believes constitutes material non-public information without the express written consent of the Purchaser. The Company understands and confirms that the Purchaser shall be relying on the foregoing covenant in effecting transactions in securities of the Company.

4.12 *Use of Proceeds.* The Company shall use the net proceeds from the sale of the Shares hereunder for development of product candidate ADG126.

4.13 *Indemnification of the Purchaser.* Subject to the provisions of this [Section 4.13](#) (and in addition to the indemnification provisions set forth in [Section 4.19](#)), the Company will indemnify and hold the Purchaser and its directors, officers, shareholders, members, partners, and employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title), each Person who controls the Purchaser (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, shareholders, members, partners or employees (and any other Persons with a functionally equivalent role of a Person holding such titles notwithstanding a lack of such title or any other title) of such controlling persons (each, a "**Purchaser Party**") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation (collectively, "**Loss**") that any such Purchaser Party may suffer or incur as a result of or relating to any breach of any of the representations, warranties, covenants or agreements made by the Company in this Agreement. Promptly after receipt by any Person (the "**Indemnified Person**") of notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any action, proceeding or investigation in respect of which indemnity may be sought pursuant to this [Section 4.13](#), such Indemnified Person shall promptly notify the Company in writing and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Person, and shall assume the payment of all fees and expenses; *provided, however*, that the failure of any Indemnified Person so to notify the Company shall not relieve the Company of its obligations hereunder except to the extent that the Company is actually and materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Company and the Indemnified Person shall have mutually agreed to the retention of such counsel; (ii) the Company shall have failed promptly to assume the defense of such proceeding and to employ counsel reasonably satisfactory to such Indemnified Person in such proceeding; or (iii) in the reasonable judgment of counsel to such Indemnified Person, representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. Without the prior written consent of the Indemnified Person, which consent shall not be unreasonably withheld, delayed or conditioned, the Company shall not effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Person from all liability arising out of such proceeding.

4.14 *Tax Indemnity.* The Company will indemnify and hold the Purchaser harmless against any transfer taxes (including any interest and penalties) payable by the Purchaser in connection with the sale and delivery of the Securities to or for the account of the Purchaser in the manner contemplated by this Agreement and the Deposit Agreement or the execution and delivery of the Transaction Agreements.

4.15 *Compliance with Cybersecurity; Data Protection.* Except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the Company will comply with all applicable laws and regulations in the PRC concerning cybersecurity, data protection, confidentiality and archive administrations (including, without limitation, the CSRC Archive Rules) in connection with (A) the establishment and maintenance of adequate and effective internal control measures and internal systems for maintenance of data protection, confidentiality and archive administration; (B) the relevant requirements and approval and filing procedures in connection with its handling, disclosure, transfer and retention of transfer of state secrets and working secrets of government agencies or any other documents or materials that would otherwise be detrimental to national security or public interest (the “**Relevant Information**”); and (C) maintenance of confidentiality of any Relevant Information; and where there is any material information required to be reported to the CSRC pursuant to the applicable laws (including, without limitation, the CSRC Rules), promptly notify the CSRC or the relevant PRC governmental authority and provide it with such material information in accordance with the applicable laws, and promptly notify the Representatives (for themselves and on behalf of the Underwriters) of such material information to the extent permitted by the applicable laws.

4.16 *Blue Sky.* The Company, on or before the Applicable Closing Date, if applicable, shall take such action as the Company shall reasonably determine is necessary in order to obtain an exemption for or to qualify the Securities for sale to the Purchaser 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 such actions promptly upon the written request of the Purchaser.

4.17 [Reserved].

4.18 *Subsequent Equity Sales.* Except for an Exempt Issuance, from the date hereof until the earlier of (i) the Second Closing Date or (ii) March 31, 2027, the Company shall not, without the consent of the Purchaser, issue ADSs, Series A Preferred Shares, Ordinary Shares or Ordinary Share Equivalents.

4.19 *Registration Rights.*

(a) *Registration Procedures and Expenses.* The Company shall:

(i) on or prior to each Filing Date, prepare and file with the Commission a Registration Statement covering the resale of all of the Registrable Shares that are not then registered on an effective Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415. Each Registration Statement filed hereunder shall be on Form F-3. It shall be a condition precedent to the obligations of the Company to file each Registration Statement that the Purchaser furnish to the Company (x) a customary completed selling shareholder questionnaire and (y) such further information regarding the Purchaser, the Registrable Shares held by the Purchaser and the intended method of disposition of the Registrable Shares held by the Purchaser as shall be reasonably required to effect the effectiveness of the registration of the Registrable Shares. In the event that Form F-3 is not available for the registration of the Registrable Shares, the Company shall register the offer and sale to the public of the Registrable Shares on such other Registration Statement form as is available to the Company and undertake to register the Registrable Shares on Form F-3 as soon as such form is available, provided that the Company shall maintain the effectiveness of the Registration Statement then in effect until such time as a Registration Statement on Form F-3 covering the Registrable Shares has been declared effective by the Commission;

(ii) use its commercially reasonable efforts to cause each Registration Statement required by Section 4.19(a)(i) to be declared effective within fifteen (15) days following the date on which it is filed with the Commission (or, in the event the Staff reviews and has comments to such Registration Statement, within sixty (60) days following the date on which such Registration Statement was filed with the Commission) (the earlier of the foregoing or the applicable date set forth in Section 4.19(a)(vi)), with respect to each Registration Statement, the “**Effectiveness Deadline**”), such efforts to include, without limiting the generality of the foregoing, preparing and filing with the Commission any financial statements or other information that is required to be filed prior to the effectiveness of such Registration Statement;

