OVERVIEW

We are a biopharmaceutical company dedicated to the discovery and development of self-discovered and self-developed small-molecule drugs for autoimmune diseases and oncology.

Our history can be traced back to 2002, when our research and development entity, Hemay Bio-Tech, was founded by Dr. Zhang. Dr. Zhang is our founder, chairman of our Board, executive Director, general manager and Controlling Shareholder.

On April 3, 2019, our Company was established in the PRC, and was converted into a joint stock limited liability company in March 2023.

OUR MILESTONES

We set forth below the key milestones in our business and corporate development:

Year	Milestone(s)
2002	– Our research and development entity, Hemay Bio-Tech, was established.
2009	– We initiated pre-clinical studies for Mufemilast.
2012	– We submitted the application for IND approval in respect of Mufemilast.
2013	– We submitted the application for IND approval in respect of Hemay022.
2014	– Hemay Holding completed the first round of financing.
2015	– We obtained from NMPA an IND approval in respect of treatment of Ps with Mufemilast.
2016	– We conducted our first clinical trial in Australia, with efforts to commence our overseas research and development.
2018	– We completed the Phase I clinical trial of Mufemilast on single-dose and food effects study, and the Phase I clinical trial of Mufemilast on multiple-dose safety and pharmacokinetics.
2019	– Our predecessor company, Ganzhou Hemay Pharmaceutical Co., Ltd. (贛州和美藥業有限公司), was established. – We commenced the Phase II clinical trial of Mufemilast for the treatment of Ps. – Hemay Holding completed the second round of financing.
2020	– We completed the Phase I clinical trial of Hemay022 for monotherapy.
2021	– We completed the Phase II clinical trial of Mufemilast for the treatment of Ps. – We initiated the Phase II clinical trial of Mufemilast for the treatment of BD. – We completed Series C financing.
2022	– We completed the Phase II clinical trial of Mufemilast for the treatment of BD. – We initiated the Phase III clinical trial of Mufemilast for the treatment of Ps. – We completed the Phase Ib clinical trial for Hemay022 in combination with endocrine drugs. – We initiated the Phase III clinical trial for Hemay022 for the treatment of breast cancer. – We entered into the capital increase agreement for Series D financing.

Year	Milestone(s)
2023	– Our Company was converted into a joint stock limited liability company, and renamed as Ganzhou Hemay Pharmaceutical Co., Ltd. (贛州和美藥業股份有限公司). – We obtained from FDA Orphan Drug Designation in respect of Mufemilast. – We submitted a pre-NDA application to CDE of Mufemilast for the treatment of Ps and a pre-IND application to the FDA of Mufemilast for the treatment of BD. – We initiated the Phase III clinical trial of Mufemilast for the treatment of BD. – We completed the Phase III clinical trial of Mufemilast for the treatment of Ps. – We initiated the Phase II clinical trial of Mufemilast for the treatment of UC. – We initiated the Phase I clinical trial of Hemay181 for the treatment of late-stage solid tumors in the PRC, and obtained an IND approval from FDA to begin the Phase I clinical trial of Hemay181 in the United States. – We completed Series D+ financing.
2024	– Our NDA application for Mufemilast for the treatment of Ps was accepted by NMPA. – NMPA granted "priority review" designation to the NDA application of Mufemilast for the treatment of Ps. – Our production base successfully passed the on-site inspection for drug registration production of Mufemilast. – We obtained the IND approval from the CDE for Mufemilast for the treatment of CD. – We completed Series E financing.
2025	– Our Phase II clinical trial for Mufemilast for the treatment of UC reached database lock stage. – We received the NDA approval from the NMPA for Mufemilast for the treatment of Ps.

OUR CORPORATE HISTORY AND DEVELOPMENT

The following sets forth the corporate history and major shareholding changes of our Company:

Establishment of the holding companies for our offshore structure

On March 12, 2014, Prime Honor was incorporated and wholly owned by Ms. Guo. On October 20, 2016, Dr. Zhang subscribed for Prime Honor's ordinary share. After the subscription, Prime Honor was equally held by Dr. Zhang and Ms. Guo.

On May 14, 2014, Hemay Holding was incorporated and the only ordinary share of Hemay Holding was transferred to Prime Honor. On May 21, 2014, Hemay Investment was incorporated and wholly owned by Hemay Holding.

On June 12, 2014, Hong Kong Hemay was incorporated and wholly owned by Hemay Investment.

Establishment of our Company

Our Company was established as a limited liability company in the PRC on April 3, 2019 with an initial registered capital of RMB50.00 million. As of the date of establishment, our Company was wholly owned by Hong Kong Hemay.

Development of our offshore structure

Pursuant to a share purchase agreement dated September 16, 2014, (i) Prime Honor subscribed for 75,999,999 ordinary shares of Hemay Holding at nil consideration, and (ii) Alnair Investment, LC Parallel Fund VI, L.P. and LC Fund VI, L.P. subscribed for 10,760,150, 369,594 and 8,870,256

series A preferred shares of Hemay Holding, respectively at a consideration of approximately US$3.49 million, US$0.12 million and US$2.88 million. The consideration for the subscription was determined based on arm's length negotiation between the parties after considering the operation and prospect of Hemay Holding and its subsidiaries as a whole. LC Parallel Fund VI, L.P. and LC Fund VI, L.P. subsequently transferred their entire shareholding in Hemay Holding to LC Healthcare Continued Fund I, L.P., as part of their internal reorganization.

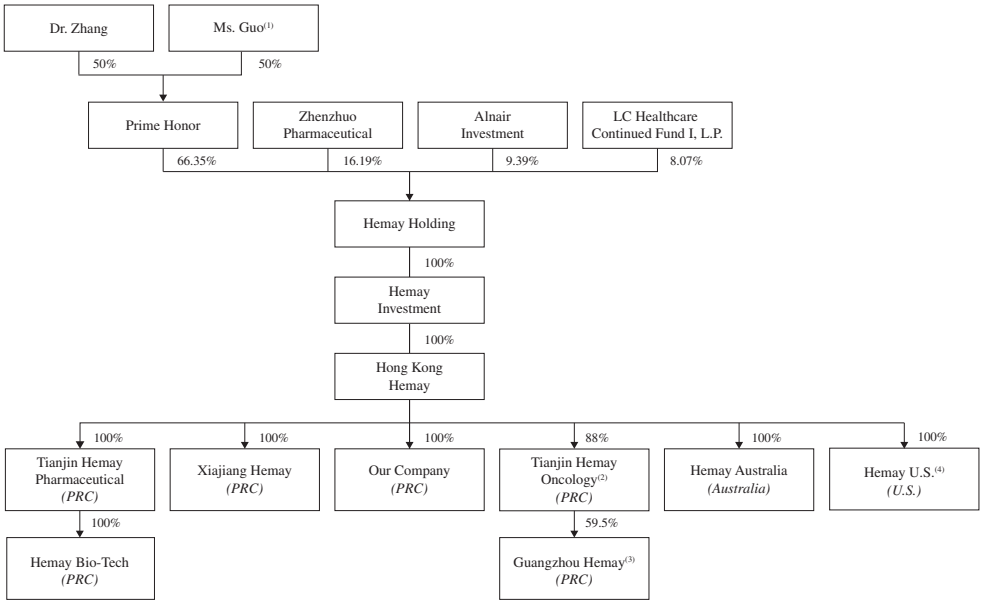
Pursuant to a share purchase agreement dated July 17, 2019, Zhenzhuo Pharmaceutical subscribed for 18,540,000 series B preferred shares of Hemay Holding at a total consideration of RMB180.00 million. The consideration for the subscription was determined based on arm's length negotiation between the parties after considering the operation and prospect of Hemay Holding and its subsidiaries as a whole.

Development of our subsidiaries

Since 2014, Hong Kong Hemay has established subsidiaries, including our Company, and acquired interests of our other subsidiaries.

On July 25, 2016, Tianjin Hemay Oncology was established by Tianjin Hemay Pharmaceutical, Truman, High Estate Limited ("**High Estate**"), Hangzhou Tigermed Equity Investment Partnership Enterprise (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) ("**Tigermed Investment**"), Shanghai Cenova Innovation Venture Fund (Limited Partnership) (上海千驥創業投資中心(有限合夥)) ("**Shanghai Cenova**") and Shenzhen Efung Ruiyi Investment Center (Limited Partnership) (深圳市倚鋒睿意投資中心(有限合夥)) ("**Efung Ruiyi**"), which subscribed for approximately RMB26.40 million, RMB0.30 million, RMB0.12 million, RMB0.18 million, RMB0.09 million, and RMB0.21 million of Tianjin Hemay Oncology's registered capital, respectively. Subsequently, on August 1, 2016, Truman, High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi subscribed for approximately RMB0.90 million, RMB0.36 million, RMB0.54 million, RMB0.28 million and RMB0.62 million of Tianjin Hemay Oncology's registered capital, respectively at the consideration of RMB32.20 million, RMB12.88 million, RMB19.32 million, RMB9.91 million and RMB22.29 million, respectively. On September 13, 2016, Tianjin Hemay Pharmaceutical transferred all its interest in Tianjin Hemay Oncology to Hong Kong Hemay at nil consideration as part of our internal restructuring.

The following chart sets out our corporate and shareholding structure in June 2021 immediately before the unwinding of our offshore structure:



Notes:

(1) Ms. Guo is the spouse of Dr. Zhang.

