

IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION



Cause No: FSD<sup>109</sup> of 2020 ( )

BETWEEN:

**JIANZHONG WEI**

Plaintiff

and

**I-Mab**

Defendant



**WRIT OF SUMMONS**



**TO:** I-Mab

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

**THIS WRIT OF SUMMONS** has been issued against you by the above-named Plaintiff in respect of the claim set out on the next page.

Within 14 days after the service of this Writ on you, counting the day of service, you must either satisfy the claim or return to the Court Office, PO Box 495G, George Town, Grand Cayman, the accompanying Acknowledgement of Service stating therein whether you intend to contest these proceedings.

If you fail to satisfy the claim or to return the Acknowledgment within the time stated, or if you return the Acknowledgment without stating therein an intention to contest the proceedings, the Plaintiff may proceed with the action and judgment may be entered against you forthwith without further notice.

Issued this 28<sup>th</sup> day of May 2020

**NOTE** - This Writ may not be served later than four calendar months (or, if leave is required to effect service out of the jurisdiction, six months) beginning with the date of issue unless renewed by order of the Court.

**IMPORTANT**

Directions for Acknowledgement of Service are given with the accompanying form.

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## STATEMENT OF CLAIM

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1. The Plaintiff is an investment professional operating in the area of life sciences in China.
2. The Defendant is a biopharmaceutical company incorporated under the laws of the Cayman Islands.
3. In or about November 2015 the Plaintiff was appointed the interim CEO of a company named Tasgen Bio-Tech (Tianjin) Co., Ltd, a company incorporated under the laws of the People's Republic of China (**Tasgen**).
4. In or about February 2016 the Plaintiff was granted Virtual Equity Interests in Tasgen. These units represented a registered capital of US\$ 833,333 among the aggregate registered capital of US\$ 32,666,666 of Tasgen.
5. In 2017 the businesses of Tasgen and I-Mab were merged (**Merger**).
6. The Merger took effect under the auspices of a Merger Framework Agreement dated 26 May 2017 between (among others) the Defendant, Tasgen and their respective shareholders (**Framework Agreement**). Under the terms of the Framework Agreement the Defendant was (among other things) to acquire shares in Tasgen.
7. As part of the Merger arrangements and to facilitate the Merger the Plaintiff agreed to exchange his Virtual Equity Interest units in Tasgen for stock options for ordinary shares in I-Mab. As recorded in the Framework Agreement (Schedule II), the Plaintiff agreed to take options for 454,447 Ordinary Shares in I-Mab in exchange for his Tasgen Equity Interest units (**Exchange Agreement**).
8. The Defendant gave effect to the agreement to exchange the Plaintiff's Tasgen Virtual Equity Interest for options to acquire its shares by making a grant of options to the Plaintiff under the terms of its Employee Stock Option Plan (**ESOP**).
9. The ESOP was adopted on 1 October 2017 and amended on 22 February 2019.
10. Under the terms of the ESOP a grant of options takes place when an eligible person accepts an offer of options made by the Defendant's board (clause 4(A)). By signing the offer letter the employee agrees to hold the Option on the terms on which it was granted and to be bound by the provisions of the Plan (clause 4(B)).
11. For the avoidance of doubt, options granted under the ESOP are acquired upon the acceptance of an offer by an eligible person. It is not necessary that the offer letter be signed by the Defendant, it is sufficient that the offer in the letter is made by the Defendant and then accepted by the offeree, who then becomes bound by the terms of the grant and the ESOP in exchange for acquiring the right to shares on the terms of the option.

