

**UNITED STATES SECURITIES AND EXCHANGE  
COMMISSION**

Washington, D.C. 20549

**INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF  
SECURITIES**

OMB APPROVAL

OMB Number: 3235-0104

Estimated average burden

hours per response: 0.5

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934  
or Section 30(h) of the Investment Company Act of 1940

1. Name and Address of Reporting Person* <u>Vivo Capital VIII, LLC</u> <hr/> (Last) (First) (Middle) <u>C/O VIVO CAPITAL LLC</u> <u>192 LYTTON AVENUE</u> <hr/> (Street) <u>PALO ALTO CA 94301</u> <hr/> (City) (State) (Zip)	2. Date of Event Requiring Statement (Month/Day/Year) <u>02/04/2021</u>	3. Issuer Name and Ticker or Trading Symbol <u>Terns Pharmaceuticals, Inc. [ TERN ]</u>	
		4. Relationship of Reporting Person(s) to Issuer (Check all applicable) Director <input checked="" type="checkbox"/> 10% Owner Officer (give title below) Other (specify below)	5. If Amendment, Date of Original Filed (Month/Day/Year)  6. Individual or Joint/Group Filing (Check Applicable Line) Form filed by One Reporting Person <input checked="" type="checkbox"/> Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Beneficially Owned**

1. Title of Security (Instr. 4)	2. Amount of Securities Beneficially Owned (Instr. 4)	3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	4. Nature of Indirect Beneficial Ownership (Instr. 5)
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**Table II - Derivative Securities Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

1. Title of Derivative Security (Instr. 4)	2. Date Exercisable and Expiration Date (Month/Day/Year)		3. Title and Amount of Securities Underlying Derivative Security (Instr. 4)		4. Conversion or Exercise Price of Derivative Security	5. Ownership Form: Direct (D) or Indirect (I) (Instr. 5)	6. Nature of Indirect Beneficial Ownership (Instr. 5)
	Date Exercisable	Expiration Date	Title	Amount or Number of Shares			
Series B Preferred Stock	(1)	(1)	Common Stock	1,569,047 <sup>(1)(2)</sup>	(1)	I	Vivo Capital Fund VIII, L.P. <sup>(3)</sup>
Series B Preferred Stock	(1)	(1)	Common Stock	216,666 <sup>(1)(2)</sup>	(1)	I	Vivo Capital Surplus Fund VIII, L.P. <sup>(3)</sup>
Series C Preferred Stock	(4)	(4)	Common Stock	364,138 <sup>(2)(4)</sup>	(4)	I	Vivo Capital Fund VIII, L.P. <sup>(3)</sup>
Series C Preferred Stock	(4)	(4)	Common Stock	50,282 <sup>(2)(4)</sup>	(4)	I	Vivo Capital Surplus Fund VIII, L.P. <sup>(3)</sup>

1. Name and Address of Reporting Person* <u>Vivo Capital VIII, LLC</u> <hr/> (Last) (First) (Middle) <u>C/O VIVO CAPITAL LLC</u> <u>192 LYTTON AVENUE</u> <hr/> (Street) <u>PALO ALTO CA 94301</u> <hr/> (City) (State) (Zip)
1. Name and Address of Reporting Person* <u>Vivo Capital Fund VIII, L.P.</u>

(Last)	(First)	(Middle)
C/O VIVO CAPITAL LLC		
192 LYTTON AVENUE		
<hr/>		
(Street)		
PALO ALTO	CA	94301
<hr/>		
(City)	(State)	(Zip)
1. Name and Address of Reporting Person*		
<u>Vivo Capital Surplus Fund VIII, L.P.</u>		
<hr/>		
(Last)	(First)	(Middle)
C/O VIVO CAPITAL LLC		
192 LYTTON AVENUE		
<hr/>		
(Street)		
PALO ALTO	CA	94301
<hr/>		
(City)	(State)	(Zip)

**Explanation of Responses:**

- Each share of Series B Preferred Stock will automatically convert on a 1-for-2.2 basis into Common Stock immediately prior to the closing of the Issuer's initial public offering. Such conversion is reflected in the amount of common stock underlying the security.
- Reflects a 1-for-14 reverse stock split of the Issuer's outstanding securities effected prior to the effectiveness of the Issuer's S-1 Registration Statement.
- Vivo Capital VIII, LLC ("Vivo LLC") is the general partner of each of Vivo Capital Fund VIII, L.P. and Vivo Capital Surplus Fund VIII, L.P., the record holder of the securities. Dr. Hongbo Lu is a Managing Partner at Vivo Capital LLC and a member of the Issuer's board of directors. Frank Kung, Edgar Engleman and Shan Fu are managing members of Vivo LLC and may be deemed to share voting and dispositive power over the securities held by Vivo Capital Fund VIII, L.P. and Vivo Capital Surplus Fund VIII, L.P. Each of these individuals disclaims beneficial ownership over such securities except to the extent of his pecuniary interest therein, and the inclusion of these securities in this report shall not be deemed an admission of beneficial ownership of the reported securities for purposes of Section 16 or for any other purposes.
- Each share of Series C Preferred Stock will automatically convert on a 1-for-1 basis into Common Stock immediately prior to the closing of the Issuer's initial public offering.

**Remarks:**

/s/ Frank Kung, as a managing member of Vivo Capital VIII, LLC /s/ Frank Kung, as a managing member of Vivo Capital VIII, LLC, the general partner of Vivo Capital Fund VIII, L.P. /s/ Frank Kung, as a managing member of Vivo Capital VIII, LLC, the general partner of Vivo Capital Surplus Fund VIII, L.P.

<u>See Remarks</u>	<u>02/04/2021</u>
** Signature of Reporting Person	Date

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

\* If the form is filed by more than one reporting person, see Instruction 5 (b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB Number.**