

1. FURTHER INFORMATION ABOUT OUR COMPANY**A. Incorporation**

The predecessor of our Company, Shenzhen Hepalink Industrial Development Company Limited (深圳市海普瑞實業發展有限公司) was incorporated in China on April 21, 1998. On January 19, 2001, Shenzhen Hepalink Industrial Development Company Limited was renamed as Shenzhen Hepalink Biotechnology Company Limited (深圳市海普瑞生物技術有限公司) and it was further renamed as Shenzhen Hepalink Pharmaceutical Company Limited (深圳市海普瑞藥業有限公司) on September 28, 2002. On December 27, 2007, upon approval by the Ministry of Commerce, it was restructured into a foreign invested joint-stock company and was renamed as Shenzhen Hepalink Pharmaceutical Group Co., Ltd (深圳市海普瑞藥業股份有限公司). Since May 6, 2010, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 002399. The Company was further renamed as Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (深圳市海普瑞藥業集團股份有限公司) on February 20, 2017. Our registered office is located at No.21 Langshan Road, Nanshan District, Shenzhen, People's Republic of China.

We have established a place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and were registered with the Registrar of Companies in Hong Kong as a non- Hong Kong company under Part 16 of the Companies Ordinance on December 30, 2019. Ms. Ella Wong Wai Yee and Ms. Chan Sze Ting have been appointed as the authorized representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong as set out above.

As our Company was established in the PRC, we are subject to 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 IV and V to this prospectus respectively.

B. Changes in the Share Capital of Our Company

There has been no alteration in our share capital within two year immediately preceding the date of this prospectus.

Upon completion of the Global Offering, but without taking into account any exercise of the Over-allotment Option, our registered capital will increase to RMB1,467,296,204, comprising 1,247,201,704 A Shares and 220,094,500 H Shares fully paid up, representing approximately 85.00% and 15.00% of our registered capital, respectively.

C. Shareholders' Resolutions

Pursuant to the Shareholders' meeting held on December 18, 2019, the following resolutions, among others, were duly passed:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be listed on the Hong Kong Stock Exchange;
- (b) the number of H Shares to be issued before the exercise of the Over-allotment Option shall not exceed 25% of the enlarged share capital of the Company upon completion of the Global Offering and granting the Underwriters the Over-allotment Option of no more than 15% of the above number of H Shares to be issued;

- (c) subject to the completion of the Global Offering, the conditional adoption of the Articles of Association, which shall become effective on Listing Date; and
- (d) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the Global Offering, the issue and listing of the H Shares.

D. Further Information about Our Subsidiaries

The list of our subsidiaries as of December 31, 2019 is set out in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. Save as disclosed below, there has been no alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

Shenzhen Arimab Biomedical Co., Ltd.

On January 3, 2019, the registered capital of Shenzhen Arimab Biomedical Co., Ltd. was increased from US\$11,760,000 to US\$14,117,647.

Techdow (Hong Kong)

On July 18, 2019, the registered capital of Techdow (Hong Kong) was increased from HK\$162,278,000 to HK\$233,960,000.

Hepalink (Hong Kong)

On August 20, 2019, the registered capital of Hepalink (Hong Kong) was increased from HK\$225,311,678 to HK\$330,221,445.

Histar (Shanghai) Co., Ltd.

On December 23, 2019, the registered capital of Histar (Shanghai) Co., Ltd. was increased from RMB1,000,000 to RMB19,960,000.

On February 18, 2020, the registered capital of Histar (Shanghai) Co., Ltd. was increased from RMB19,960,000 to RMB29,192,000.

E. Restriction on Share Repurchases

For details of the restrictions on share repurchases by our Company, please refer to "Appendix V—Summary of Articles of Association" to this prospectus.

2. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Our Material Contracts

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this prospectus, which are or may be material and a copy of each has been delivered to the Registrar for registration:

- (a) the subscription agreement for units dated January 31, 2019 between our Company and Resverlogix, pursuant to which our Company agreed to subscribe for 2,213,398 units in Resverlogix for an aggregate subscription price of US\$5,000,000;
- (b) the subscription agreement dated March 27, 2019 between Hepalink (Hong Kong), Noble Patron Limited, Woodford Patient Capital Trust plc, Malin Life Sciences Holdings Limited, The Wellcome Trust Limited (as trustee of The Wellcome Trust), Bill & Melinda Gates Foundation, and Kymab Group Limited ("**Kymab**"), pursuant to which Hepalink (Hong Kong) agreed to subscribe for 3,500,000 convertible preferred shares in Kymab for an aggregate subscription price of US\$3,500,000;

- (c) the subscription agreement for units dated March 29, 2019 between our Company and Resverlogix, pursuant to which our Company agreed to subscribe for 4,479,793 units in Resverlogix for an aggregate subscription price of US\$10,000,000;
- (d) the common unit purchase agreement dated March 30, 2020 among Curemark, LLC, Hepalink USA Inc., Scientific Protein Laboratories LLC and SPL Distribution LLC pursuant to which Hepalink USA Inc. and Scientific Protein Laboratories LLC agreed to subscribe for an aggregate number of 15,790 common units in Curemark, LLC, for a total consideration of US\$5,472,150;
- (e) the cornerstone investment agreement dated June 23, 2020 entered into between the Company, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, Worldwide Healthcare Trust PLC, OrbiMed Partners Master Fund Limited, OrbiMed Global Healthcare Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and OrbiMed Genesis Master Fund, L.P., pursuant to which Worldwide Healthcare Trust PLC, OrbiMed Partners Master Fund Limited, OrbiMed Global Healthcare Master Fund, L.P., OrbiMed New Horizons Master Fund, L.P. and OrbiMed Genesis Master Fund, L.P. agreed to subscribe for our H Shares in an aggregate amount of US\$50 million (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee);
- (f) the cornerstone investment agreement dated June 23, 2020 entered into between the Company, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, CMB International Capital Limited and AVICT Global Holdings Limited, pursuant to which AVICT Global Holdings Limited agreed to subscribe for our H Shares in the amount of US\$30 million (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee);
- (g) the cornerstone investment agreement dated June 23, 2020 entered into between the Company, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and Ovata Capital Management Limited (as investment manager for and on behalf of Ovata Equity Strategies Master Fund and Ovata Jade Fund), pursuant to which Ovata Capital Management Limited (as investment manager for and on behalf of Ovata Equity Strategies Master Fund and Ovata Jade Fund) agreed to subscribe for our H Shares in an aggregate amount of US\$15 million (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee);
- (h) the cornerstone investment agreement dated June 23, 2020 entered into between the Company, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited and 3W Fund Management Limited (as investment manager for and on behalf of 3W Greater China Focus Fund and 3W Global Fund), pursuant to which 3W Fund Management Limited (as investment manager for and on behalf of 3W Greater China Focus Fund and 3W Global Fund) agreed to subscribe for our H Shares in an aggregate amount of US\$10 million (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee);
- (i) the cornerstone investment agreement dated June 23, 2020 entered into between the Company, Goldman Sachs (Asia) L.L.C., Morgan Stanley Asia Limited, CMB International Capital Limited and Anlan Private Equity Fund, SPC - Anlan Harmonia Fund, SP, pursuant to which Anlan Private Equity Fund, SPC - Anlan Harmonia Fund, SP agreed to subscribe for our H Shares in the amount of US\$5 million (excluding brokerage, SFC transaction levy and Hong Kong Stock Exchange trading fee); and
- (j) the Hong Kong Underwriting Agreement.

B. Intellectual Property Rights

As of the Latest Practicable Date, our Company has registered or applied for the following intellectual property rights, which are or may be material in relation to our Company's business.


Trademarks

As of the Latest Practicable Date, we have registered the following trademarks, which we consider to be or may be material in relation to our business:

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
麥可林	China	9822622	5	January 6, 2023
普洛希	China	9822643	5	October 13, 2022
Meclean	China	9822674	5	January 20, 2023
Proxin	China	9822699	5	October 6, 2022
 Hepalink	China	3681896	5	February 13, 2026
 海普瑞	China	3681888	5	January 27, 2026
 海普瑞	China	3681887	30	March 6, 2025
 Hepalink	China	1773677	30	May 20, 2022
 海普瑞	China	12034965	13	June 27, 2024
 海普瑞	China	12034996	30	June 27, 2024
 海普瑞	China	12035015	31	June 27, 2024
 海普瑞	China	12035028	5	June 27, 2024








