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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): June 13, 2021

AVALON GLOBOCARE CORP.
(Exact name of registrant as specified in its charter)

Delaware	000-55709	47-1685128
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification Number)

4400 Route 9 South, Suite 3100, Freehold, New Jersey 07728
(Address of principal executive offices) (zip code)

732-780-4400
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☒ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

☐ Emerging growth company

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

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	AVCO	The Nasdaq Capital Market

Item 1.01 Entry into a Material Definitive Agreement

Share Purchase Agreement

On June 13, 2021, Avalon GloboCare Corp., a Delaware corporation (the "Company" or "Avalon"), entered into a Share Purchase Agreement (the "Purchase Agreement"), by and among the Company, Lonlon Biotech Ltd., a company incorporated in the British Virgin Islands ("BVI") ("Sen Lang"), the holders of the share capital of Sen Lang (the "Sen Lang Shareholders"), the ultimate beneficial owners of the Sen Lang Shareholders (the "Sen Lang Beneficial Shareholders" and, together with the Sen Lang Shareholders, the "Sen Lang Owners") and a representative of the Sen Lang Owners (the "Sen Lang Representative"). Pursuant to the Purchase Agreement, subject to the satisfaction of the conditions to closing therein, including approval by the Avalon stockholders pursuant to the rules of the Nasdaq Stock Market ("Nasdaq"), Avalon agreed to purchase (the "Acquisition") all of the issued and outstanding share capital of Sen Lang (the "Sen Lang Shares").

Sen Lang, through a "variable interest entity" structure (described in more detail below under "VIE Structure") of contractual rights held by its wholly-owned subsidiary Beijing Langlang Runfeng Biotechnology Co., Ltd., a wholly foreign owned enterprise with limited liability organized and existing under the laws of the People's Republic of China (the "PRC") (the "PRC Subsidiary"), has full economic benefit and management control over, and is consolidated for accounting purposes with, Senlang Biotechnology Co. Ltd., a PRC domestic company with limited liability organized and existing under the laws of the PRC (the "OpCo" or "SenlangBio"). The OpCo is mainly engaged in the business of research and development in relation to CAR-T cell therapy, immune cell therapy and related drug development. The OpCo is owned 100% by certain of the Sen Lang Beneficial Shareholders. A wholly-owned subsidiary of the OpCo, Shijiazhuang Senlang Medical Laboratory Co., Ltd., a company with limited liability organized and existing under the laws of the PRC ("SenlangBio Clinical Laboratory") is engaged in the business of testing of immunology, serology and molecular genetics specialties for patients, including hematology-tumor diagnostics and testing prior to clinical trials for cell therapy. The business of the OpCo and SenlangBio Clinical Laboratory is described in more detail below under Item 8.01 – Other Events.

Prior to the execution of the Purchase Agreement, the Board of Directors of Avalon (the "Board"), unanimously (i) determined that the terms and provisions of the Purchase Agreement and the transactions contemplated thereby, including the Acquisition, are fair to, advisable and in the best interests of the Company and its stockholders, (ii) approved the Purchase Agreement and the transactions contemplated thereby, including the Acquisition, (iii) authorized, empowered and directed the Company to perform all of its obligations under the Purchase Agreement and related documents, and (iv) resolved to recommend the adoption of the Purchase Agreement by the stockholders of the Company in compliance with the rules of Nasdaq (the "Company Board Recommendation").

The purchase price being paid by Avalon to the Sen Lang Shareholders under the Purchase Agreement for the Sen Lang Shares is an aggregate of 81 million shares (the "Acquisition Shares") of the common stock, par value US$0.0001 per share, of Avalon (the "Avalon Common Stock"). Ten percent (10%), or 8.1 million, of such shares will be held in escrow for 12 months following the closing to satisfy any indemnification obligations of the Sen Lang Shareholders under the Share Purchase Agreement. In addition, at the closing of the Acquisition, it is expected that Dr. Jianqiang Li, scientific founder and CSO of the OpCo, will join the board of the Company, and Dr. Li will also be appointed as Chief Technology Officer of the Company. The Acquisition Shares will not be registered under the Securities Act of 1933, as amended (the "Securities Act") and, therefore, will be restricted securities under Rule 144 under the Securities Act for six months or longer after the closing of the Acquisition, subject to "affiliate" status with the Company under the Securities Act.

The Purchase Agreement contains customary representations, warranties and covenants made by the parties thereto, including covenants relating to obtaining the requisite approvals of the stockholders of Avalon and Sen Lang, regulatory approvals and Avalon's and Sen Lang's conduct of their respective businesses (and that of the OpCo) between the date of signing of the Purchase Agreement and the closing of the Acquisition.

In addition, Sen Lang and its affiliates agreed not to (i) solicit, initiate, or encourage the submission of any proposal or offer from any person relating to the acquisition of the equity or assets of Sen Lang, its subsidiaries and the OpCo and its subsidiaries (collectively, the "Acquired Companies") or (ii) enter into or renew any distribution agreement related to the business of the Acquired Companies, in each case without the prior written consent of Avalon.

In connection with the Acquisition, Avalon will prepare and file with the U.S. Securities and Exchange Commission ("SEC") a proxy statement and will seek the approval of its stockholders with respect to certain actions, including the following:

- the issuance of the Acquisition Shares in connection with the transactions contemplated by the Purchase Agreement and the approval of the potential issuance of the securities of Avalon in the Equity Financing (as defined below) under the rules of the Nasdaq; and
- any other proposals to be determined as necessary by Avalon and Sen Lang.

VIE Structure

As a part of the Acquired Companies' restructure before the closing of the Acquisition, the OpCo and SenlangBio Clinical Laboratory will be controlled by the PRC Subsidiary by entering into a series of variable interest entities agreements among the PRC Subsidiary, the OpCo and all current shareholders of the OpCo, as well as the Investor (as defined below) (such agreements are collectively referred to as the "VIE Agreements", and such contractual control arrangement is referred to as the "VIE Structure").

In the PRC, the VIE structure has become a popular and widely used overseas listing mode for enterprises in the sectors which are foreign investment restricted or prohibited, like the development and application of genetic diagnosis and treatment technology, which includes the OpCo's business. The VIE structure refers to an agreement mode in which the PRC domestic operating entity is separated from the overseas-listed entity, and the overseas-listed party/holding company controls the domestic operating entity by signing relevant agreements with the parties who would otherwise receive the benefits of ownership of the OpCo and control its operations (i.e., VIE Agreements), and is able to consolidate the financial statements of the PRC domestic operating entity into the overseas-listed entity/holding company. After the completion of the overall VIE Structure, the interests/profits from the domestic operation, as well as operational control, have been transferred to the overseas listing/holding company.

It is a condition to closing under the Purchase Agreement that the OpCo, the PRC Subsidiary and the shareholders of the OpCo (including the Investor in the Equity Financing described below under "Equity Financing") execute the VIE Agreements. These VIE Agreements include (i) an exclusive technical consultation and service agreement; (ii) an exclusive purchase option agreement; (iii) an entrustment agreement of shareholders' rights; (iv) a share pledge agreement; and (v) a spouse consent letter.

Conditions to Closing

General Conditions

Consummation of the Acquisition is conditioned on, among other things, (i) the absence of any order, stay, judgment or decree by any government agency making the Acquisition illegal or otherwise preventing the Acquisition; (ii) Avalon receiving necessary approvals from its stockholders for the Acquisition and the Exchange Shares under the rules of Nasdaq, and (iii) the additional listing application for the Acquisition Shares and the Exchange Shares being approved by Nasdaq.

Avalon's Conditions to Closing

The obligations of Avalon to consummate the Acquisition, in addition to the conditions described above in the first paragraph of this section, are conditioned upon each of the following, among other things:

- the representations and warranties of the Acquired Companies being true on and as of the closing date of the acquisition and the Acquired Companies complying with all required covenants in the Purchase Agreement;
- there having been no material adverse effect to the Acquired Companies' business;
- the Equity Financing shall have been consummated no later than concurrently with the closing of the Acquisition; and
- the VIE Agreements shall have been executed and delivered.

Sen Lang and Affiliates' Conditions to Closing

The obligations of the Sen Lang Owners and Sen Lang to consummate the Acquisition, in addition to the conditions described above, are conditioned upon each of the following, among other things:

- Avalon complying with all of its obligations under the Purchase Agreement;
- the representations and warranties of Avalon being true on and as of the closing date; and
- there having been no material adverse effect to Avalon.

Termination

The Purchase Agreement may be terminated and/or abandoned at any time prior to the closing, whether before or after approval of the proposals being presented to Avalon's stockholders, under certain circumstances, including by:

- the Sen Lang Representative if the Board of Directors of Avalon shall withdraw, modify or change the Company Board Recommendation in a manner adverse to the Sen Lang Owners;
- either Avalon or the Sen Lang Representative if at the Avalon Annual Meeting (as defined above) the requisite vote of Avalon's stockholders to authorize the issuance of the Acquisition Shares in the Acquisition in accordance with the rules of Nasdaq shall not have been obtained; and
- either Avalon or the Sen Lang Representative if the closing has not occurred by December 31, 2021 (the "Outside Date".

Indemnification

The Sen Lang Owners agreed to indemnify Avalon and its affiliates from any damages arising from any breach, inaccuracy or nonfulfillment or the alleged breach, inaccuracy or nonfulfillment of any of the representations, warranties and covenants of Sen Lang and the Sen Lang Owners contained in the Purchase Agreement or from the VIE Agreements not being found valid or enforceable. The indemnification obligations are capped at the value of approximately 8,100,000 of the Acquisition Shares that will be held in escrow, except for claims related to fraud and certain fundamental representations, in which case the obligations are capped at the amount of the Acquisition Shares actually paid by Avalon to the indemnifying party.

The foregoing summary of the Purchase Agreement does not purport to be complete and is qualified in its entirety by reference to the actual agreement, which is filed as Exhibit 2.1 hereto.

Equity Financing

In connection with the Acquisition, on June 13, 2021, an institutional investor (the "Investor") entered into an agreement with the OpCo related to the purchase of registered capital of the OpCo (the "OpCo Capital Increase Agreement") pursuant to which the Investor will acquire an aggregate of up to 15.6% of the equity ownership of the OpCo for an aggregate purchase price of approximately US$30,000,000 (the "Equity Financing"), which funds will be invested in the OpCo in three equal installments of US$10,000,000, at a fixed price, the first to be upon the closing of the Acquisition, the second to be within three months after the closing and the third to be within six months after the closing. In addition, pursuant to a Securities Exchange Agreement (the "Exchange Agreement"), by and among the Company, Sen Lang, the OpCo and the Investor, dated June 13, 2021, the Investor has the right, exercisable between the six-month and five year-anniversaries of the respective initial closing and installment closings, to elect to exchange, from time to time, all or part of its then-owned equity ownership of the OpCo for shares (the "Exchange Shares") of Avalon Common Stock at a fixed exchange price of US$1.21 per share of Avalon Common Stock, which was the market price of the Avalon Common Stock as of the date of the Exchange Agreement under Nasdaq rules. In addition, the Exchange Agreement provides that the Investor may only exchange up to 10% of its total investment amount in any 30 day period.

The foregoing summary of the Exchange Agreement does not purport to be complete and is qualified in its entirety by reference to the actual agreement, which is filed as Exhibit 10.1 hereto.

China eCapital Holdings, Ltd. (CEC Capital) served as financial advisor to Avalon in connection with the Equity Financing and will receive a cash fee of approximately $900,000, representing 3% of the gross proceeds from the Equity Financing.

Item 3.02 Unregistered Sales of Equity Securities

The information with respect to the Acquisition and the Equity Financing, including the Purchase Agreement and the Exchange Agreement, is incorporated into this Item 3.02 by reference. The Acquisition Shares and the Exchange Shares have not been, and will not be, registered under the Securities Act, and instead will be issued pursuant to the exemption provided in Section 4(a)(2) under the Securities Act and Rule 506(b) promulgated thereunder.

Item 8.01 Other Events

Business of the Acquired Companies

Overview

SenlangBio is a clinical-stage biotechnology company that focuses on three advanced technology platforms—CAR T-cells, CAR γδT-cells and armTILs—to develop a robust pipeline of innovative and transformative cellular immunotherapies for cancer patients. Chimeric antigen receptor (CAR) T-cells (CAR-T) are natural cell-killing T-cells that have been engineered to specifically recognize and kill cancerous cells. Allogeneic (universal) CAR γδT-cells (CAR-GDT) are a specific class of donor-derived T-cells that can provide superior anti-tumor effectiveness. Armored tumor infiltrating lymphocytes (armTILs) are cancer-killing T-cells that provide a unique "personalized" cellular immunotherapy approach.

SenlangBio is currently the largest cell therapy company in Northern China in terms of the scale of bio-manufacturing, as well as the breadth and depth of active pre-clinical research and clinical development programs.

SenlangBio is currently gathering clinical trial data through in-human "investigator-initiated" clinical trials, which are conducted by SenlangBio in cooperation with several hospitals in China. To date, over 300 patients have received 15 of SenlangBio's cellular immunotherapies through these early-stage clinical studies at 13 hospitals and medical centers, covering 9 medical indications. Such clinical trials have been designed to fully comply with the same requirements applicable to clinical trials registered with China's National Medical Product Administration (NMPA), in particular the requirements related to manufacturing quality control, informed consent, data integrity, data management, and GCP requirements.

SenlangBio was formed in 2016 in Hebei Province, China. The principal executive offices of SenlangBio are located at Room 512 and 513, Building 1, 136 Yellow River Avenue, Shijiazhuang High-tech Development Zone, Hebei Province, China, and its telephone number is +86-311-82970975.

Drug Candidate Pipeline

Candidates in the Clinical (Investigator Initiated) Development Stage:

- **Senl_1904B:** Autologous anti-CD19 CAR-T for relapsed or refractory (R/R) B-cell lymphoblastic leukemia (B-ALL);
- **Senl_B19:** Autologous anti-CD19 CAR-T for R/R non-Hodgkin's lymphoma (NHL);
- **Senl_H19:** Autologous anti-CD19 CAR-T for post CAR-T relapsed B-ALL and NHL;
- **Senl_NS7CAR:** Autologous anti-CD7 CAR-T for T-cell ALL and T-cell lymphoblastic lymphoma (T-LBL);
- **Senl_H19x22P:** Autologous, dual Anti-CD19 and anti-CD22 CAR-T for R/R B-ALL and NHL

Candidates in the Preclinical/IND Enabling Stage:

- **Senl_ABUCAR7:** Universal anti-CD7 CAR-T for R/R T-ALL and T-LBL;
- **Senl_GDUCARxxx** (undisclosed target): Universal CAR-GDT for R/R acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS);
- **Senl_GDSTCLDxx** (undisclosed target): Universal CAR-GDT for certain types of solid tumors;
- **Senl_BCMA03:** Autologous, anti-BCMA CAR-T for R/R multiple myeloma (MM);
- **Senl_comboCARs** (Senl_TAAx22P): Autologous, combo/customized anti-tumor associated antigen (TAA) and anti-CD22/PD-L1 CAR-T for sarcomas, ovarian cancer and other solid tumors;
- **Senl_armTILs:** Autologous, "armored" tumor infiltrating lymphocytes for solid tumors

CAR-T Cell Therapy Platform

SenlangBio's CAR-T cell therapy portfolio consists of multiple autologous and allogeneic ("off-the-shelf") candidates with single targets as well as "cocktail" combinations. Currently, SenlangBio's autologous CAR-T candidates have demonstrated positive remission rates in early clinical studies against R/R B-ALL, T-cell ALL (T-ALL), NHL and T-LBL with a well-tolerated adverse effect profile.

Lead Clinical Candidates in Development

Senl_1904B, SenlangBio's lead clinical stage candidate, is an autologous anti-CD19 CAR-T, in development for R/R B-ALL and NHL. This CAR-T design has the potential to reduce the risk of cytokine release syndrome (CRS and CAR-related encephalopathy syndrome (CRES) frequent with the current first generation of CAR-T therapies yet retains robust anti-leukemia/lymphoma activities. Senl_1904B has demonstrated a 97.2% (35/36) complete remission rate and only a 5.6% (2/36) Grade 3 CRS among R/R B-ALL and NHL patients in a successfully completed principal investigator (PI)-initiated, open-label, first-in-human clinical trial. SenlangBio has recently received approval by the Chinese Center for Drug Evaluation (CDE), a division of the NMPA, of the company's Investigational New Drug (IND) application to initiate a new Phase I clinical trial in R/R B-ALL during 3Q2021.

Senl_NS7CAR is an autologous anti-CD7 CAR-T candidate in development for R/R T-ALL and T-LBL. A successfully completed PI-initiated, open-label, first-in-human clinical trial demonstrated that 8 of 8 T-ALL and T-LBL patients achieved complete remission and none developed greater than Grade 2 CRS. SenlangBio plans to file an IND application with the CDE during 3Q2021 and will start an official Phase I clinical trial upon approval of the IND application.

Senl_H19x22P is an autologous dual CAR-T candidate at the clinical development stage for R/R B-ALL and NHL. This CAR-T cell therapy candidate contains a cocktail of H19 CAR modified T cells and 22P CAR modified T cells. Generally, CAR-T cell therapy targeting CD19 has demonstrated promising success rates, however, a high rate of disease relapse remains a hurdle to overcome. An investigator-initiated trial demonstrated technical feasibility, high activity and low toxicities of the Senl_H19x22P CAR-T cell cocktail in treating B-ALL patients who relapsed after treatment with a CD19 CAR-T therapy containing murine single-chain variable fragment (scFv) (FMC63). So far, in a cohort of 7 patients who relapsed after FMC63-CAR therapy and were subsequently infused in an open-label trial with Senl_H19x22P CAR-T cocktails, 6 of them (85.7%) achieved MRD-negative complete remission (CR) within the first month of cell infusion. No patients developed CAR-T related serious (greater than grade-2) toxicities of CRS or CRES. SenlangBio plans to file an IND application with the CDE during 4Q2021 and will start an official Phase I clinical trial upon approval of the IND application.

Select Candidates in Preclinical Development

CAR-gdT cell-therapy candidates:

- Universal/allogeneic ("off-the-shelf") cell therapy modality
- Potentially breakthrough treatment for relapsed and refractory acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS)
- Targeting multiple solid tumor malignancies, including pancreatic, gastric, ovarian, sarcomas, and others
- Successfully completed pre-clinical, IND-enabling stage and currently in preparation to initiate first-in-human clinical trials

Senl_comboCARs are autologous CAR-T candidates customized in design with a combination of anti-tumor associated antigen (anti-TAA) CAR and anti-CD22/PD-L1 CAR. The gene construct is designed to simultaneously express two different CAR structures. The scFv of the first CAR structure can potentially recognize specific tumor-associated antigens, and the scFv of the second CAR structure can potentially target CD22. SenlangBio believes this strategy can enhance the proliferation of CAR-T cells in peripheral blood to ensure more CAR-T cells reaching the tumor locations. The CAR structure targeted to the tumor cell surface is designed to kill tumor cells. Additionally, the combinatorial CAR structure also includes a soluble scFv derived from an anti-PD-L1 monoclonal antibody, which is designed to overcome immunosuppression by blocking the PD-1/PD-L1 pathway. Based on the expression of different tumor associated antigens, scFv (TAA) can potentially be customized and replaced to target individual solid tumors. Currently, SenlangBio has designed and developed a series of comboCAR constructs consisting of individual and/or combinations of tumor-associated antigens which may potentially overcome the current shortage and limitation of CAR-T cell therapies for treatment of solid tumors.

CAR-GDT (CAR-γδT) Cell Therapy Platform

Universal/allogeneic ("off-the-shelf") cell therapy modality and potentially breakthough therapy for difficult to treat R/R acute myeloid leukemia (AML) and myelodysplastic

syndrome (MDS). Therapeutic candidates are also targeting difficult to treat solid tumor malignancies, including pancreatic, gastric, and ovarian cancers as well as sarcomas, all of which represent a major unmet need among oncology patients. Several of the candidates have successfully completed the pre-clinical, IND-enabling stage, and SenlangBio is currently in preparation to initiate 3-4 PI-initiated first-in-human clinical trials targeting AML, MDS and solid tumors in 4Q2021.

SenlangBio Clinical Laboratory Business

SenlangBio Clinical Laboratory, a wholly owned subsidiary of SenlangBio that provides third-party clinical testing services, including 1) general biochemical, genomic and proteomic testing; and 2) cell therapy related testing such as hematology, immunology, cancer biomarkers, immuno-phenotyping, and others.

Strengths

By leveraging unique core technology platforms and rapid research-to-clinical translation capabilities, SenlangBio seeks to develop a profile of cell therapy candidates with the following features of differentiating competence:

- Diverse pipeline ("autologous" + "universal") candidates with potentially potent and durable cancer-killing activities (hematologic + solid tumor malignancies)
- High tolerability and established safety profile in clinical trials to date
- Provide therapies for novel oncogenic indications that are unmet by the current generation of cellular immunotherapies
- Accelerated research-to-clinical translation potentially enabling widespread patient accessibility and broader commercial adoption

SenlangBio Management

***Jianqiang Li, Ph.D.**, Scientific Founder, CSO, Director*

Jianqiang Li has over 20 years of academic and industry experience in immunology and cell therapy. Dr. Li has published 13 papers in top-ranked journals, including*Nature Medicine, Blood,* and the *Journal of Immunology,* with a cumulative impact index over 60. Dr. Li is an invited speaker at ASH, ASBMT, ICBS, ECI and Gamma-Delta T Cell International Conference. Dr. Li independently set up an efficient CAR-T production system, achieved major breakthroughs in the development and clinical application of allogeneic CAR γδT-cell therapy, and made important contributions to the antigen presentation and activation mechanism of Vγ9Vδ2 T-cells. He has successfully developed CAR-γδ T-cell products derived from human cord blood. Dr. Li has a Master of Immunology from the Institute of Basic Medicine, Peking Union Medical College (2003-2006), a Doctor of Immunology from the University of Würzburg (2006-2009), was a Postdoctoral Fellow at the City of Hope National Medical Center (2010) and was a Senior Scientist in the R&D Department at Fred Hutchinson Cancer Research Center (2011-2016), before founding SenlangBio.

***Shengmin Guo**, Co-founder, CEO, Director*

Shengmin Guo has over 20 years of experience in the pharmaceutical industry. Previously, Ms. Guo worked at CSPC NBP Pharmaceutical Co. Ltd (HKEX: 01093), accumulating 12 years of marketing and management experience as Marketing Director, Deputy Manager and Vice President, and 10 years as Senior Manager of Human Resources. Ms. Guo led the development and commercialization of a novel drug launch.

Facilities and Manufacturing

SenlangBio's main scientific facility covers a total area of around 5,000m^2. Among which, roughly, (1) 1,600m^2 is used for production of T-cells, which are solely used for the purpose of clinical trials, (2) 800m^2 is used for R&D activities, (3) 800m^2 is used for testing services (by SenlangBio Clinical Laboratory), (4) 800m^2 is used for office use and (5) 800m^2 is used for storage and other purposes.

SenlangBio's GMP bio-manufacturing facility has the capacity and capability to produce:

- 5 autologous CAR-T production lines with an estimated annual output of 5,000 unit doses; and
- 2 universal CAR-γδT production lines with an estimated annual output of 10,000 unit doses.

Suppliers and Raw Materials

SenlangBio has in-house research and production capabilities for lentiviral vectors, plasmids, T-cell cultures, validation bio-assays, as well as QA/QC processes. Raw materials and supplies are related to basic molecular biology and cell culture reagents and materials, which are generally and readily available globally.

Competition

The competitive landscape includes companies that are engaging in cell and gene therapies. Considering the CAR-T field, some notable competitors (in similar size and scale of business) include (but not limited to) Gracell Biotechnologies (NASDAQ: GRCL), Legend Biotech Corporation (NASDAQ: LEGN), and Poseida Therapeutics, Inc. (NASDAQ: PSTX). For CAR-gdT cell therapy field, some notable companies include (but not limited to) Adicet Bio Inc. (NASDAQ: ACET), Incysus Therapeutics, Inc and GammaDelta Therapeutics.

Employees

As of February 28, 2021, SenlangBio had 104 employees, among which 85 employees work for SenlangBio and 19 employees work for SenlangBio Clinical Laboratory.

Government Regulation

Currently, all of SenlangBio's development work is being conducted in China. China has a dual-track regulatory pathway for conducting T-cell therapy clinical trials. The first track is approval for a health care-affiliated clinical study managed by the National Health Commission, China's primary healthcare regulatory agency (the "NHC") (the "IIT Pathway"). The other pathway is to register as a biological drug which requires an IND, a registered clinical trial and NDA approval by the Center for Drug Evaluation (CDE), a subdivision of China's National Medical Product Administration (NMPA) prior to commercialization (the "Drug Pathway").

1. IIT Pathway

IIT stands for investigator-initiated clinical trials, where such trials are initiated and conducted under the oversight of the NHC as a medical practice technology, rather than the NMPA as a medical product. The NMPA, generally speaking, will accept, review, and reject or approve an IND application only from the manufacturer of the investigational product as the sponsor of the IND, rather than from a physician who intends to be the investigator and sponsor of the IND. The NMPA distinguishes the former as a registered clinical trial (namely the clinical trial introduced in the section of "Drug Pathway"), and the latter as a non-registered clinical trial, and normally will not consider the data generated from investigator-initiated, non-registered clinical trials when it reviews the application for a registered clinical trial from the manufacturer.

In the case of CAR-T therapy, however, the NMPA is aware of the large number of investigator-initiated non-registered clinical trials in China and the United States, and some reviewers from the CDE have published two articles on its website in February 2018 and October 2018 expressing the view that (1) the mainstream regulatory oversight is to follow the pathway of registered clinical trials, but that (2) data from investigator-initiated non-registered clinical trials may be considered if the non-registered clinical trials otherwise fully comply with the same requirements applicable to registered clinical trials, in particular the requirements related to manufacturing quality control, informed consent, data integrity, data management, and all GCP requirements.

In March 2019, a Draft Somatic Cell Therapy Clinical Research and the Transformation Application Management Measures was released by the NHC, which stipulated, among others, that after filing with the NHC, hospitals may use somatic cell therapy treatment and charge patients. However, so far such measures do not come into effect, and any medical institutions or biotech companies which choose the IIT Pathway to conduct T-cell therapy shall be regulated as a clinical study within medical institutions and the IIT Pathway shall not be utilized for the purpose of commercialization.

In addition, sponsors taking the IIT Pathway need to complete the filing of the IIT with the competent NHC branch and obtain ethics review approval for the related clinical trials.

2. Drug Pathway

Pursuant to PRC law, human cell therapy and its products are categorized as biological products and the application for biological products shall be submitted as part of the process of a new drug application.

On November 30, 2017, the NMPA promulgated the Notice of Guidelines for Acceptance and Examination of Drug Registration (Trial), which provides that the application for clinical trials of therapeutic biological products and the production and listing application for therapeutic biological products shall be subject to the provisions thereof. On December 18, 2017, the NMPA promulgated the Technical Guiding Principles for Research and Evaluation of Cell Therapy Products (Trial), which sets out the guidelines for medical study, non-clinical research and clinical research of cell therapy products.

As for the medical study of cell therapy, the general principle is that the medical studies and quality control of cell therapy shall take into account the fact that cells are capable of living in a body, multiplying and/or differentiating. At the same time, cell therapy products should meet the general requirements of drug quality management, and the whole production process of clinical samples should meet the basic principles and relevant requirements of the Good Manufacturing Practice for Drugs, or the GMP Regulations, published by the Ministry of Health on December 28, 1992 and further amended on January 17, 2011.

According to the Technical Guiding Principles for Cell Therapy Products, non-clinical research shall follow the following principles:

(a) the research and evaluation of different products should follow the principle of a "case by case analysis" while at the same time, the Guidelines for the Preclinical Safety Evaluation of Biotechnology-Derived Pharmaceuticals issued by the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use should serve as a reference for the evaluation of non-clinical research of cell therapy products;

(b) non-clinical study evaluation trials should use cell therapy products intended for clinical trials whenever possible. The production process and quality control of a subject used in a non-clinical trial shall be consistent with that of the subject to be used in a clinical trial (if not, the subject shall be explained and its effect on the prediction of human response shall be assessed);

(c) non-clinical study evaluation should be conducted by selecting suitable species of animals whose biological response to cell therapy products is close to or similar to the expected human response. In some cases, alternatives to animal sources may also be used for evaluation;

(d) in non-clinical study evaluation, the administration of cell therapy products should be able to maximize the simulation of the proposed clinical administration. If clinical administration cannot be simulated in animal studies, alternative administration methods should be identified in pre-clinical studies and their scientific and rational nature should be clarified; and

(e) subject analysis data should be provided.

As for clinical trials, the Technical Guiding Principles for Cell Therapy Products stipulate that when cell therapy products enter clinical trials, they should follow the requirements of the GCP. In principle, the research contents of clinical trials should include a clinical safety evaluation, pharmacokinetics study, pharmacodynamics study, dose exploration study and confirmatory clinical trials. According to the product nature of different cell therapy products, the specific test design can be adjusted as appropriate.

On 13 March 2018, the CDE promulgated the Key Considerations in Applying for Clinical Trials of Cell Therapy Products for Pharmaceutical Research and Application Data to encourage the innovation of cell therapy products in view of the urgent need of such drugs. The document provides guidance on the preparation of pharmaceutical research and application materials in the application phase of clinical trials, according to which, on the basis of following the requirements of technical guidelines for carrying out relevant research, the applicant should pay special attention to certain considerations of pharmaceutical research and application materials, including production of raw materials, production process, quality studies, and stability studies. On the basis of the Technical Guiding Principles for Cell Therapy Products, on 18 October 2019, the CDE promulgated the Pharmaceutical Research Questions and Answers for Application of Cell Therapy Products for Clinical Trials (Issue One) to provide further reference for applicants on the common problems in the review and communication of IND application data of cell therapy products. On February 10, 2021, the CDE published the Technical Guidelines for Clinical Trials of Immunocell Therapy Products, the guidelines provide necessary technical guidance for the overall planning, design, implementation, and data analysis of cellular immune treatment (including CAR-T) products to carry out clinical trials, to reduce certain risks of the participating subjects in clinical trials and to regulate the evaluation method of the safety and effectiveness of such treatment. The guidelines are not mandatory.

Given the uniqueness of CAR-T and human cell therapies and that the regulatory pathway for such therapies is still evolving, standardization for CAR-T therapies is difficult to achieve and therefore approval would be assessed on a case-by-case basis.

Intellectual Property

SenlangBio currently protects its intellectual property and commercial exclusivity through a combination of Chinese patents, trade secrets, trademarks and copyright. SenlangBio currently owns a total of ten Chinese patents (including two inventions and eight utility models) and five Chinese patents applications (including three invention

applications and two utility model applications), as well as eight software copyrights and two trademarks. What follows is a summary of relevant intellectual property laws and principles in China.

(1) Patents

Pursuant to the PRC Patent Law, most recently amended in October 2020 (the amendment is implemented on June 1, 2021), and its implementation rules, most recently amended in January 2010, patents in China fall into three categories: invention, utility model and design. An invention patent is granted to a new technical solution proposed in respect of a product or method or an improvement of a product or method. A utility model is granted to a new technical solution that is practicable for application and proposed in respect of the shape, structure (or a combination of both) of a product. A design patent is granted to a new design of a certain product in shape, pattern (or a combination of both) and in color, shape and pattern combinations aesthetically suitable for industrial application. Under the PRC Patent Law, the term of patent protection starts from the date of application. Patents relating to invention are effective for twenty years, and utility model and design patents are effective for ten years from the date of application. The PRC Patent Law adopts the principle of "first-to-file" system, which provides that where more than one person files a patent application for the same invention, a patent will be granted to the person who first files the application.

Existing patents can be narrowed, invalidated or unenforceable due to a variety of grounds, including lack of novelty, creativity, and deficiencies in patent application. In China, a patent must have novelty, creativity and practical applicability. Under the PRC Patent Law, novelty means that before a patent application is filed, no identical invention or utility model has been publicly disclosed in any publication in China or overseas or has been publicly used or made known to the public by any other means, whether in or outside of China, nor has any other person filed with the patent authority an application that describes an identical invention or utility model and is recorded in patent application documents or patent documents published after the filing date. Creativity means that, compared with existing technology, an invention has prominent substantial features and represents notable progress, and a utility model has substantial features and represents any progress. Practical applicability means an invention or utility model can be manufactured or used and may produce positive results. Patents in China are filed with the State Intellectual Property Office, or SIPO. Normally, the SIPO publishes an application for an invention patent within 18 months after the filing date, which may be shortened at the request of applicant. The applicant must apply to the SIPO for a substantive examination within three years from the date of application.

The PRC Patent Law provides that, for an invention or utility model completed in China, any applicant (not limited to Chinese companies and individuals), before filing a patent application outside of China, must first submit it to the SIPO for a confidential examination. Failure to comply with this requirement will result in the denial of any Chinese patent for the relevant invention. This added requirement of confidential examination by the SIPO has raised concerns by foreign companies that conduct research and development activities in China or outsource research and development activities to service providers in China.

(2) Trade Secrets

According to the PRC Anti-Unfair Competition Law, the term "trade secrets" refers to technical and business information that is unknown to the public, has utility and may create business interests or profits for its legal owners or holders, and is maintained as a secret by its legal owners or holders. Trade secret requirements under the current framework in China is still under development and not robust.

Under the PRC Anti-Unfair Competition Law, which was promulgated on September 2, 1993 and was latest amended on April 23, 2019, business persons are prohibited from infringing others' trade secrets by: (1) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion, or any other illicit means; (2) disclosing, using, or allowing another person to use a trade secret acquired from the right holder by any means as specified in the item (1) above; (3) disclosing, using, or allowing another person to use a trade secret in its possession, in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (4) abetting a person, or tempting, or aiding a person into or in acquiring, disclosing, using, or allowing another person to use the trade secret of the right holder in violation of his or her non-disclosure obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known that an employee or former employee of the right owner of trade secrets or any other entity or individual conducts any of the illegal acts listed above, but still accepts, publishes, uses or allows any other to use such secrets, this practice will be deemed as an infringement of trade secrets. A party whose trade secrets are being misappropriated may petition for administrative corrections, and regulatory authorities may stop any illegal activities and fine infringing parties in the amount of RMB100,000 to RMB1,000,000, and where the circumstance is serious, the fine will be RMB500,000 to RMB5,000,000. Alternatively, persons whose trade secrets are being misappropriated may file lawsuits in a Chinese court for loss and damages incurred due to the misappropriation.

The measures to protect trade secrets include oral or written non-disclosure agreements or other reasonable measures to require the employees of, or persons in business contact with, legal owners or holders to keep trade secrets confidential. Once the legal owners or holders have asked others to keep trade secrets confidential and have adopted reasonable protection measures, the requested persons bear the responsibility for keeping the trade secrets confidential.

(3) Trademarks

Pursuant to the Trademark Law of the PRC promulgated by the Standing Committee of the NPC on August 23, 1982 and last amended on April 23, 2019, which amendment became effective from November 1, 2019, the period of validity for a registered trademark is ten years, commencing from the date of registration. The registrant shall go through the formalities for renewal within twelve months prior to the expiry date of the trademark if continued use is intended. Where the registrant fails to do so, a grace period of six months may be granted. The validity period for each renewal of registration is ten years commencing from the day immediately after the expiry of the preceding period of validity for the trademark. In the absence of a renewal upon expiry, the registered trademark shall be canceled. Industrial and commercial administrative authorities have the authority to investigate any behavior in infringement of the exclusive right under a registered trademark in accordance with the law. In case of a suspected criminal offense, the case shall be timely referred to a judicial authority and decided according to the law.

(4) Copyright

Pursuant to the Copyright Law of the PRC, effective in June 1, 1991 and most recently amended in November 2020 (the amendment was implemented on June 1, 2021), copyrights include personal rights such as the right of publication and that of attribution as well as property rights such as the rights of production and distribution. Reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, unless otherwise provided in the Copyright Law of the PRC, constitutes infringements of copyrights. The infringer must, according to the circumstances of the case, undertake to cease the infringement, take remedial action, and offer an apology or pay damages.

Pursuant to the Computer Software Copyright Protection Regulations promulgated on December 20, 2001 and last amended on January 30, 2013, a software copyright owner may complete registration formalities with a software registration authority recognized by the State Council's copyright administrative department. A software copyright owner may authorize others to exercise that copyright, and is entitled to receive remuneration.

Preliminary Note: references in this sub-section of this Item 8.01 to "we," "our," "us" and similar terms refer to SenlangBio and its subsidiaries.

Risks Related to SenlangBio's Business

The NMPA may refuse to consider the data from the investigator-initiated clinical trials of SenlangBio due to concerns that (1) this does not follow the mainstream regulatory pathway of relying on registered clinical trials, or that (2) the non-registered clinical trials of the product may not otherwise fully comply with the same requirements applicable to registered clinical trials, as further explained below.

While investigator-initiated trials may provide us with clinical data that can inform our future development strategy, we do not have full control over the protocols, administration, or conduct of the trials. As a result, we are subject to risks associated with the way investigator-initiated trials are conducted, and there is no assurance the clinical data from any of our investigator-initiated clinical trials in China will be accepted by the U.S. Food and Drug Administration (FDA), the European Medicines Agency (EMA), Japanese Pharmaceuticals and Medical Devices Agency (PMDA) or other comparable regulatory authorities outside of China, for any of our product candidates. Third parties in such investigator-initiated clinical trials may not perform their responsibilities for our clinical trials on our anticipated schedule or consistent with clinical trial protocols or applicable regulations. Further, any data integrity issues or patient safety issues arising out of any of these trials would be beyond our control, yet could adversely affect our reputation and damage the clinical and commercial prospects for our product candidates. Additional risks include difficulties or delays in communicating with investigators or administrators, procedural delays and other timing issues, and difficulties or differences in interpreting data. Third-party investigators may design clinical trials with clinical endpoints that are more difficult to achieve, or in other ways that increase the risk of negative clinical trial results compared to clinical trials that we may design on our own. As a result, our lack of control over the design, conduct and timing of, and communications with the FDA, NMPA, EMA and PMDA regarding investigator-initiated trials expose us to additional risks and uncertainties, many of which are outside our control, and the occurrence of which could adversely affect the prospects for our product candidates.

