A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established under the laws of the PRC as a limited liability company on April 3, 2019. On March 23, 2023, our Company was converted to a joint stock company with limited liability under the PRC Company Law. As of the Latest Practicable Date, the registered share capital of our Company was RMB396,846,576.

We have established a place of business in Hong Kong at Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong, and was registered with the Companies Registry in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on May 2, 2025. Ms. Ng Wai Kam, our joint company secretary, has been appointed as the authorized representative of our Company for the acceptance of service of process and notice in Hong Kong. Our address for acceptance of service of process is Room 1912, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong.

As our Company was incorporated in the PRC, our operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and our Articles of Association is set out in Appendices V and VI, respectively.

2. Changes in Share Capital of our Company

See "History, Development and Corporate Structure", there has been no alteration in our share capital within the two years immediately preceding the date of publication of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in the section headed "History, Development and Corporate Structure" and note 1 to the Accountant's Report as set out in Appendix I to this document.

There had been no alteration in the total issued share capital of our subsidiaries during the two years immediately preceding the date of this document.

4. Resolutions of our Shareholders

Pursuant to the resolutions passed at a duly convened general meeting of our Shareholders on May 13, 2025, it was resolved, among others:

(a) our H Shares to be [**REDACTED**] on the Stock Exchange be issued;

(b) the number of H Shares to be issued pursuant to the [**REDACTED**], and the grant to the [**REDACTED**] of the [**REDACTED**] of not more than 15% of the number of H Shares issued pursuant to the [**REDACTED**];

(c) subject to the completion of the [**REDACTED**], the adoption of the Articles of Association which shall become effective on the [**REDACTED**], and authorization to our Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules; and

(d) authorization of our Board or its authorized persons to handle all matters relating to, among other things, the [**REDACTED**] and the [**REDACTED**].

5. Restrictions on Repurchase

See "Appendix V — Summary of Principal Legal and Regulatory Provisions" and "Appendix VI — Summary of Articles of Association" for details.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this document and are or may be material:

(a) [**REDACTED**].

2. Intellectual Property Rights of Our Group

As of the Latest Practicable Date, our Company had registered the following intellectual property rights which were material to our business.

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business:

No.	Trademark	Class	Registered owner	Place of registration	Registration number	Expiry date
1. . . .	hemay	5	our Company	PRC	8336149	June 20, 2033
2. . . .	HEMAY	5	our Company	PRC	76734730	August 6, 2034
3. . . .	HEMAY	5	our Company	PRC	76728800	July 27, 2034
4. . . .		5	our Company	PRC	40950279	May 20, 2030
5. . . .		10	Tianjin Hemay Pharmaceutical	PRC	40957028	September 6, 2030
6. . . .		35	Tianjin Hemay Pharmaceutical	PRC	40957035	August 27, 2030
7. . . .		40	Tianjin Hemay Pharmaceutical	PRC	40943839	August 27, 2030
8. . . .		42	Tianjin Hemay Pharmaceutical	PRC	40951258	August 27, 2030
9. . . .		44	Tianjin Hemay Pharmaceutical	PRC	40951264	May 20, 2030
10 . .	HEMAY	5	our Company	Hong Kong	306792238	January 21, 2035
11 . .	HEMAY	35	our Company	Hong Kong	306792256	January 21, 2035

(b) Patents

As of the Latest Practicable Date, we had registered, or had applied for registration of, the following patents which we considered to be material to our business:

#	Product	Application/Patent Number (Region)	Patent Name (EN/CH)	Nature & Scope (EN)	Patent Type	Patent Owner	Patent Inventor	Patent Status	Application/ Expiration date
1 . .	Mufemilast	AU2010246749 (Australia)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
2 . .	Mufemilast	BRP11012770 (Brazil)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
3 . .	Mufemilast	CA2761845 (Canada)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
4 . .	Mufemilast	CN201711006515.2 (PRC)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company, Tianjin Hemay Pharmaceutical, Xiajiang Hemay	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
5 . .	Mufemilast	EP2010774565 (Europe)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
6 . .	Mufemilast	JP2012510105 (Japan)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030