APPENDIX VI

STATUTORY AND GENERAL INFORMATION

Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
	China	12038331	35	July 20, 2024
海普瑞	China	14007675	2	March 13, 2025
海普瑞	China	14007691	3	March 13, 2025
海普瑞	China	14007712	4	April 20, 2025
海普瑞	China	14007746	6	May 6, 2025
海普瑞	China	14007765	7	September 6, 2025
海普瑞	China	14007780	15	April 20, 2025
海普瑞	China	14007794	18	April 20, 2025
海普瑞	China	14007815	22	April 20, 2025
海普瑞	China	14007825	24	April 20, 2025
海普瑞	China	14007836	43	April 20, 2025
海普瑞	China	14007848	44	April 20, 2025
海普瑞	China	14007868	45	April 20, 2025
海普瑞	China	14007879	42	April 20, 2025
海普瑞	China	14172796	35	April 20, 2025
海普瑞	China	14172797	33	April 20, 2025
海普瑞	China	14172798	28	April 20, 2025
海普瑞	China	14172799	27	April 20, 2025
海普瑞	China	14172800	26	April 20, 2025
海普瑞	China	14172801	25	April 20, 2025
海普瑞	China	14172802	23	April 20, 2025
海普瑞	China	14172803	21	April 20, 2025
海普瑞	China	14172804	20	April 20, 2025
海普瑞	China	14172805	19	April 20, 2025
海普瑞	China	14172806	17	April 27, 2025
海普瑞	China	14172807	16	April 27, 2025
海普瑞	China	14172808	14	April 27, 2025
海普瑞	China	14172809	12	April 27, 2025
海普瑞	China	14172810	11	July 6, 2025
海普瑞	China	14172811	10	April 27, 2025
海普瑞	China	14172812	9	July 13, 2025
海普瑞	China	14172813	8	April 27, 2025
海普瑞	China	14172814	1	April 27, 2025
海普瑞	China	14607358	40	July 20, 2025

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Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
海普瑞	China	14607359	38	July 20, 2025
海普瑞	China	14607360	37	July 20, 2025
海普瑞	China	14607361	34	July 20, 2025
海普瑞	China	14607362	29	July 20, 2025
海普瑞	China	14607363	32	July 20, 2025
海普瑞	China	14607364	39	July 20, 2025
海普瑞	China	14607365	41	July 20, 2025
 海普瑞	Hong Kong	301949400	5, 10, 30	June 16, 2021
 Hepalink	Hong Kong	301949419AA	5	June 16, 2021
 Hepalink	Hong Kong	301949419AB	10, 30	June 16, 2021
	Hong Kong	305054003	5	September 10, 2029
	Hong Kong	305054012	5	September 10, 2029
HEPALINK	Hong Kong	305054021	5	September 10, 2029
海普瑞	Hong Kong	305054030	5	September 10, 2029
 Hepalink	Canada	TMA830051	1, 5	August 17, 2027
Neoparin	Poland	R.281679	5	March 9, 2025
Neoparin	European Union	EUTM 015162753	5, 35, 42	March 1, 2026
INHIXA	China	21947175	5	January 6, 2028
	China	10585526	5	April 6, 2024
	China	10585525	10	May 6, 2023
	China	10585524	5	June 13, 2024
PROLOSU	China	9868256	5	October 20, 2022
PRONIE	China	9868046	5	October 20, 2022
PROLTON	China	9868035	5	October 20, 2022
ROSMIN	China	9868021	5	October 20, 2022
ROSGIN	China	9868009	5	October 20, 2022
ROSUTON	China	9863263	5	October 20, 2022
PROWIKUN	China	9863247	5	October 20, 2022