Furthermore, there is no assurance the clinical data from any of our investigator-initiated clinical trials in China, where the patients are predominately of Chinese descent, will produce similar results in patients of different races, ethnicities or those of non-Chinese descent.

All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products in China are heavily regulated. Any failure to comply with existing regulations and industry standards, or any adverse actions by the NMPA or other comparable regulatory authorities against us, could negatively impact our reputation and our business, financial condition, results of operations and prospects.

The process of obtaining regulatory approvals and compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable requirements at any time during the product development or approval process, or after approval, may subject an applicant to administrative or judicial sanctions. These sanctions could include the regulator's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, or total or partial suspension of production or distribution. Failure to comply with these regulations could have a material adverse effect on our business.

Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these product candidates on a timely basis or at all, which would have an adverse effect on our business.

Our product candidates are still in the preclinical development stage, and the risk of failure of preclinical programs is high. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies to obtain regulatory clearance to initiate human clinical trials. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the NMPA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our programs. As a result, we cannot be sure that we will be able to submit IND applications for all of our preclinical programs on the timelines we expect, and we cannot be sure that submission of IND applications will result in the NMPA allowing clinical trials to begin.

Clinical trials are difficult to design and implement, involve uncertain outcomes and may not be successful.

Human clinical trials are difficult to design and implement, in part because they are subject to rigorous regulatory requirements. The design of a clinical trial can determine whether its results will support approval of a product candidate and flaws in the design of a clinical trial may not become apparent until the clinical trial is well advanced. As an organization, we have limited experience designing clinical trials and may be unable to design and execute clinical trials to support regulatory approval. There is a high failure rate for biologic products proceeding through clinical trials, which may be higher for our product candidates because they are based on new technology and engineered on a patient-by-patient basis. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

Success in preclinical studies or clinical trials may not be indicative of results in future clinical trials.

Results from preclinical studies are not necessarily predictive of future clinical trial results, and interim results of a clinical trial are not necessarily indicative of final results. While we have received some positive data in previous preclinical and IIT trials, we are still in the process of producing and gathering more data and are still conducting more additional preclinical and IIT trials in order to seek regulatory approvals. For that reason, we do not know whether these candidates will be effective and safe for the intended indications in humans. Our product candidates may fail to show the desired safety and efficacy in further, registered clinical development despite positive results in preclinical and IIT studies. This failure to establish sufficient efficacy and safety could cause us to abandon clinical development of our product candidates.

We depend on enrollment of patients in our clinical trials for our product candidates. If we encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

Identifying and qualifying patients to participate in clinical trials of our product candidates is critical to our success. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with the protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the number of patients with the disease or condition being studied;

- the understanding of risks and benefits of the product candidate in the trial;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating or drugs that may be used off-label for these indications;
- the size and nature of the patient population who meet inclusion criteria;
- the proximity of patients to study sites;
- the design of the clinical trial;
- clinical trial investigators' ability to recruit clinical trial investigators with the appropriate competencies and experience;
- competing clinical trials for similar therapies or other new therapeutics not involving T cell-based immunotherapy;
- our ability to obtain and maintain patient consents; and
- the risk that patients enrolled in clinical trials will drop out of the clinical trials before completion of their treatment.

Delays in patient enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could prevent completion of these clinical trials and adversely affect our ability to advance the development of our product candidates. In addition, many of the factors that may lead to a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates.

If the clinical trials of any of our product candidates fail to demonstrate safety and efficacy to the satisfaction of the NMPA, or do not otherwise produce favorable results, we may incur additional costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.

We may not commercialize, market, promote or sell any product candidate without obtaining marketing approval from the NMPA, and we may never receive such approvals. It is impossible to predict accurately when or if any of our product candidates will prove effective or safe in humans and will receive regulatory approval. Before obtaining marketing approval from regulatory authorities for the commercial sale of any of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical studies and clinical trials that our product candidates are both safe and effective for use in each proposed indication. Clinical trials are expensive, difficult to design and implement, can take many years to complete and are uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of clinical development.

We may experience numerous unforeseen events prior to, during or as a result of clinical trials that could delay or prevent our ability to receive marketing approval or commercialize any of our product candidates, including:

- the NMPA may disagree as to the number, design or implementation of our clinical trials, or may not interpret the results from clinical trials as we do;
- regulators may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may not reach agreement on acceptable terms with prospective clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different clinical trial sites;
- clinical trials of our product candidates may produce negative or inconclusive results;
- we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate, participants may drop out of these clinical trials at a higher rate than we anticipate or we may fail to recruit eligible patients to participate in a trial;
- our third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- regulators may issue a clinical hold, or regulators may require that we or our investigators suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate;
- the NMPA may fail to approve our manufacturing processes or facilities;

- the supply or quality of our product candidates or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate;
- our product candidates may have undesirable side effects or other unexpected characteristics, particularly given their novel, first-in-human application, causing us or our investigators, or regulators to suspend or terminate the clinical trials; and
- the approval policies or regulations of the NMPA may significantly change in a manner rendering our clinical data insufficient for approval.

To the extent that the results of the trials are not satisfactory for the NMPA to approve our new drug application, the commercialization of our product candidates may be significantly delayed, or we may be required to expend significant additional resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates.

Risks Related to Intellectual Property

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by

governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications are due to be paid to the NIPA (National Intellectual Property Administration) in several stages over the lifetime of a patent. NIPA requires compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment, loss of priority or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the PRC. Non-compliance events that could result in abandonment or lapse of a patent or patent application include failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. In any such event, our competitors or other third parties might be able to enter the market, which would have a material adverse effect on our competitive position, business, financial condition, result of operations and prospects.

Changes in patent law could extend the expected expiry date of third party patents.

In China, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection in China. For example, an Amendment to the PRC Patent Law is implemented on June 1 2021 and proposed to introduce patent extensions to patents of new drugs that launched in the PRC. If adopted, patents owned by third parties may be extended, which may in turn affect our ability to commercialize our products without facing infringement risks. The adoption of this draft amendment may enable the patent owner to submit applications for a patent term extension. The length of any such extension is uncertain. If we are required to delay commercialization for an extended period of time, technological advances may develop and new products may be launched, which may in turn render our products non-competitive. We cannot guarantee that any other changes to PRC intellectual property laws would not have a negative impact on our intellectual property protection.

Intellectual property rights do not necessarily address all potential threats.

The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations, and may not adequately protect our business or permit us to maintain our competitive advantage. For example:

- others may be able to make products that are similar to any product candidates we may develop or utilize similar technology that are not covered by the claims of the patents that we own or license now or in the future;

- we or any of our future licensors and collaborators might not have been the first to make the inventions covered by the issued patent or pending patent application that we own or may license in the future;
- we or any of our future licensors and collaborators might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our intellectual property rights;
- it is possible that our pending owned or licensed patent applications will not lead to issued patents;
- patents that we hold rights to or that may be issued from our pending patent applications may not provide us with a competitive advantage, or may be held invalid or unenforceable, including as a result of legal challenges by our competitors or third parties;
- our competitors or other third parties might conduct research and development activities in jurisdictions where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may obtain patents for certain inventions many years before we obtain marketing approval for products containing such compounds, and because patents have a limited life, which may begin to run prior to the commercial sale of the related product, the commercial value of our patents may be limited;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent for certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations and prospects.

Even if we are able to obtain patent protection for our product candidates, the life of such protection, if any, is limited, and third parties could be able to circumvent our patents by developing similar or alternative products and technologies in a non-infringing manner, or develop and commercialize products and technologies similar or identical to ours and compete directly against us after the expiration of our patent rights, if any, and our ability to successfully commercialize any product or technology would be materially adversely affected.

The life of a patent and the protection it affords is limited. For example, in China, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its filing date. Even if we successfully obtain patent protection for an approved product candidate, it may face competition from generic or biosimilar medications. Manufacturers of generic or biosimilar drugs may challenge the scope, validity or enforceability of our patents in court or before a patent office, and we may not be successful in enforcing or defending those intellectual property rights and, as a result, may not be able to develop or market the relevant product exclusively, which would materially adversely affect any potential sales of that product.

Risks Related to the VIE Structure and SenlangBio being a PRC Domestic Entity

The business of SenlangBio may fall into the prohibited foreign investment category under currently effective PRC laws.

On March 15, 2019, the NPC promulgated the Foreign Investment Law, which took effect on January 1, 2020 and replaced three existing laws regulating foreign investment in China, namely, the PRC Equity Joint Venture Law, the PRC Cooperative Joint VentureLaw and the Wholly Foreign-owned Enterprise Law, together with their implementation rules and ancillary regulations. The Foreign Investment Law grants foreign invested entities the same treatment as PRC domestic entities, except for those foreign invested

entities that operate in industries deemed to be either "restricted" or "prohibited" in the "negative list" published by the State Council. Sen Lang is a BVI company and the PRC Subsidiary is currently considered to be a foreign invested entity.

The latest version of the "negative list," namely, the Special Management Measures (Negative List) for the Access of Foreign Investment (2019), which became effective on July 30, 2019, provides that foreign investment is prohibited in the development and application of genetic diagnosis and treatment technology. However, the PRC laws do not clarify the meaning of "development and application of genetic diagnosis and treatment technology" and do not explain whether transactions involving a VIE Structure should be considered as "investment" in the context of the prohibition of foreign investment. SenlangBio's main business is conducting R&D and clinical transformation of immunotherapy cell therapy, which involves modifying the patient's T-Cells genetically. Despite the foregoing lack of clarity, the applicable rules could be interpreted in a way unfavorable to the business of SenlangBio. First, in the context of law enforcement, if the competent PRC authorities and courts interpret "development and application of genetic diagnosis and treatment technology" broadly, the modification of T-Cells genetically could be considered as falling into the prohibited foreign investment category. Second, the newly implemented foreign investment law of China includes a catch-all definition of "foreign investment" that covers any other types of investment into China besides those listed in the law, which is generally believed as a strategy to leave room for the implementation of rules to address the VIE Structure. Therefore, the VIE Structure could be considered a violation of the applicable PRC laws.

There can be no assurance that the PRC government will ultimately take a view that is not contrary to Avalon and SenlangBio's view that the parties are complying with PRC law. If SenlangBio's CAR-T cell therapies or other technologies that are being researched and developed are deemed by relevant PRC regulatory agencies as falling into the category of "genetic diagnosis and treatment technology," SenlangBio would be prohibited from engaging in the research or development of such technologies. In that event, Avalon and the Sen Lang Beneficial Shareholders would have to restructure Avalon's control over SenlangBio. SenlangBio may also have to forfeit its income derived from the research and development of such technologies. Any of these occurrences may harm Avalon's and SenlangBio's business, prospects, financial condition and results of operations significantly.

The filing or change of the medical institution practice license of SenlangBio Clinical Laboratory may be affected by the VIE Structure.

As SenlangBio Clinical Laboratory is a medical institution under the PRC laws, its operation is subject to the PRC regulation of foreign investment in the area of medical institution, which provides that a foreign investor can acquire 70% (to the highest extent) of the equity interests in a PRC medical institution. The relevant PRC laws also provide that the related government authority shall not approve any application of licenses/permits if the application is related to a company failing to comply with PRC foreign investment regulation.

Therefore, if the competent PRC authority responsible for the registration of the medical institution practice license of SenlangBio Clinical Laboratory adopts a broad understanding of foreign investment rules that controlling via agreements can be deemed as a way of investment, the authority may disapprove SenlangBio Clinical Laboratory's application in relation to its medical institution practice license, including any extension of such license. In the worst case, theoretically, the competent authorities may deem the VIE Agreements unenforceable because they are in violation of the PRC laws. In that event, SenlangBio Clinical Laboratory would not be qualified to conduct any business of testing of immunology, serology and molecular genetics specialties for patients, including hematology-tumor diagnostics and testing prior to clinical trials for cell therapy, which would result in the loss of the license and thereby the loss of income to SenlangBio from this business.

Risks Related to the Acquisition and the Equity Financing

The amount of Acquisition Shares being issued to the Sen Lang Shareholders will not be adjusted in the event of any change in Avalon's stock price.

The aggregate number of Acquisition Shares being issued to the Sen Lang Shareholders fixed (other than minor adjustments due to fractional shares). Therefore, the total value of the Acquisition Shares will depend on the market price of the Avalon Common Stock at the closing of the Acquisition.

The market price of the Avalon Common Stock has fluctuated in the past, may fluctuate upon the announcement of the Purchase Agreement and may continue to fluctuate through the closing of the Acquisition and thereafter. The total market value of the Acquisition Shares to be issued at the closing will not be known until that time. Therefore, current and historical market prices of Avalon Common Stock may not reflect the value that the Sen Lang Shareholders will receive in the Acquisition, and the current stock price quotations for Avalon Common Stock may not provide meaningful information to Avalon stockholders. Avalon Common Stock is traded on The Nasdaq Capital Market under the symbol "AVCO."

Failure to complete the Acquisition could negatively impact the stock price and the future business and financial results of Avalon.

The parties' respective obligations to complete the Acquisition are subject to the satisfaction or waiver of a number of conditions set forth in the Purchase Agreement and described below. There can be no assurance that the conditions to completion of the Acquisition will be satisfied or waived or that the Acquisition will be completed. If the Acquisition is not completed for any reason, the ongoing business of Avalon may be materially and adversely affected and, without realizing any of the benefits of having completed the Acquisition, Avalon would be subject to a number of risks, including the following:

- Avalon may experience negative reactions from the financial markets, including negative impacts on the trading price of Avalon Common Stock, which could affect Avalon's ability to secure sufficient financing in the future on attractive terms (or at all) as a standalone company, and from its customers, vendors, regulators and employees;
- Avalon will be required to pay its expenses incurred in connection with the Acquisition, whether or not the Acquisition is completed;
- matters relating to the Acquisition (including integration planning) will require substantial commitments of time and resources by Avalon management and the expenditure of significant funds in the form of fees and expenses, which would otherwise have been devoted to day-to-day operations and other opportunities that may have been beneficial to Avalon otherwise.

If any of these risks materialize, they may materially and adversely affect Avalon's business, financial condition, financial results and stock prices.

The Acquisition is subject to a number of closing conditions and, if these conditions are not satisfied, the Purchase Agreement may be terminated in accordance with its terms and the Acquisition may not be completed. In addition, the parties have the right to terminate the Purchase Agreement under other specified circumstances, in which case the Acquisition would not be completed.

The Acquisition is subject to a number of closing conditions and, if these conditions are not satisfied or waived (to the extent permitted by law), the Acquisition will not be completed. These conditions include, among others: (i) the absence of certain legal impediments, (ii) obtaining all governmental authorizations, (iii) obtaining the Avalon stockholders' approval, (iv) the consummation of the Equity Financing, (v) the execution of the VIE Agreements and (vi) the listing of the Acquisition Shares and the shares issuable pursuant to the Exchange Agreement (the "Exchange Shares") on Nasdaq. In addition, each party's obligation to complete the Acquisition is subject to the accuracy of the other parties' representations and warranties in the Purchase Agreement (subject in most cases to "material adverse effect" qualifications), the other parties' compliance, in all material respects, with their respective covenants and agreements in the Purchase Agreement.

The conditions to the closing may not be fulfilled and, accordingly, the Acquisition may not be completed. In addition, if the Acquisition is not completed by December 31, 2021, any party may choose not to proceed with the Acquisition. Moreover, the parties can mutually decide to terminate the Purchase Agreement at any time prior to the consummation of the Acquisition, before or after receipt of the Avalon stockholders' approval and each party may elect to terminate the Purchase Agreement in certain other circumstances, as described in the Purchase Agreement.

There can be no assurance that Avalon will be able to complete the Equity Financing.

It is a condition to closing of the Acquisition that the Equity Financing shall have been consummated prior to or contemporaneously with the closing. The closing of the Equity Financing pursuant to the OpCo Capital Increase Agreement is subject to various conditions to closing, as well as the risk that the Investor does not abide by the terms of the OpCo Capital Increase Agreement. If the Equity Financing does not close for any reason, Avalon would need to waive or agree to amend the applicable condition to closing of the Acquisition. In addition, if the Equity Financing was not consummated and the Acquisition closed nevertheless, Avalon may not have sufficient capital for all planned expenses of the post-Acquisition company, and would likely need to raise additional capital. In such event, Avalon would likely seek to sell common or preferred equity or convertible debt securities, enter into a credit facility or another form of third-party funding, or seek other debt financing. The sale of equity and convertible debt securities may result in dilution to our stockholders and certain of those securities may have rights senior to those of the holders of Avalon Common Stock. If we raise additional funds through the issuance of preferred stock, convertible debt securities or other debt financing, these securities or other debt could contain covenants that would restrict its operations, fund raising capabilities or otherwise. The source, timing and availability of any future financing will depend principally upon market conditions, and, more specifically, on the progress of our clinical development programs following the Acquisition. Funding may not be available when needed, at all, or on terms acceptable to us. Lack of necessary funds may require us among other things, to delay, scale back or eliminate some or all of our planned clinical trials.

Avalon may not realize the anticipated benefits of the Acquisition.

While Avalon will continue to operate as in the past until the completion of the Acquisition, the success of the Acquisition will depend, in part, on Avalon's ability to realize the anticipated benefits acquiring Sen Lang's business. Avalon's ability to realize these anticipated benefits is subject to certain risks, including, among others:

- Avalon's ability to successfully integrate the Sen Lang business;
- the risk that Sen Lang's business will not perform as expected;
- the extent to which the parties will be able to realize the expected synergies, which include taking advantage of Sen Lang's manufacturing and laboratory facilities and geographic location in Northern China;
- the possibility that the aggregate consideration being paid for Sen Lang is greater than the value Avalon will derive from the Acquisition;
- the reduction of cash available for operations and other uses;
- the assumption of known and unknown liabilities of Sen Lang; and
- the possibility of costly litigation challenging the Acquisition.

Integrating Avalon's and Sen Lang's businesses may be more difficult, time-consuming or costly than expected.

Avalon and Sen Lang have operated and, until completion of the Acquisition will continue to operate, independently, and there can be no assurances that their businesses can be integrated successfully. It is possible that the integration process could result in the loss of key employees, the disruption of either company's or both companies' ongoing businesses or unexpected integration issues, such as higher than expected integration costs and an overall post-completion integration process that takes longer than originally anticipated. Specifically, issues that must be addressed in integrating the operations of Avalon and Sen Lang in order to realize the anticipated benefits of the Acquisition so the business performs as expected include, among others:

- combining the companies' separate operational, financial, reporting and corporate functions;

- integrating the companies' technologies, products and services;
- identifying and eliminating redundant and underperforming operations and assets;
- harmonizing the companies' operating practices, employee development, compensation and benefit programs, internal controls and other policies, procedures and processes;
- addressing possible differences in corporate cultures and management philosophies;
- maintaining employee morale and retaining key management and other employees;
- attracting and recruiting prospective employees;
- consolidating the companies' corporate, administrative and information technology infrastructure;
- coordinating sales, distribution and marketing efforts;
- managing the movement of certain businesses and positions to different locations;
- maintaining existing agreements with customers and vendors and avoiding delays in entering into new agreements with prospective customers and vendors;
- coordinating geographically dispersed organizations; and
- effecting potential actions that may be required in connection with obtaining regulatory approvals.

In addition, at times, the attention of certain members of each company's management and each company's resources may be focused on completion of the Acquisition and the integration of the businesses of the two companies and diverted from day-to-day business operations, which may disrupt each company's ongoing business and, consequently, the business of the Company.

Avalon and Sen Lang will be subject to business uncertainties and contractual restrictions while the Acquisition is pending.

Uncertainty about the effect of the Acquisition on employees, vendors and customers may have an adverse effect on Avalon or Sen Lang and consequently on us after the closing of the Acquisition. These uncertainties may impair Avalon's and Sen Lang's ability to retain and motivate key personnel and could cause customers and others that deal with Avalon and Sen Lang, as applicable, to defer or decline entering into contracts with Avalon or Sen Lang, as applicable, or making other decisions concerning Avalon or Sen Lang, as applicable, or seek to change existing business relationships with Avalon or Sen Lang, as applicable. In addition, if key employees depart because of uncertainty about their future roles and the potential complexities of the Acquisition, Avalon's and Sen Lang's businesses could be harmed. Furthermore, the Purchase Agreement places certain restrictions on the operation of Avalon's and Sen Lang's businesses prior to the closing of the Acquisition, which may delay or prevent Avalon and Sen Lang from undertaking certain actions or business opportunities that may arise prior to the consummation of the Acquisition.

Third parties may terminate or alter existing contracts or relationships with Avalon or Sen Lang.

Each of Avalon and Sen Lang has contracts with customers, vendors and other business partners which may require Avalon or Sen Lang, as applicable, to obtain consents from these other parties in connection with the Acquisition. If these consents cannot be obtained, the counterparties to these contracts and other third parties with which Avalon and/or Sen Lang currently have relationships may have the ability to terminate, reduce the scope of or otherwise materially adversely alter their relationships with either party in anticipation of the Acquisition, or with us following the Acquisition. The pursuit of such rights may result in Avalon and Sen Lang suffering a loss of potential future revenue, incurring liabilities in connection with a breach of such agreements or losing rights that are material to its business. Any such disruptions could limit our ability to achieve the anticipated benefits of the Acquisition. The adverse effect of such disruptions could also be exacerbated by a delay in the completion of the Acquisition or the termination of the Acquisition.

Avalon or Sen Lang may waive one or more of the closing conditions to the Acquisition without re-soliciting stockholder approval.

Each of Avalon and Sen Lang has the right to waive certain of the closing conditions to the Acquisition. Any such waiver may not require re-solicitation of stockholders, in which case stockholders of Avalon will not have the chance to change their votes as a result of any such waiver and Avalon will have the ability to complete the Acquisition without seeking further stockholder approval. Any determination whether to waive any condition to the Acquisition, whether stockholder approval would be re-solicited as a result of any such waiver or whether the proxy statement would be amended as a result of any waiver will be made Avalon at the time of such waiver based on the facts and circumstances as they exist at that time, and any such waiver could have an adverse effect on us.

Avalon's stockholders will have a reduced ownership and voting interest after the Acquisition and the Equity Financing and will exercise less influence over management.

After the completion of the Acquisition and the Equity Financing, Avalon's stockholders will own a smaller percentage of the Company than they currently own. Upon completion of the Acquisition, it is expected that Avalon stockholders will own 51.0% of the total voting shares outstanding of Avalon, and the Sen Lang Shareholders will own 49.0% of the total voting shares outstanding of Avalon, in each case immediately after consummation of the Acquisition and not giving effect to the closing of the Equity Financing. As of the result of the Equity Financing and depending on the amount of shares of OpCo that the Investor elects to exchange for shares of Avalon Common Stock pursuant to the terms of the Exchange Agreement, the percentages set forth above will be reduced proportionately by the Exchange Shares. Consequently, Avalon stockholders, as a group, will have reduced ownership and voting power in us compared to their current ownership and voting power in Avalon and, therefore, will be able to exercise less collective influence over the management and policies of Avalon than they currently exercise.

Executive officers and directors of Avalon may have interests in the Acquisition that are different from, or in addition to, the rights of Avalon stockholders.

Executive officers of Avalon negotiated the terms of the Purchase Agreement, and the Avalon board of directors approved the Purchase Agreement and the Acquisition. These executive officers and directors may have interests in the Acquisition that are different from, or in addition to, the Avalon stockholders. These interests include the continued employment of certain executive officers of Avalon following the Acquisition, the continued service of certain directors following the Acquisition and the indemnification of Avalon executive officers and directors by Avalon.

Any issuance of Exchange Shares could cause dilution to then existing Avalon stockholders and may depress the market price of Avalon Common Stock.

Under the Exchange Agreement, the Investor has the right, exercisable following the six month anniversary of the closing of the Acquisition and until the five year anniversary of the closing of the Acquisition, to elect to exchange, from time to time, all or part of its equity ownership of the OpCo for Exchange Shares of Avalon at an effective exchange price of $1.21 per share of Avalon Common Stock. Following the completion of the financing and assuming the full funding by the investor in the financing, the aggregate number of shares of Avalon Common Stock that would be issuable under the Exchange Agreement (assuming the exchange of all shares) would be approximately 25,885,000 (assuming the current conversion rate of US dollars to RMB). The issuance of Exchange Shares could result in immediate and substantial dilution to the interests of holders of Avalon Common Stock at the time of any exchanges.

Avalon and Sen Lang may have difficulty attracting, motivating and retaining executives and other key employees in light of the proposed Acquisition.

Our success after the Acquisition will depend in part on each of Avalon's and Sen Lang's ability to retain key executives and other employees. Uncertainty about the effect of the Acquisition on Avalon's and Sen Lang's employees may have an adverse effect on each company separately and consequently, the combined business. This uncertainty may impair our ability to attract, retain and motivate key personnel. Employee retention may be particularly challenging during the pendency of the Acquisition, as Avalon's and Sen Lang's employees may experience uncertainty about their future roles in the combined business.

Furthermore, if any of Avalon or Sen Lang's key employees depart or are at risk of departing, including because of issues relating to the uncertainty and difficulty of integration, financial security or a desire not to become employees of the combined business, Avalon or Sen Lang, as applicable, may have to incur significant costs in retaining such individuals or in identifying, hiring and retaining replacements for departing employees and may lose significant expertise and talent, and our ability to realize the anticipated benefits of the Acquisition may be materially and adversely affected. No assurance can be given that we will be able to attract or retain key employees to the same extent that Avalon or Sen Lang has been able to attract or retain employees in the past.

Avalon and Sen Lang will incur significant transaction and Acquisition-related transition costs in connection with the Acquisition.

Avalon and Sen Lang expect that they will incur significant, non-recurring costs in connection with consummating the Acquisition and integrating the operations of the two companies post-closing. Avalon and/or Sen Lang may incur additional costs to retain key employees. Avalon and/or Sen Lang will also incur significant fees and expenses relating to financing arrangements and legal services (including any costs that would be incurred in defending against any potential class action lawsuits and derivative lawsuits in connection with the Acquisition if any such proceedings are brought), accounting and other fees and costs, associated with consummating the Acquisition. Some of these costs are payable regardless of whether the Acquisition is completed. Though Avalon and Sen Lang continue to assess the magnitude of these costs, additional unanticipated costs may be incurred in the Acquisition and the integration of the businesses of Avalon and Sen Lang.

The unaudited pro forma financial information included in this Current Report on Form 8-K is preliminary and our actual financial position or results of operations after the Acquisition may differ materially.

The unaudited pro forma financial information in this Current Report on Form 8-K is presented for illustrative purposes only and is not necessarily indicative of what our actual financial position or results of operations would have been had the Acquisition been completed on the dates indicated. The unaudited pro forma financial information reflects adjustments, which are based upon estimates, to allocate the purchase price to tangible and identifiable intangible assets acquired and liabilities assumed, based on their estimated acquisition-date fair values. The purchase price allocation reflected in this document is preliminary, and a final determination of the fair value of assets acquired and liabilities assumed will be based on the actual net tangible and intangible assets and liabilities of Sen Lang that existed as of the date of the completion of the Acquisition. Accordingly, the final purchase accounting adjustments may differ materially from the pro forma information reflected in this Current Report on Form 8-K.

Avalon may be the target of securities class action and derivative lawsuits which could result in substantial costs and may delay or prevent the Acquisition from being completed.

Securities class action lawsuits and derivative lawsuits are often brought against public companies that have entered into acquisition agreements. Even if the lawsuits are without merit, defending against these claims can result in substantial costs and divert management time and resources. An adverse judgment could result in monetary damages, which could have a negative impact on Avalon's liquidity and financial condition. Additionally, if a plaintiff is successful in obtaining an injunction prohibiting completion of the Acquisition, then that injunction may delay or prevent the Acquisition from being completed, which may adversely affect Avalon's business, financial position and results of operations.

The lack of a public market for Sen Lang shares makes it difficult to determine the fair market value of the Sen Lang shares, and Avalon may pay more than the fair market value of the Sen Lang shares.

Sen Lang is privately held and its share capital is not traded in any public market. The lack of a public market makes it extremely difficult to determine Sen Lang's fair market value. Because the percentage of Avalon's equity to be issued to the Sen Lang Shareholders was determined based on negotiations between the parties, it is possible that Avalon may pay more than the aggregate fair market value for Sen Lang.

Transactions with Related Parties

On April 10, 2020, SenlangBio entered into a scientific research project cooperation agreement with Beijing Lu Daopei Hospital Co., Ltd., under which Beijing Lu Daopei Hospital Co., Ltd. conducts scientific research for the interest of SenlangBio on the cytoplasmic CD79a antibody gated multicolor flow cytometry monitoring CD19-CAR-T bridging allogeneic transplantation for the treatment of refractory and relapsed acute B lymphocytic leukemia. SenlangBio provides the research funds in the amount of RMB 2 million to Beijing Lu Daopei Hospital Co., Ltd. Beijing Lu Daopei Hospital Co., Ltd. is a wholly-owned subsidiary of an entity whose chairman is Wenzhao Lu, the Chairman and largest shareholder of Avalon.

Press Release

On June 14, 2021, Avalon announced the execution of the Purchase Agreement and the Exchange Agreement. A copy of the press release is filed as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

Additional Information about the Proposed Acquisition Transaction and Where to Find It

This communication relates to the proposed Acquisition and may be deemed to be solicitation material in respect of the Acquisition. In connection with the Acquisition, Avalon will file relevant materials with the U.S. Securities and Exchange Commission (the "SEC"), including a proxy statement on Schedule 14A (the "Proxy Statement"). This communication is not a substitute for the Proxy Statement or for any other document that Avalon may file with the SEC or send to Avalon's stockholders in connection with the Acquisition. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS OF AVALON ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT AVALON, THE ACQUIRED COMPANIES, THE ACQUISITION AND RELATED MATTERS. The Acquisition will be submitted to Avalon's stockholders for their consideration. Investors and security holders will be able to obtain free copies of the Proxy Statement (when available) and other documents filed by Avalon with the SEC through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed by Avalon with the SEC will also be available free of charge on Avalon's website at www.avalon-globocare.com or by contacting Avalon's Investor Relations contact at PR@Avalon-GloboCare.com.

Participants in the Solicitation

Avalon and its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from Avalon's stockholders with respect to the Acquisition under the rules of the SEC. Information about the directors and executive officers of Avalon and their ownership of shares of Avalon's common stock is set forth in its Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 30, 2021 and in subsequent documents filed with the SEC, including the Proxy Statement. Additional information regarding the persons who may be deemed participants in the proxy solicitations and a description of their direct and indirect interests in the Acquisition, by security holdings or otherwise, will also be included in the Proxy Statement and other relevant materials to be filed with the SEC when they become available. You may obtain free copies of this document as described above.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Avalon generally identifies forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. These statements are only predictions. Avalon has based these forward-looking statements largely on its then-current expectations and projections about future events and financial trends as well as the beliefs and assumptions of management. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Avalon's control. Avalon's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: (i) risks associated with Avalon's ability to obtain the stockholder approval required to consummate the Acquisition in accordance with Nasdaq rules and the timing of the closing of the Acquisition, including the risks that a condition to closing would not be satisfied within the expected timeframe or at all or that the closing of the Acquisition will not occur; (ii) the outcome of any legal proceedings that may be instituted against the parties and others related to the Purchase Agreement; (iii) the occurrence of any event, change or other circumstance

or condition that could give rise to the termination of the Purchase Agreement, (iv) unanticipated difficulties or expenditures relating to the Acquisition, the response of business partners and competitors to the announcement of the Acquisition; and (v) those risks detailed in Avalon's most recent Annual Report on Form 10-K and subsequent reports filed with the SEC, as well as other documents that may be filed by Avalon from time to time with the SEC. Accordingly, you should not rely upon forward-looking statements as predictions of future events. Avalon cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements made in this communication relate only to events as of the date on which the statements are made. Except as required by applicable law or regulation, Avalon undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
2.1*	Share Purchase Agreement, dated June 13, 2021, among Avalon GloboCare Corp, Lonlon Biotech Ltd., the Sen Lang Shareholders and the Sen Lang Representative.
10.1	Securities Exchange Agreement, dated June 13, 2021, among Avalon GloboCare Corp, Lonlon Biotech Ltd., Senlang Biotechnology Co. Ltd. and Yueyin Datong (Tianjin) Asset Management Co. Ltd.
99.1	Press Release, dated June 14, 2021.

* Schedules have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Company hereby undertakes to furnish supplementally copies of any of the omitted schedules upon request by the SEC.

SIGNATURES

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

AVALON GLOBOCARE CORP.

Dated: June 14, 2021

By: /s/ Luisa Ingargiola
Name: Luisa Ingargiola
Title: Chief Financial Officer

Exhibit 2.1

EXECUTION
CONFIDENTIAL

SHARE PURCHASE AGREEMENT

BY AND AMONG

AVALON GLOBOCARE CORP.

THE SEN LANG SHAREHOLDERS,

THE SEN LANG BENEFICIAL SHAREHOLDERS,

SEN LANG BVI,

AND

THE SEN LANG REPRESENTATIVE

June 13, 2021

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "Agreement") is made and entered into as of the 13th day of June, 2021 (the "Effective Date"), by and among Avalon GloboCare Corp., a Delaware corporation ("Avalon"), Lonlon Biotech Ltd., a company incorporated in the British Virgin Islands ("BVI") ("Sen Lang"), the holders of the Sen Lang Shares (as defined herein), as set forth on **Exhibit A** hereto (each individually, a "Sen Lang Shareholder" and collectively, the "Sen Lang Shareholders"), the beneficial owner of each Sen Lang Shareholder, as set forth on **Exhibit A** hereto (each individually, a "Sen Lang Beneficial Shareholder" and collectively, the "Sen Lang Beneficial Shareholders", and together with the Sen Lang Shareholders, the "Sen Lang Owners"), and Ding Wei, in the capacity as the representative from and after the Closing for the Sen Lang Owners as of immediately prior to the Closing in accordance with the terms and conditions of this Agreement (the "Sen Lang Representative"). Avalon, Sen Lang, the Sen Lang Shareholders, the Sen Lang Beneficial Shareholders and the Sen Lang Representative are sometimes collectively referred to as the "Parties", and each, individually, as a "Party". Sen Lang, the Sen Lang Shareholders, the Sen Lang Beneficial Shareholders and the Sen Lang Representative are sometimes collectively referred to as the "Sen Lang Parties", and each, individually, as a "Sen Lang Party".

PRELIMINARY STATEMENTS

A. Avalon is a clinical-stage, bio-developer of innovative and transformative cell-based technologies and their clinical applications.

B. Lonlon Biotech Investment Limited is a company with limited liability organized and existing under the laws of Hong Kong Special Administrative Region ("Hong Kong") (the "HK Subsidiary"). The HK Subsidiary is a wholly owned enterprise of Sen Lang and Sen Lang owns 100% of the equity interest in the HK Subsidiary.

C. Beijing Langlang Runfeng Biotechnology Co., Ltd. (北京朗朗润丰生物科技有限公司 in Chinese) is a wholly foreign owned enterprise with limited liability organized and existing under the laws of the People's Republic of China (the "PRC", for the purpose of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan) (the "PRC Subsidiary"). The PRC Subsidiary is a wholly owned enterprise of the HK Subsidiary and the HK Subsidiary owns 100% of the equity interest in the PRC Subsidiary.

D. Senlang Biotechnology Co. Ltd. (河北森朗生物科技有限公司 in Chinese) is a PRC domestic company with limited liability organized and existing under the laws of the PRC (the "OpCo"). The OpCo is mainly engaged in the business of the research and development in relation to CAR-T cell therapy, immune cell therapy

and related drug (the "Principal Business"). 13 Sen Lang Beneficial Shareholders out of the total 15 Sen Lang Beneficial Shareholders own the aggregate 100% equity interests in the OpCo.

E. Shijiazhuang Senlang Medical Laboratory Co., Ltd. (石家庄森朗医学检验实验室有限公司 in Chinese) is a PRC domestic company with limited liability organized and existing under the laws of the PRC (the "Senlang Lab"). The Senlang Lab is mainly engaged in the business of testing of immunology, serology and molecular genetics specialties for patients, including hematology-tumor diagnostics and testing prior to clinical trials for cell therapy. Senlang Lab is a wholly owned enterprise of OpCo and OpCo owns 100% of the equity interest in Senlang Lab. The PRC Subsidiary, the OpCo and Senlang Lab are collectively referred to as the "PRC Companies".

G. Avalon desires to acquire Sen Lang through the acquisition of all of the issued and outstanding share capital (the "Sen Lang Shares") of Sen Lang from the Sen Lang Shareholders (the "Acquisition"). Each of the Parties has determined that the Acquisition is consistent with and in furtherance of its respective long-term business strategies and desires to combine their respective businesses and for the Sen Lang Shareholders to have a continuing equity interest in the combined Avalon/Sen Lang businesses through the ownership of shares of common stock, par value $0.0001 per share, of Avalon (the "Avalon Common Stock").

H. Pursuant to the terms and subject to the conditions set forth in this Agreement as consideration in the Acquisition, Avalon shall issue shares of Avalon Common Stock to each Sen Lang Shareholder.

I. The respective Boards of Directors of Avalon and Sen Lang have determined that the Acquisition, in the manner contemplated herein, is desirable and in the best interests of their respective shareholders and stockholders and, by resolutions duly adopted, have approved and adopted this Agreement.

