

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2009 when the predecessor of the Company, Suzhou Zelgen Biopharmaceuticals Co. Ltd. (蘇州澤璟生物製藥有限公司), was established under the laws of the PRC.

In February 2019, the Company was converted into a joint stock limited company. In January 2020, our A Shares were listed on the Shanghai Stock Exchange STAR Market with the stock code of 688266. As of the Latest Practicable Date, the registered share capital of the Company was RMB264,708,186, comprising 264,708,186 A Shares of nominal value of RMB1.00 each.

OUR KEY MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Milestone
2009	The predecessor of the Company, Suzhou Zelgen Biopharmaceuticals Co. Ltd. (蘇州澤璟生物製藥有限公司), was established.
2012	We obtained NMPA approval for the clinical trial of Zepsun [®] .
2016	We obtained NMPA approval for the clinical trials of Zepuping and Zepuning.
2017	We were granted the Drug Production License (藥品生產許可證).
2019	The Company was converted into a joint stock limited company.
2020	Our A Shares were listed on the Shanghai Stock Exchange STAR Market with the stock code of 688266.
2022	We obtained NRDL inclusion for Zepsun [®] for the first-line treatment of advanced HCC. We obtained marketing approval for the second indication of Zepsun [®] . We obtained NMPA and FDA approvals for the clinical trials of ZG005, ZGGS18 and other drug candidates.
2023	We successfully completed our private placement of A Shares. We entered into an exclusive marketing collaboration with Grand Life Sciences for Zepuning. We obtained NMPA and FDA approvals for the clinical trials of ZG006, ZG2001, ZGGS15 and ZG0895.
2024	We obtained NRDL inclusion for Zepsun [®] for the indication for thyroid cancer. We received NMPA acceptance of the BLA for Zesuning. We obtained FDA Orphan Drug Designation for ZG006 for the treatment of SCLC.
2025	We obtained NRDL inclusion for Zepuning. We received NMPA acceptance of the NDA for Zepuping for the treatment of severe alopecia areata.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Year	Milestone
	We entered into an exclusive marketing service agreement with Merck KGaA for Zesuning.
	We obtained FDA Orphan Drug Designation for ZG006 for the treatment of NEC.
	We received breakthrough therapy designations for ZG006 from the CDE for both indications of SCLC and NEC, and advanced the indication of SCLC into pivotal clinical trials.
	We received NMPA and FDA approvals for the clinical trial of ZGGS34.
	We entered into a collaboration and option to license agreement with AbbVie in relation to ZG006 exclusive licensing.
2026	We obtained marketing approval for Zesuning for postoperative diagnosis of thyroid cancer.
	We obtained NRDL inclusion for Zepuping for the treatment of myelofibrosis.
	We completed Phase III clinical trials of Zepuping for moderate to severe atopic dermatitis and ankylosing spondylitis.
	We obtained marketing approval for Zepuping for severe alopecia areata.
	We completed Phase III clinical trials of Zesuning for postoperative treatment of thyroid cancer.

OUR SUBSIDIARIES

As of the Latest Practicable Date, we held five subsidiaries.

Name of subsidiary	Place of incorporation	Date of incorporation	Equity interest attributable to our Group	Registered capital/total issued shares	Principal activities
Suzhou Zelgen Biosciences Co., Ltd. (蘇州澤璟生物技術有限公司) (“ Suzhou Zelgen ”)	Kunshan, Jiangsu, PRC	December 28, 2009	100.00%	RMB1,000,000.00	Pharmaceutical R&D
Shanghai Zelgen Pharma-Tech Co., Ltd. (上海澤璟醫藥技術有限公司) (“ Shanghai Zelgen ”)	Shanghai, PRC	December 13, 2013	100.00%	RMB10,000,000.00	Pharmaceutical R&D
Zelgen Pharmaceutical (Zhejiang) Co., Ltd. (澤璟製藥(浙江)有限公司) (“ Zhejiang Zelgen ”)	Lishui, Zhejiang, PRC	January 4, 2021	100.00%	RMB5,000,000.00	Pharmaceutical R&D
Zelgen Holdings Limited (澤璟控股有限公司)	Hong Kong	August 10, 2018	100.00%	10,000	Investment holding
Gensun Biopharma Inc. (“ Gensun Biopharma ”) ⁽¹⁾	Delaware, USA	February 3, 2016	100.00%	5,888,838	Pharmaceutical R&D