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Trademark Registered	Place of Registration	Registration No.	Class	Expiration Date
PROTMING	China	9863233	5	October 20, 2022
PROCHINN	China	9863225	5	October 20, 2022
PROTWIN	China	9863204	5	October 20, 2022
PROGINN	China	9863194	5	October 20, 2022
ROSUQING	China	9863175	5	October 20, 2022
ROSUKUN	China	9863157	5	October 20, 2022
REKEPIN	China	9855728	5	October 20, 2022
ROSULEO	China	9855723	5	October 20, 2022
洛舒靜	China	9855719	5	October 20, 2022
普洛蘇	China	9855716	5	October 20, 2022
普洛泰	China	9855713	5	January 20, 2023
普洛通	China	9855707	5	January 20, 2023
洛舒明	China	9855704	5	October 20, 2022
洛舒優	China	9855702	5	October 20, 2022
洛舒通	China	9855698	5	November 27, 2022
普洛明	China	9853209	5	October 13, 2022
普洛清	China	9853194	5	October 20, 2022
普洛維寧	China	9853183	5	May 20, 2024
普洛靜	China	9853167	5	October 20, 2022
洛舒清	China	9853154	5	October 13, 2022
洛舒康	China	9853143	5	January 6, 2023
TECHDOW	China	7531868	10	October 27, 2020
PROLONGIN	China	4901083	5	March 13, 2029
PROLONGIN	China	4901082	1	January 20, 2029
PROLONGIN	China	4901056	10	September 6, 2028
普洛寧	China	4802359	1	February 13, 2029
普洛寧	China	4802357	10	June 6, 2028
洛舒平	China	4802356	1	February 13, 2029
洛舒平	China	4802354	10	June 6, 2028
TECHDOW	China	4782170	5	February 13, 2029
天道;TECHDOW	China	4782169	5	May 20, 2029
天道	China	4782168	5	May 20, 2029
瑞開平	China	4619247	5	September 20, 2028

Patents

For material patents, patent applications we owned or licensed from other entities as of the Latest Practicable Date, see “Business—Intellectual Property” section of the prospectus.

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be or may be material in relation to our business:

<u>Domain name</u>	<u>Name of Registered Proprietor</u>	<u>Expiry Date</u>
hepalink.net	Hepalink	June 23, 2021
hepalink.com	Hepalink	December 22, 2022
hepalink.hk	Hepalink	April 15, 2021
techdow.com	Shenzhen Techdow	June 15, 2022
techdow.net	Shenzhen Techdow	June 23, 2022
techdow.com.cn	Shenzhen Techdow	June 23, 2022
techdow.uk	Techdow Europe AB	July 18, 2020
techdow.es	Techdow Europe AB	July 18, 2020
techdow.it	Techdow Europe AB	July 19, 2020
techdow.fr	Techdow Europe AB	July 21, 2020
techdow.be	Techdow Europe AB	July 21, 2020
techdow.nl	Techdow Europe AB	July 21, 2020
techdow-pharma.co.uk . . .	Techdow Europe AB	August 3, 2020
techdow.co.at	Techdow Europe AB	December 11, 2020
多普樂.中國	Topknow	April 30, 2021
天道.cn	Shenzhen Techdow	April 30, 2022
多普樂.cn	Topknow	April 30, 2022
neoparin.be	Techdow Pharma Poland Sp. z o.o.	March 8, 2021
neoparin.cz	Techdow Pharma Poland Sp. z o.o.	February 27, 2021
neoparin.fr	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.es	Techdow Pharma Poland Sp. z o.o.	February 22, 2021
neoparin.nl	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.lt	Techdow Pharma Poland Sp. z o.o.	February 26, 2021
neoparin.lv	Techdow Pharma Poland Sp. z o.o.	February 27, 2021
neoparin.de	Techdow Pharma Poland Sp. z o.o.	February 28, 2021
neoparin.pl	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.ru	Techdow Pharma Poland Sp. z o.o.	March 15, 2021
neoparin.ro	Techdow Pharma Poland Sp. z o.o.	July 9, 2020
neoparin.ch	Techdow Pharma Poland Sp. z o.o.	March 30, 2021
neoparin.se	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.uk	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.it	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.eu	Techdow Pharma Poland Sp. z o.o.	March 1, 2021
neoparin.com	Techdow Pharma Poland Sp. z o.o.	March 1, 2021

C. Share Incentive Schemes II and III

Our Company adopted the Share Incentive Scheme II (“**Scheme II**”) and the Share Incentive Scheme III (“**Scheme III**,” and together with Scheme II, the “**Schemes**”) in November 2016 and December 2018, respectively. The Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as the Schemes do not involve the grant of options by our Company to subscribe for new Shares upon our Listing. The following is a summary of the principal terms of the Schemes:

(a) Purpose

The purpose of Schemes is to promote the success and enhance the value of the Company by linking the personal interests of the employees to those of the Shareholders. It is intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of the employees upon whose judgment, interest and special effort the successful conduct of the Company’s operation is largely dependent.

(b) Scope of Participants

The participants of Scheme II are our Directors (excluding our independent Directors and external Directors), Supervisors (excluding our external supervisors), senior management and core staff members of the Company and the subsidiaries.