J. Simultaneously with the execution and delivery of this Agreement, the Sen Lang Owners have each delivered an Accredited Investor Questionnaire & Representation Letter with Avalon, substantially in the form attached hereto as **Exhibit B** (each, an "***AI Letter***").

NOW, THEREFORE, in consideration of these premises and the mutual and dependent promises hereinafter set forth, the parties hereto hereby agree as follows:

ARTICLE I.

PURCHASE AND SALE OF SEN LANG SHARES

1.1 *Closing Date.* The closing of the Acquisition (the "Closing") shall take place remotely via the electronic exchange of documents and signatures on the third (3rd) Business Day after the satisfaction (or waiver) of the conditions set forth in ARTICLE VI (not including conditions which are to be satisfied by actions taken at the Closing, but subject to the satisfaction of such conditions on the Closing Date or waiver by the party entitled to waive such conditions), unless another time, date or place is agreed to in writing by the Sen Lang Representative and Avalon. The "Closing Date" shall be the date on which the Closing is consummated.

1.2 *The Acquisition.* On the terms and subject to the conditions hereof, on the Closing Date, (a) each Sen Lang Shareholder shall sell, assign, transfer and convey to Avalon, and Avalon shall purchase and acquire from each such Sen Lang Shareholder, all of the Sen Lang Shares owned by such Sen Lang Shareholder, free and clear of any Liens and restrictions on transfer. During the Executory Period, no Sen Lang Shareholder shall sell, assign, transfer, convey or otherwise dispose of any Sen Lang Shares held by such Sen Lang Shareholder to any other Person.

1.3 *Shareholder Consideration.*

1.3.1 As consideration for the Acquisition, the Sen Lang Shareholders collectively shall be entitled to receive from Avalon, in the aggregate, 81,000,000 shares of Avalon Common Stock.

1.3.2 The 81,000,000 shares of Avalon Common Stock to be issued to the Sen Lang Shareholders is referred to as the "Common Exchange Shares"; the number of Common Exchange Shares received by each Sen Lang Shareholder is referred to as the "Exchange Stocks"; provided, that the Common Exchange Shares otherwise payable to the Sen Lang Shareholders at the Closing is subject to the withholding of the Escrow Shares deposited in the Escrow Account in accordance with Section 2.3, and after the Closing is subject to reduction for the indemnification obligations of the Indemnifying Parties set forth in ARTICLE VIII.

ARTICLE II.

CONVERSION AND DISTRIBUTION OF SECURITIES

2.1 *Distributions; Exchange Ratio; Fractional Shares.*

2.1.1 As soon as practical after the effectiveness of the Acquisition, each Sen Lang Shareholder shall receive, for each Sen Lang Share held by such Sen Lang Shareholder, a number of shares of Avalon Common Stock equal to the Exchange Stocks of such Sen Lang Shareholder set forth on **Exhibit A** hereto.

2.1.2 No certificates for fractional shares of Avalon Common Stock shall be issued as a result of the distribution provided for in this Section 2.1. In lieu of any fractional share to which the Sen Lang Shareholders would otherwise be entitled as a result of the distribution provided for in Section 2.1, all issuances of Avalon Common Stock shall be rounded to the nearest whole share.

2.1.3 In the event that, subsequent to the date hereof and prior to the Closing, Avalon shall declare a stock dividend or other distribution payable in shares of Avalon Common Stock or securities convertible into shares of Avalon Common Stock or effect a stock split, reclassification, combination or other change with respect to shares of Avalon Common Stock, the number of shares of Avalon Common Stock set forth in Section 1.3.1 and the Exchange Stocks of each Sen Lang Shareholder set forth on **Exhibit A** hereto shall be adjusted to reflect such dividend, distribution, stock split, reclassification, combination or other change.

2.2 *Exchange of Certificates.*

2.2.1 *Exchange Agent.* Promptly following the Closing, Avalon shall deposit with VStock Transfer, LLC or such other exchange agent as may be designated by Avalon (the "Exchange Agent"), for the benefit of Sen Lang Shareholders, for distribution in accordance with this Section 2.2, certificates representing the Common Exchange Shares, subject to reduction for the Escrow Shares pursuant to Section 2.3, for distribution to holders of the Sen Lang Shares pursuant to Section 2.1.2 (such shares of Avalon Common Stock being hereinafter also referred to as the "Exchange Fund").

2.2.2 *Exchange Procedures.*

2.2.2.1 At or prior to the Closing, Avalon shall send, or shall cause the Exchange Agent to send, to each Sen Lang Shareholder, a letter of transmittal for use in such exchange, substantially in the form attached hereto as **Exhibit C** (a "Letter of Transmittal") (which shall specify that the delivery of Sen Lang Certificates (as defined herein) in respect of the Common Exchange Shares shall be effected, and risk of loss and title shall pass, only upon proper delivery of the Sen Lang Certificates to the Exchange Agent (or a Lost Certificate Affidavit) (as defined herein)) for use in such exchange.

2.2.2.2 Each Sen Lang Shareholder shall be entitled to receive its portion of the Common Exchange Shares as set forth on **Exhibit A** hereto (less the Escrow Shares) in respect of the Sen Lang Shares represented by the certificates representing the Sen Lang Shares (the "Sen Lang Certificates"), as soon as reasonably practicable after the Closing, but subject to the delivery to the Exchange Agent of the following items prior thereto (collectively, the "Transmittal Documents"): (i) the Sen Lang Certificate(s) for its Sen Lang Shares (or a Lost Certificate Affidavit), together with a properly completed and duly executed Letter of Transmittal, (ii) a properly completed and duly executed AI Letter, and (iii) such other documents as may be reasonably requested by the Exchange Agent or Avalon. Until so surrendered, each Sen Lang Certificate shall represent after the Closing for all purposes only the right to receive such portion of the Common Exchange Shares (subject to the withholding of the Escrow Shares) attributable to such Sen Lang Certificate.

2.3 *Escrow*.

2.3.1 At or prior to the Closing, Avalon, the Sen Lang Representative and VStock Transfer, LLC (or such other escrow agent mutually acceptable to Avalon and the Sen Lang Representative), as escrow agent (the "Escrow Agent"), shall enter into an escrow agreement, effective as of the Closing, substantially in the form attached hereto as **Exhibit D** (the "Escrow Agreement"), pursuant to which Avalon shall issue to the Escrow Agent a number of shares of Avalon Common Stock equal to ten percent (10.00%) of the Common Exchange Shares (the "Escrow Amount") (together with any equity securities paid as dividends or distributions with respect to such shares or into which such shares are exchanged or converted, the "Escrow Shares") to be held, along with any other dividends, distributions or other income on the Escrow Shares (together with the Escrow Shares, the "Escrow Property"), in a segregated escrow account (the "Escrow Account") and disbursed therefrom in accordance with the terms of ARTICLE VIII hereof and the Escrow Agreement. The Escrow Property shall be allocated among and transferred to the Sen Lang Shareholders pro rata based on their respective Pro Rata Share. The Escrow Property shall not serve as the sole source of payment for the obligations of the Sen Lang Shareholders pursuant to ARTICLE VIII. Unless otherwise required by law, all distributions made from the Escrow Account shall be treated by the Parties as an adjustment to the number of shares of Common Exchange Shares received by the Sen Lang Shareholders pursuant to this ARTICLE II.

2.3.2 The Escrow Property shall be released from escrow on the date which is twelve (12) months after the Closing Date (the "Escrow Release Date"); provided, however, with respect to any indemnification claims made in accordance with ARTICLE VIII hereof on or prior to the Escrow Release Date that remain unresolved at the time of the Escrow Release Date ("Pending Claims"), all or a portion of the Escrow Property reasonably necessary to satisfy such Pending Claims (as determined based on the amount of the indemnification claim included in the Claim Notice provided by Avalon under ARTICLE VIII and the Avalon Per Share Price) shall remain in the Escrow Account until such time as such Pending Claim shall have been finally resolved and paid pursuant to the provisions of ARTICLE VIII. After the Escrow Release Date, any Escrow Property remaining in the Escrow Account that is not subject to Pending Claims, if any, and not subject to resolved but unpaid claims in favor of an Indemnified Party, shall be transferred by the Escrow Agent to the Sen Lang Shareholders that have previously delivered the Transmittal Documents in accordance with Section 2.2.2.2, with each such Sen Lang Shareholder receiving its Pro Rata Share of such Escrow Property. Promptly after the final resolution of all Pending Claims and payment of all indemnification obligations in connection therewith, the Escrow Agent shall transfer any remaining Escrow Property remaining in the Escrow Account to the Sen Lang Shareholders that have previously delivered the Transmittal Documents in accordance with Section 2.2.2.2, with each such Sen Lang Shareholder receiving its Pro Rata Share of such Escrow Property.

2.4 *Withholding*. Each of Avalon, the Exhange Agent and the Escrow Agent shall be entitled to deduct and withhold from any consideration deliverable pursuant to this Agreement to any Sen Lang Shareholder such amounts as are required to be deducted or withheld from such consideration under the Code or under any other Applicable Law. To the extent such amounts are so deducted or withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid.

2.5 *Guaranty*. Notwithstanding any other provision of this Agreement, each Sen Lang Beneficial Shareholder hereby guaranties all obligations under this Agreement of such Sen Lang Shareholder set forth opposite such Sen Lang Beneficial Shareholders's name on **Exhibit A** hereto, including the prompt payment of all amounts due to Avalon thereunder by such Sen Lang Shareholder upon demand if not paid when due by such Sen Lang Shareholder.

ARTICLE III.

REPRESENTATIONS AND WARRANTIES OF THE SEN LANG OWNERS

Except as set forth in the Disclosure Schedule delivered by the Sen Lang Owners to Avalon at or prior to the execution of this Agreement (the "Sen Lang Disclosure Schedule") (each section of which qualifies the correspondingly numbered representation and warranty, regardless of whether such representation or warranty expressly refers to or is qualified by reference to such Sen Lang Disclosure Schedule), the Sen Lang Owners, jointly and severally, represent and warrant, on behalf of the Acquired Companies, to Avalon as follows:

3.1 *Organization and Qualification.*

3.1.1 Each of the Acquired Companies is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization and has the corporate power and authority to own, lease and operate its properties and to conduct its business as currently conducted. Each of the Acquired Companies is duly qualified to transact business as a foreign corporation or other foreign entity and is in good standing in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property requires such qualification.

3.1.2 None of the Acquired Companies is in violation of any of the provisions of its certificate of incorporation or by-laws, or other similar organizational documents, each as amended and currently in effect, or, if it is a limited liability company or partnership, its operating agreement, partnership agreement or other comparable

agreement. True and complete copies of the certificate of incorporation and by-laws, each as amended and as currently in effect, of Sen Lang, and true and complete copies of the certificate of incorporation and by-laws, or other similar organizational documents, each as amended and currently in effect, of each Acquired Company have been previously delivered or made available to Avalon.

3.1.3 Sen Lang has full power and authority (corporate and other) and all consents, approvals, authorizations, orders, registrations, clearances and qualifications of or with any Governmental Authority having jurisdiction over Sen Lang or any Acquired Company or any of its or their respective properties required for the ownership and the conduct of its business and has the legal right and authority to own, use, lease and operate its assets and to conduct its business. All of the issued Shares of Sen Lang has been duly and validly authorized and issued and are fully paid and non-assessable. Sen Lang has obtained all approvals, authorizations, consents and orders, and has made all filings and registrations, which are required under BVI laws and regulations for the ownership interest by Avalon of its equity interest in Sen Lang, and there are no outstanding rights, warrants or options to acquire, or instruments convertible into or exchangeable for, nor any agreements or other obligations to issue or other rights to convert any obligation into, any equity interest in Sen Lang.

3.2 *Authority Relative to this Agreement.* Sen Lang has the corporate power and authority to execute and deliver this Agreement and, upon obtaining the approval of a majority of the outstanding Sen Lang Shares at the Sen Lang Special Meeting (as defined herein) or any adjournment thereof as authorized under the laws of the British Virgin Islands, including the BVI Business Companies Act, 2004, as amended ("BVI Law"), to consummate the Acquisition and the other transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Acquisition and the other transactions contemplated hereby have been duly and validly authorized by the Board of Directors of Sen Lang, and except as stated in the preceding sentence, no other corporate proceedings on the part of Sen Lang are necessary to authorize this Agreement or to consummate the Acquisition and the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Sen Lang, and, assuming the due authorization, execution and delivery hereof by Avalon and subject to stockholder approval as aforesaid, constitutes a valid and binding agreement of Sen Lang enforceable against Sen Lang and each Acquired Company in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or by general equitable principles.

3.3 *Consents, No Conflicts*.

3.3.1 Except for actions to be taken in connection with (a) filings required pursuant to any state securities or "blue sky" laws, (b) any filings required with the Nasdaq Capital Market ("Nasdaq") or the SEC with respect to the transactions contemplated by this Agreement, and (c) any other filings, notices, disclosures or registrations set forth in Section 3.3.1 of the Sen Lang Disclosure Schedule, no filing or registration with, notification or disclosure to, or permit, authorization, consent or approval of, (x) any Governmental Authority or (y) any third party, whether acting in an individual, fiduciary or other capacity, is required for the consummation by Sen Lang of the Acquisition or the other transactions contemplated hereby.

3.3.2 Except as set forth in Section 3.3.2 of the Sen Lang Disclosure Schedule, the execution, delivery and performance of this Agreement and the consummation of the Acquisition and the other transactions contemplated hereby and compliance by Sen Lang and the Acquired Companies with any of the provisions hereof do not and will not: (i) subject to obtaining the approval of the Acquisition by the Sen Lang Shareholders, conflict with or result in any breach or violation of any provision of the certificate of incorporation or by-laws, or other similar organizational documents, each as amended, of Sen Lang or any Acquired Company or (ii) result in (1) a breach or violation of, a default under or an event triggering any payment, obligation or acceleration of any obligation pursuant to Sen Lang Employee Benefit Plan (as defined herein) or any grant or award made under any of the foregoing, (2) a breach or violation of, a default under or an event triggering a right of termination of, a default under, or the acceleration of any obligation or the creation of a lien, pledge, security interest or other encumbrance on assets (with or without the giving of notice or the lapse of time or both) pursuant to any provision of, any agreement, license, lease of real or personal property, marketing agreement, contract, note, mortgage, indenture or other obligation of any Acquired Company ("Sen Lang Contracts") or, subject to making all filings, notifications and disclosures and receipt of all permits, authorizations, consents and approvals referred to in clauses "a" through "c" of Section 3.3.1 or in Section 3.3.1 of the Sen Lang Disclosure Schedule, any law, rule, ordinance or regulation or judgment, decree, order or award to which any Acquired Company is subject or any governmental or non-governmental authorization, consent, approval, registration, franchise, license or permit under which any Acquired Company conducts any of its business, or (3) any other change in the rights or obligations of any party under any of the Sen Lang Contracts, except, with respect to this clause (ii), for breaches, violations, defaults, triggering events, creations of Encumbrances on assets, or changes in rights or obligations which would not, singly or in the aggregate with all other such matters, have a Sen Lang Material Adverse Effect.

3.4 *Board Recommendation.* The Board of Directors of Sen Lang has, by unanimous written consent, approved and adopted this Agreement, the Acquisition and the other transactions contemplated hereby. At such meeting, the Board of Directors of Sen Lang determined that the consideration to be received by the Sen Lang Shareholders pursuant to the Acquisition is fair to the Sen Lang Shareholders, and recommended that the Sen Lang Shareholders approve and adopt this Agreement, the Acquisition and the other transactions contemplated hereby (the "Sen Lang Board Recommendation").

3.5 *Stockholder Protection Rights Agreements.* By virtue of resolutions heretofore approved by Sen Lang's Boards of Directors, the Acquisition, this Agreement, and the transactions contemplated hereby will not be subject to the restrictions on business combinations with interested stockholders otherwise applicable to the Acquisition, this Agreement, or the transactions contemplated hereby under BVI Law. Sen Lang's Board of Directors have taken such actions and votes as are necessary on its part to render the provisions of any applicable takeover statutes applicable to any Acquired Company inapplicable to this Agreement, the Acquisition, and the transactions contemplated hereby and thereby. No Acquired Company is a party to any stockholder protection rights agreement or any agreement similar thereto.

3.6 *No Existing Violation, Default, Etc.* No Acquired Company is in violation of (A) Applicable Law or (B) any order, decree or judgment of any Governmental Authority having jurisdiction over any Acquired Company. No event of default or event that, but for the giving of notice or the lapse of time or both, would constitute an event of default, exists under any Sen Lang Contract or any lease, permit, license or other agreement or instrument to which any Acquired Company is a party or by which any of them is bound or to which any of the properties, assets or operations of any Acquired Company is subject.

3.7 *Licenses and Permits.* Each Acquired Company has such certificates, permits, licenses, franchises, consents, approvals, orders, authorizations and clearances from appropriate governmental agencies and bodies ("Sen Lang Licenses") as are necessary to own, lease or operate its properties and to conduct its business as presently conducted and all such Sen Lang Licenses are valid and in full force and effect, other than any failure to have any such Sen Lang License or any failure of any such Sen Lang License to be valid and in full force and effect as would not, singly or in the aggregate with all such other failures, have a Sen Lang Material Adverse Effect. Each Acquired Company is and, within the period of all applicable statutes of limitations, has been in compliance with its obligations under such Sen Lang Licenses and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination of such Sen Lang Licenses. No Acquired Company has any knowledge of any facts or circumstances that could reasonably be expected to result in an inability of any Acquired Company to renew any material Sen Lang License. Subject to making all filings, notifications and disclosures and receipt of all permits, authorizations, consents and approvals referred to in Section 3.3.1 of the Sen Lang Disclosure Schedule, neither the execution nor delivery by Sen Lang of this Agreement nor the consummation of any of the transactions contemplated herein will result in any revocation or termination of any material Sen Lang License.

3.8 *Proxy Statement.* None of the information supplied or to be supplied by Sen Lang or any Acquired Company for inclusion in, and none of the information

regarding the Acquired Companies incorporated by reference in, the proxy statement to be sent to the stockholders of Avalon and the Sen Lang Shareholders in connection with the annual meeting of stockholders of Avalon at which such stockholders will be asked to approve the issuance of Avalon Common Stock pursuant to the Acquisition (the "Avalon Annual Meeting") and the special meeting of the Sen Lang Shareholders at which the Sen Lang Shareholders will be asked to approve the Acquisition and this Agreement (the "Sen Lang Special Meeting") (such proxy statement, as amended by any amendments thereto, being referred to herein as the "Proxy Statement"), including all amendments and supplements to the Proxy Statement, shall, in the case of the Proxy Statement, on the date or dates the Proxy Statement is first mailed to stockholders of Avalon and the Sen Lang Shareholders and on the date or dates of the Avalon Annual Meeting and the Sen Lang Special Meeting, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. Sen Lang and the Acquired Companies will supply Avalon with all business, financial, legal, management and other information required for inclusion in a proxy statement under SEC rules.

3.9 *Finders or Brokers; Compensation Arrangements.* Neither Sen Lang nor any Acquired Company has employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee or any commission the receipt of which is conditioned in whole or part upon consummation of the Acquisition.

3.10 *Financial Statements*. The consolidated balance sheets and the related consolidated statements of income and cash flows (including the related notes thereto) of the Acquired Companies set forth in Section 3.10 of the Sen Lang Disclosure Schedule (collectively, the "Sen Lang Financial Statements"), as of their respective dates, complied in all material respects with applicable accounting requirements and the published rules and regulations with respect thereto, were prepared in accordance with generally accepted accounting principles (except as otherwise noted therein), and present fairly in all material respects, the consolidated financial position of the Acquired Companies, as of their respective dates, and the consolidated results of their operations and their cash flows for the periods presented therein (subject, in the case of the unaudited interim financial statements, to notes and normal year-end adjustments that were not material in amount or effect).

3.11 *Undisclosed Liabilities*. Except (i) as reflected in Sen Lang's unaudited consolidated balance sheet at March 31, 2021 or liabilities described in any notes thereto, (ii) for liabilities incurred in the ordinary course of business since March 31, 2021 consistent with past practice or in connection with this Agreement or the transactions contemplated hereby, or (iii) performance obligations under contracts required in accordance with their terms, or performance obligations, to the extent required under Applicable Law, in each case to the extent arising after the date hereof, no Acquired Company has any material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) and which, individually or in the aggregate, could reasonably be expected to have a Sen Lang Material Adverse Effect.

3.12 *Absence of Changes or Events.* Except for matters disclosed in Section 3.12 of the Sen Lang Disclosure Schedule:

3.12.1 Since December 31, 2018: (i) the Acquired Companies have conducted their business in the ordinary course and have not entered into any material oral or written agreement or other material transaction that is not in the ordinary course of business (other than this Agreement) or that could reasonably be expected to result in a Sen Lang Material Adverse Effect; (ii) no Acquired Company has sustained any material loss or interference with its business or properties from fire, flood, windstorm, accident, strike or other calamity (whether or not covered by insurance); (iii) there has been no material change in the indebtedness of the Acquired Companies, no change in the capital stock of Sen Lang and no dividend or distribution of any kind declared, paid or made by Sen Lang on any class of its capital stock; (iv) there has been no event or condition which has caused a Sen Lang Material Adverse Effect, nor any development, occurrence or state of facts or circumstances known to Sen Lang that could, singly or in the aggregate, reasonably be expected to result in a Sen Lang Material Adverse Effect; and (v) there has been no material change by any Acquired Company in its accounting principles, practices or methods.

3.12.2 Since December 31, 2018, other than in the ordinary course of business consistent with past practice, there has not been any increase in the compensation or other benefits payable, or which could become payable, by Sen Lang, to its officers or key employees, or any amendment of any of the Sen Lang Employee Benefit Plans.

3.13 *Capitalization.*

3.13.1 The authorized share capital of Sen Lang consists solely of 50,000 Sen Lang Shares, par value $1.00 per Share. As of the date hereof there are 10,001 Sen Lang Shares outstanding and no Sen Lang Shares are held in Sen Lang's treasury. There are no warrants or options outstanding, and no Sen Lang Shares are reserved for issuance for any purpose. There are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Sen Lang to issue, transfer or sell any Sen Lang Shares or any other securities convertible into or evidencing the right to subscribe for any such Sen Lang Shares. There are no outstanding stock appreciation rights with respect to the Sen Lang Shares. All issued and outstanding Sen Lang Shares are duly authorized and validly issued, fully paid and nonassessable and have not been issued in violation of (nor are any of the Sen Lang Shares, or other equity interests in, Sen Lang subject to) any preemptive or similar rights created by statute, the certificate of incorporation or by-laws of Sen Lang or any agreement to which Sen Lang is a party or by which it may be bound.

3.13.2 Except as set forth in Section 3.13.2 of the Sen Lang Disclosure Schedule, there are no (i) obligations, contingent or otherwise, of the Acquired Companies to repurchase, redeem or otherwise acquire any Sen Lang Shares, or provide funds to, or make any investment in (in the form of a loan, capital contribution or otherwise), or provide any guarantee with respect to the obligations of, any other person, or (ii) agreements, arrangements or commitments of any character (contingent or otherwise) pursuant to which any person is or may be entitled to receive any payment based on the revenues or earnings (or any component thereof), or calculated in accordance therewith, of any Acquired Company. Section 3.13.2 of the Sen Lang Disclosure Schedule sets forth the contingent earn-out obligations to which any Acquired Company is subject. There are no voting trusts, proxies or other agreements or understandings to which any Acquired Company is a party or by which any Acquired Company is bound with respect to the voting of any shares of capital stock of any Acquired Company.

3.14 *Capital Stock of Subsidiaries.* The Subsidiaries of Sen Lang, each of which is wholly-owned by an Acquired Company or controlled by an Acquired Company by the Control Documents, are listed in Section 3.14 of the Sen Lang Disclosure Schedule. There are no proxies with respect to such shares, and there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating any Acquired Company to issue, transfer or sell any shares of capital stock of any Acquired Company or any other securities convertible into or evidencing the right to subscribe for any such shares. All of such shares so beneficially owned by Sen Lang are duly authorized and validly issued, fully paid, nonassessable and free of preemptive rights with respect thereto and are owned by Sen Lang, directly or indirectly, free and clear of any claim, lien or Encumbrance of any kind with respect thereto. Except as set forth in Section 3.14 of the Sen Lang Disclosure Schedule and the Control Documents, Sen Lang does not directly or indirectly own any interest in any corporation, partnership, limited liability company, joint venture or other business association or entity.

3.15 *Litigation*. Except as set forth in Section 3.15 of the Sen Lang Disclosure Schedule, as of the date hereof there are no material pending Actions or, to the knowledge of the Acquired Companies, investigations by, against or affecting any Acquired Company or any of their officers, directors, properties, assets or operations, or with respect to which any Acquired Company is responsible by way of indemnity or otherwise. Except as set forth in Section 3.15 of the Sen Lang Disclosure Schedule: (i) there are no material pending or, to the knowledge of the Acquired Companies, threatened Actions or investigations by, against or affecting any Acquired Company or any of their officers, directors, properties, assets or operations, or with respect to which they are responsible by way of indemnity or otherwise; and (ii) to the knowledge of the Acquired Companies, there are no material Actions or investigations are threatened or contemplated and there is no reasonable basis, to the knowledge of Sen Lang, for any such Actions or investigation, whether or not threatened or contemplated.

3.16 *Insurance.* Sen Lang has insurance policies and fidelity bonds covering each Acquired Company's assets, business, equipment, properties, operations, employees, officers and directors which Sen Lang reasonably and in good faith believes are adequate to conduct the business of the Acquired Companies. All premiums due and payable under all such policies and bonds have been paid, and Sen Lang is otherwise in full compliance with the terms and conditions of all such policies and bonds, except where the failure to have made payment or to be in full compliance would not, individually or in the aggregate with all such other failures, have a Sen Lang Material Adverse Effect. Sen Lang reasonably believes that the reserves established by the Acquired Companies in respect of all matters as to which any Acquired Company self-insures or carries retention and/or deductibles, including workers' medical coverage and workers' compensation, are adequate and appropriate, and no Acquired Company is aware of any facts or circumstances existing as of the date hereof that would reasonably be expected to cause such reserves to be materially inadequate or inappropriate.

3.17 *Title to and Condition of Properties.* The Acquired Companies have good title to all of the real property and personal property reflected on the March 31, 2021 unaudited consolidated balance sheet of the Acquired Companies (the "Sen Lang Balance Sheet"), except for property since sold or otherwise disposed of in the ordinary course of business and consistent with past practice and except for defects of title which are not material to the Acquired Companies taken as a whole. Except as set forth on Section 3.17 of the Sen Lang Disclosure Schedule, no Acquired Company owns any real property. No real or tangible personal property owned or leased by any Acquired Company is subject to claims, liens or other encumbrances of any kind or character, including mortgages, pledges, liens, conditional sale agreements, charges, security interests, easements, restrictive covenants, rights of way or options, except for (i) Encumbrances for Taxes not yet delinquent or which are being contested in good faith by appropriate Action and in respect of which any Acquired Company has set aside on its books adequate reserves in accordance with generally accepted accounting principles; (ii) mechanics', carriers', workers', repairers', materialmen's, landlords' and other similar statutory or common law liens incurred in the ordinary course of business for obligations not yet delinquent or the validity of which is being contested in good faith by appropriate Action and in respect of which the appropriate Acquired Company has set aside on its books adequate reserves in accordance with generally accepted accounting principles; (iii) in the case of real property, easements, rights of way, restrictions, minor defects or irregularities in title that do not individually or in the aggregate have a material adverse effect on the value or use of the real property encumbered thereby as currently used in the operation of the business of the Acquired Companies; (iv) those which would not materially interfere with the conduct of the business of the Acquired Companies (the encumbrances described in clauses (i) through (iv) of this sentence, collectively, the "Sen Lang Permitted Encumbrances"); (v) those securing liabilities reflected in the Sen Lang Balance Sheet; or (vi) those described in Section 3.17(vi) of the Sen Lang Disclosure Schedule.

3.18 *Leases.* There have been delivered or made available to Avalon true and complete copies of each lease pursuant to which Real Property or personal property is held under lease by any Acquired Company (limited, in the case of personal property, to leases pursuant to which annual rentals are reasonably expected to be at least $100,000 per year), and true and complete copies of each lease pursuant to which an Acquired Company leases real or personal property to others (limited in the case of personal property, to leases pursuant to which annual rentals are reasonably expected to be at least $100,000 per year). Section 3.18 of the Sen Lang Disclosure Schedule sets forth a true and complete list of all such leases, and such leases are the only leases that are material to the business conducted by the Acquired Companies taken as a whole. All of the leases so listed (i) are, in all material respects, valid and subsisting and in full force and effect with respect to the Acquired Companies, as the case may be, and, to Sen Lang's knowledge, with respect to any other party thereto and (ii) were entered into as a result of bona fide arm's length negotiations with the other party or parties thereto. The Acquired Companies have valid leasehold interests in all properties leased thereunder free and clear of all material liens and encumbrances other than Sen Lang Permitted Encumbrances. The real properties leased by the Acquired Companies are, in all material respects, in good operating order and condition, subject to ordinary wear and tear. To the knowledge of The Acquired Companies, there are no material structural, mechanical or other defects in any improvements located on such real properties.

3.19 *Contracts and Commitments.* Except as set forth in Section 3.19 of the Sen Lang Disclosure Schedule, no Acquired Company is a party to any existing contract, obligation or commitment of any type in any of the following categories:

3.19.1 contracts for the purchase by the Acquired Companies of medicines, materials, supplies or equipment which are not cancelable upon 90 days' or less notice and which either (i) have not been entered into in the ordinary course of business and consistent with past practice or (ii) provide for purchase prices substantially greater than those presently prevailing for such materials, supplies or equipment, or (iii) contracts obligating the Acquired Companies to make capital expenditures in excess of $50,000;

3.19.2 contracts under which the Acquired Companies has, except by way of endorsement of negotiable instruments for collection in the ordinary course of business and consistent with past practice, become absolutely or contingently or otherwise liable for (i) the performance of any other person, firm or corporation under a contract, or (ii) the whole or any part of the indebtedness or liabilities of any other person, firm or corporation;

3.19.3 powers of attorney outstanding from the Acquired Companies other than as issued in the ordinary course of business and consistent with past practice with respect to customs, insurance, patent, trademark or tax matters, or to agents for service of process;

3.19.4 contracts under which any amount payable by the Acquired Companies is dependent upon, or calculated in accordance with, the revenues or earnings (or any component thereof) of any Acquired Company;

3.19.5 contracts with any director, officer, employee or Affiliate (as defined herein) of the Acquired Companies other than in such person's capacity as a director, officer or employee of an Acquired Company;

3.19.6 contracts which limit or restrict where any Acquired Company may conduct its business or the type or line of business in which any Acquired Company may engage;

3.19.7 contracts with any party for the loan of money or availability of credit to or from any Acquired Company (except credit extended by an Acquired Company to customers in the ordinary course of business and consistent with past practice);

3.19.8 any material hedging, option, derivative or other similar transaction; or

3.19.9 contracts pursuant to which any of the Acquired Companies (a) grants any Person any exclusive license, exclusive option or other exclusive right with

respect to any Sen Lang Intellectual Property, (b) grants any Person any license, option or other right with respect to any Sen Lang Intellectual Property that is material to the business of the Acquired Companies or (c) is granted any license, option or other right with respect to any Sen Lang Intellectual Property that is material to the business of the Acquired Companies.

True and complete copies of all contracts, obligations and commitments listed in Section 3.19 of the Sen Lang Disclosure Schedule have been delivered or made available to Avalon. None of the Acquired Companies or, to the knowledge of the Acquired Companies, any other party is in breach of or default under any of the contracts, obligations and commitments listed in Section 3.19 of the Sen Lang Disclosure Schedule or under any other Sen Lang Contracts (and, to the knowledge of Sen Lang, no facts or circumstances exist which could reasonably support the assertion of any such breach or default) except for breaches and defaults which would not, singly or in the aggregate with all other such breaches, have a Sen Lang Material Adverse Effect.

3.20 *Employees; Labor Matters.* Except as set forth in Section 3.20 of the Sen Lang Disclosure Schedule, no Acquired Company is a party to or bound by any collective bargaining agreement, and there are no labor unions or other organizations representing, purporting to represent or attempting to represent any employees employed by the Acquired Companies thereof. Since January 1, 2018, there has not occurred or been threatened any material strike, slowdown, picketing, work stoppage, concerted refusal to work overtime or other similar labor activity with respect to any employees of the Acquired Companies thereof. Except as set forth in Section 3.20 of the Sen Lang Disclosure Schedule, there are no labor disputes currently subject to any grievance procedure, arbitration or litigation and there is no representation petition pending or threatened with respect to any employee of any Acquired Company. Each of the Acquired Companies has complied with Applicable Law pertaining to the employment or termination of employment of their respective employees, including all such Applicable Laws relating to labor relations, equal employment opportunities, fair employment practices, prohibited discrimination or distinction and other similar employment activities. Contributions required to be made by employers under Applicable Law to all the mandatory social welfare and pension funds in respect of all employees of the Acquired Companies have been duly and punctually paid in full. The Acquired Companies have signed labor contracts and confidential and non-compete agreements (containing proprietary information protection and invention-creation ownership clauses) with all of their employees in forms and content in compliance with the Applicable Laws.

3.21 *No Change of Control Puts.* Except as described in Section 3.21 of the Sen Lang Disclosure Schedule, neither the execution and delivery by Sen Lang of this Agreement nor the consummation of the Acquisition or any other transaction contemplated hereby gives rise to any obligation of any Acquired Company to, or any right of any holder of any security of an Acquired Company to require any Acquired Company to, purchase, offer to purchase, redeem or otherwise prepay or repay any such security, or deposit any funds to effect the same.

3.22 *Employment and Labor Contracts.* Except as set forth in Section 3.22 of the Sen Lang Disclosure Schedule, neither the Acquired Companies is a party to any employment, management services, consultation or other contract or agreement with any past or present officer, director or employee or, to the knowledge of Sen Lang, any entity affiliated with any past or present officer, director or employee, other than the agreements executed by employees generally, the forms of which have been provided to Avalon.

3.23 *Intellectual Property Rights.*

3.23.1 The Acquired Companies own or have the right to use all Sen Lang Intellectual Property Rights (as defined herein) necessary to the conduct of their respective businesses. Subject to obtaining any associated consents with respect to agreements or licenses listed in Section 3.3.2 of the Sen Lang Disclosure Schedule, each Sen Lang Intellectual Property Right owned or used by the Acquired Companies immediately prior to the Closing will be owned or available for use by the Surviving Company or its subsidiaries on substantially the same terms and conditions immediately subsequent to the Closing. Section 3.23 of the Sen Lang Disclosure Schedule contains a list of all patents, trade names, registered copyrights, trademarks and service marks, mask works and applications for the foregoing owned by the Acquired Companies. Except as set forth in Section 3.23 of the Sen Lang Disclosure Schedule, (i) the Acquired Companies have sole and exclusive ownership of, and valid and unencumbered (except for Sen Lang Permitted Encumbrances) title to, the Sen Lang Intellectual Property Rights set forth in such Section 3.23 and, to the knowledge of the Acquired Companies, such title has not been challenged (pending or threatened) by others except for the encumbrances listed therein; (ii) there have been no claims or assertions made by others that any Acquired Company has infringed or misappropriated any Intellectual Property Rights of others by the development, manufacture or sale of products, the rendering of services or any other activity since December 31, 2016; (iii) to the knowledge of Sen Lang, there has been no such infringement or misappropriation by any Acquired Company since December 31, 2016; (iv) the Acquired Companies have no knowledge of any infringement or misappropriation of Sen Lang Intellectual Property Rights of any Acquired Company by others; and (v) all Sen Lang Intellectual Property Rights owned by the Acquired Companies (a) are in good standing with the registration authority therefore, if any, (b) to the extent recorded on the public record, are recorded in the name of the Acquired Companies and (c) have been duly registered with, filed in or issued by, as the case may be, the State Intellectual Property Office of the PRC, General Administration of Press and Publication of the PRC and Trademark Bureau of Stated Administration For Industry & Commerce and other filing offices in the PRC, and the U.S. Patent and Trademark Office and the U.S. Copyright Office and other filing offices, domestic or foreign, to the extent necessary or desirable to ensure full protection under Applicable Law, and the same remain in full force and effect. True and complete copies of all material listed in Section 3.23 of the Sen Lang Disclosure Schedule have been delivered or made available to Avalon.

3.23.2 Notwithstanding the above, the Sen Lang Intellectual Property Right owned or used by the Acquired Companies immediately prior to the Closing does not incorporate subject matter obtained from other entities or individuals (including but not limited to Dr. David Maloney, Shenzhen Geno-Immune Medical Institute, Fred Hutchinson Cancer Research Center, City of Hope Cancer Research Center) that would result in the entity or individual having an ownership right to the Sen Lang Intellectual Property Right.

3.23.3 Sen Lang does not presently have or did not have in the past any relationship with the Chinese People's Liberation Army (PLA) or other military controlled entity, including but not limited to receipt of funding, sharing of research, conducting trials and research or by an employee or director (including Sun Zhiqiang) being active in the PLA while associated with Sen Lang (other than Sun Zhiqiang's association with PLA 302 Hospital) ; and the PLA, PLA 302 Hospital or other military entity does not have an ownership right to the Sen Lang Intellectual Property Right.

3.23.4 Sen Lang does not presently have or did not have in the past any relationship with the Chinese Government (including local governments such as Shijiazhung Municipal Government) that would result in the Chinese Government having an ownership right to the Sen Lang Intellectual Property Right.

3.23.5 Sen Lang does not presently have or did not have in the past any relationship with a Chinese government-funded research institute that would result in the institute having an ownership right to the Sen Lang Intellectual Property Right.

3.23.6 All shareholder names (including individuals and entities) and percent ownership of Sen Lang have been disclosed to Avalon. There are not out-license to or in-licenses from any inventor and no investor has an ownership right to the Sen Lang Intellectual Property Right.