(iii) prepare and file with the Commission such amendments and supplements to any Registration Statement and the prospectus used in connection therewith as may be necessary to keep a Registration Statement continuously effective as to the applicable Registrable Shares and free from any material misstatement or omission to state a material fact therein until the earlier of: (A) the date as of which all Registrable Shares covered by such Registration Statement have been sold pursuant to the Registration Statement and (B) that date as of which no Registrable Shares covered by such Registration Statement remain outstanding, subject to the Company’s right to suspend pursuant to Section 4.19(g);

(iv) furnish to the Purchaser such number of copies of prospectuses in conformity with the requirements of the Securities Act and such other documents as the Purchaser may reasonably request, in order to facilitate the public sale or other disposition of all or any of the Registrable Shares by the Purchaser;

(v) file such documents as may be required of the Company for normal securities law clearance for the offer and sale of the Registrable Shares in such states of the United States as may be reasonably requested by the Purchaser and use its commercially reasonable efforts to maintain such blue sky qualifications during the period the Company is required to maintain effectiveness of each Registration Statement then in effect; *provided, however*, that the Company shall not be required in connection with this Section 4.19(a)(v) to qualify as a foreign corporation or execute a general consent to service of process in any jurisdiction in which it is not now so qualified or has not so consented or subject the Company to any material tax in any such jurisdiction where it is not then so subject;

(vi) use its commercially reasonable efforts to, upon notification by the Commission that a Registration Statement will not be reviewed or is not subject to further review by the Commission, within three (3) Trading Days following the date of such notification, request acceleration of such Registration Statement (with the requested effectiveness date to be not more than two (2) Trading Days later);

(vii) upon notification by the Commission that a Registration Statement has been declared effective (the date of such notification, the “**Effective Date**”) by the Commission, file the final prospectus under Rule 424 within the applicable time period prescribed by Rule 424;

(viii) advise the Purchaser promptly, and in any event within twenty-four (24) hours of (A) the effectiveness of a Registration Statement or any post-effective amendments thereto, (B) any request by the Commission for amendments to a Registration Statement or amendments to the prospectus or for additional information relating thereto, (C) the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Registrable Shares covered by such Registration Statement for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes and (D) the existence of any fact and the happening of any event that makes any statement of a material fact made in a Registration Statement, the prospectus and amendment or supplement thereto, or any document incorporated by reference therein, untrue, or that requires the making of any additions to or changes in such Registration Statement or the prospectus in order to make the statements therein not misleading; and

(ix) bear all expenses in connection with the procedures in paragraphs (i) through (ix) of this Section 4.19(a) and the registration of the Registrable Shares on such Registration Statements and the satisfaction of the blue sky laws of such states.

(b) *Liquidated Damages.* If the applicable Registration Statement is not (i) filed with the Commission on or prior to its applicable Filing Date or (ii) declared effective by the Commission by the applicable Effectiveness Deadline (each such event, a “**Registration Failure**”), then, in addition to any other rights the Purchaser may have hereunder or under applicable law, the Company will make a liquidated damages payment to the Purchaser and not as a penalty (the “**Liquidated Damages**”), in an amount equal to one percent (1.0%) of the aggregate amount invested by the Purchaser for the Registrable Shares then held by the Purchaser and obligated to be registered under such Registration Statement pursuant to Section 4.19(a) for the initial day of a Registration Failure and, thereafter in an amount equal to one percent (1.0%) for each thirty (30)-day period until such Registration Failure is cured. The Liquidated Damages shall be paid monthly within ten (10) Business Days of the date of such Registration Failure and the end of each subsequent thirty (30)-day period (or portion thereof with respect to a final period, if any) thereafter until the Registration Failure is cured. Such payments shall be made in cash to the Purchaser. Interest shall accrue at the rate of one percent (1.0%) per month on any such liquidated damages payments that shall not be paid by the applicable payment date until such amount is paid in full. The parties agree that notwithstanding anything to the contrary herein, no Liquidated Damages shall be payable to the Purchaser if (i) such Registrable Shares may be sold without volume or manner of sale restrictions under Rule 144, as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and reasonably acceptable to the Purchaser and the Company’s transfer agent, (ii) the Registration Failure is caused by any action or inaction of the Purchaser, or (iii) the Purchaser is unable to lawfully sell any of its Registrable Shares because of possession of material non-public information.