(2) Truman, High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi were respectively interested in approximately 4.00%, 1.60%, 2.40%, 1.23% and 2.77% of Tianjin Hemay Oncology's equity interests. Truman and Zhenzhuo Pharmaceutical is an associate and a close associate of Mr. Zhuang respectively, while each of High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi is an Independent Third Party, see "— Pre-[**REDACTED**] Investments — Background of our Pre-[**REDACTED**] Investors" for details of their background.

(3) The remaining equity interest of Guangzhou Hemay was held by Dr. Zhang as to 30.00%, and two Independent Third Parties, Hong Zhangyong (洪章勇) and Yunneng Zhongchuang Space (Tianjin) Co., Ltd. (允能眾創空間(天津)有限公司) as to 10.00% and 0.50%, respectively. Guangzhou Hemay was deregistered on July 24, 2023 as it did not have any business operations.

(4) Hemay U.S. was deregistered on March 6, 2024 as it did not have any business operations.

Unwinding of our offshore structure

In relation to our A-Share Listing Attempt, we unwound our offshore structure and the shareholding of Hemay Holding was flipped down to the level of our Company which comprised of the following major steps:

Acquisition of interests in Tianjin Hemay Pharmaceutical, Xiajiang Hemay, Tianjin Hemay Oncology, Hemay Australia and Hemay U.S.

Hong Kong Hemay and Tianjin Hemay Pharmaceutical entered into share transfer agreements on July 15, 2021, pursuant to which Tianjin Hemay Pharmaceutical acquired the entire issued share capital of Hemay Australia and Hemay U.S. from Hong Kong Hemay at the consideration of AUD142,600 and US$19,000 respectively, which were determined based on the net asset value of such entities as of March 31, 2021.

On July 21, 2021, Hong Kong Hemay entered into a capital injection agreement with our Company, pursuant to which, Hong Kong Hemay invested RMB173,620,254 in our Company through transfer of the entire equity interests of Tianjin Hemay Pharmaceutical and Xiajiang Hemay and 88% of Tianjin Hemay Oncology's equity interests as consideration, and such amount was injected as the registered capital of our Company. The consideration was determined based on the valuation of equity interests of such entities as of March 31, 2021.

Upon completion of such capital injection, the registered capital of our Company increased from RMB50.00 million to approximately RMB223.62 million. Upon completion of the abovementioned acquisitions in August 2021, our Company wholly owned Tianjin Hemay Pharmaceutical, Xiajiang Hemay, Hemay Australia and Hemay U.S., and owned 88% of Tianjin Hemay Oncology's equity interest.

Establishment of Ganzhou Hesheng and Ganzhou Heyi

Ganzhou Hesheng was established as a limited liability partnership in the PRC on September 26, 2021 which serves as a platform for holding equity interests of our Company by Dr. Zhang. Since its establishment, Ganzhou Hesheng was managed by its general partner, Dr. Zhang, and Dr. Zhang is also interested in 99.90% of the interest in Ganzhou Hesheng. The remaining interest in Ganzhou Hesheng was held by Zhang Yumei, being Dr. Zhang's niece and Mr. Chen's spouse.

Ganzhou Heyi was established as a limited liability partnership in the PRC on September 26, 2021 with an initial registered capital of RMB0.55 million, which serves as our employee shareholding platform. For details of Ganzhou Heyi, see "— Employee Shareholding Platform."

Capital reduction of our Company

On September 28, 2021, the registered capital of our Company was reduced from approximately RMB223.62 million to RMB3.00 million. The capital reduction was for Hong Kong Hemay to withdraw its contribution in the registered capital of our Company for the repurchase of shares of Hemay Holding held by its shareholders.

Repurchase of shares in the holding companies of our offshore structure

On November 4, 2021, Prime Honor repurchased one ordinary share held by Dr. Zhang at a consideration of US$1.00. On November 15, 2021, Hemay Holding repurchased 10,760,150 and 9,239,850 series A preferred shares held by Alnair Investment and LC Healthcare Continued Fund I, L.P., respectively, and 18,540,000 series B preferred shares held by Zhenzhuo Pharmaceutical at a total consideration of approximately US$32.59 million which was the original investment amount of such shareholders. On November 15, 2021, Prime Honor surrendered 75,999,999 ordinary shares of Hemay Holding at nil consideration.

Upon completion of the abovementioned steps, Hemay Holding was wholly owned by Prime Honor, and Prime Honor was wholly owned by Ms. Guo.

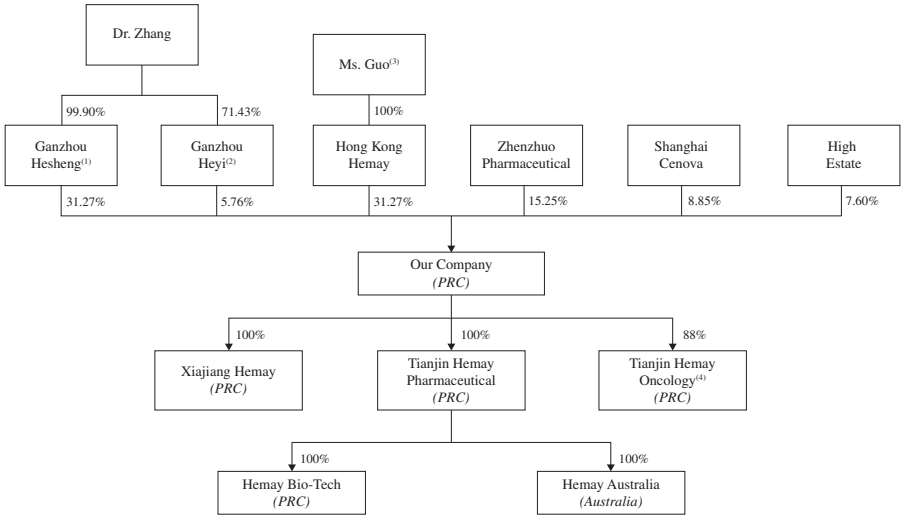
Capital injection in our Company

On November 9, 2021, Ganzhou Hesheng and Ganzhou Heyi subscribed for RMB3.00 million and approximately RMB0.55 million of the registered capital of our Company, at a consideration of the same amount, respectively, after which the registered capital of our Company was increased to approximately RMB6.55 million.

In order to mirror the financing previously made by certain investors through Hemay Holding in our offshore structure, pursuant to a capital increase agreement dated November 15, 2021, Shanghai Cenova, being the special purpose vehicle designated by Alnair Investment, and High Estate, being the special purpose vehicle designated by LC Healthcare Continued Fund I, L.P., invested approximately US$3.49 million and US$3.00 million in our Company, subscribing for approximately RMB0.85 million and RMB0.73 million of our Company's registered capital, respectively. For details, see "— Development of our offshore structure."

In order to mirror the financing previously made by Zhenzhuo Pharmaceutical through Hemay Holding in our offshore structure, pursuant to a capital increase agreement dated December 6, 2021, Zhenzhuo Pharmaceutical invested approximately US$26.09 million in our Company, subscribing for approxiamtely RMB1.46 million of our Company's registered capital. For details, see "— Development of our offshore structure."

Upon completion of unwinding of our offshore structure, the registered capital of our Company was increased to approximately RMB9.60 million. The following chart sets out our corporate and shareholding structure upon completion of the unwinding of our offshore structure:



Notes:

(1) Dr. Zhang was the general partner of Ganzhou Hesheng, and was also interested in 99.90% of Ganzhou Hesheng's partnership interest. Dr. Zhang is the chairman of our Board, our executive Director and general manager. The remaining partnership interest of Ganzhou Hesheng was held by Zhang Yumei (張玉梅), being Dr. Zhang's niece and Mr. Chen's spouse.

(2) Ganzhou Heyi was our employee shareholding platform controlled by Dr. Zhang by virtue of his role as its general partner. Dr. Zhang was also interested in approximately 71.43% of Ganzhou Heyi's partnership interest. Each of Mr. Chen (our executive Director), Dr. Huo (our executive Director) and Zhang Yumei (Mr. Chen's spouse) was also interested in 7.14% of Ganzhou Heyi's partnership interest. 7.14% of Ganzhou Heyi's partnership interest was held by Zeng Guanghuai, our deputy general manager. See "— Employee Shareholding Platform" for details.

(3) Ms. Guo is the spouse of Dr. Zhang. Ms. Guo is the sole shareholder of Prime Honor, which holds the entire equity interest of Hemay Holding. Hemay Holding is the sole shareholder of Hemay Investment, which holds the entire equity interest of Hong Kong Hemay.

(4) Truman, High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi were respectively interested in approximately 4.00%, 1.60%, 2.40%, 1.23% and 2.77% of Tianjin Hemay Oncology's equity interests. Truman and Zhenzhuo Pharmaceutical is an associate and a close associate of Mr. Zhuang respectively, while each of High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi is an Independent Third Party, see "— Pre-[**REDACTED**] Investments — Background of our Pre-[**REDACTED**] Investors" for details of their background.

Major corporate developments of our Company

Series A Financing

Pursuant to the capital increase agreement dated November 15, 2021, (i) Shanghai Cenova invested approximately US$3.49 million in our Company, and (ii) High Estate invested approximately US$3.00 million in our Company. These investments were made to reflect the corresponding investments at Hemay Holding's level. For details, see "— Unwinding of our offshore structure — Capital injection in our Company."

Series B Financing

Pursuant to the capital increase agreement dated December 6, 2021, Zhenzhuo Pharmaceutical invested approximately US$26.09 million in our Company. These investments were made to reflect the corresponding investment at Hemay Holding's level. For details, see "— Unwinding of our offshore structure — Capital injection in our Company."