3.23.7 Sen Lang, including any employee or director did not received any U.S funding in violation of National Institues of Health (NIH) regulations.

3.23.8 Sen Lang has not licensed any technology to Sinopharm Group and does not have any arrangement with Sinopharm Group that impacts Sen Lang Intellectual Property Right.

3.24 *Taxes*.

3.24.1 All Returns required to be filed by, or with respect to any activities or assets of, each of the Acquired Companies have been duly and timely filed, and are correct and complete in all material respects and have been prepared in accordance with Applicable Laws. All Taxes due and owning by the Acquired Companies (whether or not shown as owing on any Return) have been paid. No Acquired Company is currently the beneficiary of any extension of time within which to file any Return.

3.24.2 Each of the Acquired Companies has duly and timely withheld and paid all Taxes required to be withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder, or other third party. Each of the Acquired Companies has properly collected and remitted all sales, use, value added, and similar Taxes with respect to sales or leases made to, purchases made from, or services provided to its customers or have properly received and retained any appropriate Tax exemption certificates and other documentation for all sales, leases, or purchases made, or services provided, without charging or remitting sales, use, value added, or similar Taxes that qualify such sales, leases, purchases, or services as exempt from sales, use, value added, and similar Taxes.

3.24.3 No claim has ever been made by an authority in a jurisdiction where an Acquired Company does not file Returns that such Acquired Company is or may be subject to taxation by that jurisdiction. There are no liens for Taxes (other than Taxes not yet due and payable) upon any of the assets of the Acquired Companies. No Tax audits or administrative or judicial Tax proceedings are pending or being conducted with respect to the Acquired Companies. None of the Acquired Companies has received from any taxing authority (including jurisdictions where the Acquired Companies have not filed Returns) any (i) notice indicating an intent to open an audit or other review, (ii) request for information related to Tax matters, or (iii) notice of deficiency or proposed adjustment for any amount of Tax proposed, asserted, or assessed by any taxing authority against any Acquired Company.

3.24.4 Section 3.24.4 of the Sen Lang Disclosure Schedule lists all Income Tax Returns (as defined herein) that have been filed with respect to OpCo (for taxable periods beginning on 2019) and Sen Lang Lab (for taxable periods beginning on 2020), indicates those Returns that have been audited, and indicates those Returns that currently are the subject of audit.

3.24.5 No Acquired Company has (i) waived any statute of limitations in respect of Taxes, (ii) agreed to any extension of time with respect to a Tax assessment, deficiency or collection or (iii) executed or filed any power of attorney with respect to Taxes, which waiver, agreement or power of attorney is currently in force.

3.24.6 Except as set forth in Section 3.24.6 of the Sen Lang Disclosure Schedule, (i) there are no outstanding adjustments for Tax purposes applicable to any Acquired Company required as a result of changes in methods of accounting effected on or before the date of this Agreement and (ii) no material Tax elections have been made by any Acquired Company that are currently in force or by which any Acquired Company is bound.

3.24.7 Except as set forth in Section 3.24.7 of the Sen Lang Disclosure Schedule, no Acquired Company (i) is a party to or bound by or has any obligation under any Tax allocation, sharing, indemnity or similar agreement or arrangement or (ii) is or has been a member of any group of companies filing a consolidated, combined or unitary Income Tax Return.

3.24.8 The unpaid Taxes of the Acquired Companies did not, as of the date of the Sen Lang Balance Sheet, exceed the reserve for Tax liability (rather than any reserve for deferred Taxes established solely to reflect timing differences between book and Tax income) set forth on the Sen Lang Balance Sheet, and the unpaid Taxes of the Acquired Companies will not, as of the Closing Date, exceed that reserve as adjusted for the passage of time through the Closing Date in accordance with the past custom and practice of the Acquired Companies in filing their Returns. Since the date of the Sen Lang Balance Sheet, no Acquired Company has incurred any liability for Taxes arising from extraordinary gains or losses, as such term is used in thee International Financial Reporting Standards ("IFRS"), except in the ordinary course of business.

3.24.9 None of the Acquired Companies will be required to include any item of income in, or exclude any item of deduction from, taxable income for any taxable period (or portion thereof) ending after the Closing Date as a result of: (i) any change in method of accounting for a taxable period ending on or prior to the Closing Date, (ii) any "closing agreement" as described in Section 7121 of the Code (or any corresponding or similar provision of state, local or non-U.S. Tax Law) executed on or prior to the Closing Date, (iii) any installment sale or open transaction disposition made on or prior to the Closing Date, (iv) any intercompany transaction or excess loss account described in Treasury Regulations under Section 1502 of the Code (or any corresponding or similar provision of state, local, or non-U.S. Tax Law), (v) any use of an improper method of accounting for a taxable period ending on or prior to the Closing Date, (vi) any prepaid amounts received or deferred revenue accrued on or prior to the Closing Date, (vii) any related party transactions subject to any transfer pricing arrangements involving any Acquired Company entered into on or prior to the Closing Date, (viii) any loan pursuant to Section 1102 of the CARES Act or similar U.S. or non-U.S. governmental program, or (ix) an election under Section 108(i) of the Code (or any similar provision of state, local or non-U.S. Law).

3.24.10 The Acquired Companies are in compliance in all material respects with all applicable transfer pricing laws and regulations, including the execution and maintenance of contemporaneous documentation substantiating the transfer pricing practices and methodology and conducting intercompany transactions at arm's length. All transactions entered into by the Acquired Companies are not and will not become subject to an adjustment in accordance with any transfer pricing rules in any relevant jurisdiction.

3.24.11 None of the Acquired Companies is currently nor has ever previously been classified as (i) a "passive foreign investment company" within the meaning of Section 1297 of the Code or (ii) a "controlled foreign corporation" within the meaning of Section 957 of the Code. None of the Acquired Companies has a permanent establishment or otherwise has an office, branch or fixed place of business in a country other than the country in which it is organized and is and has at all times been exclusively resident for all Tax purposes and subject to Tax in its jurisdiction of formation only. None of the Acquired Companies has requested or is the subject of or bound by any private letter ruling, technical advice memorandum, or similar ruling or memorandum with any taxing authority with respect to any material Taxes, nor is any such request outstanding.

3.25 *Employee Benefit Plans*

3.25.1 Except as set forth in Section 3.25 of the Sen Lang Disclosure Schedule, with respect to any employee or former employee of any Acquired Company, none of the Acquired Companies, or any Affiliated company presently maintains, contributes to or has any liability under: (i) any bonus, incentive compensation, profit sharing, retirement, pension, group insurance, death benefit, cafeteria, medical expense reimbursement, dependent care, stock option, stock purchase, stock appreciation rights, deferred compensation, consulting, severance pay or termination pay, vacation pay, welfare or other employee benefit or fringe benefit plan, program or arrangement; or (ii) any plan, program or arrangement which is an employee pension benefit plan, or an "employee welfare benefit plan" as defined under relevant laws, including laws of the PRC applicable to any Acquired Company. Each plan, program and arrangement set forth in Section 3.25 of the Sen Lang Disclosure Schedule is herein referred to as a "Sen Lang Employee Benefit Plan." The term "affiliated company" means any organization that would be aggregated with any Acquired Company under Section 414(b), (c), (m) or (o) of the Code.

3.25.2 There is no pending or threatened Action or investigation against or involving any Sen Lang Employee Benefit Plan (other than routine claims for benefits) and there is no basis for any facts which could give rise to any such Action or investigation.

3.25.3 None of the Acquired Companies nor any of their affiliates is a party to any employment agreement, whether written or oral, or agreement with change in control or similar provisions, or a collective bargaining agreement or contract with any labor union relating to any employees or former employees of any Acquired Company.

3.26 *Environmental Matters.*

3.26.1 Each of the Acquired Companies has complied and is in compliance in all material respects with all applicable Environmental Laws pertaining to any of the properties and assets of the Acquired Companies (including all real property owned by any Acquired Company, together with all structures, facilities, improvements, fixtures, systems, equipment and items of property presently or hereafter located thereon or attached or appurtenant thereto or owned by any Acquired Company and located on real property leased by any Acquired Company, and all easements, licenses, rights and appurtenances relating to the foregoing (collectively, the " Sen Lang Real Property") and the use and ownership thereof, and to the operation of their respective businesses. No material violation by any Acquired Company is being alleged of any applicable Environmental Law relating to any of the properties and assets of any Acquired Company (including the Sen Lang Real Property) or the use or ownership thereof, or to the operation of their respective businesses.

3.26.2 No Acquired Company or any other Person (including any tenant or subtenant) has caused or taken any action that will result in, nor is any Acquired Company subject to, any material liability or obligation on the part of any Acquired Company or any Affiliates of any Acquired Company, relating to (x) the environmental conditions on, under, or about the Sen Lang Real Property or other properties or assets owned, leased, operated or used by any Acquired Company or any predecessor thereto at the present time or in the past, including the air, soil and groundwater conditions at such properties or (y) the past or present use, management, handling, transport, treatment, generation, storage, disposal or Release of any Hazardous Materials.

3.26.3 Sen Lang has disclosed and made available to Avalon all information, including all studies, analyses and test results, in the possession, custody or control of or otherwise known to any Acquired Company relating to (x) the environmental conditions on, under or about the Real Property or other properties or assets owned, leased, operated or used by any Acquired Company or any predecessor in interest thereto at the present time or in the past, and (y) any Hazardous Materials used, managed, handled, transported, treated, generated, stored or Released by any Acquired Company or any other Person on, under, about or from any of the Sen Lang Real Property, or otherwise in connection with the use or operation of any of the properties and assets of any Acquired Company or their respective businesses.

3.27 [INTENTIONALLY OMITTED.]

3.28 *Security Holders' Identity and Compliance.* Each holder of any equity interest in the OpCo is a citizen and permanent resident of the PRC and did not hold and does not hold any identification that may require the registration of the OpCo as a foreign invested enterprise pursuant to Applicable Laws of the PRC in effect at and from the time of the incorporation of the OpCo through the date of the Closing. The Sen Lang Beneficial Shareholders and the Sen Lang Shareholders have complied with all Applicable Law (including Circular 37) and completed all procedures and requirements with respect to all of the Sen Lang's financing transactions. Neither the Acquired Companies nor any of the Sen Lang Parties has received any oral or written inquiries, notifications, orders or any other forms of official correspondence from SAFE with respect to any actual or alleged non-compliance with Circular 37 and each PRC Company has made all oral or written filings, registrations, reporting or any other communications required by SAFE or any of its local branches. "Circular 37" means the Notice of the State Administration of Foreign Exchange on the Administration of Foreign Exchange Involved in Overseas Investment, Financing and Round-trip Investment Conducted by Residents in China via Special-Purpose Companies (关于境内居民通过特殊目的公司境外投融资及返程投资外汇管理有关问题的通知). "SAFE" means PRC State Administration of Foreign Exchange or any of its local branches.

3.29 *Other Representations and Warranties Relating to the PRC Companies.*

3.29.1 The constitutional documents and certificates and related contracts and agreements of each of the PRC Companies are valid and have been duly approved or issued (as applicable) by competent PRC authorities.

3.29.2 All approvals required under PRC law for the due and proper establishment and operation of each of the PRC Companies have been duly obtained from the relevant PRC authorities and are in full force and effect.

3.29.3 All filings and registrations with the PRC authorities required in respect of each of the PRC Companies and its operations have been duly completed in accordance with the relevant rules and regulations.

3.29.4 Except as set forth in Section 3.29.4 of the Sen Lang Disclosure Schedule, the registered capitals of the PRC Companies are fully paid up. The HK Subsidiary legally and beneficially owns 100% of the equity interest in the PRC Subsidiary. There are no outstanding rights, or commitments made by any of the PRC Companies to sell any of its equity interest, except as provided in the Control Documents.

3.29.5 All of the equity interests in OpCo are legally, beneficially and ultimately owned by the Sen Lang Beneficial Shareholders. None of the Sen Lang Beneficial Shareholders is, in any manner or through any arrangement, holding any equity interest in OpCo on behalf of or for the benefit of any third party. Except as provided in the Control Documents, there is no agreement for concerted action, entrustment agreement or other similar arrangements among the Sen Lang Beneficial Shareholders.

3.29.6 Neither of the PRC Companies is in receipt of any letter or notice from any relevant authority notifying revocation of any permits or licenses issued to it for non-compliance or the need for compliance or remedial actions in respect of the activities carried out directly or indirectly by it.

3.29.7 Each of the PRC Companies has been conducting and will conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite approvals granted by competent PRC authorities.

3.29.8 In respect of approvals requisite for the conduct of any part of the business of each of the PRC Companies which are subject to periodic renewal, there is no reason to believe that such requisite renewals will not be timely granted by the relevant PRC authorities.

3.29.9 With regard to employment and staff or labor management, each of the PRC Companies has complied with all applicable PRC laws and regulations in all material respects, including without limitation, laws and regulations pertaining to welfare funds, social benefits, medical benefits, insurance, retirement benefits, and pensions.

3.29.10 Each of the Control Documents has been duly executed and delivered by the parties thereto and has remained effective, legal, valid and enforceable in accordance with the terms and conditions therein. Pursuant to the Control Documents, the OpCo has been effectively controlled by Sen Lang through the PRC Subsidiary and the HK Subsidiary, 100% of the economic benefits of the operations of the OpCo have been and will be received by Sen Lang, and the financial statements of the OpCo can be consolidated into the financial statements of Sen Lang as a special purpose vehicle under IFRS, together with its pronouncements thereon from time to time, and applied on a consistent basis. No oral or written inquiries, notifications or any other form of official correspondence has been issued by any government authorities challenging or questioning the legality or enforceability of any of the Control Documents.

3.29.11 The PRC Companies have made full contributions to the social insurance fund and the provident fund for all of their employees.

3.30 *Captive Structure.* The Control Documents, upon execution, will constitute valid and binding obligations of the parties thereto and are adequate to establish and maintain the intended captive structure, under which the financial statements of the OpCo can be consolidated with those of the other Acquired Companies in accordance with the then duly adopted accounting principles of Sen Lang. No oral or written inquiries, notifications or any other form of official correspondence has been issued by any government authorities challenging or questioning the legality or enforceability of any of the Control Documents.

3.31 *Foreign Government Ownership Under CFIUS.* No Acquired Company is owned or controlled, directly or indirectly, by any foreign government such that, as a result of the transaction contemplated in this Agreement, a foreign government would acquire a "substantial interest," as defined in 31 C.F.R. Part 800.244, in a U.S. business.

3.32 *No Sanctioned Persons*. The Sen Lang Owners represent that no Sen Lang Party is a Sanctioned Person, senior foreign political figure, person entrusted with prominent public function in a foreign country, or person convicted of or charged with any criminal act.

3.33 *Disclosure.* All information disclosed by or on behalf of any Acquired Company to Avalon or its advisers on or prior to the date hereof is true and accurate in all material aspects, and the Acquired Companies are not aware of any other fact or matter which renders any such information misleading because of any omission, ambiguity or for any other reason. All information contained in the Disclosure Schedule is true and accurate in all aspects and fairly presented and there is no fact or matter which has not been disclosed in the Sen Lang Disclosure Schedule which renders any such information untrue or misleading and there is no fact or matter concerning any Acquired Company which has not on the basis of the utmost good faith been disclosed in the Sen Lang Disclosure Schedule which would reasonably be expected to influence the decision of Avalon to proceed with the Acquisition on the terms and conditions thereof.

ARTICLE IV.

REPRESENTATIONS AND WARRANTIES OF AVALON

Except as set forth in the Disclosure Schedule delivered by Avalon to the Sen Lang Representative at or prior to the execution of this Agreement (the "Avalon Disclosure Schedule") (each section of which qualifies the correspondingly numbered representation and warranty, regardless of whether such representation or warranty expressly refers to or is qualified by reference to such Avalon Disclosure Schedule) or the Avalon SEC Reports, Avalon represents and warrants to the Sen Lang Shareholders as follows:

4.1 *Organization and Qualification.*

4.1.1 Each of Avalon and its Subsidiaries (as defined in Section 4.1.2) is an entity duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority to own, lease and operate its properties and to conduct its business as described in the Avalon SEC Reports (as defined herein). Each of Avalon and each of Avalon's Subsidiaries is duly qualified to transact business as a foreign corporation or other foreign entity and is in good standing in each jurisdiction in which the conduct of its business or the ownership, leasing or operation of its property requires such qualification, except for failures to be so qualified or in good standing which would not, singly or in the aggregate with all such other failures, have an Avalon Material Adverse Effect. " Avalon Material Adverse Effect" means, with respect to any event, occurrence, matter, failure of event or occurrence, change, effect, state of affairs, breach, default, violation, fine, penalty or failure to comply (each, a "Circumstance"), individually or taken together with all other Circumstances contemplated by or in connection with any or all of the representations and warranties made in this Agreement, a material adverse effect on the business, assets (including intangible assets), liabilities (contingent or otherwise), financial condition, results of operations or prospects of Avalon and its Subsidiaries, taken as a whole; provided, however, that Avalon Material Adverse Effect shall not be deemed to include the impact of: (A) the implementation of changes in generally accepted accounting principles; (B) actions and omissions of Avalon or its Subsidiaries taken or permitted with the prior written consent of Sen Lang after the date hereof; (C) expenses reasonably incurred by Avalon or its Subsidiaries in consummating the transactions contemplated by this Agreement; (D) changes in the general economic or financial market conditions; (E) any occurrence, condition, change, event or effect that affects the biotechnology industry generally; and (F) acts of God, war, acts of terrorism, epidemics, pandemics, quarantines, injunctions or restraining orders, failure of any public authority or governmental body or agency to issue any permit or license, or generalized lack of raw materials or energy.

4.1.2 Neither Avalon nor any of its Subsidiaries is in violation of any of the provisions of its certificate of incorporation or by-laws, or other similar organizational documents, each as amended and currently in effect, or, if it is a limited liability company or partnership, its operating agreement, partnership agreement or other comparable agreement. True and complete copies of the certificate of incorporation and by-laws, each as amended and as currently in effect, of Avalon and true and complete copies of the certificate of incorporation and by-laws, or other similar organizational documents, each as amended and currently in effect, of each Subsidiary of Avalon have been previously delivered or made available to Sen Lang.

4.2 *Authority Relative to this Agreement.* Avalon has the corporate power and authority to execute and deliver this Agreement and, upon obtaining the approval of a majority of the outstanding shares of Avalon Common Stock at the Avalon Annual Meeting or any adjournment thereof as authorized under the DGCL, to consummate the Acquisition and the other transactions contemplated hereby. The execution and delivery of this Agreement and the consummation of the Acquisition and the other transactions contemplated hereby have been duly and validly authorized by the Boards of Directors of Avalon, and except as stated in the preceding sentence, no other corporate proceedings on the part of Avalon are necessary to authorize this Agreement or to consummate the Acquisition and the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Avalon and, assuming the due authorization, execution and delivery hereof by Sen Lang, the Sen Lang Shareholders, the Sen Lang

Beneficial Shareholders, and the Sen Lang Represetnative, and subject to shareholder approval of Sen Lang, constitutes a valid and binding agreement of Avalon, enforceable against Avalon in accordance with its terms, except to the extent that its enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or by general equitable principles.

4.3 *Consents, No Conflicts*.

4.3.1 Except for actions to be taken in connection with (a) filings required pursuant to any state securities or "blue sky" laws, (b) filings and other matters relating to the listing on Nasdaq of the shares of Avalon Common Stock required to be issued pursuant to this Agreement, (c) notices to or filings with the IRS or the Pension Benefit Guaranty Corporation ("PBGC") with respect to any employee benefit plans (to the extent such notices to and filings with the IRS or the PBGC are described in Section 4.3.1 of the Avalon Disclosure Schedule) and (d) any other filings, notices, disclosures or registrations set forth in Section 4.3.1 of the Avalon Disclosure Schedule, no filing or registration with, notification or disclosure to, or permit, authorization, consent or approval of, (x) any court, (y) any government agency or body or (z) any third party, whether acting in an individual, fiduciary or other capacity, is required for the consummation by Avalon of the Acquisition or the other transactions contemplated hereby.

4.3.2 Except as set forth in Section 4.3.2 of the Avalon Disclosure Schedule, the execution, delivery and performance of this Agreement and the consummation of the Acquisition and the other transactions contemplated hereby and compliance by Avalon with any of the provisions hereof do not and will not: (i) subject to obtaining the approval of the Acquisition by holders of the Avalon Common Stock and the Avalon Preferred Stock, conflict with or result in any breach or violation of any provision of the certificate of incorporation or by-laws, or other similar organizational documents, each as amended, of Avalon or any of its Subsidiaries or (ii) result in (1) a breach or violation of, a default under or an event triggering any payment, obligation or acceleration of any obligation pursuant to any Avalon Employee Benefit Plan (as defined herein) or any grant or award made under any of the foregoing, (2) a breach or violation of, a default under or an event triggering a right of termination of, a default under, or the acceleration of any obligation or the creation of a lien, pledge, security interest or other encumbrance on assets (with or without the giving of notice or the lapse of time or both) pursuant to any provision of, any agreement, lease of real or personal property, marketing agreement, contract, note, mortgage, indenture or other obligation of Avalon or any of its Subsidiaries ("Avalon Contracts") or, subject to making all filings, notifications and disclosures and receipt of all permits, authorizations, consents and approvals referred to in clauses "a" through "d" of Section 4.3.1 or in Section 4.3.1 of the Avalon Disclosure Schedule, any law, rule, ordinance or regulation or judgment, decree, order or award to which Avalon or any of its Subsidiaries is subject or any governmental or non-governmental authorization, consent, approval, registration, franchise, license or permit under which Avalon or any of its Subsidiaries conducts any of its business, or (3) any other change in the rights or obligations of any party under any of the Avalon Contracts, except, with respect to this clause (ii), for breaches, violations, defaults, triggering events, creations of liens, pledges, security interests or other encumbrances on assets, or changes in rights or obligations which would not, singly or in the aggregate with all other such matters, have an Avalon Material Adverse Effect.

4.3.3 As of the date of execution of this Agreement, Avalon has not received any de-listing notice from Nasdaq with respect to the Avalon Common Stock.

4.4 *Board Recommendation.* The Board of Directors or an appropriate committee of the Board of Directors of Avalon has, by unanimous written consent, approved and adopted this Agreement, the Acquisition and the other transactions contemplated hereby. At such meeting, the Board of Directors of Avalon or board committee determined that the terms of the Acquisition are fair to the holders of Avalon Common Stock and recommended that the holders of such shares approve and adopt this Agreement, the Acquisition, the issuance of the Avalon Common Stock pursuant to this Agreement and the other transactions contemplated hereby (the "Avalon Board Recommendation").

4.5 *Stockholder Protection Rights Agreements.* Other than the Confidentiality Agreement (as defined herein), there are no contracts between Avalon, on the one hand, and any member of Sen Lang's management or directors, on the other hand, as of the date hereof that relate in any way to Sen Lang or the transactions contemplated by this Agreement. Prior to the Board of Directors of Sen Lang approving this Agreement, the Acquisition and the other transactions contemplated hereby for purposes of the applicable provisions of the DGCL, Avalon, alone or together with any other person, was not at any time, or became, an "interested stockholder" thereunder or has taken any action that would cause the restrictions on business combinations with interested stockholders set forth in Section 203 of the DGCL to be applicable to this Agreement, the Acquisition, or any transactions contemplated by this Agreement. Avalon is not a party to any stockholder protection rights agreement or any agreement similar thereto.

4.6 *No Existing Violation, Default, Etc.* None of Avalon or its Subsidiaries is in violation of (A) Applicable Law or (B) any order, decree or judgment of any Governmental Authority having jurisdiction over Avalon or any of its Subsidiaries. No event of default or event that, but for the giving of notice or the lapse of time or both, would constitute an event of default, exists under any Avalon Contract or any lease, permit, license or other agreement or instrument to which Avalon or any of its Subsidiaries is a party or by which any of them is bound or to which any of the properties, assets or operations of Avalon or any of its Subsidiaries is subject.

4.7 *Licenses and Permits.* Each of Avalon and its Subsidiaries has such certificates, permits, licenses, franchises, consents, approvals, orders, authorizations and clearances from appropriate governmental agencies and bodies ("Avalon Licenses") as are necessary to own, lease or operate its properties and to conduct its business in the manner described in the Avalon SEC Reports and as presently conducted and all such Avalon Licenses are valid and in full force and effect, other than any failure to have any such Avalon License or any failure of any such Avalon License to be valid and in full force and effect as would not, singly or in the aggregate with all such other failures, have an Avalon Material Adverse Effect. Avalon or one or more of its Subsidiaries are participants in the Medicaid program in the states listed in Section 4.7 of the Avalon Disclosure Schedule. Each of Avalon and its Subsidiaries is and, within the period of all applicable statutes of limitations, has been in compliance with its obligations under such Avalon Licenses and no event has occurred that allows, or after notice or lapse of time would allow, revocation or termination of such Avalon Licenses, other than any such failure to be in compliance with such obligations or any such revocation or termination as would not, singly or in the aggregate with all such other failures, revocations or terminations, have an Avalon Material Adverse Effect. Avalon has no knowledge of any facts or circumstances that could reasonably be expected to result in an inability of Avalon or any of its Subsidiaries to renew any material Avalon License. Subject to making all filings, notifications and disclosures and receipt of all permits, authorizations, consents and approvals referred to in Section 4.3.1 of the Avalon Disclosure Schedule, neither the execution and delivery by Avalon of this Agreement nor the consummation of any of the transactions contemplated herein will result in any revocation or termination of any material Avalon License.

4.8 *Proxy Statement.* None of the information supplied or to be supplied by Avalon for inclusion in, and none of the information regarding Avalon and its Subsidiaries incorporated by reference in, the Proxy Statement, including all amendments and supplements thereto, shall, on the date or dates the Proxy Statement is first mailed to stockholders of Avalon and the Sen Lang Shareholders and on the date or dates of the Avalon Annual Meeting and the Sen Lang Special Meeting, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Proxy Statement will comply as to form in all material respects with the applicable provisions of the Securities Act and the Exchange Act, as the case may be.

4.9 *Finders or Brokers; Compensation Arrangements.* Except as provided in Section 4.9 of the Avalon Disclosure Schedule, neither Avalon nor any Subsidiary of Avalon has employed any investment banker, broker, finder or intermediary in connection with the transactions contemplated hereby who might be entitled to a fee or any commission the receipt of which is conditioned in whole or part upon consummation of the Acquisition.

4.10 *SEC Reports.* Avalon has filed all forms, reports and documents required to be filed by it with the SEC since December 31, 2020 (the "Avalon Audit Date") (including Avalon's Annual Report on Form 10-K for the year ended December 31, 2020 and Avalon's Quarterly Report on Form 10-Q for the quarter ended March 31, 2021 and all certifications and statements required by Rule 13a-14 or 15d-14 under the Exchange Act or 18 U.S.C. §1350 (Section 906 of SOX) with respect to any Annual Reports or Proxy Statements), pursuant to the federal securities laws and the SEC's rules and regulations thereunder, and SOX and all rules and regulations thereunder (collectively, and together with all forms, reports and documents filed by Avalon with the SEC after December 31, 2020, including any amendments thereto, the "Avalon SEC Reports"). Avalon SEC Reports were or will, as applicable, be prepared in accordance with the requirements of the Securities Act and the Exchange Act, as the case may be, and the rules and regulations thereunder. As of their respective dates, none of Avalon SEC Reports, including any financial statements or schedules included therein, contained or will contain, as applicable, 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 or are made, as applicable, made, not misleading. No Subsidiary of Avalon is or has been required to file any form, report, registration statement or other document with the SEC.

4.11 *Disclosure Controls and Procedures.* Avalon maintains disclosure controls and procedures required by Rule 13a-15 or 15d-15 under the Exchange Act. Such controls and procedures are effective to ensure that all material information concerning Avalon and its Subsidiaries is made known on a timely basis to the individuals responsible for the preparation of Avalon's filings with the SEC and other public disclosure documents. As used in this Section 4.11, the term "file" shall be broadly construed to include any manner in which a document or information is furnished, supplied otherwise made available to the SEC.

4.12 *Financial Statements*. The consolidated balance sheets and the related consolidated statements of income and cash flows (including the related notes thereto) of Avalon included in Avalon SEC Reports, as of their respective dates, complied in all material respects with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, were prepared in accordance with U.S. generally accepted accounting principles applied on a basis consistent with prior periods (except as otherwise noted therein), and present fairly in all material respects, the consolidated financial position of Avalon and its consolidated Subsidiaries as of their respective dates, and the consolidated results of their operations and their cash flows for the periods presented therein (subject, in the case of the unaudited interim financial statements, to notes and normal year-end adjustments that were not material in amount or effect).

4.13 *SOX Certifications.* The Chief Executive Officer and the Chief Financial Officer of Avalon have signed, and Avalon has furnished to the SEC, all certifications required by Sections 302 and 906 of SOX. Such certifications contain no qualifications or exceptions to the matters certified therein and have not been modified or withdrawn. Neither Avalon nor any of it officers has received notice from any Governmental Authority questioning or challenging the accuracy, completeness, form or manner of filing or submission of such certifications.

4.14 *Undisclosed Liabilities*. Except (i) as reflected in Avalon's unaudited consolidated balance sheet at March 31, 2021 or liabilities described in any notes thereto, (ii) for liabilities incurred in the ordinary course of business since March 31, 2021 consistent with past practice or in connection with this Agreement or the transactions contemplated hereby, or (iii) performance obligations under contracts required in accordance with their terms, or performance obligations, to the extent required under Applicable Law, in each case to the extent arising after the date hereof, neither Avalon nor any of its Subsidiaries has any material liabilities or obligations of any nature (whether accrued, absolute, contingent or otherwise) and which, individually or in the aggregate, could reasonably be expected to have a Company Material Adverse Effect.

4.15 *Off-Balance Sheet Arrangements*. Avalon and its Subsidiaries have not effected any securitization transactions or "off-balance sheet arrangements" (as defined in Item 303(c) of Regulation S-K of the SEC) since Avalon Audit Date. Avalon has delivered or made available to Sen Lang copies of the documentation creating or governing all such all securitization transactions and off-balance sheet arrangements.

4.16 *Loans to Executives and Directors*. Avalon has not, since the effective date of SOX, extended or maintained credit, arranged for the extension of credit, or renewed an extension of credit, in the form of a personal loan to or for any director or executive officer (or equivalent thereof) of Avalon in violation of SOX. Avalon has not made any loan or extension of credit to which the second sentence of Section 13(k)(I) of the Exchange Act applies.

4.17 *Independent Auditors*. Marcum LLP serves as Avalon's independent registered public accounting firm and to Avalon's knowledge, there are no relationships or services, or any other factors that may affect the objectivity and independence of Marcum LLP under applicable auditing standards. Marcum LLP has not performed any non-audit services for Avalon and its Subsidiaries since the Avalon Audit Date, which, in any such case, were required to be disclosed in Avalon SEC Reports and were not so disclosed.

4.18 *Absence of Changes or Events.* Except for (a) matters publicly disclosed by Avalon prior to the date hereof in Avalon SEC Reports filed prior to the date hereof, (b) matters disclosed in Section 4.18 of the Avalon Disclosure Schedule and (c) matters disclosed in Section 4.21 of the Avalon Disclosure Schedule:

4.18.1 Since December 31, 2019, other than in the ordinary course of business consistent with past practice or as disclosed in the Avalon SEC Reports : (i) Avalon and its Subsidiaries have conducted their business in the ordinary course and have not entered into any material oral or written agreement or other material transaction that is not in the ordinary course of business (other than this Agreement) or that could reasonably be expected to result in an Avalon Material Adverse Effect; (ii) neither Avalon nor any of its Subsidiaries have sustained any material loss or interference with their business or properties from fire, flood, windstorm, accident, strike or other calamity (whether or not covered by insurance); (iii) there has been no material change in the indebtedness of Avalon and its Subsidiaries, no change in the capital stock of Avalon and no dividend or distribution of any kind declared, paid or made by Avalon on any class of its capital stock; (iv) there has been no event or condition which has caused an Avalon Material Adverse Effect, nor any development, occurrence or state of facts or circumstances known to Avalon that could, singly or in the aggregate, reasonably be expected to result in an Avalon Material Adverse Effect; and (v) there has been no material change by Avalon in its accounting principles, practices or methods.

4.18.2 Since December 31, 2019, other than in the ordinary course of business consistent with past practice or as disclosed in the Avalon SEC Reports, there has not been any increase in the compensation or other benefits payable, or which could become payable, by Avalon, to its officers or key employees, or any amendment of any of the Avalon Employee Benefit Plans.

4.19 *Capitalization.*

4.19.1 Subject to Section 4.19.1 of the Avalon Disclosure Schedule, the authorized capital stock of Avalon consists solely of 490,000 shares of Avalon Common Stock, and 10,000 shares of preferred stock, without par value (the "Avalon Preferred Stock"). As of March 31, 2021, there were 84,425,564 shares of Avalon Common Stock and zero (0) shares of Avalon Preferred Stock outstanding. Except for the foregoing and as disclosed in the Avalon SEC Reports, there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Avalon to issue, transfer or sell any shares of capital stock of Avalon or

any other securities convertible into or evidencing the right to subscribe for any such shares. There are no outstanding stock appreciation rights with respect to the capital stock of Avalon. As of the date hereof, except for (a) stock options issuable pursuant to stock option plans adopted or assumed by Avalon, (b) shares of Avalon Common Stock issuable pursuant to other Avalon Employee Benefit Plans disclosed in Avalon SEC Reports, (c) securities issuable in connection with business combinations disclosed in Avalon SEC Reports and (d) matters described in Section 4.19.1 of the Avalon Disclosure Schedule, Avalon is not bound by any outstanding subscriptions, options, warrants, calls, commitments or agreements of any character calling for the purchase or issuance of any shares of Avalon Common Stock or Avalon Preferred Stock or any other equity securities of Avalon or any securities representing the right to purchase or otherwise receive any shares of Avalon Common Stock or Avalon Preferred Stock or any other equity securities of Avalon.

4.19.2 Except as set forth in Section 4.19.2 of the Avalon Disclosure Schedule, there are no (i) obligations, contingent or otherwise, of Avalon or its Subsidiaries to repurchase, redeem or otherwise acquire any shares of Avalon Common Stock or provide funds to, or make any investment in (in the form of a loan, capital contribution or otherwise), or provide any guarantee with respect to the obligations of, any other person, or (ii) agreements, arrangements or commitments of any character (contingent or otherwise) pursuant to which any person is or may be entitled to receive any payment based on the revenues or earnings (or any component thereof), or calculated in accordance therewith, of Avalon or any of its Subsidiaries. There are no voting trusts, proxies or other agreements or understandings to which Avalon is a party or by which Avalon is bound with respect to the voting of any shares of capital stock of Avalon.

4.19.3 Avalon has delivered or made available to Sen Lang complete and correct copies of each stock option plan adopted or assumed by Avalon as of the date hereof.

4.19.4 Each outstanding share of Avalon Common Stock and Avalon Preferred Stock is, and all shares of Avalon Common Stock to be issued in connection with the transactions contemplated hereby will be, duly authorized and validly issued, fully paid and nonassessable, with no personal liability attaching to the ownership thereof, and each outstanding share of Avalon Common Stock and Avalon Preferred Stock has not been, and all shares of Avalon Common Stock to be issued in connection with the transactions contemplated hereby will not be, subject to or issued in violation of any preemptive or similar rights.

4.20 *Capital Stock of Subsidiaries.* The only direct or indirect Subsidiaries of Avalon are those listed in Section 4.20 of the Avalon Disclosure Schedule. Avalon is directly or indirectly the record and beneficial owner of all of the outstanding shares of capital stock of each of its Subsidiaries, there are no proxies with respect to such shares, and there are not any existing options, warrants, calls, subscriptions, or other rights or other agreements or commitments obligating Avalon or any of such Subsidiaries to issue, transfer or sell any shares of capital stock of any of such Subsidiaries or any other securities convertible into or evidencing the right to subscribe for any such shares. All of such shares so beneficially owned by Avalon are duly authorized and validly issued, fully paid, nonassessable and free of preemptive rights with respect thereto and are owned by Avalon, directly or indirectly, free and clear of any claim, lien or encumbrance of any kind with respect thereto. Except as set forth in Section 4.20 of the Avalon Disclosure Schedule, Avalon does not directly or indirectly own any interest in any corporation, partnership, limited liability company, joint venture or other business association or entity.

4.21 *Litigation.* Except as set forth in Section 4.21 of the Avalon Disclosure Schedule or in the Avalon SEC Reports, as of the date hereof there are no material pending Actions or, to the knowledge of Avalon, investigations by, against or affecting Avalon, any of its Subsidiaries or any of their properties, assets or operations, or with respect to which Avalon or any of its Subsidiaries is responsible by way of indemnity or otherwise. Except as set forth in Section 4.21 of the Avalon Disclosure Schedule or the Avalon SEC Reports: (i) no material pending or, to the knowledge of Avalon, threatened Actions or investigations by, against or affecting Avalon, any of its Subsidiaries or any of their properties, assets or operations, or with respect to which they are responsible by way of indemnity or otherwise, whether or not disclosed in such Avalon SEC Reports, would, singly or in the aggregate with all such other Actions or investigations, reasonably be expected to have an Avalon Material Adverse Effect; and (ii) to the knowledge of Avalon, there are no material Actions or investigations and there is no reasonable basis, to the knowledge of Avalon, for any Action or investigation, whether or not threatened or contemplated.