(c) *Rule 415 Cutback.* If at any time the Staff takes the position that the offering of some or all of the Registrable Shares in a Registration Statement is not eligible to be made on a delayed or continuous basis under the provisions of Rule 415 under the Securities Act or requires the Purchaser to be named as an “underwriter,” the Company shall use its commercially reasonable efforts to persuade the Commission that the offering contemplated by such Registration Statement is a valid secondary offering and not an offering “by or on behalf of the issuer” as defined in Rule 415 and that the Purchaser is not an “underwriter.” The Purchaser shall have the right to review and oversee any registration or matters pursuant to this Section 4.19, including any participation in meetings or discussions with the Commission regarding the Commission’s position and to comment on any written submission made to the Commission with respect thereto. In the event that, despite the Company’s commercially reasonable efforts and compliance with the terms of this Section 4.19, the Staff refuses to alter its position, the Company shall (A) remove from such Registration Statement such portion of the Registrable Shares (the “**Cut Back Shares**”) and/or (B) agree to such restrictions and limitations on the registration of the Registrable Shares as the Commission may require to assure the Company’s compliance with the requirements of Rule 415 (collectively, the “**SEC Restrictions**”); *provided, however*, that the Company shall not agree to name the Purchaser as an “underwriter” in such Registration Statement without the prior written consent of the Purchaser. No damages shall accrue as to any Cut Back Shares until such date as the Company is able to effect the registration of such Cut Back Shares in accordance with any SEC Restrictions (such date, the “**Restriction Termination Date**” of such Cut Back Shares). From and after the Restriction Termination Date applicable to any Cut Back Shares, all of the provisions of this Section 4.19 shall again be applicable to such Cut Back Shares; *provided, however*, that (x) the filing deadline for the applicable Registration Statement including such Cut Back Shares shall be ten (10) Trading Days after such Restriction Termination Date, and (y) the applicable Effectiveness Deadline with respect to such Cut Back Shares shall be the 90th day immediately after the Restriction Termination Date or the 120th day if the Staff reviews such Registration Statement (but in any event no later than three (3) Trading Days from the Staff indicating it has no further comments on such Registration Statement).

(d) *Secondary Piggyback Registration.* Subject to the terms and conditions hereof, and solely with respect to any Conversion Shares for which, at the relevant time, no Registration Statement is effective, whenever the Company proposes to file a registration statement under the Securities Act for the purpose of registering the equity securities of any third party, whether or not such registration statement includes the registration of shares for its own account (a “**Secondary Piggyback Registration**”), the Company shall give the Purchaser prompt written notice thereof (but not less than ten (10) Business Days prior to the filing by the Company with the Commission of any registration statement with respect thereto or, in the case of an offering of equity securities from an existing registration statement, prior to the anticipated pricing date). Such notice (a “**Piggyback Notice**”) shall specify, at a minimum, the number of equity securities proposed to be registered, the proposed date of filing of such registration statement with the Commission (or anticipated date of pricing, as applicable), the proposed means of distribution, the proposed managing underwriter or underwriters (if any and if known) and a good faith estimate by the Company of the proposed minimum offering price of such equity securities. Upon the written request of the Purchaser, which such written request shall specify the number of Registrable Shares then presently intended to be disposed of by the Purchaser, given within five (5) Business Days after such Piggyback Notice is received by the Purchaser, the Company, subject to the terms and conditions of this Agreement, shall use its best efforts to cause all such Registrable Shares held by the Purchaser with respect to which the Company has received such written requests for inclusion to be included in such Secondary Piggyback Registration on the same terms and conditions as the other third-party equity securities being sold in such Secondary Piggyback Registration.

(e) *Registration and Offering Expenses.* All Sale Expenses (as defined below) incurred in connection with Section 4.19(a) through Section 4.19(f) shall be borne by the Company. “**Sale Expenses**” shall mean (a) the fees and disbursements of counsel of the Company and independent public accountants for the Company incurred in connection with a Registration Statement or Secondary Piggyback Registration, including the expenses of any special audits or “comfort” letters required by any such Registration Statement or Secondary Piggyback Registration, and (b) all registration, filing and stock exchange fees, all fees and expenses of complying with securities or “blue sky” laws (including any legal investment memoranda related thereto), all fees and expenses of custodians, the Share Registrar, the Depository and any other registrars, all printing and producing expenses, *provided, however,* that “Sale Expenses” shall not include any out-of-pocket expenses of the Purchaser or any transfer taxes, the fees and disbursements of counsel of the Purchaser, underwriting or brokerage commissions or discounts associated with effecting those sales of Registrable Shares that may be offered by the Purchaser, which expenses shall be borne by the Purchaser.

(f) *Indemnification.*

(i) The Company agrees to indemnify and hold harmless each Purchaser Party, to the fullest extent permitted by applicable law, from and against any losses, claims, damages or liabilities (collectively, “**Losses**”), joint or several, to which they may become subject (under the Securities Act or otherwise) insofar as such Losses (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue or alleged untrue statement of a material fact contained in any Registration Statement or any omission or alleged omission to state a material fact required to be stated in the prospectus contained therein or necessary to make the statements in the prospectus contained therein, in light of the circumstances under which they were made, not misleading or arise out of any failure by the Company to fulfill any undertaking included in a Registration Statement and the Company will, as incurred, reimburse the Purchaser Parties for any reasonable and documented legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; *provided, however,* that the Company shall not be liable in any such case to the extent that such Loss arises out of, or is based upon an untrue statement or omission made in such Registration Statement in reliance upon and in conformity with written information furnished to the Company by or on behalf of the Purchaser specifically for inclusion in such Registration Statement; *provided further, however,* that the Company shall not be liable to any Purchaser Party (or any partner, member, officer, director or controlling Person of the Purchaser) to the extent that any such Loss is caused by an untrue statement or omission made in any preliminary prospectus if either (1) (a) the Purchaser failed to send or deliver a copy of the final prospectus with or prior to, or the Purchaser failed to confirm that a final prospectus was deemed to be delivered prior to (in accordance with Rule 172 of the Securities Act), the delivery of written confirmation of the sale by the Purchaser to the Person asserting the claim from which such Loss resulted and (b) the final prospectus corrected such untrue statement or omission, (2) (x) such untrue statement or omission is corrected in an amendment or supplement to the prospectus and (y) having previously been furnished by or on behalf of the Company with copies of the prospectus as so amended or supplemented or notified by the Company that such amended or supplemented prospectus has been filed with the Commission, in accordance with Rule 172 of the Securities Act, the Purchaser thereafter fails to deliver such prospectus as so amended or supplemented, with or prior to or the Purchaser fails to confirm that the prospectus as so amended or supplemented was deemed to be delivered prior to (in accordance with Rule 172 of the Securities Act), the delivery of written confirmation of the sale by the Purchaser to the Person asserting the claim from which such Loss resulted or (3) the Purchaser sold Registrable Shares in violation of the Purchaser’s covenants contained in Article IV of this Agreement.