12. Eligible persons include any employee, officer, director, contractor, advisor or consultant of the Defendant and its subsidiaries who is notified by the Defendant's board that they are eligible by reason of their contribution to the Defendant and its subsidiaries. After the Merger the Plaintiff became a director of the Defendant and was therefore an eligible person for the purposes of the ESOP.
13. On 26 October 2017 Lili Qian acting on behalf of the Defendant sent the Plaintiff a stock option letter (which bore the date 30 October 2016) (**Letter**) under cover of an email notifying him that the board had initiated the ESOP plan and expressing "heartfelt thanks to you for your great support and help in different stages of company development". Lili Qian asked the Plaintiff to sign and return the Letter.
14. The Plaintiff signed and returned the Letter by email and by returning hard copy on 27 October 2017, whereupon the option contained in the Letter became binding on the Defendant.
15. Under the terms of the Letter the Plaintiff was granted the option to acquire 454,447 ordinary shares in the Defendant at the price of US\$ 1 per share (**Option**).
16. On 18 March 2020 the Plaintiff exercised his option in full tendering the option price of US \$454,447.
17. The Defendant is and has since March 2020 been under an obligation to issue the Plaintiff with 454,447 of its ordinary shares but has refused to do so in breach of its obligations to do so pursuant to the Option.
18. The company has attempted to justify its position by claiming that the Option was not final or fully executed (email David Wang of 2 April 2020).
19. The Letter is in final form, it has footnotes but it contains the terms on which the Option is granted: the email from Lili Qian is unequivocal. Lili Qian would not have asked the Plaintiff to sign and return the document had it not been in final form so far as the Defendant was concerned.
20. The document does not require to be executed by the Defendant: it is in law an offer from the Defendant, which has only to be accepted to create an option binding on the Defendant. The Plaintiff accepted the offer by signing and returning the letter (as set out above).
21. If, which is denied, the document does require to be executed by the Defendant, then that requirement was waived by Lili Qian when she sent the Letter to the Plaintiff without the Defendant first having been executed by the Defendant under cover of an email that indicated that the only further steps required to make the option effective was for the Plaintiff to sign and return the document.
22. Further, the Plaintiff does not accept that the Letter has not been executed by the Defendant.
23. The Plaintiff spoke to Lili Qian in a telephone conversation that took place, to the best of his recollection, in or around November 2017 about the Letter. He asked her what was the status of the Letter and was assured that it was going to be sent back to him. No indication was given that the Letter was not final and complete and the assurance that it was going to be sent back to him was

intended to convey and did convey to the Plaintiff that everything was in order and the Letter was in final and binding form (**Assurance**).

24. The Plaintiff's primary case on the question of signature by the Defendant is that the letter has been signed by the Defendant as the Assurance suggests it had been.
25. If, which is denied, the Letter has not in fact been signed or is otherwise not in final form, the Defendant is estopped from resiling from the Assurance.
26. At the time of the Assurance the Plaintiff was a director of the Defendant and the Managing Partner of its largest shareholder I-Bridge Healthcare Fund, L.P. Had he not received the Assurance, he would have used his influence to secure that the Defendant did whatever was necessary to put the Letter in final and binding form. His entitlement to the shares was not in dispute and had been acknowledged by the Defendant in writing (see above). There is no reason to conclude that had the Plaintiff taken the matter up at this time, the Defendant would not have done all that is required to put the letter in final and binding form.
27. The Plaintiff resigned as Managing Partner of I-Bridge Healthcare Fund, L.P. in December 2017 and subsequently resigned as director of the Defendant. Had he not been led to believe that there was nothing outstanding with his option (as he was by the Assurance) he would not have resigned his position until all matters with the option were resolved.
28. In the circumstances, if (which is denied) there is anything more that needs to be done by the Defendant to put the Letter in final and binding form then the Defendant is estopped from maintaining that this is the case and the Plaintiff is nevertheless entitled to enforce the option to which the Letter refers as if all that needed to be done had in fact been done.
29. If, contrary to the Plaintiff's primary case the Letter requires to be signed and has not been and that requirement has not been waived, then the Defendant, by not signing the Letter, is in breach of the Exchange Agreement by which the Plaintiff agreed to exchange his Tasgen Virtual Equity Interest for options to take shares in the Defendant (because it did not grant the Option). Under the doctrine that Equity treats as done that which ought to be done, the Defendant has in Equity granted the Option as if it had signed the Letter. Alternatively the Exchange Agreement is enforceable in equity as an option to acquire 454,447 ordinary shares in the Defendant at a price of US\$ 1 a share (**Equitable Option**) and the Plaintiff hereby requires the Defendant to provide him with such shares in return for the consideration already tendered.
30. Alternatively the Plaintiff is entitled to an order that the Exchange Agreement be performed by the Defendant either by signing the Letter or by the formal grant of an option over 454,447 ordinary shares in the Defendant at a price of US\$ 1 a share.
31. The primary relief sought by the Plaintiff is an order for specific performance requiring the Defendant to deliver him 454,447 ordinary shares in the Defendant at a price of US\$ 1 a share (whether under the Option or under the Equitable Option).