#	Product	Application/Patent Number (Region)	Patent Name (EN/CH)	Nature & Scope (EN)	Patent Type	Patent Owner	Patent Inventor	Patent Status	Application/ Expiration date
7 . .	Mufemilast	KR1020117028599 (Korea)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
8 . .	Mufemilast	MX2011012122 (Mexico)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
9 . .	Mufemilast	RU2011150786 (Russia)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
10 .	Mufemilast	US13/320533 (U.S.)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (COPD), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
11 .	Mufemilast	US14/281289 (U.S.)	Thiophene derivatives (噻吩衍生物)	Indications (atopic dermatitis, psoriasis, ulcerative colitis, Crohn's disease)	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
12 .	Mufemilast	ZA201108349 (South Africa)	Thiophene derivatives (噻吩衍生物)	Compounds, indications (psoriasis, COPD, atopic dermatitis, ulcerative colitis, Crohn's disease), compound preparation methods	Invention	Our Company	Dr. Zhang, Dr. Zeng, Gao Yifei	Granted	May 14, 2030
13 . .	Mufemilast	CN202411628591.7 (PRC)	Treatment of moderate to severe plaque psoriasis	Indication (psoriasis)	Invention	Our Company	Dr. Zhang, Li Xingwen, Chang Yukun, Zhang Donglei	Pending	Nov 14, 2024
14 . .	Mufemilast	CN202411628595.5 (PRC)	Treatment of Behçet's disease	Indication (Behçet's disease)	Invention	Our Company	Dr. Zhang, Dr. Huo, Mr. Chen, Song Dan, Zhang Yumei	Pending	Nov 14, 2024
15 .	Hemay007	US11/868502 (U.S.)	Piperidine-2,6-dione derivatives and their use as tumor necrosis factor inhibitors (哌啶-2,6-二酮衍生物及其作為腫瘤壞死因子抑制劑的用途)	Compounds, compound preparation methods	Invention	Our Company, Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Oct 31, 2029

#	Product	Application/Patent Number (Region)	Patent Name (EN/CH)	Nature & Scope (EN)	Patent Type	Patent Owner	Patent Inventor	Patent Status	Application/ Expiration date
16.	Hemay007	AU2017366514 (Australia)	Piperidine-2,6-dione derivative and treatment for ulcerative colitis (哌啶-2,6-二酮衍生物及潰瘍性結腸炎的治療)	Indications (ulcerative colitis)	Invention	Our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Granted	Nov 23, 2037
17.	Hemay007	CA3045703 (Canada)	Piperidine-2,6-dione derivatives and ulcerative colitis treating (哌啶-2,6-二酮衍生物與潰瘍性結腸炎的治療)	Indications (ulcerative colitis)	Invention	Our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Granted	Nov 23, 2037
18.	Hemay007	CN201711184758.5 (PRC)	Piperidine-2,6-dione derivatives and their use as tumor necrosis factor inhibitors (哌啶-2,6-二酮衍生物及其在治療潰瘍性結腸炎中的用途)	Compounds, indications (ulcarative colitis)	Invention	our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Pending	Nov 23, 2017
19.	Hemay007	EP2017874499 (Europe)	Piperidine-2,6-dione derivative and treatment for ulcerative colitis (哌啶-2,6-二酮衍生物及潰瘍性結腸炎的治療)	Compounds, indications (ulcerative colitis)	Invention	our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Pending	Nov 23, 2017
20.	Hemay007	JP2019528114 (Japan)	Piperidine-2,6-dione derivative and treatment for ulcerative colitis (哌啶-2,6-二酮衍生物和潰瘍性結腸炎的治療)	Indications (ulcerative colitis)	Invention	Our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Granted	Nov 23, 2037
21.	Hemay007	US18/533755 (U.S.)	Piperidine-2,6-dione derivatives and ulcerative colitis treating (哌啶-2,6-二酮衍生物與潰瘍性結腸炎的治療)	Indications (ulcerative colitis)	Invention	Our Company, Tianjin Hemay Pharmaceutical	Dr. Zeng, Dr. Zhang	Granted	Nov 23, 2037
22.	Hemay022	AU2011264209 (Australia)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
23.	Hemay022	BR112012031340 (Brazil)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (cancer)	Invention	Hemay Bio-Tech	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
24.	Hemay022	CA2802130 (Canada)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
25.	Hemay022	CN201180028282.0 (PRC)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (breast cancer and other tumors)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
26.	Hemay022	EP2011791932 (Europe)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031