(ii) The Purchaser agrees to indemnify and hold harmless the Company and its officers, directors, employees, affiliates, agents and representatives and each Person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (each a “**Company Party**” and collectively the “**Company Parties**”), from and against any Losses to which the Company Parties may become subject (under the Securities Act or otherwise), insofar as such Losses (or actions or proceedings in respect thereof) arise out of, or are based upon, any untrue statement of a material fact contained in a Registration Statement (or any omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in each case, on the effective date thereof), if, and only to the extent, such untrue statement or omission was made in reliance upon and in conformity with written information furnished by or on behalf of the Purchaser specifically for inclusion in such Registration Statement, and the Purchaser will reimburse each Company Party for any legal or other expenses reasonably incurred in investigating, defending or preparing to defend any such action, proceeding or claim; *provided, however*, that in no event shall any indemnity under this 4.19(f)(ii) be greater in amount than the dollar amount of the proceeds (net of all expenses paid by the Purchaser in connection with any claim relating to this Section 4.19 and the amount of any damages the Purchaser has otherwise been required to pay by reason of such untrue statement or omission) received by the Purchaser upon its sale of the Registrable Shares included in the applicable Registration Statement giving rise to such indemnification obligation.

(iii) Promptly after receipt by any indemnified Person of a notice of a claim or the beginning of any action in respect of which indemnity is to be sought against an indemnifying Person pursuant to this Section 4.19(f), such indemnified Person shall notify the indemnifying Person in writing of such claim or of the commencement of such action, and, subject to the provisions hereinafter stated, in case any such action shall be brought against an indemnified Person and such indemnifying Person shall have been notified thereof, such indemnifying Person shall be entitled to participate therein, and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified Person. After notice from the indemnifying Person to such indemnified Person of its election to assume the defense thereof, such indemnifying Person shall not be liable to such indemnified Person for any legal expenses subsequently incurred by such indemnified Person in connection with the defense thereof; *provided, however*, that if there exists or shall exist a conflict of interest that would make it inappropriate in the reasonable judgment of the indemnified Person for the same counsel to represent both the indemnified Person and such indemnifying Person or any affiliate or associate thereof, the indemnified Person shall be entitled to retain its own counsel at the expense of such indemnifying Person; *provided, further*, that no indemnifying Person shall be responsible for the fees and expense of more than one separate counsel for all indemnified parties. The indemnifying party shall not settle an action without the consent of the indemnified party, which consent shall not be unreasonably withheld.

(iv) If after proper notice of a claim or the commencement of any action against the indemnified party, the indemnifying party does not choose to participate, then the indemnified party shall assume the defense thereof and upon written notice by the indemnified party requesting advance payment of a stated amount for its reasonable defense costs and expenses, the indemnifying party shall advance payment for such reasonable defense costs and expenses (the “**Advance Indemnification Payment**”) to the indemnified party. In the event that the indemnified party’s actual defense costs and expenses exceed the amount of the Advance Indemnification Payment, then upon written request by the indemnified party, the indemnifying party shall reimburse the indemnified party for such difference; in the event that the Advance Indemnification Payment exceeds the indemnified party’s actual costs and expenses, the indemnified party shall promptly remit payment of such difference to the indemnifying party.

(v) If the indemnification provided for in this Section 4.19(f) is held by a court of competent jurisdiction to be unavailable to an indemnified party with respect to any losses, claims, damages or liabilities referred to herein, the indemnifying party, in lieu of indemnifying such indemnified party thereunder, shall to the extent permitted by applicable law contribute to the amount paid or payable by such 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 indemnifying party on the one hand and of the indemnified party on the other, as well as any other relevant equitable considerations; *provided*, that in no event shall any contribution by the Purchaser hereunder be greater in amount than the dollar amount of the proceeds received by the Purchaser upon the sale of such Registrable Shares. No person guilty of fraudulent misrepresentation within the meaning of Section 11(f) of the Securities Act shall be entitled to contribution from any person not guilty of such fraudulent misrepresentation.