Series C Financing

Pursuant to the capital increase agreement dated December 24, 2021, the following Pre-[**REDACTED**] Investors subscribed for our Company's registered capital through the respective forms of considerations:

(i) Rights and interests in Mufemilast

Funding was provided by entities controlled by Mr. Zhuang, being Hailing Chemical, Hailing Pharmaceutical, Hainan Baoshi Pharmaceutical Research Institute Co., Ltd.* (海南寶時藥物研究所有限公司) and Hailing Asia (collectively, the "**Zhuang Entities**") and Truman to support our research and development of Mufemilast from 2005 to 2020, and agreements were entered into between our Group and the Zhuang Entities where we agreed that profits from the Mufemilast project shall be shared among the Zhuang Entities and us. The rights and obligations related to Mufemilast held by the Zhuang Entities were then transferred to Truman.

As we secured financing from other investors, and commenced research and development work for other products, our Group and Truman agreed that all rights and interest in Mufemilast shall vest in our Group in order to support our future development. Truman transferred all commercial rights and interests held by it in the Mufemilast project to our Company at a total consideration of RMB250.00 million, amongst which RMB220.00 million was settled through the subscription of RMB1.06 million of our registered capital, and the remaining RMB30.00 million was settled by our Company using monetary funds. The consideration was based on the valuation of the Mufemilast project as of December 30, 2020. Truman relinquished all claims on Mufemilast upon completion of the transfer. For details of arrangements between Truman, the Zhuang Entities and us, see "Business — Cooperation with third parties — Our Historical Cooperation with Zhuang Entities".

Save as disclosed above, (a) Mr. Zhuang's interest in Zhenzhuo Pharmaceutical, our Shareholder, and (b) Truman being a majority controlled company held by Mr. Zhuang's family member, our Shareholder, to the best knowledge of our Directors, as at the Latest Practicable Date, there are no other relationships between (i) Mr. Zhuang and his associates, and (ii) our Group, our Directors and their respective associates.

(ii) Equity interests in Tianjin Hemay Oncology

Truman, High Estate, Tigermed Investment, Shanghai Cenova and Efung Ruiyi invested RMB32.50 million, RMB13.00 million, RMB19.50 million, RMB10.00 million and RMB22.50 million in our Company, in the form of 4.00%, 1.60%, 2.40%, 1.23% and 2.77% of equity interests in Tianjin Hemay Oncology, subscribing for approximately RMB0.16 million, RMB0.06 million, RMB0.09 million, RMB0.05 million and RMB0.11 million of our Company's registered capital, respectively. The value of the equity interests in Tianjin Hemay Oncology, being the consideration for such capital injections, was based on Tianjin Hemay Oncology's valuation as of October 31, 2021. Upon completion of the injections, Tianjin Hemay Oncology became our wholly-owned subsidiary.

(iii) Monetary funds

Jiaxing Zhenzhuo Xinqi Investment Partnership (Limited Partnership) (嘉興真灼新祺投資合夥企業(有限合夥)) ("**Zhenzhuo Xinqi**") and Suzhou Detong Hexin Venture Capital Partnership (Limited Partnership) (蘇州市德同合心創業投資合夥企業(有限合夥)) ("**Detong Hexin**") subscribed for approximately RMB0.31 million and RMB0.24 million of our Company's registered capital at the subscription price of RMB65.00 million and RMB50.00 million, respectively, which was settled using monetary funds.

(iv) Conversion of convertible loan interests

By conversion of Tigermed Investment and Orient Yirui (Shanghai) Health Industry Investment Center (Limited Partnership)'s (東方翌睿(上海)健康產業投資中心(有限合夥)) ("**Orient Yirui**") convertible loan interest under convertible loan agreements, where Tigermed Investment and Orient Yirui provided to our Company a convertible loan of RMB30.00 million and RMB40.00 million, Tigermed Investment and Orient Yirui subscribed for approximately RMB0.14 million and RMB0.19 million of our Company's registered capital, respectively.

Series D Financing

Pursuant to the capital increase agreement dated December 23, 2022, Xiajiang Jihan Renshen Pharmaceutical Investment Partnership (Limited Partnership) (峽江縣吉瀚壬申醫藥投資合夥企業(有限合夥)) ("**Jihan Investment**"), Qingdao Xiade Venture Capital Partnership (Limited Partnership) (青島峽德創業投資合夥企業(有限合夥)) ("**Xiade Investment**"), Chengdu Anxin Guosheng Weixin Pharmaceutical and Health Equity Investment Fund Partnership (Limited Partnership) (成都安信國生微芯醫藥健康股權投資基金合夥企業(有限合夥)) ("**Anxin Guosheng**"), Hangzhou Taikun Equity Investment Fund Partnership (Limited Partnership) (杭州泰鯤股權投資基金合夥企業(有限合夥)) ("**Taikun Investment**"), Fuzhou Yide Equity Investment Partnership (Limited Partnership) (福州宜德股權投資合夥企業(有限合夥)), ("**Yide Investment**"), Xiamen Linde Equity Investment Partnership (Limited Partnership) (廈門麟德股權投資合夥企業(有限合夥)) ("**Linde Investment**") and Xinfeng County Development subscribed for RMB0.17 million, RMB0.11 million, RMB0.09 million, RMB0.09 million, RMB0.05 million, RMB0.04 million and RMB0.23 million, of our Company's registered capital, respectively at the subscription price of approximately RMB44.21 million, RMB28.00 million, RMB22.10 million, RMB22.10 million, RMB12.53 million, RMB11.05 million and RMB60.00 million, respectively.

Equity transfers in 2022 and 2023

Pursuant to the equity transfer agreements entered into between December 2022 and February 2023, Shanghai Cenova transferred approximately 0.63%, 0.45%, 0.40%, 0.32%, 0.32%, 0.18%, 0.16% of our Company's registered capital as of the date of transfer, to each of Jihan Investment, Anhui Jinrui Investment Co., Ltd. (安徽金瑞投資集團有限公司) ("**Anhui Jinrui**"), Xiade Investment, Anxin Guosheng, Taikun Investment, Yide Investment and Linde Investment, at a consideration of approximately RMB15.79 million, RMB12.00 million, RMB10.00 million, RMB7.89 million, RMB7.89 million, RMB4.47 million and RMB3.95 million, respectively, which was determined amongst the transferor and transferees based on arm's length negotiations with reference to our valuation for the Series C Financing.

Conversion into a joint stock limited liability company

On March 23, 2023, our Company was converted into a joint stock company with limited liability and the company name was changed to Ganzhou Hemay Pharmaceutical Co., Ltd. (贛州和美藥業股份有限公司) (the "**Conversion**"). Upon completion of the Conversion, the registered capital of our Company became RMB360.00 million divided into 360,000,000 Shares with a nominal value of RMB1.00 each. Immediately upon completion of the Conversion, the shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Approximate % of shareholding
Ganzhou Hesheng	84,502,685	23.47
Hong Kong Hemay	84,502,685	23.47
Zhenzhuo Pharmaceutical	41,228,409	11.45
Truman	34,122,212	9.48
High Estate	22,304,033	6.20
Shanghai Cenova	16,892,397	4.69
Ganzhou Heyi	15,566,325	4.32
Zhenzhuo Xinqi	8,783,941	2.44

Shareholder	Number of Shares	Approximate % of shareholding
Jihan Investment	6,958,852	1.93
Detong Hexin	6,756,863	1.88
Tigermed Investment	6,689,233	1.86
Xinfeng County Development	6,545,465	1.82
Orient Yirui	5,405,496	1.50
Xiade Investment	4,407,266	1.22
Anxin Guosheng	3,479,426	0.97
Taikun Investment	3,479,426	0.97
Efung Ruiyi	3,040,604	0.84
Yide Investment	1,971,701	0.55
Linde Investment	1,739,713	0.48
Anhui Jinrui	1,623,268	0.45
Total	**360,000,000**	**100.00**

Series D+ Financing

Pursuant to the capital increase agreement dated March 27, 2023, Chuzhou Aile Zhide Venture Capital Partnership (Limited Partnership) (滁州愛樂致德創業投資合夥企業(有限合夥)) ("**Aile Zhide**") and Dongneng Jiayuan subscribed for 23,258,182 Shares and 1,636,364 Shares at a consideration of RMB213.20 million and RMB15.00 million, respectively.

Series E Financing

Pursuant to the capital increase agreement dated September 14, 2024, Gansu Great Wall Xinglong Silk Road Fund (Limited Partnership) (甘肅長城興隴絲路基金(有限合夥)) ("**Gansu Xinglong**") subscribed for 9,926,262 Shares at a consideration of RMB98.00 million.

Pursuant to the capital increase agreement dated December 25, 2024, each of Xinfeng County Development Control Industry Investment Fund Management Co., Ltd.) (信豐縣發控產業投資基金管理有限公司) ("**Xinfeng County Development**") and Ganzhou Talent Innovation and Venture Capital Fund Partnership (Limited Partnership) (贛州市人才創新創業投資基金合夥企業(有限合夥)) ("**Ganzhou Talent Fund**") subscribed for 1,012,884 Shares at a consideration of RMB10.00 million and RMB10.00 million, respectively.