The participants of Scheme III are employees of our Company and our subsidiaries (excluding our Directors, Supervisors and senior management).

(c) Term of the Schemes

Scheme II was effective for an initial period of 36 months from December 12, 2016 to December 11, 2019. Scheme III is effective for a period of 24 months from December 28, 2018 to December 27, 2020. Within two months prior to the expiration of the respective term of each Scheme, with the approval of more than two-thirds of the votes of holders of the interests under relevant Scheme (the “ **Holders**”), who attend the Holders’ meeting, and subject to the approval of the Board of Directors of our Company, the term of the relevant Scheme may be extended, provided that each extension shall not exceed 12 months. Each Scheme may be terminated upon expiry of the respective lock up period as detailed below when all the assets underlying such Scheme become monetary assets.

On December 6, 2019, the Company, with the Board’s approval, extended the term of Scheme II for 12 months, up to December 11, 2020.

(d) Source of Shares under the Schemes

The Shares underlying the Schemes shall be A Shares purchased from the secondary market through bidding, block trade, share transfer or other methods in compliance with the applicable laws and regulations.

(e) Maximum Number of Shares

All the Shares underlying Scheme II have been purchased as of March 9, 2017. As of the Latest Practicable Date, the total number of Shares underlying Scheme II is 15,118,035 A Shares, accounting for approximately 1.21% of the total outstanding share capital of our Company.

All the Shares underlying Scheme III have been purchased as of February 1, 2019. The total number of Shares underlying Scheme III is 3,886,264 A Shares, accounting for approximately 0.31% of the total outstanding share capital of our Company as of the Latest Practicable Date.

The maximum number of shares to be granted to an employee under each Scheme shall not exceed 1% of the total outstanding share capital of our Company.

(f) Administration of the Schemes

The Holders' meeting is the highest management authority of the Schemes. A management committee has been set up to oversee the daily management of respective Scheme.

For Scheme II, the management committee has appointed Guolian Securities Co., Ltd to establish a single customer assets management plan. Guolian Securities Co., Ltd is responsible for the management of the assets underlying Scheme II, including purchasing and holding the Shares and cash under Scheme II.

For Scheme III, the management committee has appointed CMS Asset Management Co., Ltd to establish a single customer assets management plan. CMS Asset Management Co., Ltd is responsible for the management of the assets underlying Scheme III, including purchasing and holding the Shares and cash under Scheme III.

(g) Source of Funds to be Used to Purchase the Shares under the Schemes

The source of funds for the Schemes consists of (i) the funds raised by the participants and (ii) loans provided by the Controlling Shareholders of our Company.

The maximum amount of the funds to be raised for Scheme II and Scheme III shall not exceed RMB400 million and RMB87 million, respectively. The Holders shall pay the subscription amount before the establishment of the relevant single customer asset management plan.

(h) Lock-up Period

The Shares underlying Scheme II are not subject to lock-up as of the Latest Practicable Date.

The lock-up period for the Shares underlying Scheme III is from February 2, 2019 to February 1, 2020, being a period of 12 months commencing from the date of publication of the announcement in respect of the transfer of the last batch of Shares to the relevant single customer asset management plan.

(i) Rights of the Holders

The Holders of each Scheme are entitled to the following rights:

- 1) to share the interests of the assets underlying the Scheme in proportion to his holding in the Scheme;
- 2) to attend the general meeting of Holders in person or by proxy, and to exercise the corresponding voting rights;
- 3) to supervise the administration of the Scheme, and to make suggestions or inquiries as applicable;

- 4) to waive the voting rights attached to the underlying Shares of the Company he holds indirectly through the Scheme; and
- 5) to exercise other rights stipulated by laws, administrative regulations, or the terms of the Scheme.

(j) Obligations of the Holders

The Holders of each Scheme have the following obligations:

- 1) to assume the risks associated with Scheme in proportion to his holding in the Scheme;
- 2) to comply with the provisions of the Rules Governing Employee Share Scheme;
- 3) not to request the Company to distribute the assets underlying the Scheme during the term of the Scheme; and
- 4) to assume the obligations provided by applicable laws, administrative regulations and other obligations stipulated under the terms of the Scheme.

(k) Transfer of Holders' Interests

During the term of the respective Scheme, no Holder shall in any way transfer, withdraw, charge or mortgage his holding interests in the Scheme or use such interests to guarantee or repay debts except for unusual circumstances as provided under the terms of the relevant Scheme.