(g) *Prospectus Suspension.* The Purchaser acknowledges that there may be times when the Company must suspend the use of the prospectus forming a part of a Registration Statement until such time as an amendment to such Registration Statement has been filed by the Company and declared effective by the Commission, or until such time as the Company has filed an appropriate report with the Commission pursuant to the Exchange Act. The Purchaser hereby covenants that it will not sell any Registrable Shares pursuant to said prospectus during the period commencing at the time at which the Company gives the Purchaser notice of the suspension of the use of said prospectus and ending at the time the Company gives the Purchaser notice that the Purchaser may thereafter effect sales pursuant to said prospectus; provided, that such suspension periods shall in no event exceed thirty (30) consecutive calendar days or a total of sixty (60) calendar days (which need not be consecutive calendar days) in any 12-month period and that, in the good faith judgment of the Company's Board of Directors, the Company would, in the absence of such delay or suspension hereunder, be required under state or federal securities laws to disclose any corporate development, a potentially significant transaction or event involving the Company, or any negotiations, discussions, or proposals directly relating thereto, in either case the disclosure of which would reasonably be expected to have a Material Adverse Effect upon the Company or its shareholders.

(h) *Termination of Obligations.* The obligations of the Company pursuant to Section 4.19(a) hereof shall cease and terminate, with respect to any Registrable Shares, upon the earlier to occur of (i) such time such Registrable Shares have been resold, or (ii) such time as such Shares no longer remain Registrable Shares.

(i) *Reporting Requirements.* With a view to making available the benefits of certain rules and regulations of the Commission that may at any time permit the sale of the Registrable Shares to the public without registration or pursuant to a registration statement on Form F-3, the Company agrees to:

(i) make and keep public information available, as those terms are understood and defined in Rule 144; and

(ii) so long as the Purchaser owns Registrable Shares, to furnish to the Purchaser upon request (A) a written statement by the Company as to whether it is in compliance with the reporting requirements of Rule 144 and the Exchange Act, or whether it is qualified as a registrant whose securities may be resold pursuant to Form F-3 and (B) such other information as may be reasonably requested to permit the Purchaser to sell such securities pursuant to Rule 144.

ARTICLE V.
CONDITIONS PRECEDENT TO CLOSING

5.1 *Conditions Precedent to the Obligations of the Purchaser to Purchase Securities.* The obligation of the Purchaser to acquire Shares at the Applicable Closing is subject to the fulfillment to the Purchaser's satisfaction, on or prior to the Applicable Closing Date, of each of the following conditions, any of which may be waived by the Purchaser:

(a) *Representations and Warranties.* The representations and warranties made by the Company in Section 3.1 hereof shall be true and correct in all material respects (except for those representations and warranties which are qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) as of the date when made and as of the Applicable Closing Date, as though made on and as of such date, except for such representations and warranties that speak as of a specific date.

(b) *Performance.* The Company shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Applicable Closing.

(c) *No Injunction.* No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(d) *Consents.* Other than the filing with the CSRC within three (3) PRC Business Days after the Applicable Closing Date, the Company shall have obtained in a timely fashion any and all consents, permits, approvals, registrations and waivers necessary for consummation of the purchase and sale of the Securities, all of which shall be and remain so long as necessary in full force and effect.

(e) *Adverse Changes.* Since the date of execution of this Agreement, no event or series of events shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect.

(f) *No Suspensions of Trading in ADSs.* The ADSs shall not have been suspended, as of the Applicable Closing Date, by the Commission or the Principal Trading Market from trading on the Principal Trading Market nor shall suspension by the Commission or the Principal Trading Market have been threatened, as of the Applicable Closing Date, either (i) in writing by the Commission or the Principal Trading Market or (ii) by falling below the minimum listing maintenance requirements of the Principal Trading Market. Nasdaq Listing Rule 5635 shall not be applicable to the transactions contemplated by this Agreement due to the Company's reliance on "home-country practice" afforded by the Nasdaq Listing Rules.

(g) *Company Deliverables.* The Company shall have delivered: (i) with respect to the First Closing, the First Closing Company Deliverables in accordance with Section 2.2(a); and (ii) with respect to the Second Closing, the Second Closing Company Deliverables in accordance with Section 2.5(a), as applicable.

(h) *Compliance Certificate.* The Company shall have delivered to the Purchaser a certificate, in the form attached hereto as Exhibit F, dated as of the Applicable Closing Date and signed by its Chief Executive Officer, certifying to the fulfillment of the conditions specified in Sections 5.1(a), (b), (c), (d) and (f).

(i) *Certificate of Preferred Shares.* The Certificate of Preferred Shares shall have been filed with the Share Registrar, which Certificate of Preferred Shares shall continue to be in full force and effect as of the Applicable Closing Date.

(j) *Due Diligence.* The Company shall have provided the Purchaser with all documents and materials reasonably requested by the Purchaser in connection with its due diligence review.

(k) *Termination.* This Agreement shall not have been terminated in accordance with [Section 6.17](#) herein.

(l) *Clinical Trial Supply Agreement.* The Clinical Trial Supply Agreement shall not have been terminated by the Company prior to the Applicable Closing Date.

(m) *Material Breach.* Neither the Company nor any of the Company's subsidiaries shall be in material breach of any agreement with the Purchaser or an affiliate of the Purchaser.