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (1) The subsidiary is in the process of deregistration. Up to the Latest Practicable Date, Gensun Biopharma had complied in all material respects with applicable laws and was not subject to any material non-compliance incidents. The increase in the Company’s equity interest in Gensun Biopharma during the Track Record Period is based on the Company’s continued confidence in its business prospects. As the Company’s U.S. new drug R&D center focusing on innovative antibody drug development, Gensun Biopharma has supported the establishment of a globally competitive and differentiated antibody technology platform and product pipeline. The further acquisition of its minority interests strengthened the Company’s management control, enhanced decision-making efficiency and operational alignment. Whereas the deregistration is carried out to consolidate the Group’s research and development and regulatory functions at the Company level. As Gensun Biopharma previously primarily undertook R&D activities, its deregistration will enable the Company to centralize and better coordinate these resources at its headquarters, thereby enhancing overall R&D efficiency. As of the Latest Practicable Date, the Company has completed the integration and optimization of its macromolecular antibody technology platform. Our Directors are of the view that this deregistration would not have a material adverse effect on our business, financial conditions and results of operations. During the Track Record Period, Gensun Biopharma did not generate any revenue. As at December 31, 2023, 2024 and 2025 and as at June 30, 2026, the total assets of Gensun Biopharma accounted for approximately 4.42%, 3.94%, 0.37% and 0.21%, respectively, of the Group’s total assets.

For further information about the Company’s subsidiaries, please refer to Note 1 to the Accountants’ Report in Appendix I to this document.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Establishment and early development of the Company

On March 18, 2009, the predecessor of the Company, Suzhou Zelgen Biopharmaceuticals Co. Ltd., was founded in Jiangsu Province by Dr. Sheng, Ms. Lu and Mr. Liu Su (劉溯), who comprised the initial management team of the Company. The Company’s registered share capital upon establishment was US\$147,000, held by Dr. Sheng, Ms. Lu and Mr. Liu Su as to 47%, 48% and 5%, respectively. Upon completing multiple rounds of capital increase and share transfer, the registered capital of our Company reached US\$5,973,226 in December 2018.

Conversion into a Joint Stock Limited Company and Listing on the Shanghai Stock Exchange STAR Market

On February 27, 2019, the Company was converted from a limited liability company to a joint stock limited company, with a registered capital of RMB180,000,000.

On January 23, 2020, the Company completed the initial public offering and listing of A Shares on the STAR Market of the Shanghai Stock Exchange (stock code: 688266) (the “**A-share Offering**”). We offered a total of 60,000,000 A Shares under the A-share Offering. Upon the completion of the A-share Offering, the registered capital of the Company was increased to RMB240,000,000.

Private Placement in 2023

In April 2023, upon obtaining the approvals from the CSRC and our Shareholders, we completed a private placement of 24,489,795 A Shares to 11 investors at a price of RMB49.00 per A Share. The placement was conducted through a book-building process based on the quotations submitted by all valid subscribers. The issue price was no lower than 80% of the average trading price of our A Shares for the 20 trading days prior to the pricing date, and was therefore in compliance with the relevant pricing requirements of the Shanghai Stock Exchange. We raised net proceeds of approximately RMB1,181.9 million for R&D of new drugs. Upon completion of the placement, the total number of our issued shares increased from 240,000,000 to 264,489,795.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Capital Increase Due to the A-share Incentive Plan

To attract, retain and motivate the key employees of the Company, and to align the interests of the Company, the Shareholders and the key employees of the Company, the Company adopted the A-share Incentive Plan in April 2021 (“**2021 Share Incentive Plan**”), with effect from May 2021. As part of the arrangements in relation to the 2021 Share Incentive Plan, the Company completed a capital increase of 218,391 A Shares through the vesting of restricted A Shares in November 2023, resulting in an increase in our total issued Shares from 264,489,795 to 264,708,186. The 2021 Share Incentive Plan was completed in June 2024, and no further awards or vesting will be made thereunder.