4.22 *Insurance.* Avalon and its Subsidiaries have insurance policies and fidelity bonds covering it and its Subsidiaries' assets, business, equipment, properties, operations, employees, officers and directors which Avalon reasonably and in good faith believes are adequate to conduct the business of Avalon and its Subsidiaries. All premiums due and payable under all such policies and bonds have been paid, and Avalon is otherwise in full compliance with the terms and conditions of all such policies and bonds, except where the failure to have made payment or to be in full compliance would not, individually or in the aggregate with all such other failures, have an Avalon Material Adverse Effect. Avalon reasonably believes that the reserves established by Avalon and its Subsidiaries in respect of all matters as to which Avalon or any of its Subsidiaries self-insures or carries retention and/or deductibles, including workers' medical coverage and workers' compensation, are adequate and appropriate, and Avalon is not aware of any facts or circumstances existing as of the date hereof that would reasonably be expected to cause such reserves to be materially inadequate or inappropriate.

4.23 *Title to and Condition of Properties.* Avalon and its Subsidiaries have good title to all of the real property and personal property reflected on Avalon's December 31, 2020 unaudited consolidated balance sheet contained in Avalon's Quarterly Report on Form 10-K for the year ended December 31, 2020 filed with the SEC (the "Avalon Balance Sheet"), except for property since sold or otherwise disposed of in the ordinary course of business and consistent with past practice and except for defects of title which are not material to Avalon and its Subsidiaries taken as a whole. Neither Avalon nor any of its Subsidiaries owns any material real property. No real or tangible personal property owned or leased by Avalon or any of its Subsidiaries is subject to claims, liens or other Encumbrances of any kind or character, including mortgages, pledges, liens, conditional sale agreements, charges, security interests, easements, restrictive covenants, rights of way or options, except for (i) Encumbrances for Taxes not yet delinquent or which are being contested in good faith by appropriate Action and in respect of which Avalon or its appropriate Subsidiary has set aside on its books adequate reserves in accordance with generally accepted accounting principles; (ii) mechanics', carriers', workers', repairers', materialmen's, landlords' and other similar statutory or common law liens incurred in the ordinary course of business for obligations not yet delinquent or the validity of which is being contested in good faith by appropriate Actions and in respect of which Avalon or its appropriate Subsidiary has set aside on its books adequate reserves in accordance with generally accepted accounting principles; (iii) in the case of real property, easements, rights of way, restrictions, minor defects or irregularities in title that do not individually or in the aggregate have a material adverse effect on the value or use of the real property encumbered thereby as currently used in the operation of the business of Avalon or its Subsidiaries; (iv) those which would not materially interfere with the conduct of the business of Avalon and its Subsidiaries (the encumbrances described in clauses (i) through (iv) of this sentence, collectively, the "Avalon Permitted Encumbrances"); (v) those securing liabilities reflected in the Avalon Balance Sheet; or (vi) those described in Section 4.23 of the Avalon Disclosure Schedule.

4.24 *Leases.* There have been delivered or made available to Sen Lang true and complete copies of each lease pursuant to which Real Property or personal property is held under lease by Avalon or any of its Subsidiaries (limited, in the case of personal property, to leases pursuant to which annual rentals are reasonably expected to be at least $100,000 per year), and true and complete copies of each lease pursuant to which Avalon or any of its Subsidiaries leases real or personal property to others (limited in the case of personal property, to leases pursuant to which annual rentals are reasonably expected to be at least $100,000 per year). Section 4.24 of the Avalon Disclosure Schedule sets

forth a true and complete list of all such leases, and such leases are the only leases that are material to the business conducted by Avalon and its Subsidiaries taken as a whole. All of the leases so listed (i) are, in all material respects, valid and subsisting and in full force and effect with respect to Avalon and its Subsidiaries, as the case may be, and, to Avalon's knowledge, with respect to any other party thereto and (ii) were entered into as a result of bona fide arm's length negotiations with the other party or parties thereto. Avalon or its Subsidiaries, as the case may be, have valid leasehold interests in all properties leased thereunder free and clear of all material liens and encumbrances other than Avalon Permitted Encumbrances. The real properties leased by Avalon and its Subsidiaries are, in all material respects, in good operating order and condition, subject to ordinary wear and tear. To Avalon's knowledge, there are no material structural, mechanical or other defects in any improvements located on such real properties.

4.25 *Contracts and Commitments.* Except as set forth in Section 4.25 of the Avalon Disclosure Schedule or as set forth as an exhibit in an Avalon SEC Report filed since December 31, 2019, neither Avalon nor any of its Subsidiaries is a party to any existing contract, obligation or commitment of any type in any of the following categories:

4.25.1 contracts for the purchase by Avalon or any of its Subsidiaries of medicines, materials, supplies or equipment which are not cancelable upon ninety (90) days' or less notice and which either (i) have not been entered into in the ordinary course of business and consistent with past practice or (ii) provide for purchase prices substantially greater than those presently prevailing for such materials, supplies or equipment, or (iii) contracts obligating Avalon or its Subsidiaries to make capital expenditures in excess of $50,000;

4.25.2 contracts under which Avalon or any of its Subsidiaries has, except by way of endorsement of negotiable instruments for collection in the ordinary course of business and consistent with past practice, become absolutely or contingently or otherwise liable for (i) the performance of any other person, firm or corporation under a contract, or (ii) the whole or any part of the indebtedness or liabilities of any other person, firm or corporation;

4.25.3 powers of attorney outstanding from Avalon or any of its Subsidiaries other than as issued in the ordinary course of business and consistent with past practice with respect to customs, insurance, patent, trademark or tax matters, or to agents for service of process;

4.25.4 contracts under which any amount payable by Avalon or any of its Subsidiaries is dependent upon, or calculated in accordance with, the revenues or earnings (or any component thereof of Avalon or any of its Subsidiaries;

4.25.5 contracts with any director, officer, employee or affiliate of Avalon or any of its Subsidiaries other than in such person's capacity as a director, officer or employee of Avalon or any of its Subsidiaries;

4.25.6 contracts which limit or restrict where Avalon or any of its Subsidiaries may conduct its business or the type or line of business in which Avalon or any of its Subsidiaries may engage;

4.25.7 contracts with any party for the loan of money or availability of credit to or from Avalon or any of its Subsidiaries (except credit extended by Avalon or any of its Subsidiaries to its customers in the ordinary course of business and consistent with past practice);

4.25.8 any material hedging, option, derivative or other similar transaction; or

4.25.9 contracts pursuant to which Avalon or any of its Subsidiaries (a) grants any Person any exclusive license, exclusive option or other exclusive right with respect to any Avalon Intellectual Property, (b) grants any Person any license, option or other right with respect to any Avalon Intellectual Property that is material to the business of Avalon and its Subsidiaries or (c) is granted any license, option or other right with respect to any Avalon Intellectual Property that is material to the business of Avalon and its Subsidiaries.

True and complete copies of all contracts, obligations and commitments listed in Section 4.25 of the Avalon Disclosure Schedule have been delivered or made available to Sen Lang. None of Avalon or its Subsidiaries or, to the knowledge of Avalon, any other party is in breach of or default under any of the contracts, obligations and commitments listed in Section 4.25 of the Avalon Disclosure Schedule or under any other Avalon Contracts (and, to the knowledge of Avalon, no facts or circumstances exist which could reasonably support the assertion of any such breach or default) except for breaches and defaults which would not, singly or in the aggregate with all other such breaches, have an Avalon Material Adverse Effect.

4.26 *Employees; Labor Matters.* Except as set forth in Section 4.26 of the Avalon Disclosure Schedule, neither Avalon nor any Subsidiary thereof is a party to or bound by any collective bargaining agreement, and there are no labor unions or other organizations representing, purporting to represent or attempting to represent any employees employed by Avalon or any Subsidiary thereof. Since December 31, 2019, there has not occurred or been threatened any material strike, slowdown, picketing, work stoppage, concerted refusal to work overtime or other similar labor activity with respect to any employees of Avalon or any Subsidiary thereof. Except as set forth in Section 4.26 of the Avalon Disclosure Schedule, there are no labor disputes currently subject to any grievance procedure, arbitration or litigation and there is no representation petition pending or threatened with respect to any employee of Avalon or any Subsidiary thereof. Each of Avalon and its Subsidiaries has complied with Applicable Law pertaining to the employment or termination of employment of their respective employees, including Applicable Law relating to labor relations, equal employment opportunities, fair employment practices, prohibited discrimination or distinction and other similar employment activities, except for any failure so to comply that, individually and in the aggregate, could not result in any material liability or obligation on the part of Avalon or any of its Subsidiaries.

4.27 *Put Rights.* Except as described in Section 4.27 of the Avalon Disclosure Schedule, neither the execution and delivery by Avalon of this Agreement nor the consummation of the Acquisition or any other transaction contemplated hereby gives rise to any obligation of Avalon or any of its Subsidiaries to, or any right of any holder of any security of Avalon or any of its Subsidiaries to require Avalon to, purchase, offer to purchase, redeem or otherwise prepay or repay any such security, or deposit any funds to effect the same.

4.28 *Employment and Labor Contracts.* Except as set forth in Section 4.28 of the Avalon Disclosure Schedule, neither Avalon nor any of its Subsidiaries is a party to any employment, management services, consultation or other contract or agreement with any past or present officer, director or employee or, to the knowledge of Avalon, any entity affiliated with any past or present officer, director or employee, other than the agreements executed by employees generally, the forms of which have been provided to Sen Lang.

4.29 *Intellectual Property Rights.* Avalon or its Subsidiaries own or have the right to use all Avalon Intellectual Property Rights (as defined herein) necessary to the conduct of their respective businesses. Subject to obtaining any associated consents with respect to agreements or licenses listed in Section 4.29 of the Avalon Disclosure Schedule, each Avalon Intellectual Property Right owned or used by Avalon or any of its Subsidiaries immediately prior to the Closing will be owned or available for use by Avalon or its Subsidiaries on substantially the same terms and conditions immediately subsequent to the Closing. Section 4.29 of the Avalon Disclosure Schedule contains a list of all patents, trade names, registered copyrights, trademarks and service marks, mask works and applications for the foregoing owned by Avalon or its Subsidiaries. Except as set forth in Section 4.29 of the Avalon Disclosure Schedule, (i) Avalon and/or its Subsidiaries have sole and exclusive ownership of, and valid and unencumbered (except for

Avalon Permitted Encumbrances) title to, the Avalon Intellectual Property Rights set forth in such Section 4.29 and, to Avalon's knowledge, such title has not been challenged (pending or threatened) by others except for the encumbrances listed therein; (ii) there have been no claims or assertions made by others that Avalon or its Subsidiaries has infringed or misappropriated any Intellectual Property Rights of others by the development, manufacture or sale of products, the rendering of services or any other activity since December 31, 2016; (iii) to the knowledge of Avalon, there has been no such infringement or misappropriation by Avalon or any of its Subsidiaries since December 31, 2019; (iv) Avalon has no knowledge of any infringement or misappropriation of Avalon Intellectual Property Rights of Avalon or any of its Subsidiaries by others; and (v) all Avalon Intellectual Property Rights owned by Avalon or its Subsidiaries are in good standing with the registration authority therefore, if any, and, to the extent recorded on the public record, are recorded in the name of Avalon or its Subsidiaries. True and complete copies of all material listed in Section 4.29 of the Avalon Disclosure Schedule have been delivered or made available to Sen Lang.

4.30 *Taxes.*

4.30.1 Except as set forth in Section 4.30.1 in the Avalon Disclosure Schedule, (i) all Returns required to be filed by, or with respect to any activities or assets of, each of Avalon and its Subsidiaries have been duly and timely filed and are correct and complete in all material respects, and (ii) all Taxes shown as owing on such Returns have been paid.

4.30.2 Except as set forth in Section 4.30.2 of the Avalon Disclosure Schedule, none of Avalon nor any of its Subsidiaries have waived any statute of limitations in respect of Taxes or agreed to any extension of time with respect to a Tax assessment or deficiency.

4.30.3 Except as set forth in Section 4.30.3 of the Avalon Disclosure Schedule, none of Avalon nor any of its Subsidiaries are a party to any Tax allocation or sharing agreement.

4.30.4 Section 4.30.4 of the Avalon Disclosure Schedule lists all Income Tax Returns that have been filed with respect to each of Avalon and its Subsidiaries for taxable periods ended on or after December 31, 2018 and that have not yet been audited or are currently the subject of audit.

4.30.5 Except as set forth in Section 4.30.5 of the Avalon Disclosure Schedule, none of Avalon or its Subsidiaries (i) is a party to or bound by or has any obligation under any Tax allocation, sharing, indemnity or similar agreement or arrangement or (ii) is or has been a member of any group of companies filing a consolidated, combined or unitary Income Tax Return.

4.31 *Employee Benefit Plans.*

4.31.1 Except as set forth in Section 4.31 of the Avalon Disclosure Schedule, with respect to any employee or former employee of Avalon or any Subsidiary thereof, none of Avalon or any Subsidiary thereof, or any affiliated company presently maintains, contributes to or has any liability under: (i) any bonus, incentive compensation, profit sharing, retirement, pension, group insurance, death benefit, cafeteria, medical expense reimbursement, dependent care, stock option, stock purchase, stock appreciation rights, deferred compensation, consulting, severance pay or termination pay, vacation pay, welfare or other employee benefit or fringe benefit plan, program or arrangement; or (ii) any plan, program or arrangement which is an employee pension benefit plan, or an "employee welfare benefit plan" as defined under relevant laws. Each plan, program and arrangement set forth in Section 4.31 of the Avalon Disclosure Schedule is herein referred to as a "Avalon Employee Benefit Plan." The term "affiliated company" means any organization that would be aggregated with any of Avalon or any Subsidiary thereof under Section 414(b), (c), (m) or (o) of the Code.

4.31.2 There is no pending or threatened legal Action or investigation against or involving any Avalon Employee Benefit Plan (other than routine claims for benefits) and there is no basis for any facts which could give rise to any such Action or investigation.

4.31.3 None of Avalon or any Subsidiary thereof nor any of its Affiliates is a party to any employment agreement, whether written or oral, or agreement with change in control or similar provisions, or a collective bargaining agreement or contract with any labor union relating to any employees or former employees of Avalon or any Subsidiary thereof.

4.32 *Environmental Matters.*

4.32.1 Each of Avalon and its Subsidiaries has complied and is in compliance in all material respects with all applicable Environmental Laws pertaining to any of the properties and assets of Avalon and its Subsidiaries (including all real property owned by Avalon or any of its Subsidiaries, together with all structures, facilities, improvements, fixtures, systems, equipment and items of property presently or hereafter located thereon or attached or appurtenant thereto or owned by Avalon or any of its Subsidiaries and located on real property leased by Avalon or any of its Subsidiaries, and all easements, licenses, rights and appurtenances relating to the foregoing (collectively the "Avalon Real Property")) and the use and ownership thereof, and to the operation of their respective businesses. No material violation by Avalon or any of its Subsidiaries is being alleged of any applicable Environmental Law relating to any of the properties and assets of Avalon or any of its Subsidiaries including (the Avalon Real Property) or the use or ownership thereof, or to the operation of their respective businesses.

4.32.2 None of Avalon or its Subsidiaries or any other Person (including any tenant or subtenant) has caused or taken any action that will result in, nor is Avalon or any Subsidiary thereof subject to, any material liability or obligation on the part of Avalon or any Subsidiary thereof or any of its Affiliates, relating to (x) the environmental conditions on, under, or about the Avalon Real Property or other properties or assets owned, leased, operated or used by Avalon or any of its Subsidiaries or any predecessor thereto at the present time or in the past, including the air, soil and groundwater conditions at such properties or (y) the past or present use, management, handling, transport, treatment, generation, storage, disposal or Release of any Hazardous Materials (as defined herein).

4.32.2.1 Avalon has disclosed and made available to the Sen Lang all information, including all studies, analyses and test results, in the possession, custody or control of or otherwise known to Avalon relating to (x) the environmental conditions on, under or about the Real Property or other properties or assets owned, leased, operated or used by Avalon or any of its Subsidiaries any predecessor in interest thereto at the present time or in the past, and (y) any Hazardous Materials used, managed, handled, transported, treated, generated, stored or Released by Avalon or any of its Subsidiaries or any other Person on, under, about or from any of the Avalon Real Property, or otherwise in connection with the use or operation of any of the properties and assets of Avalon or any of its Subsidiaries or their respective businesses.

ARTICLE V.

COVENANTS OF THE PARTIES

5.1 *Access and Information.*

5.1.1 Prior to the Closing, Avalon shall be entitled to make or cause to be made such investigation of the Sen Lang Parties, the Acquired Companies, and the financial and legal condition thereof, as Avalon deems necessary or advisable, and Sen Lang shall cooperate with any such investigation. In furtherance of the foregoing, but not in limitation thereof, Sen Lang shall (a) permit Avalon and its agents and representatives or cause them to be permitted to have full and complete access to the premises, operating systems, computer systems (hardware and software) and books and records of the Acquired Companies upon reasonable notice during regular business hours, (b) furnish or cause to be furnished to Avalon such financial and operating data, projections, forecasts, business plans, strategic plans and other data relating to the Acquired Companies and their businesses as Avalon shall request from time to time, and (c) cause its accountants to furnish to Avalon and its accountants access to all work papers relating to any of the periods covered by financial statements provided by the Acquired Companies to Avalon hereunder.

5.1.2 Prior to the Closing, and except for disclosures which would cause Avalon or any of its Subsidiaries to waive the attorney-client privilege or otherwise violate Applicable Law or any material confidentiality agreement, Avalon shall provide complete and accurate information to the Sen Lang Representative and its representatives in response to reasonable requests for information made in order to enable the Sen Lang Representative to confirm the accuracy of the representations set forth in ARTICLE IV (including the continuing accuracy of those representations which are not made as of a particular date) and the fulfillment of the covenants of thisARTICLE V and the closing conditions in Sections 6.1 and 6.3.

5.1.3 Prior to the Closing, no Party shall use any information provided to it in confidence by another Party for any purposes unrelated to this Agreement. Except with respect to publicly available documents, in the event that this Agreement is terminated, (a) Avalon will return to the Sen Lang Representative all documents obtained by it from the Acquired Companies in confidence and any copies thereof in the possession of Avalon or its agents and representatives or, at the option of Avalon, Avalon shall cause all of such documents and all of such copies to be destroyed and shall certify the destruction thereof to the Sen Lang Representative and (b) the Sen Lang Owners will return to Avalon all documents obtained by it from Avalon and its Subsidiaries in confidence and any copies thereof in the possession of any Acquired Company or their agents and representatives or, at the option of the Sen Lang Representative, the Sen Lang Owners shall cause all of such documents and all of such copies to be destroyed and shall certify the destruction thereof to Avalon. No investigation by any Party heretofore or hereafter made shall modify or otherwise affect the conditions to the obligation of such Party to consummate the transactions contemplated hereby.

5.2 *Sen Lang's Affirmative Covenants.* Prior to the Closing, except as otherwise expressly provided herein, the Sen Lang Parties shall (and the Sen Lang Parties shall cause each of the Acquired Companies to):

5.2.1 conduct its business only in the ordinary and regular course of business consistent with past practices;

5.2.2 conduct its business activities within the permitted scope of business or is otherwise operating its business in full compliance with all relevant legal requirements and with all requisite approvals granted by competent PRC authorities;

5.2.3 use commercially reasonable efforts to keep in full force and effect its corporate existence and all material rights, franchises, the Sen Lang Intellectual Property Rights and goodwill relating or pertaining to its businesses;

5.2.4 endeavor to retain its employees and preserve its present relationships with customers, suppliers, contractors, distributors and employees, and continue to compensate its employees consistent with past practices;

5.2.5 maintain its other assets in customary repair, order and condition and maintain insurance reasonably comparable to that in effect on the date of this Agreement;

5.2.6 maintain its books, accounts and records in accordance with generally accepted accounting principles;

5.2.7 use commercially reasonable efforts to obtain all authorizations, consents, waivers, approvals or other actions and to make all filings and applications necessary or desirable to consummate the transactions contemplated hereby and to cause the other conditions to Avalon's obligation to close to be satisfied; and

5.2.8 promptly notify Avalon in writing if, prior to the consummation of the Closing, to its knowledge (a) any of the representations and warranties contained in Article III cease to be accurate and complete in all material respects (except for any representation and warranty (i) which is qualified hereunder as to materiality, as to which such notification shall be given if any Acquired Company obtains knowledge that such representation and warranty is inaccurate in any respect, or (ii) that addresses matters only as of a particular date, which need only be true and correct as of such date) or (b) Sen Lang fails to comply with or satisfy any material covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.2.8 shall not limit or otherwise affect the remedies available hereunder to Avalon.

5.3 *Avalon's Affirmative Covenants.* Prior to the Closing, except as otherwise expressly provided herein, Avalon shall (and Avalon shall cause each of its Subsidiaries to):

5.3.1 use commercially reasonable efforts to keep in full force and effect its corporate existence and all material rights, franchises, the Avalon Intellectual Property Rights and goodwill relating or obtaining to its businesses;

5.3.2 endeavor to retain its employees and preserve its present relationships with customers, suppliers, contractors, distributors and employees;

5.3.3 maintain its books, accounts and records in accordance with generally accepted accounting principles;

5.3.4 use commercially reasonable efforts to obtain all authorizations, consents, waivers, approvals or other actions and to make all filings and applications necessary or desirable to consummate the transactions contemplated hereby and to cause the other conditions to Sen Lang's obligation to close to be satisfied; and

5.3.5 promptly notify Sen Lang in writing if, prior to the consummation of the Closing, to its knowledge (a) any of the representations and warranties contained in Article IV cease to be accurate and complete in all material respects (except for any representation and warranty (i) which is qualified hereunder as to materiality, as to which such notification shall be given if Avalon or its Subsidiaries obtain knowledge that such representation and warranty is inaccurate in any respect, or (ii) that addresses matters only as of a particular date, which need only be true and correct as of such date) or (b) Avalon fails to comply with or satisfy any material covenant, condition or agreement to be complied with or satisfied by it hereunder; provided, however, that the delivery of any notice pursuant to this Section 5.3.5 shall not limit or otherwise affect the remedies available hereunder to Sen Lang; and

5.3.6 cause the consolidated balance sheets and the related consolidated statements of income and cash flows (including the related notes thereto) of Avalon

included in Avalon SEC Reports filed after the date hereof to comply, in all material respects, with applicable accounting requirements and the published rules and regulations of the SEC with respect thereto, to be prepared, in accordance with U.S. generally accepted accounting principles applied on a basis consistent with prior periods (except as otherwise noted therein), and to present fairly, in all material respects, the consolidated financial position of Avalon and its consolidated Subsidiaries as of their respective dates, and the consolidated results of their operations and their cash flows for the periods presented therein (subject, in the case of the unaudited interim financial statements, to notes and normal year-end adjustments that are not reasonably expected to be, material in amount or effect).

5.4 *Sen Lang's Negative Covenants.* Prior to the Closing, without the prior written consent of Avalon or as otherwise expressly provided herein, the Sen Lang Parties will not, and the Sen Lang Parties will cause each Acquired Company not to:

5.4.1 take any action or omit to take any action which would result in any Acquired Company (a) incurring any trade accounts payable outside of the ordinary course of Business or making any commitment to purchase quantities of any item of inventory in excess of quantities normally purchased in the ordinary course of business; (b) increasing any of its indebtedness for borrowed money except in the ordinary course of business; (c) guaranteeing the obligations of any entity other than an Acquired Company, (d) making any purchases of pharmaceuticals other than from the manufacturers thereof or wholesalers or other distributors authorized by such manufacturers to distribute their products; (e) merging or consolidating with, purchasing substantially all of the assets of, or otherwise acquiring any business or any proprietorship, firm, association, limited liability company, corporation or other business organization; (f) increasing or decreasing the rate or type of compensation payable to any officer, director, employee or consultant of any Acquired Company (other than regularly scheduled increases in base salary and annual bonuses consistent with prior practice); (g) entering into or amending any collective bargaining agreement, or creating or modifying any pension or profit-sharing plan, bonus, deferred compensation, death benefit, or retirement plan, or any other employee benefit plan, or increasing the level of benefits under any such plan, or extending the exercisability of any outstanding stock option or increasing or decreasing any severance or termination pay benefit or any other fringe benefit; (h) making any representation to anyone indicating any intention of Avalon or its Subsidiaries to retain, institute, or provide any employee benefit plans; (i) declaring or paying any dividend or making any distribution with respect to, or purchasing or redeeming, shares of the capital stock of any Acquired Company; (j) selling, licensing or disposing of any assets otherwise than in the ordinary course of business of the Acquired Companies; (k) making any capital expenditures other than in the ordinary course of business consistent with past practices and in no event in excess of $50,000 in the aggregate; (l) issuing any shares of the capital stock of any kind of any Acquired Company, transferring from the treasury of any Acquired Company any shares of the capital stock of any Acquired Company or issuing or granting any subscriptions, options, rights, warrants, convertible securities or other agreements or commitments to issue, or contracts or any other agreements obligating any Acquired Company to issue, or to transfer from treasury, any shares of capital stock of any class or kind, or securities convertible into any such shares; (m) modifying, amending or terminating any material Sen Lang Contract other than in the ordinary course of business that is consistent with past practices; or (n) entering into any other transaction outside of the ordinary course of business;

5.4.2 change any method or principle of accounting in a manner that is inconsistent with past practice, except to the extent required by generally accepted accounting principles as advised by Sen Lang's regular independent accountants;

5.4.3 make, change or revoke any material Tax election, fail to pay any income or other material Tax as such Tax becomes due and payable, file any amendment making any material change to any Tax Return, settle or compromise any income or other material Tax liability, enter into any Tax allocation, sharing, indemnification or other similar agreement or arrangement, request or consent to any extension or waiver of any limitation period with respect to any claim or assessment for any income or other material Taxes (other than in connection with any extension of time to file any Tax Return), or adopt or change any accounting method in respect of Taxes;

5.4.4 take any action that would likely result in the representations and warranties set forth in Article III (other than representations made as of a particular date) becoming false or inaccurate in any material respect (or, as to representations and warranties, which, by their terms, are qualified as to materiality, becoming false or inaccurate in any respect);

5.4.5 incur or create any encumbrances, liens, pledges or security interests on assets other than Sen Lang Permitted Encumbrances;

5.4.6 except as contemplated herein, take any action or omit to take any action which would materially interfere with Avalon's rights to compel performance of each of the obligations of Sen Lang under this Agreement;

5.4.7 take or omit to be taken any action, or permit any of its affiliates to take or to omit to take any action, which would reasonably be expected to result in a Sen Lang Material Adverse Effect; or

5.4.8 agree or commit to take any action precluded by this Section 5.4.

5.5 *Avalon's Negative Covenants.* Prior to the Closing, without the prior written consent of Sen Lang or as otherwise expressly provided herein, Avalon will not and Avalon will cause its Subsidiaries not to:

5.5.1 change any method or principle of accounting in a manner that is inconsistent with past practice, except to the extent required by generally accepted accounting principles as advised by Avalon's regular independent accountants;

5.5.2 take any action that would likely result in the representations and warranties set forth in ARTICLE IV (other than representations made as of a particular date) becoming false or inaccurate in any material respect (or, as to representations and warranties, which, by their terms, are qualified as to materiality, becoming false or inaccurate in any respect);

5.5.3 except as contemplated herein, take any action or omit to take any action which would materially interfere with Sen Lang's rights to compel performance of each of the obligations of Avalon under this Agreement;

5.5.4 take or omit to be taken any action, or permit any of its affiliates to take or to omit to take any action, which would reasonably be expected to result in an Avalon Material Adverse Effect;

5.5.5 amend Avalon's certificate of incorporation or by-laws, each as amended, in any material manner that does not generally apply to all of Avalon's stockholders; or

5.5.6 agree or commit to take any action precluded by this Section 5.5.

Notwithstanding any provision to the contrary contained in this Agreement, (i) in no event shall Avalon be prohibited from merging or consolidating with, purchasing substantially all of the assets of, or otherwise acquiring, and Avalon is expressly permitted to, merge or consolidate with, purchase substantially all of the assets of, or otherwise acquire, any business or any proprietorship, firm, association, limited liability company, corporation or other business organization; (ii) in no event shall Avalon be prohibited from effecting, and Avalon is expressly permitted to effect, a stock split, reclassification, combination or other change with respect to shares of Avalon Common Stock; provided, that the Exchange Stocks of each Sen Lang Shareholder set forth on **Exhibit A** hereto shall be adjusted to reflect any such stock split, reclassification, combination or other change; and (iii) in no event shall Avalon be prohibited from cancelling any and all outstanding out-of-the-money options and/or warrants to purchase shares of Avalon Common Stock and issuing to the holders of such cancelled options and/or warrants, options and/or warrants purchase shares of the Avalon Common Stock on the same terms at an exercise price equal to the per share closing price of the Avalon Common Stock reported on Nasdaq on the date of such issuance, and Avalon is expressly permitted to cancel and issue any such options and/or warrants.

5.6 *Exclusive Dealing*. The Sen Lang Parties will not, and will direct their Affiliates and Representatives not to, (i) solicit, initiate, or encourage the submission of any proposal or offer from any Person relating to the acquisition of any capital stock or other voting securities, or any assets (excluding sales of inventory in the ordinary course of business), of the Acquired Companies (including any acquisition structured as a merger, consolidation, or share exchange), (ii) enter into or renew any distribution agreement related to the business of the Acquired Companies or (iii) participate in any discussions, conversations, negotiations or other communications regarding, or furnish to any Person, any information with respect to, or otherwise cooperate in any way, assist or participate in, facilitate or encourage any effort or attempt by any other Person to seek to do any of the foregoing. The Acquired Companies immediately shall cease and cause to be terminated all existing discussions, conversations, negotiations and other communications with any Persons conducted heretofore with respect to any of the foregoing. The Sen Lang Representative shall notify Avalon promptly, but in any event within twenty-four (24) hours, if any Person makes any such proposal or offer. No Acquired Company shall release any Person from, or waive any provision of, any confidentiality agreement to which any Acquired Company is a party, without the prior written consent of Avalon.

5.7 *Closing Documents.* The Sen Lang Parties shall, prior to or on the Closing Date, execute and deliver, or cause to be executed and delivered, to Avalon the documents or instruments described in Section 6.2. Avalon shall, prior to or on the Closing Date, execute and deliver, or cause to be executed and delivered, to the Sen Lang Representative the documents or instruments described in Section 6.3.

5.8 *Further Actions.* Each of the parties hereto agrees to use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties in doing, all things necessary, proper or advisable to consummate and make effective, in the most expeditious manner practicable in light of the circumstances, the Acquisition and the other transactions contemplated by this Agreement, including (A) the obtaining of all other necessary actions or nonactions, waivers, consents, licenses, permits, authorizations, orders and approvals from Governmental Authorities and the making of all other necessary registrations and filings, (B) the obtaining of all consents, approvals or waivers from third parties related to or required in connection with the Acquisition that are necessary to consummate the Acquisition and the transactions contemplated by this Agreement or required to prevent an Avalon Material Adverse Effect or a Sen Lang Material Adverse Effect from occurring prior to or after the Closing, (C) the preparation of the Proxy Statement and the mailing of the Proxy Statement to the stockholders of Avalon and the Sen Lang Shareholders, (D) if necessary as a result of the circumstances, the amendment of the Proxy Statement as required by law and (E) the execution and delivery of any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement.

5.9 *Public Announcements.* Unless otherwise required by Applicable Law or requirements of Nasdaq (and in that event only if time does not permit), the Parties (including, at and after the Closing, the Surviving Company) each agree to (a) consult with each other before issuing any press release or otherwise making any public statement with respect to the transactions contemplated by this Agreement, (b) provide to the other Party for review a copy of any such press release or public statement and (c) not issue any such press release or make any such public statement prior to such consultation and review and the receipt of the prior written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed), unless (and only to the extent) required by Applicable Law. Notwithstanding the foregoing, Avalon may disclose the subject matter of this Agreement to current and potential equityholders or investors.

5.10 *Stockholders' Meetings*.

5.10.1 *Avalon Annual Meeting.* Subject to Article VII, Avalon shall take all action in accordance with the federal securities law, the DGCL, the applicable rules of Nasdaq, Avalon's certificate of incorporation, as amended, and Avalon's by-laws, as amended, necessary to convene the Avalon Annual Meeting to be held on the earliest practical date as reasonably determined by Avalon in light of the circumstances, and to obtain the consent and approval of Avalon's stockholders with respect to the issuance of the Common Exchange Shares pursuant to the Acquisition, including (in the absence of conditions that would justify the termination of this Agreement) recommending such approval to Avalon's stockholders.

5.10.2 *Sen Lang Special Meeting.* Subject to Article VII, the Sen Lang Parties shall take all action in accordance with the federal securities laws, BVI Law, Sen Lang's certificate of incorporation, as amended, and Sen Lang's by-laws, as amended, necessary to convene the Sen Lang Special Meeting to be held on the earliest practical date as reasonably determined by Avalon in light of the circumstances, and to obtain the consent and approval of the Sen Lang Shareholders with respect to this Agreement and the transactions contemplated hereby, including (in the absence of conditions that would justify the termination of this Agreement) recommending such approval to the Sen Lang Shareholders.

5.11 *Preparation of the Proxy Statement.*

5.11.1 Avalon and the Sen Lang Representative shall, as soon as is reasonably practicable, cooperate to prepare the Proxy Statement. Once both parties consent to the filing of the Proxy Statement with the SEC (which consent shall not be unreasonably withheld, delayed or conditioned), Avalon shall file the Proxy Statement with the SEC. If, at any time prior to the Closing, Avalon or the Sen Lang Representative shall obtain knowledge of any information contained in or omitted from the Proxy Statement that would require an amendment or supplement to the Proxy Statement, the party obtaining such knowledge will promptly so advise the other party in writing and both Sen Lang and Avalon will promptly take such action as shall be required to amend or supplement the Proxy Statement. Sen Lang shall promptly furnish to Avalon all financial and other information concerning it as may be required for the Proxy Statement and any supplements or amendments thereto. Avalon and the Sen Lang Representative shall cooperate in the preparation of the Proxy Statement in a timely fashion and shall use all reasonable efforts to clear the Proxy Statement with the Staff of the SEC. Each of Sen Lang and Avalon shall use all reasonable efforts to mail at the earliest practicable date to its stockholders the Proxy Statement, which shall include all information required under Applicable Law to be furnished to the Sen Lang Shareholders and Avalon's stockholders in connection with the Acquisition and the transactions contemplated thereby. Avalon also shall take such other reasonable actions (other than qualifying to do business in any jurisdiction in which it is not so qualified or submitting to taxation in any jurisdiction in which it is not subject to taxation) required to be taken under any applicable state securities laws in connection with the issuance of Avalon Common Stock in the Acquisition. Notwithstanding any provision herein to the contrary, the Proxy Statement shall contain the audited consolidated financial statements described in clause "a" of Section 5.13.1.

5.11.2 Notwithstanding anything contained in this Agreement to the contrary, Avalon shall not be obligated to take any action under Section 5.11.1 unless and until the following conditions shall have been met: (i) Avalon shall have received the audited financial statements of the Acquired Companies and any other financial information of the Acquired Companies required for inclusion in the Proxy Statement and (ii) Avalon shall have received pro forma financial statements approved by Sen Lang and its auditors required to be included in the Proxy Statement, under SEC rules..

5.12 *Nasdaq Listing.* Avalon shall use its reasonable efforts to cause the Avalon Common Stock issuable pursuant to the Acquisition to be approved for listing on Nasdaq, subject to official notice of issuance, prior to the Closing.

5.13 *Financial Statements for a Current Report on Form 8-K.*

5.13.1 At the Closing, Sen Lang shall cause Friedman LLP to deliver to Avalon an executed consent, in form and substance reasonably satisfactory to Avalon and suitable for filing by Avalon with the SEC, which consent shall authorize Avalon to file with the SEC the report delivered pursuant to Section 5.13.1.

5.13.2 Upon Avalon's request, contemporaneous with the delivery of the consolidated financial statements described in Section 5.13.1, Sen Lang shall cause Friedman LLP to make available to Avalon and its representatives the work papers generated in connection with such accounting firm's audit of the audited consolidated financial statements delivered pursuant to Section 5.13.1.

5.13.3 Prior to the Closing, the Acquired Companies shall cooperate with Avalon in providing to Avalon such consolidated financial statements, financial data and accountants' reports as Avalon shall reasonably request with respect to any filing that Avalon shall make under the Securities Act or the Exchange Act.

5.14 *Business of the PRC Companies.* Sen Lang and each of the Sen Lang Beneficial Shareholders shall use all reasonable efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with Avalon, in making sure that

(i) the business of each of the PRC Companies shall be restricted to its respective scope of business as stated in its business license and required for the carrying on of the Principal Business, and shall be carried out in accordance with the Control Documents;

(ii) each of the PRC Companies shall duly comply in all material respects with the laws applicable to such PRC Company in any jurisdiction in which such Group Company operates, is organized or licensed to do business;

(iii) each of the PRC Companies shall obtain, maintain and/or update all consents, approvals, licenses, permits or actions of, and make all filings with, in-charge government authorities or any other person needed for it to conduct its business;

(iv) each of the PRC Companies will maintain the eligibility for all the granted government finance subsidies that it is entitled to as of the Closing.

5.15 *Control Documents.* Sen Lang and each of the Sen Lang Beneficial Shareholders shall ensure that each party to the Control Documents fully performs its respective obligations under the Control Documents and use their best efforts to realize the business intention of the Control Documents. If the Control Documents become illegal, void or unenforceable under PRC laws after the date hereof, Sen Lang and each of the Sen Lang Beneficial Shareholders shall use their best efforts in good faith to devise a feasible alternative legal structure that gives effect as closely as possible the intentions of the parties in the Control Documents and the economic consequences thereto.