5.2 *Conditions Precedent to the Obligations of the Company to Sell Shares.* The Company's obligation to sell and issue Shares at the Applicable Closing to the Purchaser is subject to the fulfilment to the Company's satisfaction on or prior to the Applicable Closing Date of the following conditions by the Purchaser, any of which may be waived by the Company:

(a) *Representations and Warranties.* The representations and warranties made by the Purchaser in Section 3.2 hereof shall be true and correct in all material respects (except for those representations and warranties which are qualified as to materiality, in which case such representations and warranties shall be true and correct in all respects) as of the date when made, and as of the First Closing Date as though made on and as of such date, except for representations and warranties that speak as of a specific date.

(b) *Performance.* The Purchaser shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Purchaser at or prior to the Applicable Closing Date.

(c) *No Injunction.* No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or Governmental Authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents.

(d) *Purchaser Deliverables.* The Purchaser shall have delivered: (i) with respect to the First Closing, the First Closing Purchaser Deliverables in accordance with [Section 2.2\(b\)](#); and (ii) with respect to the Second Closing, the Second Closing Purchaser Deliverables in accordance with [Section 2.5\(b\)](#), as applicable.

(e) *Termination.* This Agreement shall not have been terminated in accordance with [Section 6.17](#) herein.

ARTICLE VI.
MISCELLANEOUS

6.1 *Fees and Expenses.*

(a) The Company shall pay all Share Registrar fees, stamp, transfer or similar taxes and duties levied in connection with the sale and issuance of the Securities to the Purchaser, and all fees and expenses associated with any CSRC Filings.

(b) The Company shall pay (i) US\$300,000 to the Purchaser on the First Closing Date and (ii) US\$15,000 to the Purchaser on the Second Closing Date, which amounts represent the costs and expenses of the Purchaser in connection with the transactions contemplated by the Transaction Documents; it being understood that each of the Company and the Purchaser has relied on the advice of its own counsel. Notwithstanding the foregoing, the Company acknowledges and agrees that the Purchase may (i) deduct US\$300,000 out of the aggregate purchase price that the Purchaser owes to the Company in exchange for the First Closing Shares purchased by the Purchaser at the First Closing and such payment shall be deemed to have been made to the Company and then paid to the Purchaser by the Company and (ii) deduct US\$15,000 out of the aggregate purchase price that the Purchaser owes to the Company in exchange for the Second Closing Shares purchased by the Purchaser at the Second Closing and such payment shall be deemed to have been made by the Company and then paid to the Purchaser by the Company.

(c) That Company shall, within ten (10) Business Days of receipt of reasonable documentation from the Purchaser evidencing that the Purchaser has deposited Conversion Shares with the Depository in exchange for the issuance of ADSs to the Purchaser, reimburse the Purchaser for all fees paid to the Depository in connection with such deposit of Conversion Shares. If the applicable payment is not made to the Purchaser by the applicable payment date (a "**Reimbursement Failure**"), then, in addition to any other rights the Purchaser may have hereunder or under applicable law, the Company will make a liquidated damages payment to the Purchaser and not as a penalty (the "**Reimbursement Liquidated Damages**"), in an amount equal to three percent (3.0%) of the total amount payable under the immediately preceding sentence for the initial day after such Reimbursement Failure and, thereafter in an amount equal to three percent (3.0%) for each thirty (30)-day period until such payment has been made in full. The Reimbursement Liquidated Damages shall be paid monthly within ten (10) Business Days of the date of such Reimbursement Failure and the end of each subsequent thirty (30)-day period (or portion thereof with respect to a final period, if any) thereafter until the Reimbursement Failure is cured. Such payments shall be made in cash to the Purchaser. Interest shall accrue at the rate of three percent (3.0%) per month on any such liquidated damages payments that shall not be paid by the applicable payment date until such amount is paid in full.

6.2 *Entire Agreement.* The Transaction Documents, together with the exhibits and schedules thereto and any confidentiality or other non-disclosure agreements that may be in place and effective as of the Signing Date between the Company and the Purchaser or any Affiliates of the Purchaser, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. At or after each Applicable Closing, and without further consideration, the Company and the Purchaser will execute and deliver to the other such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

6.3 *Notices.* Any and all notices or other communications or deliveries required or permitted to be *provided hereunder* shall be in writing and shall be deemed given and effective on the earliest of (a) when delivered if personally delivered to the party for whom it is intended, (b) when delivered, if sent by electronic mail or facsimile with receipt confirmed during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day, (c) three (3) Trading Days after having been sent by certified or registered mail, return-receipt requested and postage prepaid, or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. The address for such notices and communications shall be as follows:

If to the Company:

Adagene Inc.
4F, Building C14, No. 218
Suzhou, Jiangsu Province, 215123, People's Republic of China
Attention: Peter Luo, Raymond Tam
Email: peter_luo@adagene.com; raymond_tam@adagene.com

With a copy to:

Davis Polk & Wardwell LLP
c/o 18th Floor, The Hong Kong Club Building
3A Chater Road, Central, Hong Kong
Attention: Steve Wang
Email: xuelin.wang@davispolk.com

If to the Purchaser, to the addresses or e-mail addresses set forth on the signature pages hereto.

or to such other address as may be designated in writing hereafter, in the same manner, by such Person.

6.4 *Amendments; Waivers; No Additional Consideration.* No provision of this Agreement may be waived, modified, supplemented or amended except in a written instrument signed, in the case of an amendment, by the Company and the Purchaser, or in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right.

6.5 *Construction.* The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any of the Transaction Documents.