32. In the alternative and only if for any reason an order for specific performance of the Option or Equitable Option is not available the Plaintiff seeks an order for specific performance of the Exchange Agreement.
33. In the event that none of the above orders for specific performance are available, then the Plaintiff seeks damages by way of compensation for the Defendant's breach of contract.
34. The last day on which shares should have been provided to the Plaintiff under the Option was 30 days after the notice of 18 March 2020, namely 17 April 2020. At that date the market value of each American Depositary Share ("ADS") in the Defendant was US\$ 13.80, 10 ADSs equate to 23 ordinary shares, therefore the value of 454,447 ordinary shares was US\$ 2,726,682.00. The Plaintiff's loss is therefore US\$ 2,272,235.00, being the difference between the price for which he could have acquired the shares and their market value.

**AND THE PLAINTIFF claims:**

1. an order that the Defendant shall allot and issue or procure the delivery of 454,477 of its ordinary shares to the Plaintiff;
2. if the Letter has not been signed, an order that the Defendant sign the letter;
3. an order that the Defendant shall deliver to the Plaintiff a document granting him an option to acquire 454,447 of its ordinary shares at a price of US\$1 a share; or
4. damages in the sum of US\$ 2,272,235.00; and
5. Interest on damages from 17 April 2020.

*Appleby (Cayman) Ltd.*

**APPLEBY (CAYMAN) LTD.**

**THIS WRIT** was issued by Appleby (Cayman) Ltd., Attorneys-at-Law for the Plaintiff, whose address for service is that of its said Attorneys-at Law, namely 71 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands (Ref. 447225.0001/THW/PMQC/ZC)

**NO. 8**

**Acknowledgment of Service of Writ of Summons (O.12, R.3)**

**DIRECTIONS FOR ACKNOWLEDGMENT OF SERVICE  
OF WRIT OF SUMMONS**

1. The accompanying form of Acknowledgment of Service should be completed by an Attorney acting on behalf of the Defendant or by the Defendant if acting in person.

After completion it must be delivered or sent by post to the Law Courts, PO Box 495G, George Town, Grand Cayman.

2. A Defendant who states in his Acknowledgment of Service that he intends to contest the proceedings must also serve a defence on the Attorney for the Plaintiff (or on the Plaintiff if acting in person).

If a Statement of Claim is indorsed on the Writ (i.e. the words "Statement of Claim" appear on the top of page 2), the Defence must be served within 14 days after the time for acknowledging service of the Writ, unless in the meantime a summons for judgment is served on the Defendant.

If the Statement of Claim is not indorsed on the Writ, the Defence need not be served until 14 days after a Statement of Claim has been served on the Defendant.

If the Defendant fails to serve his defence within the appropriate time, the Plaintiff may enter judgment against him without further notice.