5.15.1.1 On and after the Closing, Avalon shall have the option to designate one or more corporate entities or individuals as nominee shareholder(s) ("Nominee Shareholder(s)") of the OpCo. At Avalon's request, the Sen Lang Beneficial Shareholders shall take all actions necessary or desirable to (i) issue and sell such equity interest as requested by Avalon for zero consideration, and (ii) enter into or revise the Control Documents in the agreed form, such that following such issuance and the entry into or revision of the Control Documents by the respective parties thereto, (A) Avalon or any of its respective Affiliates (as applicable) shall hold such percentage of equity interest in the OpCo that reflects Avalon's control over the Acquired Companies, and (B) the PRC Subsidiary, shall continue to exercise control over the economic interest in, and the operations of, the OpCo, and the financial statements of the OpCo can be consolidated with those of the other Acquired Companies.

5.15.1.2 The Sen Lang Beneficial Shareholders agree to cooperate with Avalon with the restructuring of the Control Documents to reflect the Avalon's ownership in the OpCo, which restructuring shall be carried out in a manner that will not result in any additional economic exposure for Avalon or its Affiliates.

5.15.1.3 In the case that the Applicable Laws allow a foreign entity to invest in the Principal Business, if so requested by Avalon, the Sen Lang Beneficial Shareholders shall use their best effects to transfer the Principal Business, together with the assets and properties related thereto, undertaken or owned by the OpCo to the PRC Subsidiary or another Subsidiary of Avalon as approved by Avalon, within a reasonable period of time designated by Avalon.

5.16 *Circular 37.* Each holder or beneficial owner of any equity securities of Sen Lang, including without limitations the Sen Lang Beneficial Shareholders, who is a "PRC Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, shall take all necessary actions so as to comply with such reporting and/or registration requirements under Circular 37 within sixty (60) Business Days after the Closing, if they have not done so before the Closing.

5.17 *Human Genetic Resources.* If the competent authority challenges or prohibits the collection and use of human genetic resources by the Acquired Companies claiming that the Acquired Companies are controlled by a foreign investor, Sen Lang and each of the Sen Lang Beneficial Shareholders shall use their best efforts in good faith to devise a feasible alternative legal structure which gives effect as closely as possible the intentions of the parties and the economic consequences thereto.

5.18 *PRC Tax Circular 7.*

5.18.1 Each of the Parties hereby acknowledges, covenants and agrees that (i) Avalon shall have no obligation to pay any Tax in the PRC of any nature that is required by applicable PRC Tax Law to be paid by each Sen Lang Shareholder in its capacity of a Sen Lang Shareholder of the Sen Lang Shares arising in connection with the transactions contemplated hereby, and (ii) the Sen Lang Shareholders and Sen Lang Beneficial Shareholders agree to bear and pay any and all Tax of any nature that is required by applicable PRC Law to be paid by them arising in connection with the transactions contemplated hereby.

5.18.2 The Sen Lang Shareholders shall collectively engage and authorize a reputable PRC tax advisor (whose fees shall be borne by the Sen Lang Shareholders and not Avalon) to, and shall procure the PRC tax advisor to, file with the competent PRC Tax authorities all documents as required under the PRC State Taxation Administration Circular [2015] No. 7, as may be amended and supplemented, and other applicable PRC tax laws (the "PRC Tax Circular 7") in connection with the transactions

contemplated hereby within thirty (30) days after the date hereof, and shall (x) provide draft filings to Avalon for review within fifteen (15) days after the date hereof, consider in good faith any comments thereto by Avalon (any such comments shall be delivered to the Sen Lang Shareholders within ten (10) days after the receipt of the draft filings by Avalon, and permit Avalon to make a joint filing with the Sen Lang Shareholders (or to sign on the filing by the Sen Lang Shareholders) if Avalon so elects, and (y) provide Avalon with a copy of the official filing receipt issued by the competent PRC Tax authority evidencing that such Tax filings have been made in accordance with applicable Law as soon as reasonably practicable.

5.18.3 The Sen Lang Shareholders shall use their best efforts to coordinate with the competent PRC Tax authorities to complete the assessment regarding whether any Tax imposed pursuant to the PRC Tax Circular 7 in connection with the transactions contemplated hereby will be imposed on the Sen Lang Shareholders, and timely pay or cause to be timely paid such PRC Taxes due and payable in full (the "PRC Capital Gain Tax") and obtain the tax clearance certificates therefor from the competent PRC Tax authorities (to the extent such certificates are issued) (the "Tax Clearance Certificates").

5.18.4 The Sen Lang Shareholders covenant and agree to (A) keep Avalon informed of (i) any correspondence or communications with the competent PRC Tax authorities on these filings, (ii) the final assessment by the competent PRC Tax authorities of whether the PRC Capital Gain Tax will be imposed on the Sen Lang Shareholders, and (iii) if applicable, the final confirmation by the competent PRC Tax authorities of (x) the amount of the PRC Capital Gain Tax, and (y) the timing for payment of the PRC Capital Gain Tax, and (B) to provide Avalon with drafts and copies of any correspondence or filings in respect of the PRC Tax Circular 7 and a copy of the Tax Clearance Certificates within five (5) Business Days after obtaining the same from the competent PRC Tax authorities (to the extent such certificates are issued).

5.18.5 Notwithstanding anything in this Agreement to the contrary, (i) each Party shall cooperate with the other Party and each member of the Group Company as and to the extent reasonably requested by such other Party and such member of the Group Company in connection with the filing of any Tax returns or other tax filings or reports and in any threatened or actual proceeding with respect to Taxes, including the retention and (upon request) the provision of records, and (ii) nothing herein shall be deemed to prevent or restrict Avalon or such member of Avalon's Group from making any Tax reporting or filing that is required or permitted to be made by Avalon or member of Avalon's Group under applicable PRC Tax laws (including the PRC Tax Circular 7).

5.18.6 The Sen Lang Owners shall jointly and severally indemnify and hold harmless, on an after-Tax basis, Avalon forthwith on demand from and against all Taxes and all costs, expenses, demands, Liabilities, losses and damages incurred or suffered by Avalon arising or resulting from or in connection with any breach by the Sen Lang Shareholders or Sen Lang Beneficial Shareholders of any of their obligations under this Section 5.18 and the competent PRC Tax authorities not recognising in full Avalon's actual cost of acquisition of the Sen Lang Shares as the cost basis of Avalon for the Sen Lang Shares in any future disposal of such Sen Lang Shares by Avalon.

5.19 *Rule 144*. The Sen Lang Owners understand and acknowledge that the Common Exchange Shares will be "restricted securities" as such term is used in Rule 144 under the Securities Act ("Rule 144"), will bear a restrictive legend restricting the transfer of such Common Exchange Shares in connection therewith for a period of six (6) months from the Closing Date and that the Common Exchange Shares will be indicated as restricted on Avalon's shareholders' register. The Sen Lang Owners covenant and agree to not transfer the Common Exchange Shares in violation of Rule 144. Following such six (6) month period, the Common Exchange Shares will be eligible for resale under Rule 144, subject to certain restrictions if such Person is an Affiliate of Avalon.

ARTICLE VI.

CONDITIONS

6.1 *Conditions to the Obligations of Each Party.* The obligations of Avalon, Sen Lang, the Sen Lang Shareholders, the Sen Lang Beneficial Shareholders, and the Sen Lang Representative to consummate the Acquisition and other transactions contemplated by this Agreement shall be subject to the satisfaction (or waiver by each Party, to the extent permitted by law) of the following conditions:

6.1.1 (i) This Agreement, the Acquisition and the other transactions contemplated hereby shall have been approved and adopted by the Sen Lang Shareholders in the manner required by Applicable Law, and (ii) the issuance of the Common Exchange Shares to be issued in the Acquisition shall have been approved by Avalon's stockholders and Avalon in the manner required by Applicable Law and the applicable rules of Nasdaq.

6.1.2 No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, judgment, decree, injunction or other order which is in effect, which would prohibit consummation of the transactions contemplated by this Agreement or which would have an Avalon Material Adverse Effect after the Closing and after giving effect to consummation of the transactions contemplated by this Agreement.

6.1.3 The shares of Avalon Common Stock required to be issued pursuant to the Acquisition shall have been approved for listing on Nasdaq, subject to official notice of issuance.

6.2 *Conditions to Avalon's Obligations.* The obligations of Avalon to consummate the Acquisition and the other transactions contemplated by this Agreement shall be subject to the fulfillment (or waiver by Avalon) prior to or at Closing of each of the following conditions:

6.2.1 The representations and warranties of the Acquired Companies set forth in ARTICLE III shall be true and correct in all material respects (other than representations and warranties which are qualified as to materiality, which representations and warranties shall be true in all respects) on the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be measured only as of such specified date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitations as to "materiality" or a Sen Lang Material Adverse Effect set forth therein) does not have, and is not reasonably likely to have, individually or in the aggregate, a Sen Lang Material Adverse Effect, provided that the representations and warranties set forth in Sections 3.1, 3.2, 3.3 and 3.13 shall be true and correct in all respects on the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be measured as of such specified date).

6.2.2 the Acquired Companies shall have performed in all material respects each of its obligations under this Agreement and shall have complied in all material respects with each covenant to be performed and complied with by it under this Agreement at or prior to the Closing.

6.2.3 Since the date of this Agreement, there shall not have occurred any act, event or omission having or reasonably likely to have a Sen Lang Material Adverse Effect.

6.2.4 the Acquired Companies shall have obtained all authorizations, consents, waivers, approvals or other actions described in Section 6.2.4 of the Sen Lang Disclosure Schedule required in connection with the execution, delivery and performance of this Agreement by the Acquired Companies (the "Sen Lang Approvals") and the Sen Lang Approvals shall be in full force and effect as of the Closing Date. Avalon shall have obtained all authorizations, consents, waivers, approvals or other actions described in Section 6.2.4 of the Avalon Disclosure Schedule (the "Avalon Approvals") and the Avalon Approvals shall be in full force and effect as of the Closing Date.

6.2.5 There shall not be pending any Action which (a) in the reasonable judgment of Avalon's Board of Directors, is reasonably likely to cause an Avalon Material Adverse Effect after the Closing giving effect to consummation of the transactions contemplated by this Agreement and (b) either (i) challenges or seeks to restrain or prohibit the consummation of the Acquisition or any of the other transactions contemplated by this Agreement, (ii) seeks to prohibit or limit the ownership or operation by Avalon, Sen Lang or any of their respective subsidiaries of, or to compel Avalon, Sen Lang or any of their respective subsidiaries to dispose of or hold separate, any material portion of the business or assets of Avalon, Sen Lang or any of their respective subsidiaries, as a result of the Acquisition or any of the other transactions contemplated by this Agreement, (iii) seeks to impose limitations on the ability of Avalon to acquire or hold, or exercise full rights of ownership of, any shares of capital stock of the Surviving Company, including the right to vote such capital stock of the Surviving Company on all matters properly presented to the stockholders of the Surviving Company, or (iv) seeks to prohibit Avalon or any subsidiary of Avalon from effectively controlling in any material respect the business or operations of Avalon or the subsidiaries of Avalon including the Surviving Company.

6.2.6 Prior to or at the Closing, Sen Lang shall have delivered to Avalon the following:

6.2.7.1 a certificate of the chief executive officer (or comparable officer) of Sen Lang (executed on behalf of the Acquired Companies), dated as of the Closing Date, to the effect that (1) the Person signing such certificate is familiar with this Agreement and (2) to such Person's knowledge, the conditions specified in Sections 6.2.1, 6.2.2 and 6.2.3 have been satisfied;

6.2.7.2 a certificate of the Secretary or Assistant Secretary (or comparable officer) of Sen Lang (executed on behalf of the Acquired Companies), dated as of the Closing Date, as to the incumbency of any officer of such entity executing this Agreement or any document related hereto; and

6.2.7.3 a copy of (1) the certificate of incorporation, as amended, of each Acquired Company, certified such Acquired Company's jurisdiction of incorporation and dated not earlier than fifteen (15) days prior to the Closing Date, (2) a good standing certificate (or jurisdictional equivalent thereof) for each Acquired Company from each of its respective jurisdictions of operations, dated not earlier than fifteen (15) days prior to the Closing Date and confirming that such Acquired Company is in good standing in such jurisdiction, (3) the bylaws, as amended, of each Acquired Company, certified by the Secretary or Assistant Secretary (or comparable officer) of Sen Lang (on behalf of each Acquired Company) as of the Closing Date, and (4) the resolutions of Sen Lang's Board of Directors (on behalf of the Acquired Companies) authorizing the execution, delivery and consummation of this Agreement and the transactions contemplated hereby, certified by the Secretary or Assistant Secretary (or comparable officer) of Sen Lang as of the Closing Date.

6.2.7 All reports of Sen Lang's independent accountants relating to the Acquired Companies' audited consolidated financial statements filed with (or incorporated by reference in any document filed with) the SEC subsequent to the date hereof and prior to the Closing shall certify, without qualification or exception, that such financial statements (a) have been prepared in accordance with generally accepted accounting principles consistently applied during the periods involved and (b) fairly present, in all material respects, the consolidated financial position of the entities described therein as of the dates thereof and the consolidated results of operations and consolidated cash flows of such entities for the periods presented.

6.2.8 The requisite vote (under Applicable Law and the rules and regulations of Nasdaq) of Avalon's stockholders to authorize the issuance of Avalon Common Stock hereunder shall have been obtained.

6.2.9 The Avalon Equity Financing shall have been consummated no later than concurrently with the Closing.

6.2.10 Avalon shall have received a copy of the Escrow Agreement, duly executed by the Sen Lang Representative and the Escrow Agent.

6.2.11 Avalon shall have received an AI Letter for each Sen Lang Shareholder, duly executed by such Sen Lang Shareholder and its respective Sen Lang Beneficial Shareholder, and each AI Letter shall be true, accurate and complete as of the Closing.

6.2.12 The Control Documents shall have been duly executed and delivered by the relevant parties, to the satisfaction of Avalon. The Sen Lang Beneficial Shareholders have, in accordance with the Control Documents, pledged all the shares of OpCo they hold to the PRC Subsidiary and have completed the share pledge registration with the competent company registry, and have provided the relevant notice of registration of share pledge (股权出质登记通知书 in Chinese) issued by such company registry to Avalon.

6.2.13 Except for North United Investment Ltd. and DBVest Limited, each holder or beneficial owner of any equity securities of Sen Lang, including without limitations the Sen Lang Beneficial Shareholders, who is a "PRC Resident" as defined in Circular 37 and is subject to any of the registration or reporting requirements of Circular 37, shall have taken all necessary actions so as to comply with such reporting and/or registration requirements under Circular 37; provided, that, if such reporting and/or registration requirements have not been completed as of Closing, and Avalon elects, in its sole and absolute discretion, to waive this condition, such reporting and/or registration shall have been completed within sixty (60) Business Days after the Closing.

6.2.14 OpCo shall have completed the sale of 100% of the equity interests in Hebei Senlang Taihe Biotechnology Co., Ltd (河北森朗泰禾生物科技有限公司 in Chinese) to Avalon's satisfaction (including, without limitation, satisfaction as to the sale price) and OpCo shall have provided the relevant notice of registration in connection with such sale issued by the competent company registry to Avalon.

6.2.15 OpCo shall have registered its lab located at the Runjiang Headquarter International Park as a branch company and shall have provided the relevant notice of the establishment of the branch company issued by the competent company registry to Avalon.

6.3 *Conditions to Sen Lang's Obligations.* The obligations of the Sen Lang Parties to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment (or waiver by the Sen Lang Representative) at or prior to the Closing of each of the following conditions:

6.3.1 The representations and warranties of Avalon set forth in ARTICLE IV shall be true and correct in all material respects (other than representations and

warranties which are qualified as to materiality, which representations and warranties shall be true in all respects) on the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be measured only as of such specified date), except where the failure of such representations and warranties to be so true and correct (without giving effect to any limitations as to "materiality" or an Avalon Material Adverse Effect set forth therein) does not have, and is not reasonably likely to have, individually or in the aggregate, an Avalon Material Adverse Effect, provided that the representations and warranties set forth in Sections 4.1, 4.2 and 4.19 shall be true and correct in all respects on the date hereof and on and as of the Closing Date as though made on and as of the Closing Date (except for representations and warranties made as of a specified date, which shall be measured as of such specified date).

6.3.2 Avalon shall have performed in all material respects each of its obligations under this Agreement and shall have complied in all material respects with each covenant to be performed and complied with by Avalon this Agreement at or prior to the Closing.

6.3.3 Avalon shall have obtained all of the Avalon Approvals and the Avalon Approvals shall be in full force and effect as of the Closing Date.

6.3.4 Prior to or at the Closing, Avalon shall have delivered to Sen Lang the following:

6.3.4.1 a certificate of the chief executive officer (or comparable officer) of Avalon, dated as of the Closing Date, to the effect that (1) the Person signing such certificate is familiar with this Agreement and (2) to such Person's knowledge, the conditions specified in Sections 6.3.1, 6.3.2 and 6.3.5 have been satisfied;

6.3.4.2 a certificate of the Secretary or Assistant Secretary (or comparable officer) of Avalon, dated as of the Closing Date, as to the incumbency of any officer of Avalon executing this Agreement or any document related hereto; and

6.3.4.3 a copy of (1) the certificate of incorporation, as amended, of Avalon, certified by the Delaware Secretary of State and dated not earlier than fifteen (15) days prior to the Closing Date, (2) a certificate of the Delaware Secretary of State, dated not earlier than fifteen (15) days prior to the Closing Date and confirming that Avalon is in good standing in the State of Delaware, (3) the bylaws, as amended, of Avalon, certified by the Secretary or Assistant Secretary (or comparable officer) of Avalon as of the Closing Date, and (4) the resolutions of Avalon's Board of Directors (or Committee thereof) authorizing the execution, delivery and consummation of this Agreement and the transactions contemplated hereby, certified by the Secretary or Assistant Secretary (or comparable officer) of Avalon as of the Closing Date.

6.3.5 Since the date of this Agreement, there shall not have occurred any act, event or omission having or reasonably likely to have an Avalon Material Adverse Effect.

6.3.6 The Sen Lang Representative shall have received a copy of the Escrow Agreement, duly executed by Avalon and the Escrow Agent

6.3.7 All reports of Avalon's independent accountants relating to Avalon's audited consolidated financial statements filed with (or incorporated by reference in any document filed with) the SEC subsequent to the date hereof and prior to the Closing shall certify, without qualification or exception, that such financial statements (a) have been prepared in accordance with generally accepted accounting principles consistently applied during the periods involved and (b) fairly present, in all material respects, the consolidated financial position of the entities described therein as of the dates thereof and the consolidated results of operations and consolidated cash flows of such entities for the periods presented.

ARTICLE VII.

TERMINATION

7.1 *Termination.* This Agreement may be terminated and the Acquisition may be abandoned at any time prior to the Closing (notwithstanding any approval of this Agreement by the Sen Lang Shareholders and/or Avalon's stockholders):

7.1.1 by mutual written consent of Avalon and the Sen Lang Representative;

7.1.2 by either Avalon or the Sen Lang Representative if there shall be any law or regulation that, as supported by the written opinion of outside legal counsel, makes consummation of the Acquisition illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a court or other competent Governmental Authority enjoining Avalon or the Sen Lang Representative from consummating the Acquisition shall have been entered and such judgment, injunction, order or decree shall have become final and nonappealable;

7.1.3 by either Avalon or the Sen Lang Representative if the Acquisition shall not have been consummated before the Outside Date (as hereinafter defined), provided, however, that the right to terminate this Agreement under this Section 7.1.3 shall not be available to any party whose failure or whose affiliate's failure to perform any material covenant or obligation under this Agreement has been the cause of or resulted in the failure of the Acquisition to occur on or before such date;

7.1.4 by Avalon if the Board of Directors of Sen Lang shall withdraw, modify or change the Sen Lang Board Recommendation in a manner adverse to Avalon or by the Sen Lang Representative if the Board of Directors of Avalon shall withdraw, modify or change the Avalon Board Recommendation in a manner adverse to the Sen Lang Owners;

7.1.5 by either Avalon or the Sen Lang Representative if at the Sen Lang Special Meeting (including any adjournment or postponement thereof) the requisite vote (under Applicable Law) of the Sen Lang Shareholders to approve the Acquisition and the transactions contemplated hereby shall not have been obtained;

7.1.6 by either Avalon or the Sen Lang Representative if at the Avalon Annual Meeting (including any adjournment or postponement thereof) the requisite vote (under Applicable Law and the rules and regulations of Nasdaq) of Avalon's stockholders to authorize the issuance of Avalon Common Stock in the Acquisition shall not have been obtained;

7.1.7 by either Avalon or the Sen Lang Representative if any representation or warranty made in this Agreement (including the Sen Lang Disclosure Schedule and the Avalon Disclosure Schedule) for its benefit is untrue in any material respect (other than representations and warranties which are qualified as to materiality, which representations and warranties will give rise to termination if untrue in any respect); provided that, in each case, (a) the party seeking to terminate this Agreement is not then in material breach of any material representation or warranty contained in this Agreement, (b) such untrue representation or warranty cannot be or has not been cured within thirty (30) days after receipt of written notice of such breach and (c) in the case of Sen Lang, except for the representations and warranties contained in Sections 3.1, 3.2, 3.3 and 3.13, and in the case of Avalon, except for the representations and warranties contained in Sections 4.1, 4.2 and 4.19, such untrue representation and warranty has, or is reasonably likely to have, a Sen Lang Material Adverse Effect or an Avalon Material Adverse Effect, as the case may be and in each case after the Closing and after giving effect to

consummation of the transactions contemplated by this Agreement;

7.1.8 by either Avalon or the Sen Lang Representative if the other party shall have defaulted in the performance of any material covenant or agreement under this Agreement; provided that, in each case, (a) the Party seeking to terminate this Agreement has complied with its covenants and agreements under this Agreement in all material respects and (b) such failure to comply cannot be or has not been cured within thirty (30) days after receipt of written notice of such default;

7.1.9 by Avalon if any authorization, consent, waiver or approval required for the consummation of the transactions contemplated hereby shall require the divestiture or cessation of any of the present business or operations conducted by Avalon or its Subsidiaries or any Acquired Company or shall impose any other material condition or requirement, which divestiture, cessation, condition or requirement, in the reasonable judgment of Avalon's Board of Directors, would be reasonably likely to have an Avalon Material Adverse Effect after the Closing giving effect to consummation of the transactions contemplated by this Agreement;

7.1.10 by Avalon, in the event that the conditions to its obligations set forth in ARTICLE VI have not been satisfied or waived by the date set for the Closing or in the event that such conditions cannot possibly be satisfied prior to the Outside Date, provided that Avalon is not then in material breach of any material representation, warranty, covenant or other agreement contained in this Agreement; or

7.1.11 by Sen Lang, in the event that the conditions to its obligations set forth in ARTICLE VI have not been satisfied or waived by the date set for the Closing or in the event that such conditions cannot possibly be satisfied prior to the Outside Date, provided that Sen Lang is not then in material breach of any material representation, warranty, covenant or other agreement contained in this Agreement.

For purposes of this Agreement, the "Outside Date" means December 31, 2021.

7.2 *Effect of Termination*. In the event of the termination of this Agreement pursuant to Section 7.1, this Agreement, except for any provisions relating to the confidentiality obligations of the parties hereto to each other and the provisions of this Section 7.2 and Section 9.12, shall become void and have no effect, without any liability on the part of any party or its directors, officers or stockholders. Notwithstanding the foregoing, nothing in this Section 7.2 shall relieve any party to this Agreement of liability for a material breach of any material provision of this Agreement.

ARTICLE VIII.

SURVIVAL AND INDEMNIFICATION

8.1 *Survival of Representations and Warranties.*

8.1.1 All representations and warranties of the Sen Lang Parties and Acquired Companies contained in this Agreement (including all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished pursuant to this Agreement) shall survive the Closing through and until and including the twenty-four (24) month anniversary of the Closing Date (the "Expiration Date"), other than representations and warranties of the Sen Lang Parties and Acquired Companies contained in this Agreement with respect to Taxes and Indebetdness, which shall survive the Closing through and until sixty (60) days after the expiration of the applicable statute of limitations for the underlying item; provided, however, that any claim based in whole or in part upon fraud, willful misconduct or intentional misrepresentation (collectively, "Fraud Claims") shall survive indefinitely. If a Claim Notice (as defined herein) for a claim of a breach of any representation or warranty has been given before the Expiration Date, then the relevant representations and warranties shall survive as to such claim, until the claim has been finally resolved. All covenants, obligations and agreements of the Sen Lang Parties and the Acquired Companies contained in this Agreement (including the Sen Lang Disclosure Schedule, all schedules and exhibits hereto and all certificates, documents, instruments and undertakings furnished by any Sen Lang Party or Acquired Companypursuant to this Agreement), including any indemnification obligations, shall survive the Closing and continue until fully performed in accordance with their terms.

8.1.2 The representations and warranties of Avalon contained in this Agreement or in any certificate or instrument delivered by or on behalf of Avalon pursuant to this Agreement shall not survive the Closing, and from and after the Closing, Avalon, its Affiliates, and its and their respective managers, directors, officers, employees, independent contractors, consultants, advisors (including financial advisors, counsel and accountants), agents and other legal representatives shall not have any further obligations, nor shall any claim be asserted or Action be brought against Avalon or its managers, directors, officers, employees, independent contractors, consultants, advisors (including financial advisors, counsel and accountants), agents and other legal representatives with respect thereto. The covenants and agreements made by Avalon in this Agreement or in any certificate or instrument delivered pursuant to this Agreement, including any rights arising out of any breach of such covenants or agreements, shall not survive the Closing, except for those covenants and agreements contained herein and therein that by their terms apply or are to be performed in whole or in part after the Closing (which such covenants shall survive the Closing and continue until fully performed in accordance with their terms).

8.1.3 *Indemnification by Sen Lang Owners.* Subject to the terms and conditions of this ARTICLE VIII and as acknowledged in the AI Letter executed by each Sen Lang Owner, from and after the Closing, the Sen Lang Owners and their respective successors and assigns (each, with respect to any claim made pursuant to this Agreement, an "Indemnifying Party") will severally and jointly indemnify, defend and hold harmless Avalon, its Affiliates and each of its and their respective officers, directors, managers, employees, successors and permitted assigns (each, with respect to any claim made pursuant to this Agreement, an "Indemnified Party") from and against any and all losses, actions, orders, liabilities, damages (including consequential damages), diminution in value, Taxes, interest, penalties, Encumbrances, amounts paid in settlement, costs and expenses (including reasonable expenses of investigation and court costs and reasonable attorneys' fees and expenses), (any of the foregoing, a "Loss") paid, suffered or incurred by, or imposed upon, any Indemnified Party to the extent arising in whole or in part out of or resulting directly or indirectly from (whether or not involving a Third Party Claim): (a) the breach of any representation or warranty made by any Sen Lang Party or Acquired Company set forth in this Agreement or in any Ancillary Document or certificate delivered by any Sen Lang Party or Acquired Company; (b) the breach of any covenant or agreement on the part of any Sen Lang Party or Acquired Company set forth in this Agreement or in any Ancillary Document or certificate delivered by any Sen Lang Party or Acquired Company; (c) any Action by Person(s) who were holders of equity securities of an Acquired Company, including options, warrants, convertible debt or other convertible securities or other rights to acquire equity securities of an Acquired Company, prior to the Closing arising out of the sale, purchase, termination, cancellation, expiration, redemption or conversion of any such securities; (d) any debts, liabilities and obligations of the Acquired Companies existing or arising prior to the Closing or from and after the Closing due to events occurring prior to the Closing; (e) the Control Documents becoming illegal, void, unenforceable or ineffective, as determined by Avalon in its sole and absolute discretion, under Applicable Law; or (f) a competent authority challenging or prohibiting the collection and use of human genetic resources by the Acquired Companies.

8.2 *Limitations and General Indemnification Provisions*.

8.2.1 The maximum aggregate amount of indemnification payments to which the Indemnifying Parties will be obligated to pay in the aggregate (excluding Fraud Claims and Control Claims (as defined herein)) shall not exceed the amount of the Escrow Property in the Escrow Account at such time, and in the case of Fraud Claims and Control Claims, shall not exceed an amount equal to the Common Exchange Shares actually paid by Avalon to the Sen Lang Shareholders.

8.2.2 In no event shall any Indemnified Party be entitled to recover or make a claim for any amounts in respect of, and in no event shall Losses be deemed to include any punitive, special or exemplary damages except to the extent actually paid to a third party in a Third Party Claim.

8.2.3 For purposes of determining whether there has been a breach giving rise to the indemnification claim, and determining the amount of Losses under this ARTICLE VIII, all of the representations, warranties and covenants set forth in this Agreement (including the Sen Lang Disclosures hereto) or any Ancillary Document that are qualified by materiality, Material Adverse Effect or words of similar import or effect will be deemed to have been made without any such qualification.

8.2.4 No investigation or knowledge by an Indemnified Party or its Representatives of a breach of a representation, warranty, covenant or agreement of an Indemnifying Party shall affect the representations, warranties, covenants and agreements of the Indemnifying Party or the recourse available to the Indemnified Parties under any provision of this Agreement, including this ARTICLE VIII, with respect thereto.

8.2.5 The amount of any Losses suffered or incurred by any Indemnified Party shall be reduced by the amount of any insurance proceeds paid to the Indemnified Party or any Affiliate thereof as a reimbursement with respect to such Losses (and no right of subrogation shall accrue to any insurer hereunder, except to the extent that such waiver of subrogation would prejudice any applicable insurance coverage), net of the costs of collection and the increases in insurance premiums resulting from such Loss or insurance payment.

8.3 *Indemnification Procedures.*

8.3.1 Avalon shall have the sole right to act on behalf of the Indemnified Parties with respect to any indemnification claims made pursuant to thisARTICLE VIII, including bringing and settling any indemnification claims hereunder and receiving any notices on behalf of the Indemnified Parties. The Sen Lang Representative shall have the sole right to act on behalf of the Indemnifying Parties with respect to any indemnification claims made pursuant to this ARTICLE VIII, including defending and settling any indemnification claims hereunder and receiving any notices on behalf of the Indemnifying Parties.

8.3.2 In order to make a claim for indemnification hereunder, Avalon on behalf of an Indemnified Party must provide written notice (a "Claim Notice") of such claim to the Sen Lang Representative on behalf of the Indemnifying Parties and to the Escrow Agent, which Claim Notice shall include (i) a reasonable description of the facts and circumstances which relate to the subject matter of such indemnification claim to the extent then known and (ii) the amount of Losses suffered by the Indemnified Party in connection with the claim to the extent known or reasonably estimable (provided, that Avalon may thereafter in good faith adjust the amount of Losses with respect to the claim by providing a revised Claim Notice to the Sen Lang Representative and the Escrow Agent); provided, that the copy of any Claim Notice provided to the Escrow Agent shall be redacted for any confidential or proprietary information of the Indemnifying Party or the Indemnified Party described in clause (i).

8.3.3 In the case of any claim for indemnification under this ARTICLE VIII arising from a claim of a third party (including any Governmental Authority) (a "Third Party Claim"), Avalon must give a Claim Notice with respect to such Third Party Claim to the Sen Lang Representative promptly (but in no event later than thirty (30) days) after the Indemnified Party's receipt of notice of such Third Party Claim; provided, that the failure to give such notice will not relieve the Indemnifying Party of its indemnification obligations except to the extent that the defense of such Third Party Claim is materially and irrevocably prejudiced by the failure to give such notice. The Sen Lang Representative will have the right to defend and to direct the defense against any such Third Party Claim in its name and at its expense, and with counsel selected by the Sen Lang Representative, unless (i) the Sen Lang Representative fails to acknowledge fully to Avalon the obligations of the Indemnifying Party to the Indemnified Party within twenty (20) days after receiving notice of such Third Party Claim or contests, in whole or in part, its indemnification obligations therefor or (ii) at any time while such Third Party Claim is pending, (A) there is a conflict of interest between the Sen Lang Representative on behalf of the Indemnifying Party and Avalon on behalf of the Indemnified Party in the conduct of such defense, (B) the applicable third party alleges a Fraud Claim or Control Claim, (C) such claim is criminal in nature, could reasonably be expected to lead to criminal Actions, or seeks an injunction or other equitable relief against the Indemnified Party, or (D) the amount of the Third Party Claim exceeds or is reasonably expected to exceed the value of the remaining Escrow Property in the Escrow Account (after deducting any amounts for pending but unresolved indemnification claims and resolved but unpaid indemnification claims). If the Sen Lang Representative on behalf of the Indemnifying Party elects, and is entitled, to compromise or defend such Third Party Claim, it will within twenty (20) days (or sooner, if the nature of the Third Party Claim so requires) notify Avalon of its intent to do so, and Avalon and the Indemnified Party will, at the request and expense of the Sen Lang Representative, cooperate in the defense of such Third Party Claim. If the Sen Lang Representative on behalf of the Indemnifying Party elects not to, or at any time is not entitled under this Section 8.3.3 to, compromise or defend such Third Party Claim, fails to notify Avalon of its election as herein provided or refuses to acknowledge or contests its obligation to indemnify under this Agreement, Avalon on behalf of the Indemnified Party may pay, compromise or defend such Third Party Claim. Notwithstanding anything to the contrary contained herein, the Indemnifying Party will have no indemnification obligations with respect to any such Third Party Claim which is settled by the Indemnified Party or Avalon without the prior written consent of the Sen Lang Representative on behalf of the Indemnifying Party (which consent will not be unreasonably withheld, delayed or conditioned); provided, however, that notwithstanding the foregoing, the Indemnified Party will not be required to refrain from paying any Third Party Claim which has matured by a final, non-appealable order of a Governmental Authority, nor will it be required to refrain from paying any Third Party Claim where the delay in paying such claim would result in the foreclosure of a Encumbrance upon any of the property or assets then held by the Indemnified Party or where any delay in payment would cause the Indemnified Party material economic loss. The Sen Lang Representative's right on behalf of the Indemnifying Party to direct the defense will include the right to compromise or enter into an agreement settling any Third Party Claim; provided, that no such compromise or settlement will obligate the Indemnified Party to agree to any settlement that that requires the taking or restriction of any action (including the payment of money and competition restrictions) by the Indemnified Party other than the execution of a release for such Third Party Claim and/or agreeing to be subject to customary confidentiality obligations in connection therewith, except with the prior written consent of Avalon on behalf of the Indemnified Party (which consent will not be unreasonably withheld, delayed or conditioned). Notwithstanding the Sen Lang Representative's right on behalf of the Indemnifying Party to compromise or settle in accordance with the immediately preceding sentence, the Sen Lang Representative on behalf of the Indemnifying Party may not settle or compromise any Third Party Claim over the objection of Avalon on behalf of the Indemnified Party; provided, however, that consent by Avalon on behalf of the Indemnified Party to settlement or compromise will not be unreasonably withheld, delayed or conditioned. Avalon, on behalf of the Indemnified Party, will have the right to participate in the defense of any Third Party Claim with counsel selected by it subject to the Sen Lang Representative's right on behalf of the Indemnifying Party to direct the defense.

8.3.4 With respect to any direct indemnification claim that is not a Third Party Claim, the Sen Lang Representative, on behalf of the Indemnifying Party, will have a period of thirty (30) days after receipt of the Claim Notice to respond thereto. If the Sen Lang Representative, on behalf of the Indemnifying Party, does not respond within such thirty (30) days, the Sen Lang Representative, on behalf of the Indemnifying Party, will be deemed to have accepted responsibility for the Losses set forth in such Claim Notice subject to the limitations on indemnification set forth in this ARTICLE VIII and will have no further right to contest the validity of such Claim Notice. If the Sen

Lang Representative responds within such thirty (30) days and rejects such claim in whole or in part, Avalon on behalf of the Indemnified Party will be free to pursue such remedies as may be available under this Agreement, any Ancillary Documents or Applicable Law.

8.4 *Indemnification Payments*. Any indemnification claims against the Indemnifying Parties (other than for Fraud Claims or Control Claims) shall be satisfied solely by the Escrow Property (with such indemnification first be applied against the Escrow Shares and then against any other Escrow Property), and no Indemnifying Party shall be required to make any out-of-pocket payment for indemnification other than in connection with Fraud Claims or Control Claims. Any indemnification obligation of an Indemnifying Party under this ARTICLE VIII will be paid within five (5) Business Days after the determination of such obligation in accordance with this ARTICLE VIII (and Avalon and the Sen Lang Representative will provide or cause to be provided to the Escrow Agent any written instructions or other information or documents required by the Escrow Agent to do so). Notwithstanding anything to the contrary contained herein, any indemnification payments will be made to Avalon or its successors. With respect to any indemnification payment, the value of each Escrow Share or any other share of Avalon Common Stock for purposes of determining the indemnification payment shall be the Avalon Per Share Price. Any Escrow Shares or other shares of Avalon Common Stock received by Avalon as an indemnification payment shall be promptly cancelled by Avalon after its receipt thereof. Without limiting any of the foregoing or any other rights of the Indemnified Parties under this Agreement or any Ancillary Document or at law or equity, in the event that an Indemnifying Party fails or refuses to promptly indemnify an Indemnified Party as provided herein or otherwise fails or refuses to make any payments required under any Ancillary Document, in either case, where it is established that such Indemnifying Party is obligated to provide such indemnification or to make such payment, the applicable Indemnified Party shall, in its sole discretion, be entitled to claim a portion of the shares of Avalon Common Stock then owned by such Indemnifying Party up to an amount equal in value (based on the Avalon Per Share Price) to the amount owed by such Indemnifying Party. In the event that such Indemnifying Party fails to promptly transfer any such shares of Avalon Common Stock pursuant to this Section 8.4, Avalon shall be and hereby is authorized as the attorney-in-fact for such Indemnifying Party to transfer such shares of Avalon Common Stock to the proper recipient thereof as required by this Section 8.4, and may transfer such shares of Avalon Common Stock and cancel the stock certificates for such shares on the books and records of Avalon and issue new stock certificates to such transferee and may instruct its agents and any exchanges on which Avalon Common Stock is listed or traded to do the same.