6.6 *Successors and Assigns.* The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their successors and permitted assigns. This Agreement, or any rights or obligations hereunder, may not be assigned by the Company without the prior written consent of the Purchaser. The Purchaser may assign its rights hereunder in whole or in part to any Person to whom the Purchaser assigns or transfers any Securities in compliance with the Transaction Documents and applicable law, provided such transferee shall agree in writing to be bound, with respect to the transferred Securities, by the terms and conditions of this Agreement that apply to the "Purchaser."

6.7 *No Third-Party Beneficiaries.* This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except each Purchaser Party is an intended third-party beneficiary of Section 4.13.

6.8 *Governing Law.* All questions concerning the construction, validity, enforcement and interpretation of this Agreement 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 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, employees or agents) shall be commenced exclusively in the courts of the State of New York or into the Federal Court located in New York, New York. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the courts of the State of New York or into the Federal Court located in New York, New York 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 Proceeding, any claim that it is not personally subject to the jurisdiction of the aforesaid courts, or that such Proceeding has been commenced in an improper or inconvenient forum. The Company irrevocably appoints Adagene Incorporated, located at 6042 Cornerstone Court West Suite E, San Diego, CA 92121, as its authorized agent upon which process may be served in any such suit or proceeding, and agrees that service of process upon such authorized agent, and written notice of such service to the Company by the person serving the same to the address provided in this Section 6.8, shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding 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 manner permitted by law. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

6.9 *Survival.* Subject to applicable statute of limitations, the representations, warranties, agreements and covenants contained herein shall survive each Applicable Closing and the delivery of the Securities at each Applicable Closing.

6.10 *Execution.* This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Delivery of an executed Agreement by one party to the other may be made by facsimile, electronic mail (including any electronic signature covered by the U.S. federal E-SIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.11 *Severability.* If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

6.12 *Rescission and Withdrawal Right.* Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever the Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then the Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

6.13 *Replacement of Securities.* If any certificate or instrument evidencing any Securities, if applicable, is mutilated, lost, stolen or destroyed, the Company shall issue or cause to be issued in exchange and substitution for and upon cancellation thereof, or in lieu of and substitution therefor, a new certificate or instrument, but only upon receipt of evidence reasonably satisfactory to the Company and the Share Registrar, as applicable, of such loss, theft or destruction and the execution by the holder thereof of a customary lost certificate affidavit of that fact and an agreement to indemnify and hold harmless the Company and the Share Registrar for any losses in connection therewith or, if required by the Share Registrar, a bond in such form and amount as is required by the Share Registrar. The applicants for a new certificate or instrument under such circumstances shall also pay any reasonable third-party costs associated with the issuance of such replacement Securities. If a replacement certificate or instrument evidencing any Securities is requested due to a mutilation thereof, the Company may require delivery of such mutilated certificate or instrument as a condition precedent to any issuance of a replacement.

6.14 *Remedies.* In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, the Purchaser and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agree to waive in any action for specific performance of any such obligation (other than in connection with any action for a temporary restraining order) the defense that a remedy at law would be adequate.

6.15 *Payment Set Aside.* To the extent that the Company makes a payment or payments to the Purchaser pursuant to any Transaction Document or the Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, state or federal law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

6.16 *Adjustments in Share Numbers and Prices.* In the event of any share split, subdivision, capitalization or distribution payable in Ordinary Shares (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly Ordinary Shares), combination or other similar recapitalization or event occurring after the date hereof and prior to the Applicable Closing, each reference in any Transaction Document to a number of shares or a price per share shall be deemed to be amended to appropriately account for such event.

6.17 *Termination.* This Agreement may be terminated and the sale and purchase of all Shares abandoned at any time prior to the First Closing by either the Company or the Purchaser upon written notice to the other party hereto, if the First Closing has not been consummated on or prior to 5:00 P.M., New York City time, on the Outside Date; *provided, however,* that the right to terminate this Agreement under this Section 6.17 shall not be available to any Person whose failure to comply with its obligations under this Agreement has been the cause of or resulted in the failure of the First Closing to occur on or before such time. Nothing in this Section 6.17 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents. Upon a termination in accordance with this Section 6.17, the Company and the Purchaser shall not have any further obligation or liability (including arising from such termination) to the other.

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IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

ADAGENE INC.

By: /s/ Peter Luo

Name: Peter Luo

Title: CEO, Chairman of the Board of Director

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[Signature Page to Securities Purchase Agreement]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Sanofi Foreign Participations B.V.

By: /s/ Josef Rytir
Name: Josef Rytir
Title: Authorized Signatory

Address for notices:

Sanofi – Global Alliance Management
450 Water Street
Cambridge, MA 02141
Attention: Global Head of Alliance Management
Email: alliance.management@sanofi.com

With a copy to:

Sanofi – Global Business Development
450 Water Street
Cambridge, MA 02141
Attention: Brian Bronk
Email: brian.bronk@sanofi.com
Sanofi – Legal Global Functions

450 Water Street
Cambridge, MA 02141
Attention: Alak Goswami
Email: alak.goswami@sanofi.com;
global_generalcounsel@sanofi.com

Ropes & Gray LLP
800 Boylston Street
Boston, MA 02199
Attn: Abigail Gregor and Raymond Grant
Email: abigail.gregor@ropesgray.com;
raymond.grant@ropesgray.com

[Signature Page to Securities Purchase Agreement]