CONCERT PARTY ARRANGEMENT

On April 12, 2019, Dr. Sheng, Ms. Lu, Guangzhou Jing’ao, Ningbo Ze’ao and Ningbo Jingchen entered into a concert party agreement (the “**Concert Party Agreement**”). The Concert Party Agreement was to formalise and reflect the long-standing alignment between Dr. Sheng and Ms. Lu in the management and decision-making of the Company. Guangzhou Jing’ao, Ningbo Ze’ao and Ningbo Jingchen (“**Employee Shareholding Platforms**”) were included as technical arrangement solely because Dr. Sheng and Ms. Lu, as the respective general partners of those platforms, were able to exercise voting control over them.

On January 21, 2025, in order to optimize the management structure of the Employee Shareholding Platforms and to retain and motivate key management and administrative personnel by entrusting them with responsibilities in the Employee Shareholding Platforms, Dr. Sheng and Ms. Lu ceased to act as the general partner of the Employee Shareholding Platforms. As a result, on January 23, 2025, Dr. Sheng and Ms. Lu renewed the Concert Party Agreement (the “**Renewed Concert Party Agreement**”), pursuant to which Ms. Lu has remained and will continue to act in concert with Dr. Sheng in respect of matters at shareholders’ general meetings and board meetings of the Company. By virtue of the Concert Party Agreement and the Renewed Concert Party Agreement, Dr. Sheng and Ms. Lu directly controlled an aggregate of 62,268,264 Shares, representing approximately 23.52% of the voting rights in the Company as at the Latest Practicable Date. The Renewed Concert Party Agreement was further renewed on January 23, 2026 upon its expiry, on the same terms and conditions, which shall remain valid for 12 months and be further renewed after both parties’ negotiation before expiry.

MATERIAL ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any material acquisitions, disposals and mergers.

OUR LISTING ON THE SHANGHAI STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since the Company’s listing on the STAR Market of the Shanghai Stock Exchange in 2020 and up to the Latest Practicable Date, we had not received any notice from the Shanghai Stock Exchange alleging any non-compliance incidents on the part of the Company or our subsidiaries, and we had no instances of material non-compliance with the rules of the Shanghai Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and there was no material matter that should be brought to the investors’ attention in relation to our compliance record on the Shanghai Stock Exchange.

Our PRC Legal Adviser is of the view that during the Track Record Period and up to the Latest Practicable Date, we have not been subject to any material administrative penalties or regulatory measures imposed by CSRC or the Shanghai Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Based on the independent due diligence conducted by the Sole Sponsor, nothing has come to the Sole Sponsor’s attention that would cause them to disagree with the Directors’ confirmation with regard to the compliance records of the Company on the Shanghai Stock Exchange in any material respects.

The Company seeks to be [REDACTED] on the Stock Exchange in order to further advance our international strategy, allow better access to the international capital market, enhance our capabilities to attract more overseas [REDACTED] and optimize our international brand image, which in turn may further enhance our overall competitiveness.

PUBLIC FLOAT

Our A Shares are listed on the Shanghai Stock Exchange. Immediately following the completion of the [REDACTED], the total [REDACTED] of the H Shares to be held by the public is expected to be above HK\$[REDACTED], calculated on the low-end of an [REDACTED], which is higher than the prescribed expected market value of H Shares required to be held in public hands of not less than HK\$3,000,000,000 under Rule 19A.13A(2)(b) of the Listing Rules, thereby satisfying Rule 19A.13A of the Listing Rules. Based on an [REDACTED] of HK\$[REDACTED], HK\$[REDACTED] and HK\$[REDACTED] per H Share, being the low-end, mid-point and high-end of the [REDACTED] respectively, the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Listing Rules would be approximately [REDACTED]%, [REDACTED]% or [REDACTED]%, being the percentage derived by dividing HK\$3,000,000,000 by the total market value of the Company’s total issued shares at the time of [REDACTED]. On the basis of the current shareholding structure, none of the H Shares is expected to be held by our core connected person, and the [REDACTED] H Shares to be issued under the [REDACTED] representing approximately [REDACTED]% of our total issued share capital immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the [REDACTED]) will be counted towards public float, which is higher than the minimum prescribed public float percentage under Rule 19A.13A(2)(b) of the Listing Rules.