PRC Legal Advisor's confirmation

As advised by our PRC Legal Advisor, our Company has made all necessary registration and filings with the relevant local branch of State Administration for Market Regulation of the PRC in respect of the material aspects set out above.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we had seven subsidiaries, details of our major subsidiaries are set forth below:

Subsidiaries	Place of incorporation	Date of incorporation	Registered capital	Principal business activities
Tianjin Hemay Pharmaceutical[(1)]	PRC	August 27, 2014	RMB80.00 million	Research and development of drugs
Tianjin Hemay Oncology[(1)]	PRC	July 25, 2016	RMB30.00 million	Research and development of drugs for the treatment of tumors
Xiajiang Hemay[(1)]	PRC	March 2, 2012	RMB100.00 million	Drug production

Note:

(1) Tianjin Hemay Pharmaceutical, Tianjin Hemay Oncology and Xiajiang Hemay commenced operations in 2014, 2016, and 2013, respectively.

Xiajiang Hemay issued the Convertible Bond with a principal amount of RMB60.0 million to the Subscriber in March 2020 for a term of five years at an interest rate of 4.9% per annum for the construction of Xiajiang Hemay's production facilities, and to procure machinery and equipment. The Subscriber can exercise its right to require Xiajiang Hemay to redeem all or part of the Convertible Bond and to request to convert outstanding amount thereunder to equity interest of Xiajiang Hemay upon the occurrence of certain events, such as when Xiajiang Hemay fails to repay the principal or interest of the Convertible Bond according to the repayment schedule.

The Subscriber was wholly-owned by Xiajiang County Chengkong Construction Development Group Co., Ltd. (峽江縣城控建設發展集團有限公司), which was controlled by Xiajiang County State-owned Assets Affairs Center (峽江縣國有資產事務中心), hence the Subscriber and its ultimate beneficial owners are Independent Third Parties.

We informed the Subscriber our intention to extend the term of the Convertible Bond in December 2024, and had been communicating with the Subscriber since February 2025. However, the parties were not able to agree to extend the maturity date before the expiry of the original term. Nonetheless, the Subscriber did not exercise its rights to redeem or convert upon the expiry of the original term as the Subscriber confirmed beforehand that it has approved the extension in-principal. Xiajiang Hemay and the Subscriber entered into a supplemental agreement in June 2025, pursuant to which, among others, the term of the Convertible Bond was extended to March 2026 and the interest payable by Xiajiang Hemay during March 2025 to March 2026 shall be 3.6% per annum. In March 2026, Xiajiang Hemay fully redeemed the Convertible Bond using its internal resources.

EMPLOYEE SHAREHOLDING PLATFORM

In recognition of the contributions of our employees and to incentivize them to further promote our development, before our offshore structure was unwound, up to 7,000,000 ordinary shares of Hemay Holding was reserved. In order to formalize such plan at the onshore level, Ganzhou Heyi was established as our employee shareholding platform in September 2021. As of the Latest Practicable Date, Ganzhou Heyi was interested in 15,566,325 Shares, representing approximately 3.92% of our Company's equity interest.

For details of the Equity Incentive Scheme, see "Appendix VII — Statutory and General Information — D. Equity Incentive Scheme."

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

The acquisition of our subsidiaries was considered as part of the Reorganisation. See "— Our Corporate History and Development" for details. Save as the abovementioned acquisitions, during the Track Record Period and up to the Latest Practicable Date, our Group did not have any major acquisitions, disposals or mergers.

PRE-[REDACTED] INVESTMENTS

Principal terms of the Pre-[REDACTED] Investments

The following table sets forth a summary of the details of the Pre-[**REDACTED**] Investments:

Nature	Date of agreement	Date of last payment of full consideration	Consideration paid	Cost per Share[(1)]	Discount to the [REDACTED][(2)]	Corresponding post-money valuation of our Company (approximation)[(3)]
			(RMB, unless stated otherwise)	*(RMB)*		*(RMB)*
Series A Financing[(4)]	November 15, 2021	April 6, 2022	USD6,493,611.91	0.90	[**REDACTED**]	0.2 billion
Series B Financing[(6)]	December 6, 2021	March 25, 2022	USD26,092,628.83	4.37	[**REDACTED**]	1.2 billion[(7)]
Series C Financing	December 24, 2021	January 4, 2022	502,500,000	7.40	[**REDACTED**]	2.5 billion[(7)]
Series D Financing	December 23, 2022	January 19, 2023	200,000,000	9.17	[**REDACTED**]	3.3 billion[(7)]
Equity transfers[(5)]	December 23, 2022	January 30, 2023	50,000,000	7.39	[**REDACTED**]	N/A
	February 20, 2023	February 28, 2023	12,000,000	7.39	[**REDACTED**]	
Series D+ Financing	March 27, 2023	March 27, 2023	228,200,000	9.17	[**REDACTED**]	3.5 billion[(7)]
Series E Financing	December 25, 2024	December 30, 2024	118,000,000	9.87	[**REDACTED**]	3.9 billion[(7)]

Notes:

(1) The cost per Share is the total consideration paid by the Pre-[**REDACTED**] Investors in each Pre-[**REDACTED**] Investment as divided by either (i) the registered capital subscribed by them (as adjusted to the number of Shares such registered capital represents after the Conversion) or (ii) the number of Shares acquired by them in the respective round of Pre-[**REDACTED**] Investment.

(2) The discount to the [**REDACTED**] is calculated based on the assumption that the [**REDACTED**] is HK$[**REDACTED**] per [**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**] range.

(3) The post-money valuation is the product of (i) the cost per Share of the respective round of Pre-[**REDACTED**] Investment or the respective investment within a round and (ii) the total registered capital (as adjusted to the number of Shares such registered capital represents after the Conversion) or the total share capital of our Company, immediately after the relevant investment.

(4) Series A Financing refers to the corresponding investments made by Alnair Investment, LC Parallel Fund VI, L.P. and LC Fund VI, L.P. at Hemay Holding's level prior to the unwinding of our offshore structure in September 2014 which were flipped down to our Company. For details, see "— Our Corporate History and Development — Major corporate developments of our Company."

(5) Shanghai Cenova transferred part of its equity interests in our Company. For details, see "— Our Corporate History and Development — Major corporate developments of our Company — Equity transfers in 2022 and 2023."

(6) Series B Financing refers to the corresponding investment made by Zhenzhuo Pharmaceutical at Hemay Holding's level prior to the unwinding of our offshore structure in July 2019 which was flipped down to our Company. For details, see "— Our Corporate History and Development — Major corporate developments of our Company."

(7) The increase in our post-money valuation during each series of financing has taken into account advancements in our business and pipeline products, in particular, (i) our valuation increased from Series A Financing to Series B Financing as our Company obtained from NMPA an IND approval in respect of treatment of Ps with Mufemilast in 2015, and completed two Phase I clinical trials of Mufemilast in 2018; (ii) our valuation significantly increased from Series B Financing to Series C Financing as we have commenced the Phase II clinical trial of Mufemilast for the treatment of Ps in 2019, and completed the Phase I clinical trial of Hemay022 for monotherapy in 2020; (iii) our valuation significantly increased from Series C Financing to Series D and D+ Financing as we completed the Phase II clinical trial of Mufemilast for the treatment of BD in 2022, and initiated the Phase III clinical trial of Mufemilast for the treatment of Ps during the year; and (iv) our valuation increased from Series D and D+ Financing to Series E Financing as NMPA granted "priority review" designation to the NDA application of Mufemilast for the treatment of Ps in 2024.

The step-up in our valuation upon [**REDACTED**] from Series E Financing is primarily due to (i) the R&D progress we made in our product and drug candidates and platforms, alongside achieving key business milestones subsequent to Series E financing, including the approval by NMPA of our NDA application for Mufemilast for the treatment of moderate to severe plaque Ps; and; obtaining outstanding key data upon the completion of Phase II clinical trial for Mufemilast for the treatment of moderate to severe UC in 2025. Such key data has been included in the Late Breakers, a session in the UEG Week 2025, for verbal presentation and publication in October 2025. As the efficacy and safety of Mufemilast for the treatment of UC has been validated, the projected market for the product has expanded significantly. Besides, with Phase II clinical trial of Mufemilast for the treatment of COPD officially commenced, the projected market of the product would be further expanded. Hence, the product value of Mufemilast has been further unlocked and validated as a whole. In addition, the enrollment for Phase Ia Dose Escalation clinical trial of Hemay181 has been completed, and the Phase Ib expansion clinical trial has commenced; (ii) the expected increase in our capital and resources to implement the plans as detailed in "Future Plans and [**REDACTED**]" as well as the Company's status as a [**REDACTED**] upon [**REDACTED**]; (iii) the potential business development of the Company; and (iv) the increased liquidity of the Shares subsequent to the [**REDACTED**] and [**REDACTED**], in particular, the general rebound of the pharmaceutical equity investment market.

Further details of the Pre-[REDACTED] Investments

Basis of determining the consideration . . The consideration for each round of the Pre-[**REDACTED**] Investments was determined based on arm's length negotiation amongst the respective Pre-[**REDACTED**] Investor and our Group after taking into consideration of the timing of the investments, the respective business operations, financial performance and prospects of the business of our Group.

Use of proceeds . . . . . As of the Latest Practicable Date, approximately 80% of the net proceeds from the Pre-[**REDACTED**] Investments received by our Group for the development and operation of our business, including but not limited to pharmaceutical research and development activities, recruiting experienced employees and general working capital and we expect to continue to utilize the remaining net proceeds in our ordinary course of business to pharmaceutical research and development.

Strategic benefits of the Pre-[REDACTED] Investors brought to our Company . . . . . Our Group was of the view that we could benefit from the additional funds provided by our Pre-[**REDACTED**] Investors for our research and development activities and daily operation, as well as their knowledge, experience and insight into our industry. The investments from our Pre-[**REDACTED**] Investors demonstrated their confidence in our Group's operations and capabilities and served as an endorsement of our Group's performance and prospects. Also, our Pre-[**REDACTED**] Investors include experienced investors and investment funds in the areas of pharmaceutical industry, who can share their insights and professional advice on our Group's operation and business strategies.