#	Product	Application/Patent Number (Region)	Patent Name (EN/CH)	Nature & Scope (EN)	Patent Type	Patent Owner	Patent Inventor	Patent Status	Application/ Expiration date
27 .	Hemay022	EP2017167832 (Europe)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Indications (breast cancer and other tumors)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
28 .	Hemay022	HK13109767 (Hong Kong)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
29 .	Hemay022	HK18104057 (Hong Kong)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Indications (breast cancer and other tumors)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
30 .	Hemay022	JP2013513536 (Japan)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
31 .	Hemay022	RU2012156251 (Russia)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds, indications (tumor)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
32 .	Hemay022	US13/702987 (U.S.)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Compounds	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
33 .	Hemay022	US14/881085 (U.S.)	Cyanoquinoline derivatives (氰基喹啉衍生物)	Indications (breast cancer and other tumors)	Invention	Tianjin Hemay Oncology	Dr. Zhang, Mr. Chen, He Qingchao	Granted	June 8, 2031
34 . .	Hemay022	CN202411761654.6 (PRC)	Treatment for breast cancer	Indication (breast cancer)	Invention	Our Company	Dr. Zhang, Dr. Huo, Liu Xiuping, Li Xingwen, Ms. Lv Jingjing	Pending	Dec 3, 2024
35 .	Hemay181	CN202310651789.6 (PRC)	Camptothecin prodrug and pharmaceutical composition thereof (喜樹鹼前藥及其藥物組合物)	Compounds, indications (breast cancer and other tumors or cancer), compound preparation methods	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023
36 . .	Hemay181	BR112024024867 (Brazil)	Camptothecin prodrug and pharmaceutical composition thereof	Compound, indication (tumors or cancers such as breast cancer), and method for preparing the compound	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023
37 . .	Hemay181	CA3257906 (Canada)	Camptothecin prodrug and pharmaceutical composition thereof	Compound, indication (tumors or cancers such as breast cancer), and method for preparing the compound	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023
38 . .	Hemay181	EP2023815226 (Europe)	Camptothecin prodrug and pharmaceutical composition thereof	Compound, indication (tumors or cancers such as breast cancer), and method for preparing the compound	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023
39 . .	Hemay181	JP2024571049 (Japan)	Camptothecin prodrug and pharmaceutical composition thereof	Compound, indication (tumors or cancers such as breast cancer), and method for preparing the compound	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023

#	Product	Application/Patent Number (Region)	Patent Name (EN/CH)	Nature & Scope (EN)	Patent Type	Patent Owner	Patent Inventor	Patent Status	Application/ Expiration date
40. .	Hemay181	MX/a/2024/014787 (Mexico)	Camptothecin prodrug and pharmaceutical composition thereof	Compound, indication (tumors or cancers such as breast cancer), and method for preparing the compound	Invention	Tianjin Hemay Oncology	Hong Zhangyong, Dr. Zhang, Dr. Zeng	Pending	May 30, 2023
41 .	Hemay808	AU2019254962 (Australia)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Apr 16, 2039
42 .	Hemay808	BR112020020800 (Brazil)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Pending	Apr 16, 2019
43 .	Hemay808	CA3094029 (Canada)	Isoindole derivatives and their use as immunoglobulin modulators (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Pending	Apr 16, 2019
44 .	Hemay808	CN201910305475.4 (PRC)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Apr 16, 2039
45 .	Hemay808	EP2019788517 (Europe)	Isoindole derivative (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Pending	Apr 16, 2019
46 .	Hemay808	HK62021037127 (Hong Kong)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Pending	Apr 16, 2019
47 .	Hemay808	JP2021506028 (Japan)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Apr 16, 2039
48 .	Hemay808	KR1020207031475 (Korea)	Isoindole derivatives (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Apr 16, 2039
49 .	Hemay808	US17/048914 (U.S.)	Isoindole derivative (異吲哚衍生物)	Compounds, indications (skin diseases, psoriasis, atopic dermatitis, etc.), compound preparation methods	Invention	Tianjin Hemay Pharmaceutical	Dr. Zhang	Granted	Apr 16, 2039

(c) Domain names

As of the Latest Practicable Date, we had registered the following domain name(s) which we considered to be material to our business:

No.	Domain name	Registrant	Registration date	Expiry date
1. . .	hemay.com.cn	Tianjin Hemay Pharmaceutical	September 3, 2009	September 3, 2026
2. . .	hemaypharm.com	Tianjin Hemay Pharmaceutical	September 3, 2009	September 3, 2026

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Service Contracts and Appointment Letters

Each of our Directors and Supervisors has entered into a service contract or letter of appointment with our Company. Each of service contracts and the letters of appointment is for a term of three years and subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

None of our Directors or Supervisors has or is proposed to have a service contract with any member of our Group (other than contracts expiring or determinable by the relevant employer within one year without the payment of compensation other than statutory compensation).