FREE FLOAT

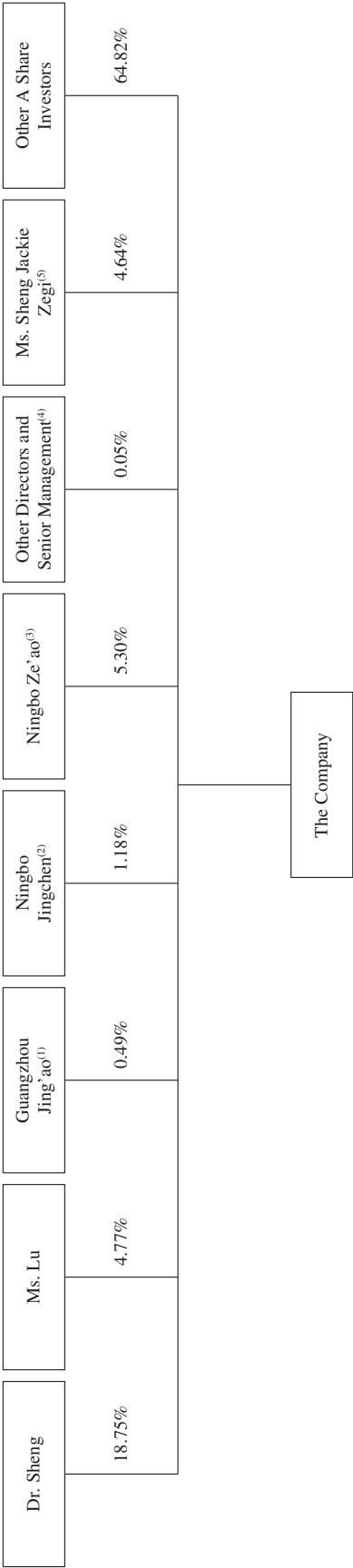
Under Rule 19A.13C of the Listing Rules, a PRC issuer with other listed shares at the time of listing must ensure that the portion of H shares for which listing is sought that are held by the public and that are not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of listing (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000, or (b) have an expected market capitalization of not less than HK\$600,000,000.

It is expected that immediately following completion of the [REDACTED], the market [REDACTED] of the H Shares [REDACTED] on the Stock Exchange that are held by the public and are not subject to any disposal restrictions at the time of the [REDACTED] is not less than HK\$600 million (based on the bottom end of the [REDACTED] and assuming the [REDACTED] is not exercised). Accordingly, the Company will be able to satisfy the requirements under Rule 19A.13C of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

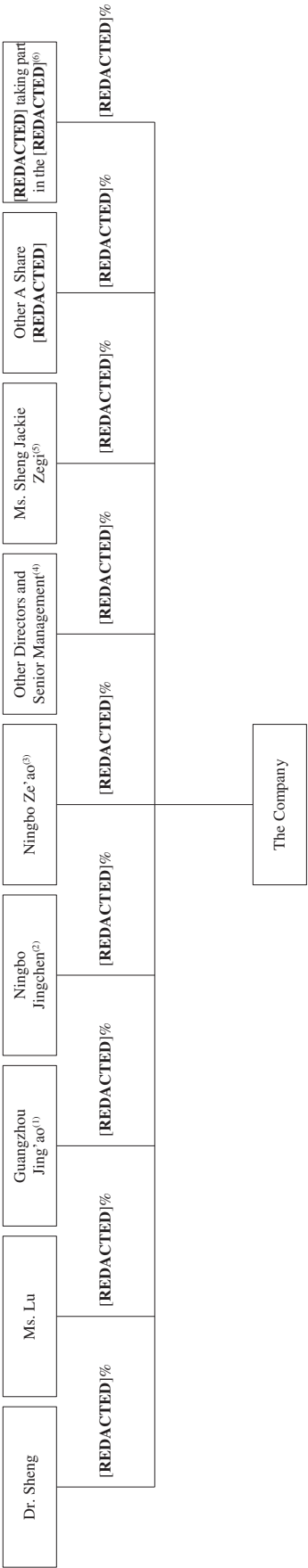
The following chart illustrates a simplified shareholding structure of our Group immediately prior to the completion of the [REDACTED] (assuming no other changes are made to the issued share capital of the Company between the Latest Practicable Date and the [REDACTED]):