Lock-up period . . . . . Pursuant to the applicable PRC law, all Shares issued prior to any public offering of shares by a company cannot be transferred within one year from the date on which such publicly offered shares are listed and traded on the relevant stock exchange.

Special rights granted to the Pre-*[REDACTED] *Investors

Special rights including among others, anti-dilution rights, redemption rights, liquidation priority, pre-emptive rights and tag-along rights had been granted to the Pre-[**REDACTED**] investors. Pursuant to the shareholder's agreement dated February 25, 2023 (the "**2023 Agreement**") among our Company and our then shareholders, special rights borne by our Company, including anti-dilution rights, redemption rights and liquidation priority against our Company granted to investors who made investments during the Series D Financing or before (the "**Early Pre-**[**REDACTED**] **Investors**") were terminated immediately prior to our Company's conversion into a joint stock company. All special rights with payment obligations borne by our Company were terminated since the 2023 Agreement was entered into and cannot be reinstated in any event.

Our Company then entered into shareholder's agreements upon completion of the Series D+ Financing and Series E Financing, pursuant to which, among other things, special rights with payment obligations solely borne by our Controlling Shareholders were granted to the Pre-[**REDACTED**] Investors. Such special rights did not impose any unavoidable contractual obligations on us to deliver cash or other forms of financial assets. Our Directors confirm that there is no financial assistance, guarantee, underwriting or other arrangements provided by our Group or any side agreement in respect of special rights granted by our Controlling Shareholders. Considering we were not a party to any rights with payment obligations since February 25, 2023, no redemption liabilities was recognised as of December 31, 2024 and 2025 and April 30, 2026.

All Shareholders and our Company entered into a supplemental shareholder's agreement on May 13, 2025, pursuant to which all remaining special rights (being those with obligations borne by us or our Controlling Shareholders, save for rights with payment obligations borne by us which were terminated pursuant to the 2023 Agreement) (the "**Remaining Rights**") ceased to be effective from the date of first submission of the [**REDACTED**] for the [**REDACTED**], provided that the Remaining Rights shall be reinstated in the event our [**REDACTED**] has been returned, rejected or not approved, or our Company fails to complete the [**REDACTED**] within 12 months after the [**REDACTED**] being approved by the Stock Exchange. Even if the above mentioned rights are reinstated, it will not impose any unavoidable contractual obligations on the Group to deliver cash or another financial assets. Please refer to notes 27 and 31 to the Accountant's Report for details regarding redemption rights granted by the Company and the Controlling Shareholders, respectively.

Sole Sponsor's Confirmation

On the basis that (i) the considerations for the Pre-[**REDACTED**] Investments were and/or will be settled more than 28 clear days before the date of first submission of the [**REDACTED**] to the Stock Exchange and no less than 120 clear days before the [**REDACTED**]; and (ii) the special rights granted to the Pre-[**REDACTED**] Investors had been suspended or terminated prior to the submission of the [**REDACTED**] and/or will be terminated upon completion of the [**REDACTED**], the Sole Sponsor confirms that the Pre-[**REDACTED**] Investments are in compliance with chapter 4.2 of the Guide.

Background of our Pre-[**REDACTED**] **Investors**

To the best of our Directors' knowledge, information and belief and having made all reasonable enquiries, save for Zhenzhuo Pharmaceutical, Zhenzhuo Xinqi, Truman and Xie Conglin, each of the Pre-[**REDACTED**] Investors including their respective general partners and limited partners which held more than 30% of the investors' interest is an Independent Third Party.

Below sets out the background information of our Pre-[**REDACTED**] Investors which hold more than 1% of our total issued share capital as of the Latest Practicable Date:

Zhenzhuo Pharmaceutical

Zhenzhuo Pharmaceutical is a limited liability partnership established in the PRC on January 12, 2019, and is primarily engaged in pharmaceutical investment. Zhenzhuo Pharmaceutical is held by its two general partners, Zhenzhuo Investment, and Jiaxing Zhenzhuo Hongzhi Investment

Partnership (Limited Partnership) (嘉興真灼弘智投資合夥企業(有限合夥)) ("**Zhenzhuo Hongzhi**"), as to approximately 0.005% and 0.5%, respectively. Zhenzhuo Hongzhi is primarily engaged in industrial investment and investment management, and is controlled by Mr. Zhuang as to approximately 99.90% and Zhenzhuo Investment as to approximately 0.10%. Zhenzhuo Investment is primarily engaged in investment management and asset management, and was designated as the executive partner by Zhenzhuo Pharmaceutical's partners, to exclusively manage Zhenzhuo Pharmaceutical's affairs. Zhenzhuo Investment is held by Wang Zhen (王鎮) as to 60.00%, and Ren Yonghua (任詠華), as to 40.00%.

Mr. Wang founded Zhenzhuo Investment in 2016. Prior to founding Zhenzhuo Investment, Mr. Wang worked in the investment banking department of various firms, including Changjiang BNP Paribas, Bohai Securities and CITIC Securities for over 20 years, and was responsible for the restructuring, mergers and acquisitions, as well as fundraising of listed companies. Mr. Wang, through funds managed by himself, also completed investments in technology enterprises such as East-Asia Pharmaceutical (a company listed on the Shanghai Stock Exchange, stock code: 605177) and Toua Hardware & Tools (a company listed on the Shenzhen Stock Exchange, stock code: 301125).

Mr. Ren has extensive experience in the financial industry. Since November 2016, Mr. Ren has served as executive director of Zhenzhuo Investment. From April 2015 to October 2016, he served as the investment director of Beijing Ouzhong Ronghe Investment Fund Management Co., Ltd. (北京歐中榮和投資基金管理有限公司). Mr. Ren resigned as a Director in May 2025 due to personal reasons as he wanted to focus on other work commitments, and since then he has not assumed any role in our Group. Mr. Ren does not have any dispute or disagreement with our Company, and his resignation did not have any impact on our operations or corporate governance.

Zhenzhuo Pharmaceutical has six limited partners, none of which holds 30% or more of its partnership interest.

As of December 31, 2024, Zhenzhuo Investment, through investment funds controlled by it, had invested in a large number of pharmaceutical/healthcare/biotech companies, including Anbo Zhilian (Suzhou) Biotechnology Co., Ltd. (安博智聯(蘇州)生物科技有限公司), Sichuan Ankekang Biopharmaceutical Co., Ltd. (四川安可康生物醫藥有限公司), Chengdu Saijing Biopharmaceutical Technology Co., Ltd. (成都賽璟生物醫藥科技有限公司), Anhui Zhongke Tuoran Pharmaceutical Science Research Co., Ltd. (安徽中科拓苒藥物科學研究有限公司), and Sichuan Ziteng Pharmaceutical Co., Ltd. (四川子騰醫藥股份有限公司).

Zhenzhuo Xinqi

Zhenzhuo Xinqi is a limited liability partnership established in the PRC on December 18, 2017, and is primarily engaged in industrial investment and investment management. Zhenzhuo Xinqi is held by its three general partners, Zhenzhuo Investment and Xie Conglin (謝聰琳), the nephew of Ms. Guo, and Zhang Bing (張冰), as to approximately 0.01%, 38.99% and 9.75%, respectively. Zhenzhuo Investment was designated by Zhenzhuo Xinqi's partners as the executive partner to exclusively manage Zhenzhuo Xinqi's affairs. Zhenzhuo Xinqi has 16 limited partners, none of which holds 30% or more of its partnership interest.

Truman

Truman is a limited liability company incorporated in Hong Kong on November 7, 2014 and is primarily engaged in pharmaceutical investment. Truman is wholly owned by Hailing Pharmaceutical Holdings Limited, which is indirectly wholly owned by Mr. Jacky Zhuang. Truman previously provided funding to us for the research and development of Mufemilast. For details, see "Business — Cooperation with third parties — Our Historical Cooperation with Zhuang Entities".

Aile Zhide

Aile Zhide is a limited liability partnership established in the PRC on March 6, 2023, and is primarily engaged in venture capital investment. Aile Zhide is held by its general partner, Shanghai Hongfu Asset Management Co., Ltd. (上海鴻富私募基金管理有限公司) ("**Shanghai Hongfu**"), which is primarily engaged in equity investment in venture-stage companies and is held by Shanghai Hongfu Houde Enterprise Management Partnership (Limited Partnership) (上海鴻富厚德企業管理合夥企業(有限合夥)) and Yang Zhichun (楊志春) as to 45.00% and 30.00%, respectively. Aile Zhide has eight limited partners, none of which holds 30% or more of its partnership interest.Yang Zhichun is Shanghai Hongfu Houde Enterprise Management Partnership (Limited Partnership) 's executive partner, and is also interested in 68.89% of its partnership interest.

Shanghai Hongfu was the general partner of other Pre-[**REDACTED**] Investors, being Xiade Investment, Yide Investment and Linde Investment, and Gansu Xinglong and Anhui Jinrui were also Aile Zhide's limited partners which held 22.82% and 22.82% of its partnership interest, respectively.

Xiade Investment

Xiade Investment is a limited liability partnership established in the PRC on August 29, 2022, and is primarily engaged in venture capital investment. Xiade Investment is held by its general partner, Shanghai Hongfu, as to approximately 0.74%. Xiade Investment has 10 limited partners, none of which holds 30% or more of its partnership interest. For details of Shanghai Hongfu's partnership structure, see "—Aile Zhide" above.