2. Remuneration of Directors and Supervisors

The aggregate remuneration (including salaries, bonuses, shares, contribution to retirement scheme, medical insurances, other social insurance and share-based payment) paid or payable to our Directors and Supervisors for 2024 and 2025 was approximately RMB13.6 million and RMB13.2 million, respectively.

Pursuant to the existing arrangements that are currently in force as at the date of this document, the amount of remuneration (excluding discretionary bonuses but including share-based payment) payable to our Directors and Supervisors by our Company for the year ending December 31, 2026 is estimated to be no more than RMB15.5 million in aggregate.

The aggregate remuneration paid or payable by our Group to our five highest paid individuals (excluding the remuneration received by two and three Directors) for 2024 and 2025 was RMB4.6 million and RMB3.3 million, respectively.

During the Track Record Period and up to the Latest Practicable Date, no fees were paid by our Group to any of our Directors, Supervisors or the five highest paid individuals as an inducement to join us or as compensation for loss of office, and there has been no arrangement under which a Director or Supervisor has waived or agreed to waive any emoluments.

3. Disclosure of interests

(a) Disclosure of interests of Directors, Supervisors and chief executive of our Company

Immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised), the interest and/or short position of our Directors, Supervisors and chief executive in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Hong Kong Stock Exchange (for this purpose, the relevant provisions of the SFO will be interpreted as if they applied to the Supervisors), will be as follows:

(i) Interests in our Company

Name	Nature of interest	Description of Shares	Number of Shares	Approximate percentage of shareholding in our total share capital
Dr. Zhang[1]	Interest in controlled corporation	H Shares	[**REDACTED**]	[**REDACTED**]
		Unlisted Shares	[**REDACTED**]	[**REDACTED**]
	Interest of spouse	H Shares	[**REDACTED**]	[**REDACTED**]
		Unlisted Shares	[**REDACTED**]	[**REDACTED**]

Notes:

(1) Ganzhou Hesheng and Ganzhou Heyi was owned as to 99.90% and approximately 71.43% by Dr. Zhang, respectively. As such, under the SFO, Dr. Zhang is deemed to be interested in the equity interests held by Ganzhou Hesheng and Ganzhou Heyi.

Hong Kong Hemay is directly wholly owned by Hemay Investment, which in turn is directly wholly owned by Hemay Holding, a wholly-owned subsidiary of Prime Honor which is directly wholly owned by Ms. Guo. As such, under the SFO, Ms. Guo is deemed to be interested in the equity interests held by Hong Kong Hemay. Further, Ms. Guo is the spouse of Dr. Zhang, and Dr. Zhang and Ms. Guo also entered into an acting in concert agreement, in which they confirmed and undertook that, they have been and will be parties acting-in-concert in relation to voting for corporate matters of our Group. As such, under the SFO, Dr. Zhang is deemed to be interested in the Shares which Ms. Guo is interested in.

(ii) Interests in associated corporations of our Company

Name	Nature of Interests	Name of associated corporation	Approximate percentage of shareholding in the associated corporation
Dr. Zhang	Interest of spouse	Hong Kong Hemay[(1)]	100.00%
		Hemay Investment[(1)]	100.00%
		Hemay Holding[(1)]	100.00%
		Prime Honor[(1)]	100.00%
	Interest in controlled corporation	Ganzhou Hesheng[(2)]	99.90%
		Ganzhou Heyi [(3)]	71.43%

Notes:

1 Hong Kong Hemay is directly wholly owned by Hemay Investment, which is directly wholly owned by Hemay Holding. Hemay Holding is directly wholly owned by Prime Honor, which is directly wholly owned by Ms. Guo. Ms. Guo is the spouse of Dr. Zhang. By virtue of the SFO, Dr. Zhang is deemed to be interested in the Shares which Ms. Guo is interested in.

2 Ganzhou Hesheng was also controlled by Dr. Zhang by virtue of his role as its general partner.

3 Ganzhou Heyi was also controlled by Dr. Zhang by virtue of his role as its general partner.

(b) Disclosure of interests of substantial shareholders

Save as disclosed in the section headed "Substantial Shareholders", immediately following the completion of the [**REDACTED**] and assuming that the [**REDACTED**] is not exercised, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying the rights to vote in all circumstances at general meetings of our Company or any other members of our Group.

4. Agency Fees or Commissions Received

Save as disclosed in the section headed [**REDACTED**], no commissions, discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital or security of any member of our Group.