(l) Distribution of interests under the Schemes

Upon the expiry of the respective lock up period of each Scheme, the liquidation of the Scheme shall be completed within fifteen business days upon the sale of all the Shares underlying the Scheme. The proceeds from the sale of all the Shares underlying the Scheme shall be distributed in the following order:

- 1) to repay the loans provided by the Shareholders for the Scheme and the associated interests;
- 2) to repay the funds contributed by the employee and the associated return based on the performance of the employee in accordance with the terms of the Scheme; and
- 3) the remaining proceeds (if any) shall be distributed among the Holders in proportion to their interest in the Scheme.

D. OncoVent Share Option Scheme

The following is a summary of the principal terms of the OncoVent Share Option Scheme, the share option scheme adopted by our subsidiary, OncoVent, in June 2018. The OncoVent Share Option Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the OncoVent Share Option Scheme is to promote the long-term success of OncoVent and the interests of its shareholders and employees by providing a means through which OncoVent may grant equity-based incentives to motivate, attract and retain the services of its employees upon whose judgment, interest and special effort the successful conduct of OncoVent's operation is largely dependent.

(b) Scope of Participants

Those eligible to participate in the OncoVent Share Option Scheme include the employees of OncoVent who meet the performance targets.

(c) Administration of the Schemes

The OncoVent Share Option Scheme is administered by the board of directors of OncoVent (the “**Administrator**”). Pursuant to the OncoVent Share Option Scheme, the Administrator may, from time to time, select from eligible persons to whom awards in the form of options in OncoVent shares (“**OncoVent Options**”) will be granted.

(d) Maximum number of shares

The maximum number of shares which may be granted under the OncoVent Share Option Scheme shall not exceed 10% of the total enlarged share capital of OncoVent taking into account the shares to be issued upon the exercise of the options.

(e) Term of OncoVent Share Option Scheme

OncoVent Options granted at each stage is valid for a period of four years. Grantees are subject to a lock-up period of one year commencing from the grant date.

(f) Exercise of OncoVent Options

The grantees may exercise the OncoVent Options within ten business days upon expiry of the lock up period in accordance with the terms of grant letter. When OncoVent is listed or sold, the participants may realise the benefit of share options based on the stock circulation rules at the listing place or the value of OncoVent at the time of sale. The participant may choose to convert the option into actual investment to OncoVent.

The exercise price per OncoVent Share underlying the OncoVent Options shall be determined by the Administrator with reference to the fair value of OncoVent. If OncoVent carries out financing transactions within the preceding twelve months, the fair value shall be determined with reference to the valuation of OncoVent for the purpose of such financing transactions. If no financing transaction is carried out during such twelve months period, the fair value shall be determined by the Administrator.

Outstanding OncoVent Options granted

The proposal to grant the OncoVent Options under the OncoVent Share Option Scheme as set out above has been approved by the boards of OncoVent and our Company.

As at the Latest Practicable Date, we proposed to grant OncoVent Options representing 4% of the enlarged share capital of OncoVent to one participant, namely Mr. Shi Yuenian (“**Mr. Shi**”) of 18 Yale Street, Roslyn Heights, New York, the United States, who acts as the CEO of OncoVent, provided that the participant reaches the agreed milestones. Mr. Shi will be granted OncoVent Options representing 2%, 1% and 1% of the enlarged share capital of OncoVent when the first, second and third milestone is reached, respectively.

<u>Milestones</u>	<u>Conditions</u>
The first milestone	The participant signs employment contract with OncoVent
The second milestone	OncoVent new pharmaceutical varieties obtains permission to carry out Phase III clinical trials from Chinese pharmaceutical regulatory authorities
The third milestone	New pharmaceutical varieties obtain permission to sell in the market from Chinese pharmaceutical regulatory authorities

The grant date is within one month when each milestone is reached. 40%, 30% and 30% of the OncoVent Options granted will vest in each of the three years following the expiry of the one-year lock up period. When and only when OncoVent is listed or sold, the grantee can choose to exercise OncoVent Options. As of the Latest Practicable Date, the conditions for the first milestone has been met and the conditions for the remaining milestones have yet to be met. The exercise price, corresponding to the fair value of the OncoVent Options granted to Mr. Shi upon the fulfillment of the first milestone, was approximately RMB1,271,000.

OncoVent does not intend to make any further grants of the OncoVent Options under the OncoVent Share Option Scheme after the Listing.

3. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUPERVISORS

A. Particulars of Directors’ and Supervisors’ Contracts

Pursuant to Rules 19A.54 and 19A.55 of the Hong Kong Listing Rules, we have entered into a contract with each of our Directors and Supervisors in respect of, among other things, (i) compliance of relevant laws of regulations, (ii) observance of the Articles of Association, and (iii) provisions on arbitration.

Save as disclosed above, none of the 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).

B. Remuneration of Directors and Supervisors

Save as disclosed in “Directors, Supervisors and Senior Management” and under “Appendix I—Accountant’s Report—Notes to the Financial Information—9. Directors’ and Supervisors’ Remuneration”, no Director or Supervisor received other remuneration or benefits in kind from our Company in respect of each of the three financial years ended December 31, 2019.

4. DISCLOSURE OF INTERESTS

A. Disclosure of Interests of Directors and Supervisors

Save as disclosed below, immediately following the completion of the Global Offering assuming that the Over-allotment Option is not exercised, none of our Directors or Supervisors has any interest and/or short position in the Shares, underlying Shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short position 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 as set out in Appendix 10 to the Listing Rules to be notified to our Company, once the Shares are listed on the Hong Kong Stock Exchange.

Name	Title	Nature of Interest	Class of Shares	Number of Shares	Approximate percentage of shareholding in the relevant class	Approximate percentage of shareholding in the total share capital immediately after the Global Offering (assuming that the Over-allotment Option is not exercised)
Mr. Li (李鐸) ^{(1), (3)}	Chairman of the Board and Executive Director	Interest in a controlled corporation	A Shares	514,349,899	41.24%	35.06%
Ms. Li Tan (李坦) ^{(2), (3)}	Executive Director	Interest in a controlled corporation	A Shares	408,041,280	32.72%	27.81%
Mr. Shan Yu (單宇) ⁽⁴⁾	Executive Director	Interest in a controlled corporation; beneficial owner	A Shares	52,302,892	4.19%	3.56%
Mr. Haihua Bu (步海華) ⁽⁵⁾	Executive Director, secretary to the Board and deputy general manager	Beneficial owner	A Shares	585,068	0.05%	0.04%

Notes:

- (1) Mr. Li holds 99% of the equity interests of Leren Technology and 100% of the equity interests of Feilaishi. Thus, he is deemed to be interested in 474,029,899 A Shares held by Leren Technology and 40,320,000 A Shares held by Feilaishi. Pursuant to a stock pledge repurchase agreement, Leren Technology has pledged 43,600,000 A Shares held in our Company to Guotai Junan Securities Co. Ltd. on December 19, 2019.
- (2) Ms. Li holds 99% of the equity interests of Jintiantu as a general partner. Thus, she is deemed to be interested in 408,041,280 A Shares held by Jintiantu.
- (3) Mr. Li and Ms. Li are the spouse of each other and are both Directors of the Company. Therefore, they are not required to aggregate their interest in the Company under the SFO.
- (4) Mr. Shan holds 99% of the equity interests of Shuidi Shichuan. Thus, he is deemed to be interested in 46,425,600 A Shares held by Shuidi Shichuan. In addition, Mr. Shan has also participated in the Share Incentive Scheme II and has a 38.88% interest in 15,118,035 A Shares held by the asset manager for the benefit of the participants of the scheme.
- (5) Mr. Bu participated in Share Incentive Scheme II and has a 3.87% interest in 15,118,035 A Shares held by the asset manager for the benefit of the participants of the scheme, respectively.

Save as disclosed in this prospectus, as of the Latest Practicable Date, none of the Directors or Supervisors or their respective spouses and children under 18 years of age had been granted by the Company or had exercised any rights to subscribe for shares or debentures of the Company or any of its associated corporations.

B. Disclosure of Interests of Substantial Shareholders

For information on the persons who will, immediately following the completion of the Global Offering, have interests or short positions in our Shares or underlying Shares which would be required to be disclosed to us and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, see the section headed “Substantial Shareholders.”