Gansu Xinglong

Gansu Xinglong is a limited liability partnership established in the PRC on December 21, 2015, and is primarily engaged in equity investment, equity investment management and provision of investment consulting services. Gansu Xinglong is held by its general partner and executive partner, Gansu Great Wall Xinglong Silk Road Fund Management Co., Ltd. (甘肅長城興隴絲路基金管理有限公司), which is ultimately owned by State-owned Assets Supervision of Gansu Provincial People's Government Management Committee (甘肅省人民政府國有資產監督管理委員會), as to 0.50%. Gansu Xinglong has two limited partners, Gansu Xinglong Capital Management Co., Ltd. (甘肅興隴資本管理有限公司) and Gansu Xinye Asset Management Co., Ltd. (甘肅省新業資產經營有限責任公司), holding 50.50% and 49.00% of its partnership interest, respectively, both of which are ultimately owned by State-owned Assets Supervision of Gansu Provincial People's Government Management Committee (甘肅省人民政府國有資產監督管理委員會).

High Estate

High Estate is a limited liability company incorporated in Hong Kong on February 16, 2016 and is an investment holding company. High Estate is wholly owned by LC Healthcare Continued Fund I, L.P.. LC Healthcare Continued Fund I, L.P. is managed by its general partner, LC Healthcare Continued Fund GP Limited, which is primarily engaged in investment management and is indirectly wholly owned by Legend Capital Co., Ltd. (君聯資本管理股份有限公司), which operates under the brand of Legend Capital, a leading venture capital and private equity investor focusing on the early-stage and growth-stage opportunities in China with over funds of US$10 billion in commitments under management and investment history in over 600 companies. Legend Capital is owned as to 80% by Beijing Juncheng Hezhong Investment Management Partnership Enterprise (Limited Partnership) (北京君誠合眾投資管理合夥企業(有限合夥)), the general partner of which is Beijing Junqi Jiarui Enterprise Management Co., Ltd. (北京君祺嘉睿企業管理有限公司), which is in turn owned by Chen Hao (陳浩) as to 40% and by Zhu Linan (朱立南), Wang Nengguang (王能光) and Li Jiaqing (李家慶), as to 20% each.

LC Healthcare Continued Fund I, L.P. has 12 limited partners, and the largest limited partner is Coller Partners 805 LP Incorporated, holding approximately 40.94% of its partnership interest. Coller Partners 805 LP Incorporated is a fund managed by Coller Capital. Coller Capital, founded in 1990, is one of the leading investors in private equity's secondary market, and has raised funds which invest across the full spectrum of private equity's secondary market. Coller Capital's AUM as at June 30, 2025 is US$46 billion. None of the other limited partners of LC Healthcare Continued Fund I, L.P. holds 30% or more of its partnership interest.

Shanghai Cenova

Shanghai Cenova is our Sophisticated Investor, and a limited liability partnership established in the PRC on July 12, 2012, which is primarily engaged in venture capital, investment management and investment consulting services. Shanghai Cenova is held by Shanghai Cenova Bioventure Equity Investment Fund Management Enterprise (Limited Partnership) (上海千驥諾格醫藥股權投資基金管理企業(有限合夥)) ("**Cenova Bioventure**"), its general partner as to 1.00%, and which is primarily engaged in equity investment in the medical health industry and Cenova Bioventure is held by its general partner, Novoasis Investment Limited (諾和投資有限公司) ("**Novoasis**") as to 57.60%. Shanghai Cenova Xinghe Ventures Capital Management Co., Ltd. (上海千驥星鶴創業投資管理有限公司) ("**Cenova Xinghe**") is the fund manager of Shanghai Cenova, and funds managed by Cenova Xinghe has invested in companies, including ASLAN Pharmaceuticals Limited (a biotech company previously listed on NASDAQ and the Taipei Exchange (stock code: ASLN and

6497)), Optomed Oyj (a company listed on Nasdaq Helsinki (stock code: OPTOMED)) and Pacific Biosciences of California, Inc. (a company listed on NASDAQ (stock code: PACB)). Cenova Xinghe is a private equity fund with assets under management of not less than RMB3.5 billion as at December 31, 2025.

Novoasis held 51.00% of Cenova Xinghe's equity interest, and is the party responsible for managing and making all investment decisions of Shanghai Cenova. The remaining 49.00% interest of Cenova Xinghe was held by Shanghai Jiran Enterprise Management Partnership Enterprise (Limited Partnership)(上海驥然企業管理合夥企業(有限合夥)), and Novoasis is its general and executive partner holding 80.00% of its partnership interest.

Wu Jun is the ultimate beneficial owner of Novoasis and Cenova Xinghe. Wu Jun graduated from the University of California with a PhD in Molecular Immunology. From September 2001 to December 2009, he served as an executive director and chief scientist of Shanghai Ruixing Gene Technology Co., Ltd. (上海睿星基因技術有限公司), and was a founding partner of Cenova Capital.

Shanghai Cenova has five limited partners, and the largest limited partner is Shanghai MSD Pharmaceutical Trading Co., Ltd. (上海默沙東醫藥貿易有限公司) ("**Shanghai MSD**"), holding approximately 49.50% of its partnership interest. None of the other limited partners of Shanghai Cenova held 30% or more of its partnership interest. Shanghai MSD is indirectly wholly owned by MSD ASIA HOLDINGS PTE. LTD., which is a subsidiary of Merck & Co., Inc. (a company listed on the New York Stock Exchange, stock code: MRK). Merck & Co., Inc. is a global health care company that delivers health solutions through its prescription medicines, vaccines, biologic therapies and animal health products. Merck has previously invested in companies including Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (a company listed on the Stock Exchange, stock code: 6990).

Novoasis, through Shanghai Cenova Biomedical Venture Capital Co., Ltd. (上海千驥生物醫藥創業投資有限公司) being a fund managed by it, has also invested in companies in the healthcare industry, including Shanghai Aohua Photoelectricity Endoscope Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 688212). Offshore and onshore funds which operate under the brand of Cenova and controlled by Wu Jun has also invested in companies such as ADICON Holdings Limited (a company listed on the Stock Exchange, stock code: 9860) and WeiMai Inc.

Jihan Investment

Jihan Investment is a limited liability partnership established in the PRC on December 8, 2022, and is primarily engaged in equity investment, investment management and asset management. Jihan Investment is held by its general partner, Jian Jihan Investment Management Co., Ltd. (吉安吉瀚投資管理有限公司), as to approximately 1.64%, and its limited partner, Xiajiang Jihan Industrial Development Industry Fund Partnership (Limited Partnership) (峽江吉瀚工業發展產業基金合夥企業(有限合夥)), as to approximately 98.36%. Jian Jihan Investment Management Co., Ltd. is indirectly held by Jian SASAC and Zhan Zheng (詹政) as to 40.00% and 35.00%, respectively, and is directly held as to 25.00% by Jiangxi Jianghan Investment Management Co., Ltd. (江西江瀚投資管理有限公司), which is in turn indirectly held by Jiangxi SASAC, Chen Yalin (陳雅琳) and Jinggangshan Red Finance Research Association (井岡山市紅色金融研究協會) as to 45.00%, 35.00% and 20.00%, respectively.

Xiajiang County Industrial Park Construction Investment Co., Ltd. (峽江縣工業園區建設投資有限公司), the subscriber of the Convertible Bond, which is ultimately owned by Xiajiang County State-owned Assets Affairs Center (峽江縣國有資產事務中心), is a limited partner of Xiajiang Jihan Industrial Development Industry Fund Partnership (Limited Partnership) and holds 99% of its partnership interest, and is therefore an associate of Jihan Investment.

Detong Hexin

Detong Hexin is a limited liability partnership established in the PRC on June 12, 2017, and is primarily engaged in equity investment, investment management and asset management. Detong Hexin is managed by Detong (Shanghai) Private Equity Fund Management Co., Ltd. (德同(上海)私募基金管理股份有限公司) as fund manager, and held as to 2.50% by its general partner, Tibet Detong Enterprise Management Co., Ltd. (西藏德同企業管理有限公司), which is ultimately controlled by Shao Jun (邵俊). Detong Hexin has 33 limited partners, none of which holds 30% or more of its partnership interest.

Tigermed Investment

Tigermed Investment is a limited liability partnership established in the PRC on April 22, 2016, and is primarily engaged in equity investment, investment management and investment consulting services. Tigermed Investment is held by its general partner, Shanghai Tigermed Medical Consulting Co., Ltd. (上海泰格醫藥科技有限公司) ("**Shanghai Tigermed**"), as to 0.015%, and its limited partner, Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) ("**Hangzhou Tigermed**"), as to 99.985%. Hangzhou Tigermed is a China-based provider of comprehensive biopharmaceutical R&D services listed on the Stock Exchange (stock code: 3347) and the Shenzhen Stock Exchange (stock code: 300347), and Shanghai Tigermed is wholly owned by Hangzhou Tigermed.

Xinfeng County Development

Xinfeng County Development is a limited liability company established in the PRC on October 24, 2022 and is primarily engaged in equity investment, investment management and asset management. Xinfeng County Development is wholly owned by Xinfeng County Development Holding Group Co., Ltd. (信豐縣發展控股集團有限公司), which is primarily engaged in park operations, construction engineering and other businesses, and is wholly owned by Xinfeng County State-owned Assets Service Center (信豐縣國有資產服務中心).