Schedule II

ELIGIBILITY REPRESENTATIONS OF PURCHASER

Schedule III

PURCHASER FILING INFORMATION

EXHIBITS:

- A: Certificate of Preferred Shares
- B: Certificate of Preferred Shares Questionnaire
- C: Form of Irrevocable Share Registrar Instructions
- D: Form of First Closing Director's Certificate
- E: Form of Second Closing Director's Certificate
- F: Form of Compliance Certificate
- G: Form of Side Letter

EXHIBIT A

CERTIFICATE OF PREFERRED SHARES

EXHIBIT B

CERTIFICATE OF PREFERRED SHARES QUESTIONNAIRE

EXHIBIT C

FORM OF IRREVOCABLE SHARE REGISTRAR INSTRUCTIONS

EXHIBIT D

FORM OF FIRST CLOSING DIRECTOR'S CERTIFICATE

EXHIBIT E

FORM OF SECOND CLOSING DIRECTOR'S CERTIFICATE

EXHIBIT F
FORM OF COMPLIANCE CERTIFICATE

EXHIBIT G

FORM OF SIDE LETTER

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in this Registration Statement on Form F-3 of Adagene Inc. of our report dated March 24, 2025 relating to the financial statements, which appears in Adagene Inc.'s Annual Report on Form 20-F for the year ended December 31, 2024. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/PricewaterhouseCoopers Zhong Tian LLP
Shanghai, the People's Republic of China
October 31, 2025

Calculation of Filing Fee Tables

F-3

Adagene Inc.

Table 1: Newly Registered and Carry Forward Securities

Not Applicable

| | Security Type | Security Class Title | Fee Calculation or Carry Forward Rule | Amount Registered | Proposed Maximum Offering Price Per Unit | Maximum Aggregate Offering Price | Fee Rate | Amount of Registration Fee | Carry Forward Form Type | Carry Forward File Number | Carry Forward Initial Effective Date | Filing Fee Previously Paid in Connection with Unsold Securities to be Carried Forward |
|------------------------------------|---------------|---|---------------------------------------|-------------------|--|----------------------------------|--------------|----------------------------|-------------------------|---------------------------|--------------------------------------|---|
| Newly Registered Securities | | | | | | | | | | | | |
| Fees to be Paid | 1 Equity | Ordinary shares, par value \$0.0001 per share | 457(a) | 10,625,000 | \$ 1.428 | 15,172,500.00 | \$ 0.0001381 | \$ 2,095.32 | | | | |
| Fees Previously Paid | | | | | | | | | | | | |
| Carry Forward Securities | | | | | | | | | | | | |
| Carry Forward Securities | | | | | | | | | | | | |
| Total Offering Amounts: | | | | | | \$ | | \$ 2,095.32 | | | | |
| Total Fees Previously Paid: | | | | | | | | \$ 0.00 | | | | |
| Total Fee Offsets: | | | | | | | | \$ 0.00 | | | | |
| Net Fee Due: | | | | | | | | \$ 2,095.32 | | | | |

Offering Note

1

Each American Depositary Share represents one and one quarter (1.25) of ordinary shares, par value \$0.0001 per share. Ordinary shares may be in the form of American Depositary Shares. American Depositary Shares issuable on deposit of the ordinary shares registered hereby have been registered under the Registration Statement on Form F-6 (Registration No. 333-252543), which was filed with the Securities and Exchange Commission on January 29, 2021.

Represents the ordinary shares, US\$0.0001 par value per share of Adagene Inc. (the "Company") issuable upon conversion of the Series A Preferred Shares of the Company, which the selling shareholder may at any time choose to convert and offer for resale pursuant to the prospectus to which this exhibit is attached. Pursuant to Rule 416 under the Securities Act of 1933, as amended (the "Securities Act"), the registrant is also registering an indeterminate number of additional ordinary shares issuable by reason of any share dividend, stock split, recapitalization or other similar transaction.

Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(c) of the Securities Act, and based upon the average of the high and low prices for a share of the registrant's ADSs as reported on the Nasdaq Global Market on October 27, 2025 (such date being within five business days of the date that this registration statement was filed with the U.S. Securities and Exchange Commission)

Table 2: Fee Offset Claims and Sources

Not Applicable

| | Registrant or Filer Name | Form or Filing Type | File Number | Initial Filing Date | Filing Date | Fee Offset Claimed | Security Type Associated with Fee Offset Claimed | Security Title Associated with Fee Offset Claimed | Unsold Securities Associated with Fee Offset Claimed | Unsold Aggregate Offering Amount Associated with Fee Offset Claimed | Fee Paid with Fee Offset Source |
|------------------------------------|--------------------------|---------------------|-------------|---------------------|-------------|--------------------|--|---|--|---|---------------------------------|
| Rules 457(b) and 0-11(a)(2) | | | | | | | | | | | |
| Fee Offset Claims | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fee Offset Sources | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Rule 457(p) | | | | | | | | | | | |
| Fee Offset Claims | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| Fee Offset Sources | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |

Table 3: Combined Prospectuses

Not Applicable

| Security Type | Security Class Title | Amount of | Maximum Aggregate | Form | File Number | Initial |
|---------------|----------------------|-----------|-------------------|------|-------------|---------|
|---------------|----------------------|-----------|-------------------|------|-------------|---------|