3. A Stay of Execution against the Defendant's goods may be applied for where the Defendant is unable to pay the money for which any judgment is entered. If a Defendant to an action for a debt or liquidated demand (i.e. a fixed sum) who does not intend to contest the proceedings states, in answer to Question 3 in the Acknowledgment of Service, that he intends to apply for a stay, execution will be stayed for 14 days after his Acknowledgment, but he must, within that time, issue a Summons for a stay of execution, supported by an affidavit of his means. The affidavit should state any offer which the Defendant desires to make for payment of the money by instalments or otherwise.

**See over for Notes for Guidance**

**Please complete overleaf**

### Notes for Guidance

1. Each Defendant (if there are more than one) is required to complete an Acknowledgement of Service and return it to the Courts Office.
2. For the purpose of calculating the period of 14 days for acknowledging service, a writ served on the Defendant personally is treated as having been served on the day it was delivered to him.
3. Where the Defendant is sued in a name different from his own, the form must be completed by him with the addition in paragraph 1 of the words "sued as (the name stated on the Writ of Summons)".
4. Where the Defendant is a FIRM and an attorney is not instructed, the form must be completed by a PARTNER by name, with the addition in paragraph 1 of the description "Partner in the firm of (.....)" after his name.
5. Where the Defendant is sued as an individual TRADING IN A NAME OTHER THAN HIS OWN, the form must be completed by him with the addition in paragraph 1 of the description "trading as (.....)" after his name.
6. Where the Defendant is a LIMITED COMPANY the form must be completed by an Attorney or by someone authorised to act on behalf of the Company, but the Company can take no further step in the proceedings without an Attorney acting on its behalf.
7. Where the Defendant is a MINOR or a MENTAL PATIENT, the form must be completed by an Attorney acting for a guardian ad litem.
8. A Defendant acting in person may obtain help in completing the form at the Courts Office.

**IN THE GRAND COURT OF THE CAYMAN ISLANDS  
FINANCIAL SERVICES DIVISION**

Cause No: FSD of 2020 ( )

BETWEEN:

**JIANZHONG WEI**

Plaintiff

and

**I-Mab**

Defendant

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**ACKNOWLEDGMENT OF SERVICE  
OF WRIT OF SUMMONS**

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If you intend to instruct an Attorney to act for you, give him this form IMMEDIATELY.

**Important.** Read the accompanying directions and notes for guidance carefully before completing this form. If any information required is omitted or given wrongly, THIS FORM MAY HAVE TO BE RETURNED.

Delay may result in judgment being entered against a Defendant whereby he may have to pay the costs of applying to set it aside.

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1. State the full name of the Defendant by whom or on whose behalf the service of the Writ is being acknowledged.

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2. State whether the Defendant intends to contest the proceedings (tick appropriate box)

YES

NO

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3. If the claim against the Defendant is for a debt or liquidated demand, AND he does not intend to contest the proceedings, state if the Defendant intends to apply for a stay of execution against any judgment entered by the Plaintiff (tick box).

YES

NO

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Service of the Writ is acknowledged accordingly

(Signed) \_\_\_\_\_

Attorney for

**Please complete overleaf**

**Notes on address for service**

**Attorney:** where the Defendant is represented by an attorney, state the attorney's place of business in the Cayman Islands. A Defendant may not act by a foreign attorney.

**Defendant in person:** where the Defendant is acting in person, he must give his post office box number and the physical address of his residence or, if he does not reside in the Cayman Islands, he must give an address in Grand Cayman where communications for him should be sent. In the case of a limited company, "residence" means its registered or principal office.

Indorsement by Plaintiff's Attorney (or by plaintiff if suing in person) of his name, address and reference, if any, in the box below.

<p><b>Appleby (Cayman) Ltd.</b> 71 Fort Street, PO Box 190, Grand Cayman KY1-1104, Cayman Islands</p> <p>(Ref. 447225.0001/THW/PMQC/ZC)</p>
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Indorsement by Defendant's Attorney (or by defendant if suing in person) of his name, address and reference, if any, in the box below.

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