Xinfeng High-tech Zone Industrial Investment Development Co., Ltd. (信豐高新區工業投資開發有限公司) is a limited partner of Zhenzhuo Pharmaceutical holding 25% of its partnership interest, and Xinfeng High-tech Zone Industrial Investment Development Co., Ltd. is also controlled by Xinfeng County State-owned Assets Service Center.

Orient Yirui

Orient Yirui is a limited liability partnership established in the PRC on August 5, 2016, and is primarily engaged in industrial investment, investment management and investment consulting services. Orient Yirui is held by its general partner, Orient Yirui (Shanghai) Investment Management Co., Ltd. (東方翌睿(上海)投資管理有限公司), as to 0.71%. Orient Yirui has six limited partners, and except for Orient International Group Shanghai Investment Co., Ltd. (東方國際集團上海投資有限公司) which holds approximately 34.01% of its partnership interest, none of the other limited partners holds 30% or more of its partnership interest. Orient Yirui (Shanghai) Investment Management Co., Ltd. was owned by Orient Securities Company Limited (a company listed on the Stock Exchange, stock code: 3958, and Shanghai Stock Exchange, stock code: 600958) as to 51%, and Orient International Group Shanghai Investment Co., Ltd. was indirectly owned by Shanghai SASAC as to approximately 93.32%.

Taikun Investment

Taikun Investment is a limited liability partnership established in the PRC on August 10, 2021, and is primarily engaged in equity investment in areas such as medical appliances, biopharmacy, medical services and healthcare information technology. Taikun Investment also invests in equity investment and venture capital funds in healthcare industry. Taikun Investment is held by its general partner, Hangzhou Tailong Venture Capital Partnership Enterprise (Limited Partnership) (杭州泰瓏創業投資合夥企業(有限合夥)) ("**Hangzhou Tailong**"), as to 1.00%. Hangzhou Tailong is held by its general partner, Zhaotai (Zibo) Venture Capital Management Partnership Enterprise (Limited Partnership) (昭泰(淄博)創業投資管理合夥企業(有限合夥)) ("**Zhaotai Zibo**"), as to 1.00%, and its only limited partner, Tigermed Investment, as to 99.00%. Zhaotai Zibo is held by its general partner, Liu Chunguang (劉春光), as to 99.00%. Taikun Investment has three limited partners, and except for Tigermed Investment who holds 49.00% of its partnership interest, none of the other limited partners holds 30% or more of Taikun Investment's partnership interests.

For the background of Tigermed Investment, see "— Tigermed Investment."

The power to make investment decisions of Taikun Investment vests with Hangzhou Tailong, and the power to make investment decisions of Hangzhou Tailong vests with Zhaotai Zibo. Zhaotai Zibo is controlled by an individual which is not a connected person of Tigermed, whilst power to make investment decisions of Tigermed Investment vests with Shanghai Tigermed. Hence, Tigermed Investment and Taikun Investment are not under the same control.

Efung Ruiyi

Efung Ruiyi is a limited liability partnership established in the PRC on April 1, 2016, and is primarily engaged in equity investment, investment consulting and management consulting businesses. Efung Ruiyi is held by its general partner, Shenzhen Efung Investment Management Enterprise (Limited Partnership) (深圳市倚鋒投資管理企業(有限合夥)) ("**Shenzhen Efung**"), as to 0.50%. Shenzhen Efung is controlled by Shenzhen Efung Holdings Group Co., Ltd. (深圳市倚鋒控股集團有限公司), which is in turn held by Zhu Jinqiao (朱晉橋) as to 54.00%. Efung Ruiyi has 40 limited partners, none of which holds 30% or more of its partnership interest.

CAPITALIZATION

Our Company has applied for H-share full circulation to convert certain Unlisted Shares into H Shares upon completion of the [**REDACTED**]. The conversion of Unlisted Shares into H Shares will involve an aggregate of [**REDACTED**] Unlisted Shares, representing approximately [**REDACTED**]% of total issued share capital of the Company as of the Latest Practicable Date.

The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):

	As of the Latest Practicable Date		Immediately upon Completion of the [REDACTED]		
Shareholders	**Number of Unlisted Shares Held**	**Approximate % of shareholding**	**Number of Unlisted Shares Held**	**Number of H Shares Held**	**Approximate % of shareholding**
Non-public Shareholders					
Controlling Shareholders[(1)]					
– Ganzhou Hesheng	84,502,685	21.29%	[REDACTED]	[REDACTED]	[REDACTED]
– Hong Kong Hemay	84,502,685	21.29%	[REDACTED]	[REDACTED]	[REDACTED]
– Ganzhou Heyi	15,566,325	3.92%	[REDACTED]	[REDACTED]	[REDACTED]
Zhenzhuo Investment[(2)]					
– Zhenzhuo Pharmaceutical	41,228,409	10.39%	[REDACTED]	[REDACTED]	[REDACTED]
– Zhenzhuo Xinqi	8,783,941	2.21%	[REDACTED]	[REDACTED]	[REDACTED]
Public Shareholders					
Truman[(3)]	34,122,212	8.60%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Hongfu[(4)]					
– Aile Zhide	23,258,182	5.86%	[REDACTED]	[REDACTED]	[REDACTED]
– Xiade Investment	4,407,266	1.11%	[REDACTED]	[REDACTED]	[REDACTED]
– Yide Investment	1,971,701	0.50%	[REDACTED]	[REDACTED]	[REDACTED]
– Linde Investment	1,739,713	0.44%	[REDACTED]	[REDACTED]	[REDACTED]
High Estate	22,304,033	5.62%	[REDACTED]	[REDACTED]	[REDACTED]
Shanghai Cenova	16,892,397	4.26%	[REDACTED]	[REDACTED]	[REDACTED]
Gansu Xinglong	9,926,262	2.50%	[REDACTED]	[REDACTED]	[REDACTED]
Controlled by government bodies situated in Jiangxi province					
– Xinfeng County Development	7,558,349	1.90%	[REDACTED]	[REDACTED]	[REDACTED]
– Jihan Investment	6,958,852	1.75%	[REDACTED]	[REDACTED]	[REDACTED]
Detong Hexin	6,756,863	1.70%	[REDACTED]	[REDACTED]	[REDACTED]
Tigermed Investment	6,689,233	1.69%	[REDACTED]	[REDACTED]	[REDACTED]
Orient Yirui	5,405,496	1.36%	[REDACTED]	[REDACTED]	[REDACTED]
Taikun Investment	3,479,426	0.88%	[REDACTED]	[REDACTED]	[REDACTED]
Anxin Guosheng	3,479,426	0.88%	[REDACTED]	[REDACTED]	[REDACTED]
Efung Ruiyi	3,040,604	0.77%	[REDACTED]	[REDACTED]	[REDACTED]
Dongneng Jiayuan	1,636,364	0.41%	[REDACTED]	[REDACTED]	[REDACTED]
Anhui Jinrui	1,623,268	0.41%	[REDACTED]	[REDACTED]	[REDACTED]
Ganzhou Talent Fund	1,012,884	0.26%	[REDACTED]	[REDACTED]	[REDACTED]

	As of the Latest Practicable Date		Immediately upon Completion of the [REDACTED]		
Shareholders	**Number of Unlisted Shares Held**	**Approximate % of shareholding**	**Number of Unlisted Shares Held**	**Number of H Shares Held**	**Approximate % of shareholding**
Existing Shareholders and their close associates	396,846,576	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
– Existing Shareholders	396,846,576	100.00%	[REDACTED]	[REDACTED]	[REDACTED]
– [**REDACTED**][5]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
[**REDACTED**] **taking part in the** [**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
– Other [**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
– Other [**REDACTED**]	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	**396,846,576**	**100.00%**	[REDACTED]	[REDACTED]	[REDACTED]

Notes:

(1) Being entities controlled by Dr. Zhang and Ms. Guo, who are in a spousal relationship and acting-in-concert parties. See "Relationship with our Controlling Shareholders" for details.

(2) See "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors — Zhenzhuo Pharmaceutical and Zhenzhuo Xinqi" for details.

(3) Truman and Zhenzhuo Pharmaceutical is an associate and a close associate of Mr. Zhuang respectively.

(4) See "— Pre-[**REDACTED**] Investments — Information about our Pre-[**REDACTED**] Investors — Aile Zhide" for details.

(5) Including the [**REDACTED**] (calculated based on the [**REDACTED**] of HK$[**REDACTED**], being the [**REDACTED**] of the indicative [**REDACTED**]) to be subscribed by the relevant existing Shareholders or their affiliates. For details, see "[**REDACTED**]".

PUBLIC FLOAT

Upon completion of the [**REDACTED**], (i) the [**REDACTED**] Shares held by our Shareholders as of the Latest Practicable Date, representing approximately [**REDACTED**]% of our total issued Shares, will not be counted towards the public float as these Shares are Unlisted Shares which will not be converted into H Shares and listed upon completion of the [**REDACTED**]; and (ii) the [**REDACTED**] H Shares, representing approximately [**REDACTED**]% of our total issued Shares held by (a) our Controlling Shareholders; and (b) Zhenzhuo Pharmaceutical and Zhenzhuo Xinqi, our substantial Shareholders, will not be counted towards the public float. Except as stated above, all H Shares held by our Shareholders upon [**REDACTED**] will be counted towards the public float for the purpose of Rule 19A.13A(1) of the Listing Rules.