8.5 *Exclusive Remedy*. From and after the Closing, except with respect to Fraud Claims, Control Claims or claims seeking injunctions, specific performance or other equitable relief (including pursuant to Section 9.10), or claims under the terms of the Letters of Transmittal or other Ancillary Documents, indemnification pursuant to this ARTICLE VIII shall be the sole and exclusive remedy for the Parties with respect to matters arising under this Agreement of any kind or nature, including for any misrepresentation or breach of any warranty, covenant, or other provision contained in this Agreement or in any certificate or instrument delivered pursuant to this Agreement or otherwise relating to the subject matter of this Agreement, including the negotiation and discussion thereof.

ARTICLE IX.

MISCELLANEOUS

9.1 *Amendments, Extensions and Waivers.* No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Avalon and the Sen Lang Representative. Subject to the limitations set forth herein, at any time prior to the Closing, the Parties may extend the time for the performance of any of the obligations or other acts of the other Parties. No waiver by any Party of any provision of this Agreement or any default, misrepresentation, or breach of warranty or covenant hereunder, whether intentional or not, shall be valid unless the same shall be in writing and signed by the Party making such waiver nor shall such waiver be deemed to extend to any prior or subsequent default, misrepresentation, or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

9.2 *Notices*. All notices, requests, demands, claims, and other communications hereunder shall be in writing. Any notice, request, demand, claim, or other communication hereunder shall be deemed duly given (i) when delivered personally to the recipient, (ii) one (1) Business Day after being sent to the recipient by reputable overnight courier service (charges prepaid), (iii) one (1) Business Day after being sent to the recipient by facsimile transmission or electronic mail, or (iv) four (4) Business Days after being mailed to the recipient by certified or registered mail, return receipt requested and postage prepaid, and addressed to the intended recipient as set forth below:

9.2.1 if to Avalon:

Avalon GloboCare Corp.
4400 Route 9 South
Suite 3100
Freehold, New Jersey 07728
Attention: Meng Li, Chief Operating Officer
E-mail: meng@avalon-globocare.com

with a copy (which shall not constitute notice) to:

Lowenstein Sandler LLP
One Lowenstein Drive
Roseland, New Jersey 07068
Attention: Steven M. Skolnick, Esq.
E-mail: sskolnick@lowenstein.com

9.2.2 if to the Sen Lang Representative:

Ding Wei
B09,5/F, Reignwood Center, Jianguomenwai Ave,
Beijing, China
E-mail: Dingwei@senlangbio.com

with a copy (which shall not constitute notice) to:

Co-Effort LLP
35th Floor, Huaneng United Building, 958 Lujiazui Ring Road,
Shanghai, China
Attention: Jin Yuan
E-mail: Jinyuan@co-effort.com

Any Party may change the address to which notices, requests, demands, claims, and other communications hereunder are to be delivered by giving the other Parties notice in the manner herein set forth.

9.3 *Interpretation; Construction.*

9.3.1 When a reference is made in this Agreement to an Article or Section, such reference shall be to an Article or Section of this Agreement unless otherwise indicated. The headings and the table of contents contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

9.3.2 The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, 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 of the provisions of this Agreement. Any reference to any federal, state, local, or non-U.S. statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. Unless otherwise indicated to the contrary herein by the context or use thereof: (i) the words, "herein," "hereto," "hereof" and words of similar import refer to this Agreement as a whole, including the Disclosure Schedules and exhibits, and not to any particular section, subsection, paragraph, subparagraph or clause contained in this Agreement; (ii) masculine gender shall also include the feminine and neutral genders, and vice versa; (iii) words importing the singular shall also include the plural, and vice versa; and (iv) the words "include," "includes" or "including" shall be deemed to be followed by the words "without limitation".

9.3.3 The Exhibits, Sen Lang Disclosure Schedule, Avalon Disclosure Schedule and other schedules identified in this Agreement are incorporated herein by reference and made a part hereof.

9.4 *"Knowledge" Defined.* For purposes of this Agreement, "knowledge" of a Person means the actual knowledge of such Person, or all officers of such Person with a title of executive vice president or higher, after reasonable inquiry.

9.5 *Counterparts.* This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or scanned pages shall be effective as delivery of a manually executed counterpart to this Agreement.

9.6 *Entire Agreement.* This Agreement, the Ancillary Documents and the Letter Agreement, dated August 27, 2020, from Avalon and accepted and agreed as of August 29, 2020 by Hebei Senlangbio Technology Co. Ltd. constitute the entire agreement among the parties and supersede all prior agreements and understandings, agreements or representations by or among the parties, written and oral, with respect to the subject matter hereof and thereof.

9.7 *Third-Party Beneficiaries.* Nothing in this Agreement, express or implied, is intended or shall be construed to confer any rights or remedies upon any Person other than the Parties.

9.8 *Governing Law.* Except to the extent that the laws of the jurisdiction of organization of any party hereto, or any other jurisdiction, are mandatorily applicable to the Acquisition or to matters arising under or in connection with this Agreement, this Agreement shall be governed by the laws of the State of Delaware. All Actions arising out of or relating to this Agreement shall be heard and determined exclusively in any state or federal court sitting in the State of Delaware.

9.9 *Consent to Jurisdiction; Venue; Waiver of Jury Trial.*

9.9.1 Each of the parties hereto irrevocably submits to the exclusive jurisdiction of the state courts of Delaware and the United States District Court for the District of Delaware, for the purpose of any Action arising out of or relating to this Agreement and each of the parties hereto irrevocably agrees that all claims in respect to such Action shall be heard and determined exclusively in any Delaware state or federal court. Each of the parties hereto agrees that a final judgment in any Action shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

9.9.2 Each of the parties hereto irrevocably consents to the service of any summons and complaint and any other process in any other Action relating to the Acquisition, on behalf of itself or its property, by the delivery of copies of such process to such party in the same manner as notice is to be provided pursuant to ARTICLE IX. Nothing in this Section 9.9 shall affect the right of any party hereto to serve legal process in any other manner permitted by law.

9.9.3 EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT TO TRIAL BY JURY OF ANY ACTION (A) ARISING UNDER THIS AGREEMENT OR (B) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES IN RESPECT OF THIS AGREEMENT OR ANY OF THE TRANSACTIONS RELATED HERETO, IN EACH CASE, WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER IN CONTRACT, TORT, EQUITY, OR OTHERWISE. EACH PARTY HEREBY FURTHER AGREES AND CONSENTS THAT ANY SUCH ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT THE PARTIES MAY FILE A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.

9.10 *Specific Performance.* The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached or threatened to be breached and that an award of money damages would be inadequate in such event. Accordingly, it is acknowledged that, prior to the valid termination of this Agreement pursuant to Section 7.1, the Parties shall be entitled to equitable relief, without proof of actual damages, including an injunction or order for specific performance to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement, in addition to any other remedy to which they are entitled at law or in equity as a remedy for any such breach or threatened breach; provided, however, for the avoidance of doubt, under no circumstance shall Sen Lang be permitted or entitled to receive both a grant of specific performance that results in the consummation of the transactions contemplated by this Agreement and monetary damages, including any monetary damages in lieu of specific performance. Each Party further agrees that no other Party or any other Person shall be required to obtain, furnish or post any bond or similar instrument in connection with or as a condition to obtaining any remedy referred to in this Section 9.10, and each Party (a) irrevocably waives any right it may have to require the obtaining, furnishing or posting of any such bond or similar instrument and (b) agrees to cooperate fully in any attempt by the other Party or Parties in obtaining such equitable relief. Each Party further agrees that the only permitted objection that it may raise in response to any action for equitable relief is that it contests the existence of a breach or threatened breach of this Agreement.

9.11 *Assignment.* This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. No Party may assign either this Agreement or any of its rights, interests, or obligations hereunder without the prior written approval of Buyer and Seller; provided, however, that

Buyer may (i) assign any or all of its rights and interests hereunder to one or more of its Affiliates, (ii) designate one or more of its Affiliates to perform its obligations hereunder (in any or all of which cases Buyer nonetheless shall remain responsible for the performance of all of its obligations hereunder), and (iii) assign collaterally to any lender(s) its rights hereunder.

9.12 *Expenses.* Subject to the provisions of Section 7.2, all costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, except that those expenses incurred in connection with filing, printing and mailing the Proxy Statement (including filing fees related thereto but excluding legal and accounting fees and expenses) and the fees and disbursements of any third-party service provider with respect thereto will be shared equally by Avalon and the Sen Lang Representative.

9.13 *Severability.* Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

9.14 *Release.* In consideration of, among other things, the entry into this Agreement by Avalon, Sen Lang, and the Sen Lang Representative and the consummation of the transactions contemplated hereby and each Sen Lang Owner's entitlement to receive, directly or indirectly, the Common Exchange Shares payable pursuant to this Agreement, effective as of the Closing, each Sen Lang Owner, on its own behalf and on behalf of such Sen Lang Owner's successors, Affiliates, assigns, heirs, trustees, administrators and executors (each, a "Sen Lang Releasing Party"), hereby irrevocably releases and discharges each Acquired Company, and its direct and indirect equityholders and its past, present and future directors, officers, managers, employees, members, partners, shareholders, agents, attorneys, advisors, representatives, successors, and assigns (collectively, the "Released Parties") from any and all debts, losses, costs, bonds, suits, actions, causes of action, liabilities, contributions, attorneys' fees, interest, damages, punitive damages, expenses, claims, potential claims, counterclaims, cross-claims or demands, in law or in equity, asserted or unasserted, express or implied, known or unknown, matured or unmatured, contingent or vested, liquidated or unliquidated, of any kind or nature or description whatsoever, that the Sen Lang Releasing Party had, presently has or may hereafter have or claim or assert to have against any of the Released Parties arising on or prior to the Closing Date solely to the extent based upon such Sen Lang Owner's capacity as a holder of equity, directly or indirectly, in any Acquired Company (collectively, the " Sen Lang Released Claims"). This release is intended to be a complete and general release with respect to the Sen Lang Released Claims, and specifically includes claims that are known, unknown, fixed, contingent or conditional, including breach of fiduciary duty, or claims arising under any federal, state, blue sky or local law dealing with any securities.

9.15 *Governing Language; Translations.* This Agreement has been negotiated and executed by the Parties in English. In the event of a conflict between different translations of these terms, the English translation will govern.

9.16 *Voluntary Agreement.* The Sen Lang Parties acknowledge and warrant that (a) they have been advised that (i) the law firm of Lowenstein Sandler LLP prepared this Agreement, (ii) in preparing this Agreement, the law firm of Lowenstein Sandler LLP represented only the interests of Avalon, and (iii) the interests of the Sen Lang Parties may be different from Avalon's interests, (b) they have been afforded a reasonable opportunity to review this Agreement, to understand its terms and to discuss it with an attorney of their choice and (c) they knowingly and voluntarily enter into this Agreement.

ARTICLE X.

DEFINITIONS

10.1 *Certain Definitions.* For purpose of this Agreement, the following capitalized terms have the following meanings:

10.1.1 "Accounting Principles" means in accordance with generally accepted accounting principles as in effect at the date of the financial statement to which it refers or if there is no such financial statement, then as of the Closing Date, using and applying the same accounting principles, practices, procedures, policies and methods (with consistent classifications, judgments, elections, inclusions, exclusions and valuation and estimation methodologies) used and applied by the Acquired Companies in the preparation of the Sen Lang Financial Statements.

10.1.2 "Action" means any notice of noncompliance or violation, or any claim, demand, charge, action, suit, litigation, audit, settlement, complaint, stipulation, assessment or arbitration, or any request (including any request for information), inquiry, hearing, or proceeding, by or before any Governmental Authority.

10.1.3 "Acquired Companies" means Sen Lang and each of its Subsidiaries. Acquired Companies shall also include the OpCo and Senlang Lab.

10.1.4 "Affiliate" means, with respect to any Person, any other Person directly or indirectly Controlling, Controlled by, or under common Control with such Person.

10.1.5 "Ancillary Documents" means each agreement, instrument or document attached hereto as an Exhibit or executed in connection herewith.

10.1.6 "Applicable Law" means all laws, rules and regulations applicable to the Person, conduct, transaction, covenant, Ancillary Document or contract in question, including all applicable common law and equitable principles, all provisions of all applicable state, federal and foreign constitutions, statutes, rules, regulations, treaties, directives and orders of any Governmental Authority, and all orders, judgments and decrees of any Governmental Authority.

10.1.7 "Avalon Equity Financing" means an equity financing, through the issuance of equity interests of the OpCo, of no less than Two Hundred Million RMB (RMB200,000,000), in three (3) installments, the first (RMB67,000,000) to be paid in at the Closing, the second (RMB67,000,000) to be paid within three (3) months after the Closing, and the third (RMB66,000,000) to be paid within six (6) months after the Closing, on the terms and conditions approved by Avalon and set forth in the definitive financing documentation.

10.1.8 "Avalon Intellectual Property Rights" means and includes all Intellectual Property Rights relating to the development, manufacture, marketing, sale, licensing or maintenance of products, technologies or services by Avalon or its Subsidiaries or otherwise used in the conduct of the business of Avalon or its Subsidiaries.

10.1.9 "Avalon Per Share Price" means an amount equal the lower of: (i) the closing price of the Avalon Common Stock (as reflected on Nasdaq.com) immediately preceding the date of this Agreement; or (ii) the average closing price of the Avalon Common Stock (as reflected on Nasdaq.com) for the five Trading Days immediately preceding the date of this Agreement (calculated on a simple, not weighted average, basis). "Trading Day" means any day on which shares of Avalon Common Stock are actually traded on the principal securities exchange or securities market on which shares of Avalon Common Stock are then traded. All such determinations shall be appropriately adjusted for any stock dividend, stock split, stock combination, recapitalization or other similar transaction during such period.

10.1.10 "Business Day" means a day, other than a Saturday or Sunday, on which commercial banks in New York City are open for the general transaction of

business.

10.1.11 "Cash" means, as of the Reference Time, the aggregate cash and cash equivalents of the Acquired Companies on hand or in bank accounts, including deposits in transit, minus the aggregate amount of outstanding and unpaid checks issued by or on behalf of the Acquired Companies as of such time.

10.1.12 "Code" means the Internal Revenue Code of 1986, as amended.

10.1.13 "Control" of a Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract, or otherwise. "Controlled", "Controlling" and "under common Control with" have correlative meanings. Without limiting the foregoing a Person (the "Controlled Person") shall be deemed Controlled by (a) any other Person (i) owning beneficially, as meant in Rule 13d-3 under the Exchange Act, securities entitling such Person to cast ten percent (10%) or more of the votes for election of directors or equivalent governing authority of the Controlled Person or (ii) entitled to be allocated or receive ten percent (10%) or more of the profits, losses, or distributions of the Controlled Person; (b) an officer, director, general partner, partner (other than a limited partner), manager, or member (other than a member having no management authority that is not a Person described in clause (a) above) of the Controlled Person; or (c) a spouse, parent, lineal descendant, sibling, aunt, uncle, niece, nephew, mother-in-law, father-in-law, sister-in-law, or brother-in-law of an Affiliate of the Controlled Person or a trust for the benefit of an Affiliate of the Controlled Person or of which an Affiliate of the Controlled Person is a trustee.

10.1.14 "Control Claim" means any claim arising in whole or in part out of or resulting directly or indirectly from (whether or not involving a Third Party Claim): (a) the Control Documents becoming illegal, void, unenforceable or ineffective, as determined by Avalon in its sole and absolute discretion, under Applicable Law; (b) a competent authority challenging or prohibiting the collection and use of human genetic resources by the Acquired Companies; or (c) any unwinding of the Acquisition under Applicable Law or forced divestiture of the Sen Lang Shares under Applicable Law that frustrates the purpose of the Acquisition.

10.1.15 "Control Documents" means the documents attached hereto as **Exhibit E**.

10.1.16 "Encumbrance" means any mortgage, pledge, deed of trust, hypothecation, right of others, claim, security interest, encumbrance, burden, title defect, title retention agreement, lease, sublease, license, occupancy agreement, easement, covenant, condition, encroachment, voting trust agreement, interest, option, right of first offer, negotiation or refusal, proxy, lien, charge or other restriction or limitations of any nature whatsoever, including but not limited to such Encumbrances as may arise under any contract.

10.1.17 "Environmental Laws" means all Laws relating to the protection of the environment, to human health and safety, or to any Environmental activity, including (a) CERCLA, the Resource Conservation and Recovery Act, and the occupational safety and Health Act, or any equivalent law under the PRC (b) all other requirements pertaining to reporting, licensing, permitting, investigation or remediation of emissions, discharges, releases or threatened releases of Hazardous Materials into the air, surface water, groundwater or land, or relating to the manufacture, processing, distribution, use, sale, treatment, receipt, storage, disposal, transport or handling of Hazardous Materials and (c) all other requirements pertaining to the protection of the health and safety of employees or the public.

10.1.18 "Executory Period" means the period beginning at 12:01a.m. on the Effective Date and ending at the Closing.

10.1.19 "Governmental Authority" means any federal, state, local, foreign or other governmental, quasi-governmental or administrative body, instrumentality, department or agency or any court, tribunal, administrative hearing body, arbitration panel, commission, or other similar dispute-resolving panel or body.

10.1.20 "Hazardous Materials" means any substance that: (a) is or contains asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum or petroleum-derived substances or wastes, radon as or related materials (b) requires investigation, removal or remediation under any Environmental Law, or is defined, listed or identified as a "hazardous waste" or "hazardous substance" thereunder, or (c) is toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic, or otherwise hazardous and is regulated by any Governmental Authority or Environmental Law.

10.1.21 "Income Tax" means any Tax computed in whole or in part based on or by reference to net income and any alternative, minimum, accumulated earnings or personal holding company Tax (including all interest and penalties thereon and additions thereto).

10.1.22 "Income Tax Return" means any return, report, declaration, form, claim for refund or information return or statement relating to Income Taxes, including any schedule or attachment thereto, and including any amendment thereof.

10.1.23 "Indebtedness" of any Person means, without duplication, (a) all indebtedness of such Person for borrowed money (including the outstanding principal and accrued but unpaid interest), (b) all obligations for the deferred purchase price of property or services (other than trade payables incurred in the ordinary course of business), (c) any other indebtedness of such Person that is evidenced by a note, bond, debenture, credit agreement or similar instrument, (d) all obligations of such Person under leases that should be classified as capital leases in accordance with generally accepted accounting principles, (e) all obligations of such Person for the reimbursement of any obligor on any line or letter of credit, banker's acceptance, guarantee or similar credit transaction, in each case, that has been drawn or claimed against, (f) all obligations of such Person in respect of acceptances issued or created, (g) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (h) all obligations secured by an Encumbrance on any property of such Person, (i) any premiums, prepayment fees or other penalties, fees, costs or expenses associated with payment of any Indebtedness of such Person, (j) all obligation described in clauses (a) through (i) above of any other Person which is directly or indirectly guaranteed by such Person or which such Person has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which it has otherwise assured a creditor against loss, and (k) any unpaid liabilities of the Acquired Companies for Taxes, including such Taxes not yet accrued or due and payable but attributable to Tax periods (or portions thereof) ending on or prior to the Closing.

10.1.24 "Intellectual Property Rights" means all of the following in any jurisdiction throughout the world: (i) patents, patent applications (including divisionals, continuations, continuations-in-part, reissues, reexaminations and extensions thereof) and patent disclosures (including design patents, design rights, utility models and other similar registered rights); (ii) trademarks, service marks, trade dress, trade names, corporate names, logos and slogans (and all translations, adaptations, derivations and combinations of the foregoing) and Internet domain names, together with similar designations or source or origin and all goodwill associated with each of the foregoing; (iii) copyrights and copyrightable works, works of authorship, databases and designs; (iv) registrations and applications and any other similar filings submitted to, issued by or recorded with any Governmental Authority for any of the foregoing; (v) all trade secrets and other confidential or proprietary information, know-how and inventions (whether or not patentable or reduced to practice), including algorithms, processes, techniques, methods, formulations, customer, supplier or subscriber lists, plans, business and marketing materials and compounds, discoveries, technologies, protocols, formulae, compositions, industrial models, architectures, layouts, designs, drawings, specifications, methodologies, ideas, research and development, pricing and cost information; (vi) software and firmware of any type, including rights in computer software, application programming interfaces, development kits, libraries and tools, data and databases (including source code, executable code, binary code, and documentation); (vii) data, data-sets and databases; and (viii) all other intellectual property, industrial property and proprietary rights and assets of any kind or nature means and includes rights relating to patents,

trademarks, service marks, trade names, copyrights, mask works, inventions, processes, trade secrets, know-how, confidentiality agreements, consulting agreements, software and any documentation.

10.1.25 "Person" means an individual, corporation, partnership (including a general partnership, limited partnership or limited liability partnership), limited liability company, association, trust or other entity or organization, including a government, domestic or foreign, or political subdivision thereof, or an agency or instrumentality thereof.

10.1.26 "PRC" means the People's Republic of China.

10.1.27 "Pro Rata Share" means, with respect to each Sen Lang Shareholder, a fraction, expressed as a percentage, equal to (i) the portion of the Common Exchange Shares payable by Avalon to such Sen Lang Shareholder in accordance with the terms of this Agreement, divided by (ii) the total Common Exchange Shares payable by Avalon to all Sen Lang Shareholders in accordance with the terms of this Agreement. All issuances of Avalon Common Stock shall be rounded to the nearest whole share.

10.1.28 "Reference Time" means 12:01 A.M. New York time on the Closing Date.

10.1.29 "Release" means any releasing, disposing, discharging, injecting, spilling, leaking, leaching, pumping, dumping, emitting, escaping, emptying, seeing, dispersal, leeching, migration, transporting, placing and the like, including the moving of any materials through, into or upon, any land, soil, surface water, ground water or air, or otherwise entering into the environment.

10.1.30 "Representatives" means, as to any Person, such Person's Affiliates and the respective managers, directors, officers, employees, independent contractors, consultants, advisors (including financial advisors, counsel and accountants), agents and other legal representatives of such Person or its Affiliates.

10.1.31 "Return" means any return, report, declaration, form, election, claim for refund or information return or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

10.1.32 "Sanctioned Person" means any individual or entity that is, or is owned fifty percent (50%) or more, directly or indirectly, individually or in the aggregate, or is controlled, by any party that (i) is the subject of any Sanctions Laws, including by being designated on, any list of restricted parties maintained by the U.S. Government, the United Nations Security Council, the European Union, Her Majesty's Treasury or any other relevant sanctions authority, including, without limitation, the Office of Foreign Assets Control's Specially Designated Nationals and Blocked Persons List, list of Foreign Sanctions Evaders, and Sectoral Sanctions Identifications List, the U.S. Department of Commerce's Denied Persons List and Entity List, and the U.S. Department of State's Debarred List, (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of comprehensive territorial Sanctions Laws, including, without limitation, Crimea region of Ukraine, Cuba, Iran, North Korea, and Syria, or (iii) is other the subject of any other prohibitions which make it unlawful for a U.S. person to transact with the entity under applicable laws.

10.1.33 "SEC" means the U.S. Securities and Exchange Commission (or any successor Governmental Authority).

10.1.34 "Securities Act" means the Securities Act of 1933, as amended.

10.1.35 "Sen Lang Intellectual Property Rights" means and includes all Intellectual Property Rights used in the development, manufacture, marketing, sale, licensing or maintenance of products, technologies or services by the Acquired Companies or otherwise used in the conduct of the business of the Acquired Companies.

10.1.36 "Sen Lang Material Adverse Effect" means, with respect to any event, occurrence, matter, failure of event or occurrence, change, effect, state of affairs, breach, default, violation, fine, penalty or failure to comply (each, a "Circumstance"), individually or taken together with all other Circumstances contemplated by or in connection with any or all of the representations and warranties made in this Agreement, a material adverse effect on the business, assets (including intangible assets), liabilities (contingent or otherwise), financial condition, results of operations or prospects of the Acquired Companies, taken as a whole; provided, however, that the term "Sen Lang Material Adverse Effect" shall not be deemed to include the impact of: (A) the implementation of changes in U.S. generally accepted accounting principles; (B) actions and omissions of the Acquired Companies taken or permitted with the prior written consent of Avalon after the date hereof; (C) expenses reasonably incurred by the Acquired Companies in consummating the transactions contemplated by this Agreement; (D) changes in the general economic or financial market conditions; (E) any occurrence, condition, change, event or effect that affects the biotechnology industry generally; and (F) acts of God, war, acts of terrorism, epidemics, pandemics, quarantines, injunctions or restraining orders, failure of any public authority or governmental body or agency to issue any permit or license, or generalized lack of raw materials or energy.

10.1.37 "SOX" means the U.S. Sarbanes-Oxley Act of 2002, as amended.

10.1.38 "Subsidiary" means, with respect to any Person, any corporation, partnership, association or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that Person or a combination thereof, or (ii) if a partnership, association or other business entity, a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by any Person or one or more Subsidiaries of that Person or a combination thereof. For purposes hereof, a Person or Persons will be deemed to have a majority ownership interest in a partnership, association or other business entity if such Person or Persons will be allocated a majority of partnership, association or other business entity gains or losses or will be or control the managing director, managing member, general partner or other managing Person of such partnership, association or other business entity. A Subsidiary of a Person will also include any variable interest entity which is consolidated with such Person under applicable accounting rules

10.1.39 "Tax" means (i) any and all U.S. and non-U.S. federal, state, provincial, local and other taxes, charges, duties, contributions, fees, levies or other similar assessments or liabilities (including income, receipts, ad valorem, value added, excise, real or personal property, sales, occupation, service, stamp, transfer, registration, natural resources, severance, premium, windfall or excess profits, environmental, customs duties, use, licensing, escheat, unclaimed or abandoned property, withholding, employment, social security, unemployment, disability, payroll, share, capital, surplus, alternative, minimum, add-on minimum, estimated, franchise or any other taxes, charges, fees, levies or other similar assessments or liabilities of any kind whatsoever and denominated by any name whatsoever), whether computed on a separate, consolidated, unitary or combined basis or in any other manner, and includes any interest, fines, penalties, assessments, deficiencies or additions thereto, whether disputed or not, (ii) any and all liability for amounts described in clause (i) of any member of an affiliated, consolidated, combined or unitary group of which the Acquired Companies (or any predecessor of any of the foregoing) is or was a member on or prior to the Closing Date, including pursuant to Treasury Regulations Section 1.1502-6 or any analogous or similar state, local or non-U.S. Law or regulation, and (iii) any sales, use, real property transfer, stamp, stock transfer or other similar transfer Taxes imposed on Avalon or any Acquired Company in connection with the Acquisition or the other transactions contemplated by this Agreement and any China Enterprise Income Tax and any other similar Taxes imposed on any party in connection with the Acquisition or the other transactions contemplated by this Agreement.

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IN WITNESS WHEREOF, each of the Parties has caused this Agreement to be duly executed on its behalf as of the day and year first above written.

AVALON GLOBOCARE CORP.

By: /s/ Dr, David Jin
Name: Dr, David Jin
Title: CEO

LONLON BIOTECH LTD.

By: /s/ Ding Wei
Name: Ding Wei
Title: Director

[SEN LANG PARTY SIGNATURE PAGES TO BE PROVIDED SEPARATELY]

[Signature Page Sen Lang Share Purchase Agreement]

Exhibit A

Sen Lang Owners

Exhibit B

Form of AI Letter

[See attached]

Exhibit C

Form of Letter of Transmittal

[See attached]

Exhibit D

Form of Escrow Agreement

[See attached]

Exhibit E

List of Control Documents

[See attached]

SECURITIES EXCHANGE AGREEMENT

This Securities Exchange Agreement (this "Agreement") is dated as of June 13, 2021, among Avalon GloboCare Corp., a Delaware corporation (the "Company"), Lonlon Biotech Ltd., a company incorporated in the British Virgin Islands ("Sen Lang"), Senlang Biotechnology Co. Ltd. (河北森朗生物科技有限公司 in Chinese), a company with limited liability organized and existing under the laws of the PRC (the "OpCo"), and Yueyin Datong (Tianjin) Asset Management Co. Ltd. (in Chinese,**约印大通（天津）资产管理有限公司), a limited liability company** organized and existing under the laws of the People's Republic of China (including its successors and assigns, "Purchaser").

WHEREAS, the Company has entered into certain Share Purchase Agreement (the "Acquisition Agreement") dated as of June 13, 2021, withSen Lang), the holders of shares of Sen Lang capital stock and the other parties named therein, and upon the closing of the Acquisition Agreement, the Company will become 100% parent-owner of Sen Lang;

WHEREAS, Lonlon Biotech Investment Limited (the "HK Subsidiary") is a wholly owned subsidiary of Sen Lang that is organized and existing under the laws of Hong Kong Special Administrative Region ("Hong Kong").

WHEREAS, Beijing Langlang Runfeng Biotechnology Co., Ltd. (北京朗朗润丰生物科技有限公司 in Chinese) is a wholly foreign owned enterprise with limited liability organized and existing under the laws of the People's Republic of China (the "PRC", for the purpose of this Agreement, excluding Hong Kong, the Macau Special Administrative Region and Taiwan) (the "PRC Subsidiary"). The PRC Subsidiary is a wholly-owned company of the HK Subsidiary.

WHEREAS, the OpCo is mainly engaged in the business of the research and development in relation to CAR-T cell therapy, immune cell therapy and related drug (the "Principal Business"). Thirteen (13) out of the total fifteen (15) Sen Lang Beneficial Shareholders own the aggregate 100% equity interests in the OpCo.

WHEREAS, the PRC Subsidiary has entered into a set of variable interest entities agreements (such agreements are collectively referred to as the "**VIE Agreements**", and such contractual control arrangement is referred to as the "**VIE Structure**") with the OpCo and each of its equity holder, to establish and maintain the OpCo's intended captive structure, under which the financial statements of the OpCo can be consolidated with those of the other subsidiaries of Sen Lang in accordance with its then duly adopted accounting principles.

WHEREAS, subject to the terms and conditions set forth in this Agreement and pursuant to Section 4(a)(2) of the Securities Act of 1933, as amended (the 'Securities Act"), and Rule 506 promulgated thereunder, the Company desires to provide each Purchaser with the right to exchange the Registered Capital of the OpCo for the Shares, as more fully described in this Agreement.

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 each Purchaser 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 have the meanings set forth in this Section 1.1:

"Acquisition Agreement" shall have the meaning ascribed to such term in the preamble to this Agreement.

"Acquisition Closing" shall have the meaning ascribed to such term in Section 2.2.

"Affiliate" means any Person that, directly or indirectly through one or more intermediaries, controls or is controlled by or is under common control with a Person, as such terms are used in and construed under Rule 405 under the Securities Act.

"Board of Directors" means the board of directors of the Company.

"Business Day" means any day other than Saturday, Sunday or other day on which commercial banks in The City of New York are authorized or required by law to remain closed; provided, however, for clarification, commercial banks shall not be deemed to be authorized or required by law to remain closed due to "stay at home", "shelter-in-place", "non-essential employee" or any other similar orders or restrictions or the closure of any physical branch locations at the direction of any governmental authority so long as the electronic funds transfer systems (including for wire transfers) of commercial banks in The City of New York generally are open for use by customers on such day.

"Closing" means the closing of the transactions contemplated hereby pursuant to Article II. Closing shall include, jointly and severally, "Initial Closing", "Second Installment Closing" and "Third Installment Closing".

"Closing Date" means the Trading Day on which all of the Transaction Documents have been executed and delivered by the applicable parties thereto, and all conditions precedent to (i) the Purchasers' obligations to pay the Subscription Amount and (ii) the OpCo's obligations to deliver the Registered Capital, in each case, have been satisfied or waived.

"Commission" means the United States Securities and Exchange Commission.

"Common Stock" means the common stock of the Company, par value $0.0001 per share, and any other class of securities into which such securities may hereafter be reclassified or changed.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

"Exchange Date" means the day on which Purchaser provides written notice to the Company, Sen Lang and the OpCo to elect to (i) exchange its Registered Capital of the OpCo for shares of Common Stock of the Company or (2) exchange its Registered Capital of the OpCo for shares of Sen Lang.

"Exchange Rate" means the RMB exchange rate officially published by Bank of China on the date of the exchange notice pursuant to Section 2.8(a).

"Exchange Termination Date" shall have the meaning ascribed to such term in Section 2.8(a).

"Initial Closing" shall have the meaning ascribed to such term in Section 2.4.

"Liens" means a lien, charge pledge, security interest, encumbrance, right of first refusal, preemptive right or other restriction.

"Material Adverse Effect" shall have the meaning assigned to such term in Section 3.1(b).

"OpCo" refers to Senlang Biotechnology Co. Ltd. (河北森朗生物科技有限公司 in Chinese), a PRC company with limited liability organized and existing under the laws of the PRC.

"OpCo Capital Increase Agreement" shall have its meanings as provided in Section 2.1.

"Per Share Exchange Price" equals $1.21[1]. The Per Share Exchange Price shall be adjusted to reflect any stock split, reclassification, combination or other similar change of the Company's Common Stock.

"Per Sen Lang Share Price" equals $20,014.4918[2]. The Per Sen Lang Share Price shall be adjusted to reflect any such stock split, reclassification, combination or other change.

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

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

"Registered Capital" shall have the meaning ascribed to such term in Section 2.2.

"Required Approvals" shall have the meaning ascribed to such term in Section 3.1(e).

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

"SEC Reports" shall have the meaning ascribed to such term in Section 3.1(f).

"Second Installment Closing" shall have the meaning ascribed to such term in Section 2.7.

1 The Per Share Exchange Price will be calculated as of the date of this Agreement and will equal the lower of: (i) the closing price of the Common Stock (as reflected on Nasdaq.com) immediately preceding the date of this Agreement; or (ii) the average closing price of the Common Stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the date of this Agreement (calculated on a simple, not weighted average, basis).

2 "Per Sen Lang Share Price" equals (a) the Per Share Exchange Price multiplied by the total of (i) the outstanding shares of Common Stock of the Company (84,425,564 shares) plus (ii) 81,000,000 (the number of shares of Common Stock of the Company to be issued pursuant to the Share Purchase Agreement), (b) then divided by the total number of shares of Sen Lang issued and outstanding at the date of this Agreement (currently 10,001 shares).

"Securities Act" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

"Shares" means the shares of Common Stock of the Company issuable upon exchange of the Registered Capital of the OpCo pursuant to the terms of this Agreement.

"Subscription Amount" means the aggregate amount as specified in Section 2.1 herein, to be paid by Purchaser for the Registered Capital of the OpCo purchased under and pursuant to the terms and conditions in the OpCo Capital Increase Agreement.

"Subsidiary" means any subsidiary of the Company as set forth in the SEC Reports and shall, where applicable, also include any direct or indirect subsidiary of the Company formed or acquired after the date hereof.

"Third Installment Closing" shall have the meaning ascribed to such term in Section 2.7.

"Trading Day" means a day on which the principal Trading Market is open for trading.

"Trading Market" means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question: the NYSE American, the Nasdaq Capital Market, the Nasdaq Global Market, the Nasdaq Global Select Market, the New York Stock Exchange (or any successors to any of the foregoing).

"Transaction Documents" means this Agreement, the OpCo Capital Increase Agreement, all exhibits and schedules thereto and hereto and any other documents or agreements executed in connection with the transactions contemplated hereunder.

"VIE Agreements" mean the set of documents entered into by and between the PRC Subsidiary and the OpCo and each of its equity holder, to establish and maintain the OpCo's intended captive structure, under which the financial statements of the OpCo can be consolidated with those of the other subsidiaries of Sen Lang in accordance with the then duly adopted accounting principles of Sen Lang. The VIE Agreements include (i) an exclusive technical consultation and service agreement; (ii) an exclusive purchase option agreement; (iii) an entrustment agreement of shareholders' rights; (iv) a share pledge agreement; and (v) a spouse consent letter.

Definitions not otherwise defined herein shall have the same meaning as those in the Acquisition Agreement.

ARTICLE II.
PURCHASE AND SALE

2.1 OpCo Capital Increase Agreement. Concurrently with the execution of this Agreement, Purchaser shall enter into an agreement with the OpCo related to the purchase of Registered Capital (as defined below) of the OpCo (the "OpCo Capital Increase Agreement"), in substantially similar form and substance as Exhibit A, whereby Purchaser agrees to contribute its Subscription Amount as its capital contribution to the OpCo in three installments below, as more specifically provided in the OpCo Capital Increase Agreement.

First Installment (due upon Closing):	RMB	67,000,000
Second Installment (due within 3 months after Closing):	RMB	67,000,000
Third Installment (due within 6 months after Closing):	RMB	66,000,000
Total Subscription Amount:	RMB	200,000,000

In addition, Purchaser shall enter into the VIE Agreements and agree to use its best effort to maintain the validity of the VIE Arrangements.

2.2 Purchase of Registered Capital. Upon the terms and subject to the conditions set forth in the OpCo Capital Increase Agreement, the OpCo agrees to sell, and Purchaser agrees to purchase, equity interests of the OpCo, representing in the aggregate of 15.6473%[3] of the OpCo's total registered capital (the "Registered Capital") pursuant to the Capital Increase Agreement with the excess of the payment amount over the Registered Capital as the OpCo's "capital excess". The effectiveness of each of this Agreement and the OpCo Capital Increase Agreement is contingent upon, and its closing will be substantially concurrent with the closing of the transactions contemplated by the Acquisition Agreement (the "Acquisition Closing").

2.3 Purchase Consideration. The Parties agree that the payment for the Subscription Amount under this Agreement may be satisfied by Purchaser's subscription and payment of Registered Capital of the OpCo pursuant to the terms of the OpCo Capital Increase Agreement and subject to other terms and conditions herein.

2.4 Initial Closing. On the Initial Closing Date which will be substantially concurrent with the Acquisition Closing, Purchaser shall pay its First Installment of its Subscription Amount (*i.e.*, RMB67,000,000) into the capital account of the OpCo as a contribution of Registered Capital, and OpCo shall deliver to Purchaser its Registered Capital, as determined pursuant to the OpCo Capital Increase Agreement, and the Company, OpCo and Purchaser shall deliver the other items set forth in Section 2.5 deliverable at the Closing ("Initial Closing") and the items set forth in the OpCo Captial Increase Agreement. Upon satisfaction of the covenants and conditions set forth in Sections 2.5 and 2.6, the Initial Closing shall occur at the offices of the Company or such other location as the parties shall mutually agree.