5. Disclaimers

(a) Save as disclosed in the section headed "Substantial Shareholders", none of our Directors, Supervisors or the chief executive of our Company has any interest or short position in the Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once the H Shares are [**REDACTED**];

(b) None of our Directors, Supervisors or any of the experts referred to under "— E. Other Information — 8. Qualifications and Consents of Experts" is:

(i) interested in our promotion, or in any assets which have been, within two years immediately preceding the date of this document, acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to any member of our Group; or

(ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;

(c) So far as is known to our Directors, Supervisors or the chief executive of our Company, no person (not being a Director, Supervisors or chief executive of our Company) will, immediately following the completion of the [**REDACTED**], have an interest or short position in the Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and

(d) Save as disclosed in the section headed "Business — Top Five Suppliers", none of our Directors, Supervisors or their respective close associates (as defined under the Listing Rules) or our Shareholders who are interested in more than 5% of the issued share capital of our Company has any interest in the five largest suppliers of our Group during the Track Record Period.

D. EQUITY INCENTIVE SCHEME

As of the Latest Practicable Date, Ganzhou Heyi was our Company's employee shareholding platform holding the underlying Shares in respect of share awards granted under the Equity Incentive Scheme which held 15,566,325 Shares, representing approximately 3.92% of our Company's Shares. For details of Ganzhou Heyi, see "History, Development and Corporate Structure — Employee Shareholding Platform."

The Equity Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve the grant of options or share awards by our Company to subscribe for the Shares after the [**REDACTED**]. Given the underlying Shares under the Equity Incentive Scheme had already been issued, there will not be any dilution effect to the issued Shares upon the vesting of the awards under the Equity Incentive Scheme.

Purpose

To attract, motivate and retain our core technical personnel and senior management and enhance their sense of belonging and responsibility for the future development of our Group, and to align the interests of our Group, Shareholders and core personnel.

Participants

Employees of our Company and its controlled entities currently holding positions at the department director level or above, core technical personnel, and other exceptionally outstanding employees.

Participation by Selected Participants

The participants under the Equity Incentive Scheme are granted awards in the form of economic interest in the Employee Shareholding Platform (the "**Awards**") and become indirectly interested in our Company through their respective interests as limited partners of the relevant Employee Shareholding Platform upon acquisition of partnership interests in the Employee Shareholding Platform. The Participants are not entitled to any voting rights in our Company through the Employee Shareholding Platform.

Non-transferability of the Awards

From the date of grant to the end of the 12 months after the vesting of the Awards (the "**Lock-up Period**"), without the consent of the general partner of the Employee Shareholding Platform, the Participants shall not transfer or entrust others to manage their Awards. Upon the lapse of the Lock-up Period, the Participants may transfer the Awards in accordance with the Equity Incentive Scheme and other applicable laws, administrative regulations, department rules and relevant requirements of the CSRC and stock exchanges.

Exit Mechanism

Before the [**REDACTED**], as well as after the [**REDACTED**] but before the Lock-up Period expires, if a Participant intends to exit, the general partner or its designated person has the right of first refusal for the Awards granted to the Participant, and the transfer price of the Awards is settled either through arms-length negotiations or based on the Participant's exercise price with interests calculated using the Loan Prime Rate. Without the general partner's consent, the Participant shall not transfer the Awards to any person who is not our employee.

After the Lock-up Period expires, if a Participant intends to exit, he shall notify the general partner in writing three months in advance, and the general partner will determine the timing for the Participant to sell the Awards.

The general partner can request the Participant to transfer the Awards to the general partner or its designated parties at nil consideration if (i) the Participant entrusts others to hold his Awards or holds Awards on behalf of others; or (ii) the Participant transfers the Awards to a person who is not an employee of our Company in breach of the transfer restrictions before and after the [**REDACTED**].

The death of a Participant after the [**REDACTED**] will not trigger lapse of the Award. The Award can be inherited by the Participant's successors.