- (1) As of the Latest Practicable Date, Guangzhou Jing'ao was managed by its general partner, Dr. Lyu Binhua, one of our executive Directors. Guangzhou Jing'ao has three limited partners, with Mr. Wu Jisheng, Ms. Gao Qingping and Dr. Sheng, each Director or member of senior management, holding approximately 55.07%, 19.26% and 6.42% of the partnership interest, respectively;
- (2) As of the Latest Practicable Date, Ningbo Jingchen was managed by its general partner, Mr. Lin Long (林瓏), an administrative manager of the Company. Ningbo Jingchen has 47 limited partners, among which Ms. Gao Qingping, Mr. Zhang Junchao and Ms. Lu, each a Director or member of senior management, holding approximately 32.29%, 2.16% and 0.10% of the partnership interest, respectively. Among the remaining limited partners, Ding Wei (丁偉), a current employee of the Company, holds approximately 31.10% of the partnership interest therein and save as disclosed above, none of the limited partners of Ningbo Jingchen is interested in 30% or more of the partnership interest therein. The remaining limited partners of Ningbo Jingchen were key employees of the Group at the time of the incentive allocation, including core personnel in R&D, clinical and administrative roles, each being an Independent Third Party;
- (3) As of the Latest Practicable Date, Ningbo Ze'ao was managed by its general partner, Ms. Gao Qingping, a member of our senior management. Ningbo Ze'ao has 11 limited partners, among which Dr. Lyu Binhua, Ms. Lu, Mr. Huang Gang and Mr. Yi Bihui, each a Director or member of senior management, holding approximately 22.40%, 8.94%, 5.44% and 0.51% of the partnership interest, respectively. None of the limited partners of Ningbo Ze'ao is interested in 30% or more of the partnership interest therein. The remaining limited partners of Ningbo Ze'ao were key employees of the Group at the time of the incentive allocation, including core personnel in R&D, clinical and administrative roles, each being an Independent Third Party;
- (4) Dr. Lyu Binhua is an executive Director, executive vice president, deputy general manager and chief scientific officer, and directly held 35,350 A Shares as of the Latest Practicable Date; Mr. Zhang Junchao is a non-executive Director, and directly held 736 A Shares as of the Latest Practicable Date; Ms. Gao Qingping is a deputy general manager and the secretary to the Board, and directly held 34,350 A Shares as of the Latest Practicable Date; Mr. Wu Jisheng is a deputy general manager and chief medical officer, and directly held 33,784 A Shares as of the Latest Practicable Date; Mr. Huang Gang is a deputy general manager and financial controller, and held 24,300 A Shares as of the Latest Practicable Date;
- (5) Ms. Sheng Jackie Zeg^(盛澤琪) is the sister of Dr. Sheng, and held 12,292,164 A Shares as of the Latest Practicable Date.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following chart illustrates a simplified shareholding structure of our Group immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no other changes are made to the issued share [REDACTED] of the Company between the Latest Practicable Date and the [REDACTED]):



(1)-(5) Please refer to the respective notes to the corporate structure chart immediately prior to the completion of the [REDACTED] as set out above.

(6) All H Shares to be [REDACTED] by the [REDACTED] taking part in the [REDACTED] will be counted towards public float.