2.5 Deliveries for Initial Closing

(a) On or prior to the Initial Closing Date, the Company and the OpCo shall, respectively, deliver or cause to be delivered to Purchaser the following:

(i) this Agreement duly executed by the Company; and

(ii) the OpCo Captial Increase Agreement duly executed by the OpCo.

(b) On or about the Initial Closing Date, Purchaser shall deliver or cause to be delivered to the Company or the OpCo, as applicable, the following:

(i) this Agreement duly executed by Purchaser; and

(ii) the OpCo Capital Increase Agreement duly executed by Purchaser.

[3] The percentage registered capital to be inserted at the date of execution of this Agreement and the OpCo Capital Increase Agreement shall be calculated as follows: (a) the Subscription Amount in RMB paid by the Purchasers pursuant to the OpCo Capital Increase Agreement converted to USD at the Exchange Rate of 6.3856 (the Exchange Rate on June 11, 2021), divided by (b) the total of (i) the outstanding shares of Common Stock of the Company (84,425,564 shares) plus (ii) 81,000,000 (the number of shares of Common Stock of the Company to be issued pursuant to the Acquisition Agreement), then multiplied by the Per Share Exchange Price. Such percentage of OpCo's registered capital shall only applicable in the event of that the Purchaser has paid up the Total Subscription Amount to OpCo, and the final and acutal percentage of the registered capital of the OpCo held by the Purchaser shall be adjusted based on the actual Subcription Amount paid by the Purchaser pursuant to the OpCo Capital Increase Agreement.

2.6 Initial Closing Conditions.

(a) The obligations of the Company hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) on the Initial Closing Date of the representations and warranties of the Purchaser contained herein and in the OpCo Capital Increase Agreement (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of each Purchaser required to be performed at or prior to the Closing Date herein shall have been performed;

(iii) the consummation of the Acquisition Closing;

(iii) the execution by Purchaser, the OpCo Capital Increase Agreement and the VIE Agreements;

(iv) all closing conditions specified to be performed by Purchaser in the OpCo Capital Increase Agreement have been satisfied;

(v) the issuance of the shares of Common Stock of the Company subject to the exchange hereunder shall have been approved by the Company's stockholders in the manner required by the applicable rules of the Nasdaq Stock Exchange ("Nasdaq");

(vi) the shares of Common Stock of the Company subject to the exchange hereunder shall have been approved for listing on Nasdaq, subject to official notice of issuance; and

(vi) the delivery by Purchaser of the items set forth in Section 2.5(b) of this Agreement.

(b) The obligations of Purchaser hereunder in connection with the Initial Closing are subject to the following conditions being met:

(i) the accuracy in all material respects (or, to the extent representations or warranties are qualified by materiality or Material Adverse Effect, in all respects) when made and on the Initial Closing Date of the representations and warranties of the Company contained herein (unless as of a specific date therein in which case they shall be accurate as of such date);

(ii) all obligations, covenants and agreements of the Company required to be performed at or prior to the Closing Date shall have been performed;

(iii) the consummation of the Acquisition Closing;

(iv) all closing conditions specified to be performed by the OpCo in the OpCo Capital Increase Agreement have been satisfied;

(v) the issuance of the shares of Common Stock of the Company subject to the exchange hereunder shall have been approved by the Company's stockholders in the manner required by the applicable rules of the Nasdaq;

(vi) the shares of Common Stock of the Company subject to the exchange hereunder shall have been approved for listing on Nasdaq, subject to official notice of issuance; and

(vii) the delivery by the Company of the items set forth in Section 2.5(a) of this Agreement.

2.7 Second and Third Installmenrt Payments and Closings. Subject to the occurrence of Initial Closing and other terms and conditions hereunder, Purchaser shall pay its Second Installment (*i.e.*, RMB67,000,000) of its Subscription Amount within three (3) months after the Initial Closing ("Second Installment Closing"), and Third Installment (*i.e.*, RMB66,000,000) of its Subscription Amount within six (6) months after the Initial Closing ("Third Installment Closing"), into the capital account of the OpCo as a contribution of Registered Capital, and OpCo shall deliver to Purchaser its Registered Capital, as determined pursuant to the OpCo Capital Increase Agreement. Upon satisfaction of the covenants and conditions set forth in the OpCo Capital Increase Agreement with respect to such Installment Closing, the Second Installment Closing and Third Installment Closing shall occur at the offices of the Company or such other location as the parties shall mutually agree.

2.8. Exchange.

(a) At any time following the six (6) month anniversary of a Closing and prior to 5:30 p.m. (New York City time) on the five (5) year anniversary of such Closing; provided, that in the event such day is not a Business Day, then on the next Business Day (the "Exchange Termination Date"), and subject to the limitations set forth in clause (b) below, Purchaser or its nominee shall have the right, by providing written notice to the Company, Sen Lang and the OpCo within the time periods set forth above, to elect to (i) exchange its Registered Capital of the OpCo for shares of Common Stock of the Company based upon the Per Share Exchange Price, or (ii) exchange its Registered Capital of the OpCo for shares of Sen Lang based upon the Per Sen Lang Share Exchange Price.

In the event the Purchaser elects to exchange its Registered Capital of the OpCo for shares of Common Stock of the Company, the Purchaser or the Purchaser's nominee shall be entitled to receive a number of shares of Common Stock of the Company equal to Purchaser's original Subscription Amount as fully paid (i) converted at the Exchange Rate and (ii) divided by the Per Share Exchange Price. For example, in the event a Purchaser desires to exchange RMB 6,500,000 (or $1,000,000 in USD (assuming the Exchange Rate is 6.5 on the date of the exchange notice) of its Registered Capital for shares of Common Stock of the Company (using the Per Share Exchange Price of $1.21), it would provide written notice to the Company and the OpCo of the amount to be exchanged, in this case $1,000,000, and the Purchaser or the Purchaser's nominee would receive 826,446 shares of Common Stock of the Company (rounded down to the nearest whole number of shares of Common Stock) and the $1,000,000 (or equivalent amount in RMB) of Registered Capital would be transferred to the Company's nominee by the OpCo as per Section 2.7(c) hereof. During the period from date of this agreement to the earlier date of: (i) Exchange Date; or (ii) Exchange Termination Date, the Per Share Exchange Price shall be adjusted to reflect any stock split, reclassification, combination or other similar change to the Company's Common Stock.

In the event the Purchaser elects to exchange its Registered Capital of the OpCo for shares of Sen Lang, the Purchaser or the Purchaser's nominee shall be entitled to receive a number of shares of Sen Lang equal to Purchaser's original Subscription Amount as fully paid (i) converted at the Exchange Rate and (ii) divided by the Per Sen Lang Share Exchange Price. For example, in the event a Purchaser desires to exchange RMB 6,500,000 (or $1,000,000 in USD (assuming the Exchange Rate is 6.5 on the date of the exchange notice) of its Registered Capital for shares of Sen Lang (using the Per Sen Lang Share Exchange Price of $20,014.4918), it would provide written notice to the Company, Sen Lang and the OpCo of the amount to be exchanged, in this case $1,000,000, and the Purchaser or the Purchaser's nominee would receive 49 shares of Sen Lang (rounded down to the nearest whole number of shares of Sen Lang) and the $1,000,000 (or equivalent amount in RMB) of Registered Capital would be transferred to the Company's nominee by the OpCo as per Section 2.7(c) hereof. During the period from date of this agreement to the earlier date of: (i) Exchange Date; or (ii) Exchange Termination Date, the Per Sen Lang Share Price shall be adjusted to reflect any stock split, reclassification, combination or other similar change to the Sen Lang capital stock.

(b) Purchaser hereby agrees that it shall not be entitled to exchange the Registered Capital purchased by Purchaser under the OpCo Capital Increase Agreement into shares of Common Stock of the Company pursuant to the terms of this Agreement until the six (6) month anniversary of each Closing, and in each case following such six (6) month period until the Exchange Termination Date, shall not be eligible to exchange Registered Capital for shares of Common Stock of the Company pursuant to the terms of this Agreement in an amount exceeding more than 10% of Purchaser's Subscription Amount as fully paid in any thirty (30) day period.

(c) Notwithstanding anything to the contrary, if at the time of such exchange pursuant to the terms of this Agreement, the Company, in its reasonable judgement, is restricted from directly owning any equity interest in the OpCo, the Company may designate a PRC entity or individual as its nominee to receive and hold on its behalf the Registered Capital of the OpCo tendered by Purchaser for such Share exchange. The transfer of Registered Capital by Purchaser to such Company nominee holder shall be at a nominal price. Purchaser shall jointly and severally indemnify and hold harmless, the Company and the OpCo, and their respective affiliates from and against all taxes, including all penalties and interests assessed and/or imposed by the PRC tax authority, including all costs, expenses, damages and losses arising or resulting from or in connection with the transfer of Registered Capital in this Section 2.7(c).

(d) Notwithstanding anything to the contrary, if at the time of such exchange pursuant to the terms of this Agreement, the Purchaser, in its reasonable judgement, is restricted from directly receiving the Common Stock of the Company or the shares of Sen Lang pursuant to this Agreement, the Purchaser may designate an entity as its nominee to receive and hold on its behalf the the Common Stock of the Company or the shares of Sen Lang issued by such the Company or Sen Lang for such share exchange.

ARTICLE III.
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. Except as set forth in the SEC Reports, the Company hereby makes the following representations and warranties to each Purchaser:

(a) Organization and Qualification. The Company and each of the Subsidiaries is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization, with the requisite power and authority to own and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation nor default of any of the provisions of its respective certificate or articles of incorporation, bylaws or other organizational or charter documents. Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not have or reasonably be expected to result in: (i) a material adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material adverse effect on the results of operations, assets, business, prospects or condition (financial or otherwise) of the Company and the Subsidiaries, taken as a whole, or (iii) a material adverse effect on the Company's ability to perform in any material respect on a timely basis its obligations under any Transaction Document (any of (i), (ii) or (iii), a "Material Adverse Effect") and no Proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing or seeking to revoke, limit or curtail such power and authority or qualification.

(b) Authorization; Enforcement. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by this Agreement and each of the other Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of this Agreement and each of the other Transaction Documents by the Company and the consummation by it of the transactions contemplated hereby and thereby have been duly authorized by all necessary action on the part of the Company and no further action is required by the Company, the Board of Directors or the Company's stockholders in connection herewith or therewith other than in connection with the Required Approvals. This Agreement and each other Transaction Document to which it is a party has been (or upon delivery will have been) duly executed by the Company and, when delivered in accordance with the terms hereof and thereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(c) No Conflicts. The execution, delivery and performance by the Company of this Agreement, the issuance of the Shares upon an exchange hereunder and the consummation by it of the transactions contemplated hereby do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's certificate or articles of incorporation, bylaws or other organizational or charter documents, or (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, result in the creation of any Lien upon any of the properties or assets of the Company or any Subsidiary, or give to others any rights of termination, amendment, anti-dilution or similar adjustments, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument (evidencing a Company or Subsidiary debt or otherwise) or other understanding to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound or affected, or (iii) subject to the Required Approvals, conflict with or 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 a Subsidiary is subject (including federal and state securities laws and regulations), or by which any property or asset of the Company or a Subsidiary is bound or affected; except in the case of each of clauses (ii) and (iii), such as could not have or reasonably be expected to result in a Material Adverse Effect.

(d) Filings, Consents and Approvals. The Company is not required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other federal, state, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents, other than: (i) the notice and/or application(s) to each applicable Trading Market for the issuance of the Shares upon an exchange hereunder and the listing of the Shares for trading thereon in the time and manner required thereby and (ii) the filing of Form D with the Commission, if required, and such filings as are required to be made under applicable state securities laws (collectively, the "Required Approvals").

(e) Issuance of the Shares. The Company and Seng Lang, individually, but not jointly represents that, with respect to its own Common Stock or capital stock: the Common Stock or the shares of Sen Lang are duly authorized and, when issued upon an exchange in accordance with this Agreement, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens imposed by the Company or Sen Lang other than restrictions on transfer provided for in the Transaction Documents. The Company or Sen Lang has reserved from its duly authorized capital stock the maximum number of shares issuable upon an exchange hereunder.

(f) SEC Reports. The Company has filed all reports, schedules, forms, statements and other documents required to be filed by the Company under the Securities Act and 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 material) (the foregoing materials, including the exhibits thereto and documents incorporated by reference therein, being collectively referred to herein as the "SEC Reports") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act, as applicable, and none of the SEC Reports, when filed, 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 the light of the circumstances under which they were made, not misleading.

3.2 Representations and Warranties of Purchaser. Purchaser hereby represents and warrants as of the date hereof and as of the date of each Closing and upon any exchange hereunder to the Company as follows (unless as of a specific date therein, in which case they shall be accurate as of such date):

(a) Organization; Authority. Purchaser is either an individual or an entity duly incorporated or formed, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation with full right, corporate, partnership, limited liability company or similar power and authority to enter into and to consummate the transactions contemplated by the Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of the Transaction Documents and performance by Purchaser of the transactions contemplated by the Transaction Documents have been duly authorized by all necessary corporate, partnership, limited liability company or similar action, as applicable, on the part of Purchaser. Each Transaction Document to which it is a party has been duly executed by Purchaser, and when delivered by Purchaser in accordance with the terms hereof, will constitute the valid and legally binding obligation of Purchaser, enforceable against it in accordance with its terms, except (i) as limited by general equitable principles and applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies and (iii) insofar as indemnification and contribution provisions may be limited by applicable law.

(b) Own Account. Purchaser understands that the Shares upon issuance in connection with an exchange hereunder will be "restricted securities" and have not been registered under the Securities Act or any applicable state securities law and will be acquiring the Shares as principal for its own account and not with a view to or for distributing or reselling such Shares or any part thereof in violation of the Securities Act or any applicable state securities law, has no present intention of distributing any of such Shares in violation of the Securities Act or any applicable state securities law and has no direct or indirect arrangement or understandings with any other persons to distribute or regarding the distribution of such Shares in violation of the Securities Act or any applicable state securities law (this representation and warranty not limiting Purchaser's right to sell the Sharesotherwise in compliance with applicable federal and state securities laws). Purchaser is acquiring the Shares hereunder in the ordinary course of its business.

(c) Purchaser Status. At the time Purchaser was offered the Shares, it was, and as of the date hereof it is, and on each date on which it makes an exchange for any Shares hereunder, it will be either: (i) an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act or (ii) a "qualified institutional buyer" as defined in Rule 144A(a) under the Securities Act.

(d) Experience of Purchaser. Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Securities, and has so evaluated the merits and risks of such investment. Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment.

(e) General Solicitation. Purchaser became aware of the Offering and was offered the Shares solely by means of direct contact between Purchaser and the Company, and not by any other means. Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or, to the knowledge of Purchaser, any other general solicitation or general advertisement.

(f) Access to Information. Purchaser acknowledges that it has had the opportunity to review the Transaction Documents (including all exhibits and schedules thereto) and the SEC Reports and 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 Shares and the merits and risks of investing in the Shares; (ii) access to information about the Company and its 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.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 Transfer Restrictions.

(a) The Shares acquired in an exchange of Common Stock of the Company hereunder may only be disposed of in compliance with state and federal securities laws of the United States. In connection with any transfer of Shares other than pursuant to an effective registration statement or Rule 144, to the Company or to an Affiliate of a Purchaser or in connection with a pledge as contemplated in Section 4.1(b), the Company may require the transferor thereof to provide to the Company an opinion of counsel selected by the transferor and reasonably acceptable to the Company, the form and substance of which opinion shall be reasonably satisfactory to the Company, to the effect that such transfer does not require registration of such transferred Shares under the Securities Act. As a condition of transfer, any such transferee shall agree in writing to be bound by the terms of this Agreement and shall have the rights and obligations of a Purchaser under this Agreement.

(b) Purchaser agrees to the imprinting, so long as is required by this Section 4.1, of a legend on any of the Shares in the following form:

THIS SECURITY HAS NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER 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 ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS.

(c) Purchaser agrees with the Company that Purchaser will sell any Shares pursuant to either the registration requirements of the Securities Act, including any applicable prospectus delivery requirements, or an exemption therefrom.

4.2 Reservation of Common Stock. As of the date hereof, the Company has reserved and the Company shall continue to reserve and keep available at all times, free of preemptive rights, a sufficient number of shares of Common Stock for the purpose of enabling the Company to issue the Shares upon exchange of the Registered Capital of the OpCo as set forth herein.

ARTICLE V.
MISCELLANEOUS

5.1 Termination. This Agreement may be terminated by any Purchaser or the Company in the event that the Acquisition Closing shall not have occurred on or prior to December 31, 2021.

5.2 Fees and Expenses. Each party shall pay the fees and expenses of its advisers, counsel, accountants and other experts, if any, and all other expenses incurred by such party incident to the negotiation, preparation, execution, delivery and performance of this Agreement and the other Transaction Documents.

5.3 Entire Agreement. The Transaction Documents, together with the exhibits and schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules.

5.4 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) the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto at or prior to 5:30 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the time of transmission, if such notice or communication is delivered via facsimile at the facsimile number or email attachment at the email address as set forth on the signature pages attached hereto on a day that is not a Trading Day or later than 5:30 p.m. (New York City time) on any Trading Day, (c) the second (2nd) Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as set forth on the signature pages attached hereto.

5.5 Amendments; Waivers. 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 Purchasers which purchased at least 50.1% in interest of the Registered Capital based on the initial Subscription Amounts under the OpCo Capital Increase Agreement (or prior to the Closing, the Company and each Purchaser). 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 any party to exercise any right hereunder in any manner impair the exercise of any such right. Any amendment effected in accordance with this Section 5.5 shall be binding upon each Purchaser and the Company.

5.6 Headings. 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.

5.7 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their successors and permitted assigns. The Company may not assign this Agreement or any rights or obligations hereunder without the prior written consent of each Purchaser (other than by merger). Purchaser may assign any or all of its rights under this Agreement to any Person to whom Purchaser assigns or transfers any Registered Capital or any rights under OpCo Capital Increase Agreement, provided that such transferee agrees in writing to be bound, with respect to the transferred Registered Capital, by the provisions of the Transaction Documents that apply to the "Purchaser."

5.8 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.

5.9 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of the Transaction Documents shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all legal Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective affiliates, directors, officers, shareholders, partners, members, employees or agents) shall be commenced exclusively in the state and federal courts sitting in the City of New York. Each party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of New York, Borough of Manhattan for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Action or Proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such Action or Proceeding is improper or is an inconvenient venue for such Proceeding. Each party hereby irrevocably waives personal service of process and consents to process being served in any such Action or 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 other manner permitted by law.

5.10 Survival. The representations and warranties contained herein shall survive the Closing and the delivery of the Shares.

5.11 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to each other party, it being understood that the parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a ".pdf" format data file, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or ".pdf" signature page were an original thereof.

5.12 Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their commercially reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

5.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers 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 contained in the Transaction Documents and hereby agree to waive and not to assert in any Action for specific performance of any such obligation the defense that a remedy at law would be adequate.

5.14 Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a Business Day, then such action may be taken or such right may be exercised on the next succeeding Business Day.

5.15 Construction. The parties agree that each of them and/or their respective counsel have reviewed and had an opportunity to revise the Transaction Documents and, therefore, the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of the Transaction Documents or any amendments thereto. In addition, each and every reference to share prices and shares of Common Stock in any Transaction Document shall be subject to adjustment for reverse and forward stock splits, stock dividends, stock combinations and other similar transactions of the Common Stock that occur after the date of this Agreement.

5.16 **WAIVER OF JURY TRIAL. IN ANY ACTION, SUIT, OR PROCEEDING IN ANY JURISDICTION BROUGHT BY ANY PARTY AGAINST ANY OTHER PARTY, THE PARTIES EACH KNOWINGLY AND INTENTIONALLY, TO THE GREATEST EXTENT PERMITTED BY APPLICABLE LAW, HEREBY ABSOLUTELY, UNCONDITIONALLY, IRREVOCABLY AND EXPRESSLY WAIVES FOREVER TRIAL BY JURY.**

(Signature Pages Follow)

IN WITNESS WHEREOF, the parties hereto have caused this Securities Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

AVALON GLOBOCARE CORP.

By: /s/ Dr. David Jin
Name: Dr. David Jin
Title: CEO

Address for Notice:

Email:
Fax:

With a copy to (which shall not constitute notice):

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10021
Attn: Steven M. Skolnick, Esq.
Email: sskolnick@lowenstein.com

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASER FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

SENLANG BIOTECHNOLOGY CO. LTD.

By: /s/ Ding Wei
Name: Ding Wei
Title: Chairman

Address for Notice:

Email:
Fax:

With a copy to (which shall not constitute notice):

JunHe LLP
26/F HKRI Centre One, HKRI Taikoo Hui 288 Shimen Road (No.1), Shanghai
200041, P. R. China
Attn: Frank Zhou
Email: zhouf@junhe.com

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SIGNATURE PAGE FOR PURCHASER FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

LONLON BIOTECH LTD.

By: /s/ Ding Wei
Name: Ding Wei
Title: Director

Address for Notice:

Email:
Fax:

With a copy to (which shall not constitute notice):

Lowenstein Sandler LLP
1251 Avenue of the Americas
New York, New York 10021
Attn: Steven M. Skolnick, Esq.
Email: sskolnick@lowenstein.com

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SIGNATURE PAGE FOR PURCHASER FOLLOWS]

IN WITNESS WHEREOF, the undersigned have caused this Securities Exchange Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

Name of Purchaser: Yueyin Datong (Tianjin) Asset Management Co. Ltd. (in Chinese**约印大通（天津）资产管理有限公司**)

Signature of Authorized Signatory of Purchaser: *(Seal)*	/s/ Xiong Shuirou
Name of Authorized Signatory:	Xiong Shuirou
Title of Authorized Signatory:	President, Partner
Email Address of Authorized Signatory:	

Address for Notice to Purchaser:

1-708, Chuangzhi Building, 482 Dongmanzhong Road, Sino-Singapore Tianjin Eco-city, Binhai New Area, Tianjin City, P.R. China
(中国天津市滨海新区中新天津生态城动漫中路482号创智大厦1-708)

Address for Delivery of Shares to Purchaser upon an Exchange (if not same as address for notice):

[SIGNATURE PAGES CONTINUE]

EXHIBIT A

CAPITAL INCREASE AGREEMENT
OF
SENLANG BIOTECHNOLOGY CO. LTD. (河北森朗生物科技有限公司)

Avalon GloboCare Announces Execution of Purchase Agreement for Acquisition of SenlangBio in All Stock Transaction

SenlangBio, a world-class cell therapy company, has developed a robust pipeline which includes 15 autologous and universal ("off-the-shelf") CAR-T and CAR-γδT cell therapy candidates targeting hematologic malignancies and solid tumors

SenlangBio's lead CAR-T candidate, Senl_1904B, has achieved a 97.2% complete remission rate in patients with relapsed/refractory B-cell lymphoblastic leukemia; granted IND status by NMPA (formerly CFDA) to begin Phase I clinical study in June 2021

Vertical integration of 16,000 sq. ft. state-of-the-art GMP facility with large-scale bio-manufacturing and bio-processing capabilities

Avalon to sell 15.6% equity interest in SenlangBio to Institutional Healthcare Investor for USD $30 Million

FREEHOLD, N.J., June 14, 2021 (GLOBE NEWSWIRE) -- Avalon GloboCare Corp. (NASDAQ: AVCO) ("Avalon" or "the Company"), a clinical-stage global developer of cell-based technologies and therapeutics, today announced that it has entered into a definitive agreement to acquire Hebei Senlang Biotechnology Co. Ltd. ("SenlangBio"), a PRC limited liability company. SenlangBio is currently the largest cell therapy company in Northern China in terms of bio-manufacturing scale, breadth and depth of clinical development programs, and pre-clinical research. SenlangBio's core technology platforms include chimeric antigen receptor (CAR) T-cells (CAR-T), allogeneic CAR Gamma Delta T-cells (CAR-γδT), and armored tumor infiltrating lymphocytes (armTILs). Avalon will acquire SenlangBio's proprietary cellular therapy portfolio consisting of multiple autologous and allogeneic candidates, including both single-target therapies as well as "cocktail" combinations.

In connection with the transaction, Avalon will issue 81 million shares of its common stock (the "Acquisition Shares") to acquire SenlangBio (the "Acquisition"). The terms of the Acquisition will be detailed in Avalon's Current Report on Form 8-K to be filed with respect to the Acquisition on or about the date hereof. Avalon plans to seek approval from its stockholders of the issuance of the Acquisition Shares, as well as the shares potentially issuable in the Equity Financing (described below), in accordance with the rules of the Nasdaq Stock Market ("Nasdaq") at its upcoming 2021 annual stockholder meeting.

Transaction Highlights

- The Acquisition will add SenlangBio's diverse and broad pipeline covering solid tumors and hematologic malignancies, including both autologous and universal ("off-the-shelf") cell therapy programs
- To date, over 300 patients have received one of SenlangBio's 15 cell therapy candidates through investigator-initiated first-in-human clinical trials at 13 partnering hospitals, covering 9 indications with significant unmet medical needs
- Clinical benefit combined with lack of serious adverse events reported in all SenlangBio's clinical trials to date
- Acquisition adds advanced cell/gene engineering and proprietary cell expansion expertise to enable design and development of innovative cell therapy candidates with superior therapeutic efficacy and safety profile
- SenlangBio's intellectual property includes 10 issued patents and 5 patents pending in China, as well as multiple "know-how" IPs
- Acquisition includes the SenlangBio Clinical Laboratory, a wholly owned subsidiary of SenlangBio that provides third-party clinical testing services including: 1) general biochemical, genomic and proteomic testing; 2) cell therapy related testing such as hematology, immunology, cancer biomarkers, immuno-phenotyping, and others
- In-house, large-scale bio-manufacturing capabilities and capacities:
  - 16,000 square-foot Good Manufacturing Practice (GMP) facility for bio-manufacturing, bioprocessing, and Quality Assurance/Quality Control (QA/QC) processes
  - 5 production lines dedicated to autologous CAR-T with an estimated annual capacity to produce 5,000-unit doses of CAR-T cell therapy products
  - 2 universal ("off-the-shelf") production lines with an estimated annual output of 10,000-unit doses of CAR-γδT cell therapy products
  - In-house research and production capabilities for lentiviral vectors, plasmids, T-cell cultures, validation bio-assays, as well as QA/QC processes

Lead Clinical Assets

Senl_1904B:

- *Description*: Autologous anti-CD19 CAR-T for relapsed or refractory (R/R) B-cell lymphoblastic leukemia (B-ALL)
- *Clinical stage and data*: Successfully completed principal investigator (PI)-initiated first-in-human clinical trial which demonstrated 97.2% (35/36) complete remission rate and only 5.6% (2/36) Grade 3 Cytokine Release Syndrome (CRS) among R/R B-ALL patients
- Recently received approval of Investigational New Drug (IND) application by China's National Medical Products Administration (NMPA) to initiate Phase I clinical trial in R/R B-ALL during the third quarter of 2021

Senl_NS7CAR:

- *Description*: Potentially breakthrough treatment for T-cell blood cancers comprised of autologous anti-CD7 CAR-T for T-cell ALL and T-cell lymphoblastic lymphoma (T-LBL)
- *Clinical stage and data*: Successfully completed PI-initiated first-in-human clinical trial; 8 out of 8 T-ALL and T-LBL patients achieved complete remission, and none developed greater than Grade 2 CRS; plan to file an IND application with the NMPA around the third quarter of 2021 and start an official Phase I clinical trial upon approval of the IND application

CAR-γδT cell-therapy candidates:

- *Description:* Universal/allogeneic ("off-the-shelf") cell therapy modality; potentially breakthrough treatment for relapsed and refractory acute myeloid leukemia (AML) and myelodysplastic syndrome (MDS); targeting multiple solid tumor malignancies, including pancreatic, gastric, ovarian, sarcomas, and others

- *Clinical stage and data:* Successfully completed pre-clinical, IND-enabling stage and currently in preparation to initiate 3-4 PI-initiated first-in-human clinical trials targeting AML, MDS and solid tumors around the fourth quarter of 2021

Avalon and SenlangBio have also entered into agreements with an institutional healthcare investor which has committed to invest approximately USD $30 million in exchange for approximately 15.6% of the equity ownership of SenlangBio in a private placement financing (the "Equity Financing"), which is expected to close in three equal installments of approximately USD $10 million, at a fixed price, the first to be upon the closing of the Acquisition, the second to be within three months after the closing and the third to be within six months after the closing. The SenlangBio shares purchased in the Equity Financing will be exchangeable from time to time between the six-month and five year-anniversaries of the respective installments, at the option of the investor, into shares of Avalon Common Stock at a fixed price of $1.21per Avalon common share, which is the at-the-market price under the rules of the Nasdaq Stock Market. No warrants or other equity-linked or debt instruments will be issued in connection with the transaction.

The transaction is aligned with Avalon's mission of developing next generation cell and gene therapies to address unmet medical needs, including for some of the world's most challenging diseases. Avalon believes the Acquisition positions the Company as a vertically integrated leader in cellular medicine, seamlessly integrating SenlangBio's innovative research, broad repertoire of pipeline candidates, and state-of-the-art bio-manufacturing/bio-processing infrastructure to accelerate the clinical translation of cellular-based technologies.

"Today's transaction is an affirmation of our commitment to bringing life-saving cell and gene therapies to market," said David Jin, M.D., Ph.D., President and Chief Executive Officer of Avalon GloboCare. "Harnessing advanced cell and gene engineering strategies, SenlangBio has developed unique core technology platforms for highly effective immune effector cell cancer therapies. Their autologous CAR-T candidates have already demonstrated significant positive responses in early clinical studies against relapsed and refractory B-cell and T-cell leukemias and lymphomas, with promising positive response rate and were well tolerated by patients."

"SenlangBio also brings a group of unique next-generation universal/allogeneic ("off-the-shelf") CAR-γδT candidates for the treatment of relapsed/refractory AML and MDS, as well as multiple solid tumor malignancies. They have established a γδT cell-based universal CAR (GDUCARx) technology platform, which can expand γδT cells greater than 5,000-fold as compared to conventional cell culture protocols and have demonstrated strong cell killing of myeloid and solid tumor cells. We are very excited about this technology platform as an off-the-shelf CAR-γδT cell therapy modality that may significantly drive down costs and rapidly deliver life-saving cellular therapeutics to patients," noted Dr. Jin.

"Notably, SenlangBio brings added capabilities to Avalon with their 16,000 square-foot GMP facility, which supports in-house bio-manufacturing, bio-processing, and QA/QC processes. This acquisition will expand our portfolio of cellular therapeutic candidates, intellectual properties as well as potentially increase opportunities for high-impact scientific and clinical publications, out-licensing partnership and co-development with large biopharmaceutical companies. SenlangBio's geographic advantage will allow us to further penetrate the northern China market and increase market expansion across China, as well as provide opportunities for international multi-center clinical trials. Through our combined technology platforms, we believe we can effectively drive innovation and transformative R&D, as well as accelerate research-to-clinical translation enabling widespread patient accessibility and broader commercial adoption of cell and gene therapies," added Dr. Jin.

Management and Operations

Upon completion of the Acquisition, David Jin, M.D., Ph.D., will continue to serve as President and Chief Executive Officer of Avalon GloboCare, as well as co-CEO of the SenlangBio subsidiary. Jianqiang Li, Ph.D., scientific founder and CSO of SenlangBio will join the board of directors of Avalon. Dr. Li will also become CTO of Avalon. Avalon will continue to maintain its corporate headquarters in Freehold, New Jersey, United States. SenlangBio will continue to maintain operations in the Shijiazhuang High-tech Development Zone, Hebei Province, China.

Additional Details About the Transaction

The closing of the Acquisition is subject to various conditions to closing set forth in the acquisition agreement, including the contemporaneous closing of the Equity Financing as well as Avalon stockholder approval, and any SEC review of the proxy statement being filed in connection with the annual meeting of shareholders and Nasdaq approvals.

The Acquisition Shares will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), and therefore will be restricted securities under Rule 144 under the Securities Act for six months after the closing of the Acquisition.

Advisors

Avalon GloboCare would like to thank the following advisors that assisted in the due diligence, valuation and transaction completion: Lowenstein Sandler LLP, JunHe Law, Goodwin Proctor LLP, Friedman LLP, Marcum LLP, CEC Capital and Crescendo Communications.

About SenlangBio

SenlangBio is a clinical-stage biotechnology company dedicated to utilizing cell and gene engineering technologies to generate innovative and transformative cellular immunotherapies for solid and hematologic cancers. SenlangBio has three cell therapy technology platforms include chimeric antigen receptor (CAR) T-cells (CAR-T), allogeneic CAR Gamma Delta T-cells (CAR-γδT), and armored tumor infiltrating lymphocytes (armTILs). SenlangBio is currently the largest cell therapy company in Northern China in terms of the scale of bio-manufacturing, as well as the breadth and depth of active pre-clinical research and clinical development programs. The Company is in the process of further capturing the cell therapy markets in other regions of China, as well as planning for international multi-center clinical studies. For more information about SenlangBio, please visit http://senlangbio.avalon-globocare.com.

About Avalon GloboCare Corp.

Avalon GloboCare Corp. (NASDAQ: AVCO) is a clinical-stage, vertically integrated, leading CellTech bio-developer dedicated to advancing and empowering innovative, transformative immune effector cell therapy, exosome technology, as well as COVID-19 related diagnostics and therapeutics. Avalon also provides strategic advisory and outsourcing services to facilitate and enhance its clients' growth and development, as well as competitiveness in healthcare and CellTech industry markets. Through its subsidiary structure with unique integration of verticals from innovative R&D to automated bioproduction and accelerated clinical development, Avalon is establishing a leading role in the fields of cellular immunotherapy (including CAR-T/NK), exosome technology (ACTEX™), and regenerative therapeutics. For more information about Avalon GloboCare, please visit www.avalon-globocare.com.

For the latest updates on Avalon GloboCare's developments, please follow our twitter at @avalongc_avco

Additional Information about the Proposed Acquisition Transaction and Where to Find It

This communication relates to the proposed Acquisition and may be deemed to be solicitation material in respect of the Acquisition. In connection with the Acquisition, Avalon will file relevant materials with the U.S. Securities and Exchange Commission (the "SEC"), including a proxy statement on Schedule 14A (the "Proxy Statement"). This communication is not a substitute for the Proxy Statement or for any other document that Avalon may file with the SEC or send to Avalon's stockholders in connection with the Acquisition. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS OF AVALON ARE URGED TO READ THE PROXY STATEMENT (INCLUDING ANY AMENDMENTS OR SUPPLEMENTS THERETO) AND OTHER DOCUMENTS FILED WITH THE SEC CAREFULLY AND IN THEIR ENTIRETY WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT AVALON, SENLANGBIO, THE ACQUISITION AND RELATED MATTERS. The Acquisition will be submitted to Avalon's stockholders for their consideration. Investors and security holders will be able to obtain free copies of the Proxy Statement (when available) and other documents filed by Avalon with the SEC through the website maintained by the SEC at http://www.sec.gov. Copies of the documents filed by Avalon with the SEC will also be available free of charge on Avalon's website at www.avalon-globocare.com or by contacting Avalon's Investor Relations contact at PR@Avalon-GloboCare.com.

Participants in the Solicitation

Avalon and its directors and certain of its executive officers and employees may be deemed to be participants in the solicitation of proxies from Avalon's stockholders with respect to the Acquisition under the rules of the SEC. Information about the directors and executive officers of Avalon and their ownership of shares of Avalon's common stock is set forth in its Annual Report on Form 10-K for the year ended December 31, 2020, which was filed with the SEC on March 30, 2021 and in subsequent documents filed with the SEC, including the Proxy Statement. Additional information regarding the persons who may be deemed participants in the proxy solicitations and a description of their direct and indirect interests in the Acquisition, by security holdings or otherwise, will also be included in the Proxy Statement and other relevant materials to be filed with the SEC when they become available. You may obtain free copies of this document as described above.

Cautionary Notes Regarding Forward-Looking Statements

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Avalon generally identifies forward-looking statements by terminology such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other similar words. These statements are only predictions. Avalon has based these forward-looking statements largely on its then-current expectations and projections about future events and financial trends as well as the beliefs and assumptions of management. Forward-looking statements are subject to a number of risks and uncertainties, many of which involve factors or circumstances that are beyond Avalon's control. Avalon's actual results could differ materially from those stated or implied in forward-looking statements due to a number of factors, including but not limited to: (i) risks associated with Avalon's ability to obtain the stockholder approval required to consummate the Acquisition in accordance with Nasdaq rules and the timing of the closing of the Acquisition, including the risks that a condition to closing would not be satisfied within the expected timeframe or at all or that the closing of the Acquisition will not occur; (ii) the outcome of any legal proceedings that may be instituted against the parties and others related to the share purchase agreement with respect to the Acquisition (the "Purchase Agreement"); (iii) the occurrence of any event, change or other circumstance or condition that could give rise to the termination of the Purchase Agreement, (iv) unanticipated difficulties or expenditures relating to the Acquisition, the response of business partners and competitors to the announcement of the Acquisition; and (v) those risks detailed in Avalon's most recent Annual Report on Form 10-K and subsequent reports filed with the SEC, as well as other documents that may be filed by Avalon from time to time with the SEC. Accordingly, you should not rely upon forward-looking statements as predictions of future events. Avalon cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results could differ materially from those projected in the forward-looking statements. The forward-looking statements made in this communication relate only to events as of the date on which the statements are made. Except as required by applicable law or regulation, Avalon undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

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