The partnership structure of Ganzhou Heyi and the corresponding shareholding in our Company held by each partner was as follows:

Name	Position(s) in our Company	Role in Ganzhou Heyi	Approximate % of partnership interest	Approximate number of Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)(2)	Approximate % of shareholding in our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)(2)
Dr. Zhang	Chairman of our Board, executive Director and general manager	General partner	71.43%	[**REDACTED**]	[**REDACTED**]
Mr. Chen	Executive Director, deputy general manager, secretary to our Board and head of sales department	Limited partner	7.14%	[**REDACTED**]	[**REDACTED**]
Dr. Huo	Executive Director and deputy general manager	Limited partner	7.14%	[**REDACTED**]	[**REDACTED**]
Zeng Guanghuai (曾廣懷)	Deputy general manager	Limited partner	7.14%	[**REDACTED**]	[**REDACTED**]

Name	Position(s) in our Company	Role in Ganzhou Heyi	Approximate % of partnership interest	Approximate number of Shares upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[2]	Approximate % of shareholding in our Company upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)[2]
Zhang Yumei[1] (張玉梅)	Procurement manager	Limited partner	7.14%	[REDACTED]	[REDACTED]
Total			**100.00%**		[REDACTED]

Note:

(1) Zhang Yumei is the spouse of Mr. Chen and the niece of Dr. Zhang.

(2) For illustrating the indirect interests of grantees in the Shares, the percentage of shareholding is presented and calculated by multiplying their respective percentage of partnership interests in Ganzhou Heyi by the total number of Shares held by Ganzhou Heyi. Approximately 50% the Unlisted Shares held by Ganzhou Heyi will be converted into H Shares upon [**REDACTED**], subject to the relevant regulatory approvals and registration.

Dr. Zhang, being the general partner of Ganzhou Heyi, is entitled to exercise the voting rights of our Shares held by Ganzhou Heyi at his discretion and also execute the partnerships' affairs on behalf of the respective limited partners in accordance with the limited partnership agreements.

E. OTHER INFORMATION

1. Estate Duty

We have been advised that no material liability for estate duty under PRC law is likely to fall upon the Group.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our results of operations or financial condition.

3. Application for [REDACTED]

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the [**REDACTED**] of, and permission to [**REDACTED**] in, the H Shares in issue and to be issued as mentioned in this document. All necessary arrangements have been made to enable the securities to be admitted into [**REDACTED**].

4. Sole Sponsor's Independence

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules. The sponsor fee payable to the Sole Sponsor in connection with the [**REDACTED**] payable by our Company is RMB3.6 million.

5. Compliance Advisor

Our Company has appointed Maxa Capital Limited as our compliance advisor in compliance with Rule 3A.19 of the Listing Rules.

6. Preliminary Expenses

As of the Latest Practicable Date, our Company had not incurred material preliminary expenses.

7. Promoter

The promoters of our Company are Hong Kong Hemay, Ganzhou Hesheng, Zhenzhuo Pharmaceutical, Truman, High Estate, Shanghai Cenova, Ganzhou Heyi, Zhenzhuo Xinqi, Jihan Investment, Detong Hexin, Tigermed Investment, Xinfeng County Development, Orient Yirui, Xiade Investment, Anxin Guosheng, Taikun Investment, Efung Ruiyi, Yide Investment, Linde Investment, and Anhui Jinrui.

Within the two years immediately preceding the date of this document, no cash, securities or other benefit have been paid, allotted or given or have been proposed to be paid, allotted or given to the above promoter in connection with the [**REDACTED**] or related transactions herein.

8. Qualifications and Consents of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained herein:

Name	Qualifications
SDIC Securities Corporate Finance (Hong Kong) Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
King & Wood	Legal advisor to our Company as to PRC laws and as to PRC intellectual property laws

Name	Qualifications
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Frost & Sullivan	Independent industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property valuer

Each of the experts named above has given and has not withdrawn its consent to the issuance of this document with the inclusion of its view, report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

None of the experts named above has any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

9. Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

11. Taxation of Holders of H Shares

(a) Hong Kong

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are affected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

(b) Consultation with Professional Advisors

Intending holders of the H Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in the H Shares. It is emphasized that none of our Company, our Directors, Supervisors or the other parties involved in the [**REDACTED**] will accept responsibility for any tax effect on, or liabilities of, holders of H Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the H Shares or exercise of any rights attaching to them.

12. Miscellaneous

(a) Within the two years immediately preceding the date of this document, our Company has not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;

(b) No share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;

(c) Our Company has not issued nor agreed to issue founder, management or deferred shares or any deferred debentures;

(d) Our Company has no outstanding convertible debt securities;

(e) Within the two years immediately preceding the date of this document, no commission, discount, brokerage or other special term has been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;

(f) There is no arrangement under which future dividends are waived or agreed to be waived;

(g) there has been no interruption in our business which may have or have had a significant effect on the financial position in the last 12 months;

(h) none of our equity securities is [**REDACTED**] or [**REDACTED**] with on Stock Exchange or any other Stock Exchange nor is any [**REDACTED**] or permission to [**REDACTED**] being or proposed to be sought.