Interests of substantial shareholders in members of our Group (excluding our Company)

<u>Our subsidiaries</u>	<u>Registered/Issued share capital</u>	<u>Parties with 10% or more equity interest</u>	<u>Approximate percentage of shareholding (%)</u>
Shenzhen Arimab Biomedical Co., Ltd. (深圳市瑞迪生物醫藥有限公司)	US\$14,117,647	Aridis	49.00%
OncoVent	US\$9,259,259	OncoQuest Quest PharmaTech Inc.	29.00% 11.00%
Shenzhen Fanpu Biotechnology Co., Ltd. (深圳市返璞生物技術有限公司)	RMB1,000,000	Mr. Zhou Hongwei	30.30%
Shenzhen Penghe Property Management Co., Ltd. (深圳朋和物業管理有限公司)	RMB132,000,000	Yulong Computer Communication Technology (Shenzhen) Co., Ltd. Shenzhen Xizhilang Food R&D Center Co., Ltd.	35.00% 10.00%

C. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or Supervisors has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (b) none of our Directors or Supervisors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and
- (c) without taking into account any Shares which may be taken up under the Global Offering, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at shareholders’ meetings of any member of our Group in the Shares or underlying Shares of our Company.

5. OTHER INFORMATION**A. Estate Duty**

Our Directors have been advised that no material liability for estate duty under the PRC laws is likely to fall on our Company or any of our subsidiaries.

B. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and, so far as our Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of our Group.

C. Joint Sponsors

Both of the Joint Sponsors satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The Joint Sponsors have made an application on our behalf to the Listing Committee of the Stock Exchange for a listing of, and permission to deal in, all the H Shares to be issued as mentioned in this prospectus.

Pursuant to the engagement letter entered into between our Company and each of the Joint Sponsors, we have agreed to pay each of the Joint Sponsors a fee of US\$1,000,000 to act as the sponsors of our Company in connection with the proposed listing on the Stock Exchange.

D. Compliance Advisor

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

E. Preliminary Expenses

We have not incurred any material preliminary expense.

F. Promoters

Information of our promoters as of the time of our Company's conversion is as follows:

<u>No.</u>	<u>Name</u>
1.	Leren Technology
2.	Jintiantu
3.	GS Pharma
4.	Shuidi Shichuan
5.	Feilaishi
6.	Yingshi Information

Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoters in connection with the Global Offering and the related transactions described in this prospectus.

G. Qualification of Experts

The qualifications of the experts, as defined under the Hong Kong Listing Rules, who have given opinions in this prospectus, are as follows:

<u>Name</u>	<u>Qualification</u>
Goldman Sachs (Asia) L.L.C. . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
Morgan Stanley Asia Limited . . .	Licensed to conduct type 1 (dealing in securities), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance), and type 9 (asset management) regulated activities under the SFO
Ernst & Young	Certified Public Accountants
Tian Yuan Law Firm	PRC legal advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Hogan Lovells	Legal adviser as to International Sanctions

H. Consents of Experts

Each of the experts named in paragraph G of this Appendix has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

Save for (a) Goldman Sachs (Asia) L.L.C. and its affiliates' interest in 318,609 A Shares; and (b) Morgan Stanley Asia Limited and its affiliates' interest in 450,300 A Shares, as of the Latest Practicable Date, none of the experts named above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

I. Taxation of Holders of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty. The current rate charged on each of the seller and purchaser is HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

J. Binding Effect

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

K. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in “Appendix I—Accountant’s Report—46. Related Party Transactions”.

L. Miscellaneous

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued, or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of our Company;
- (b) there are no founder, management or deferred shares or any debentures in our Company or any of our subsidiaries;
- (c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (d) our Company has no outstanding convertible debt securities or debentures;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived;
- (f) save for our A Shares which are listed on the Shenzhen Stock Exchange and the H Shares to be issued in connection with the Global Offering, none of our equity and debt securities is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (g) the Company currently does not intend to apply for the status of a sino-foreign investment joint stock limited liability company and does not expect to be subject to the Law of the PRC on Sino-foreign Equity Joint Ventures;
- (h) there are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;
- (i) there are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong; and
- (j) all necessary arrangements have been made to enable the H shares to be admitted into CCASS for clearing and settlement.

M. No Material Adverse Change

Except as disclosed in “Summary—Recent Developments,” our Directors have confirmed, after performing all the due diligence work which the Directors consider appropriate, that, as of the date of this prospectus, there has been no other material adverse change in our financial position or prospects since December 31, 2019 and there has been no other event since December 31, 2019 which would have material adverse effect on the information presented in the Accountants’ Report in Appendix I to this prospectus.

N. Bilingual Prospectus

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