With respect to the indicative [**REDACTED**] range of HK$[**REDACTED**], HK$[**REDACTED**] and HK$[**REDACTED**] per [**REDACTED**] (being the [**REDACTED**], [**REDACTED**] and the [**REDACTED**] of the [**REDACTED**], respectively), the expected [**REDACTED**] of our total shares in issue at the time of [**REDACTED**] will be approximately HK$[**REDACTED**], HK$ [**REDACTED**] and HK$[**REDACTED**], respectively.

Assuming (i) [**REDACTED**] H Shares are [**REDACTED**] to [**REDACTED**] in the [**REDACTED**]; and (ii) the conversion of [**REDACTED**] Unlisted Shares into H Shares, immediately upon completion of the [**REDACTED**], an aggregate of [**REDACTED**] H Shares or approximately [**REDACTED**]% of our total issued share capital will be counted towards the public float, and the [**REDACTED**] of Shares held by the [**REDACTED**] would be HK$[**REDACTED**] at the minimum [**REDACTED**], which exceeds [**REDACTED**]. Therefore, our Company will be able to meet the minimum public float requirement under Rule 19A.13A(1) of the Listing Rules.

FREE FLOAT

It is expected that immediately following completion of the [**REDACTED**], a [**REDACTED**] of approximately HK$[**REDACTED**] million of our H Shares [**REDACTED**] on the Stock Exchange, based on the minimum [**REDACTED**] of HK$[**REDACTED**] per Share, are held by the [**REDACTED**] and not subject to any disposal restrictions at the time of the [**REDACTED**]. Accordingly, our Company will be able to satisfy the free float requirement under Rule 19A.13C(1) of the Listing Rules.

PREVIOUS LISTING ATTEMPT

To explore the opportunity of establishing a capital market platform in the A-share market in the PRC, on April 21, 2023, our Company entered into a guidance agreement with Essence Securities Co., Ltd. (安信證券股份有限公司) (now known as SDIC Securities Co., Ltd. (國投證券股份有限公司)), (the "**Guidance Agency**"), which is within the same group as the Sole Sponsor, to provide guidance and preliminary compliance advice in regards to the requirements of the CSRC (the "**A-share Listing Guidance**").

The Guidance Agency made a preliminary A-share listing guidance filing (上市輔導備案申請) with the Jiangxi office of CSRC (中國證監會江西監管局) in April 2023 which did not constitute a listing application with the CSRC (the "**A Share Listing Attempt**").

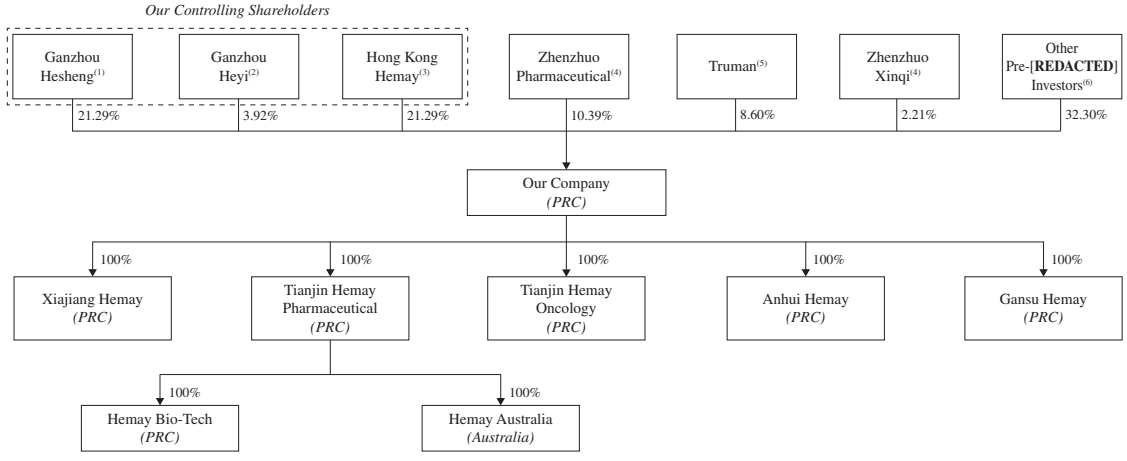
In August 2023, the Guidance Agency submitted the pre-filing business consultation and communication written documents (申報前業務諮詢溝通書面文件). We did not submit any formal application for listing on the SSE STAR Market or any stock exchange in the PRC, and between April 2023 to April 2025, guidance progress reports were submitted to CSRC quarterly. Save for the above, we did not have any material communication with the Jiangxi office of CSRC. We terminated the guidance agreement in May 2025 during the course of our preparation for the [**REDACTED**] as we believe that the [**REDACTED**] will be beneficial to us in view of the well-established market reputation of the Stock Exchange allowing us explore financing opportunities in the international market.

Our Directors have confirmed that (i) the CSRC did not raise any questions or comments in respect of the A Share Listing Attempt (including the A-share Listing Guidance); (ii) there was no dispute between our Company and the Guidance Agency or any of the professional parties involved in the A Share Listing Attempt; and (iii) there is no other material matter in relation to the A Share Listing Attempt (including the A-share Listing Guidance) that needs to be brought to the attention of the Stock Exchange.

Based on the above and the Sole Sponsor's due diligence work performed, the Sole Sponsor is not aware of any material matter in relation to the A Share Listing Attempt (including the A-share Listing Guidance) which ought to be brought to the attention of the Stock Exchange.

CORPORATE AND SHAREHOLDING STRUCTURE

The following chart illustrates the corporate structure of our Group immediately prior to completion of the [**REDACTED**]:



Notes:

(1) Dr. Zhang is the general partner of Ganzhou Hesheng, and was also interested in 99.90% of Ganzhou Hesheng's partnership interest. Hence, Dr. Zhang is able to exercise the voting rights of Shares held by Ganzhou Hesheng. Dr. Zhang is the chairman of our Board, our executive Director and general manager. The remaining partnership interest of Ganzhou Hesheng was held by Zhang Yumei (張玉梅), being Dr. Zhang's niece and Mr. Chen's spouse.

(2) Ganzhou Heyi was our employee shareholding platform controlled by its general partner, Dr. Zhang who was also interested in approximately 71.43% of Ganzhou Heyi's partnership interest. Hence, Dr. Zhang is able to exercise the voting rights of Shares held by Ganzhou Heyi. Mr. Chen (our executive Director) and Zhang Yumei was also interested in 7.14% and 7.14% of Ganzhou Heyi's partnership interest, respectively. 14.28% of Ganzhou Heyi's partnership interest was held by two individuals, each an Independent Third Party. See "— Employee Shareholding Platform" for details.

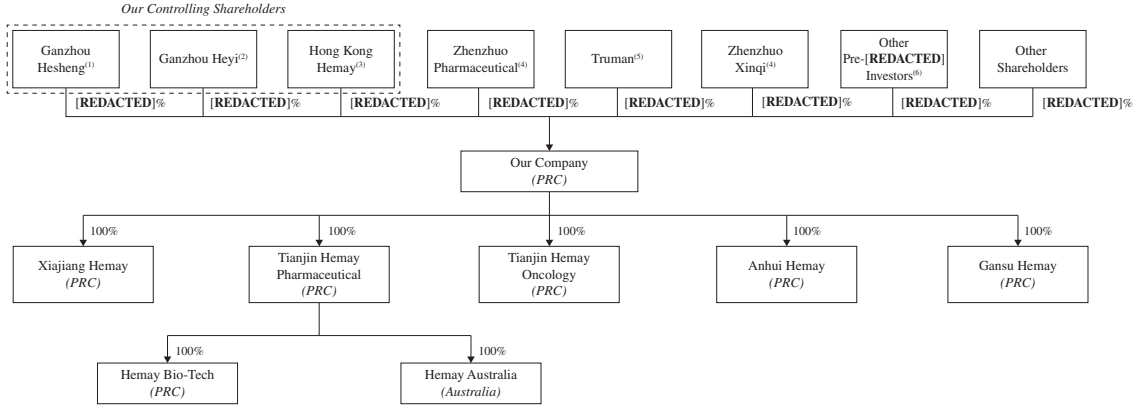
(3) Ms. Guo is the spouse of Dr. Zhang. Ms. Guo is the sole shareholder of Prime Honor, which holds the entire equity interest of Hemay Holding. Hemay Holding is the sole shareholder of Hemay Investment, which holds the entire equity interest of Hong Kong Hemay.

(4) Each of Zhenzhuo Pharmaceutical and Zhenzhuo Xinqi was managed by Zhenzhuo Investment as its executive partner and general partner. Mr. Zhuang is a limited partner of Zhenzhuo Hongzhi and was interested in approximately 99.90% of its partnership interest. Zhenzhuo Hongzhi was also a general partner of Zhenzhuo Pharmaceutical, and Xie Conglin (謝聰琳) (the nephew of Ms. Guo) and Zhang Bing (an Independent Third Party) were also general partners of Zhenzhuo Xinqi. For details of Zhenzhuo Pharmaceutical and Zhenzhuo Xinqi's background, see "— Pre-[**REDACTED**] Investments — Background of our Pre-[**REDACTED**] Investors."

(5) Truman is a close associate of Mr. Zhuang who is also interested in Zhenzhuo Hongzhi, a general partner of Zhenzhuo Pharmaceutical.

(6) Such other Pre-[**REDACTED**] Investors include 18 Shareholders, which are Independent Third Parties. For details of their background and shareholding, see "— Pre-[**REDACTED**] Investments — Background of our Pre-[**REDACTED**] Investors" and "— Capitalization."

The following chart illustrates the corporate structure of our Group immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised):



Notes (1) to (6): See notes 1-6 in "— Corporate Structure Immediately Before Completion of the [**REDACTED**]."