
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Founded in 2014, we are a bio-pharmaceutical company focusing on the research and development of oncology therapies with differentiated clinical for cancer patients, especially those who require long-term care.

The history of our Group traces back to 2014 when Dr. Gong and other shareholders began to engage in the drug discovery and development business (the “**Biotechnology Business**”) through their then investment holding entity Etis Biotechnology (Shanghai) Co., Ltd. (埃提斯生物技術(上海)有限公司) (the “**Predecessor Holdco**”). Under the strong leadership of Dr. Gong, we have developed our Biotechnology Business to a major market player in developing oncology therapies. Dr. Gong is regarded as the Key Founder of our Biotechnology Business and is the single largest Shareholder of our Company. For further details of Dr. Gong’s background and experience, please refer to the section headed “Directors and Senior Management” in this document.

In early 2018, in order to seek separate financing and [REDACTED] of our Biotechnology Business and streamline corporate structure, the then existing shareholders of the Predecessor Holdco established our Company as holding company of the Biotechnology Business and commenced a series of business and corporate restructuring (the “**Business Restructuring**”). For further details, please refer to the paragraph headed “Corporate Development” in this section. We carry out our operations mainly through our principal operating subsidiaries, 3DMed Beijing and 3D Medicines.

Since establishment of our Company, we have attracted various pre-[REDACTED] Investors including sophisticated healthcare and biotech funds. For details of our historical financing, please refer to the paragraphs headed “Pre-[REDACTED] Investments” in this section.

KEY MILESTONES

The following table sets forth certain key development milestones of our Group:

<u>Time</u>	<u>Milestone</u>
December 2014	We began engaged in drug discovery and development business through 3DMed Beijing, one of our principal operating subsidiaries.
February 2016	We entered into an agreement with the Alphamab Group in relation to, among others, co-development and exclusive commercialization rights of envafolimab (KN035) in oncological indications.

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<u>Time</u>	<u>Milestone</u>
December 2016	We received the IND approval from NMPA for envafolimab.
February 2017	We launched the first-in-human Phase I trial of envafolimab in the U.S.
March 2017	We launched Phase I trial of envafolimab in China.
October 2017	We launched Phase I trial of envafolimab in Japan.
November 2017	We made a global PCT patent application for 3D011.
April 2018	We launched a randomized Phase III trial in advanced biliary tract cancer (BTC) in the PRC for envafolimab.
August 2018	We launched a pivotal Phase II trial of envafolimab in previously treated MSI-H/dMMR advanced solid tumors.
September 2018	We obtained global rights to develop, manufacture, import, use, register, commercialize, and grant sub-license for our development of 3D185 from the Haihe Biopharma Group for treatment of tumor and pulmonary fibrosis globally.
December 2018	We launched the first-in-human Phase I trial of 3D185.
September 2019	We received the IND approval from FDA for 3D185.
October 2019	3DMed Beijing received the High-tech Enterprise Certificate (高新技術企業證書).
December 2019	We entered into a collaboration and clinical trial agreement with the Alphamab Group and TRACON for clinical development and commercialization of envafolimab for the treatment of sarcoma in the U.S., Canada, Mexico and each of their dependent territories.
January 2020	We received orphan drug designation from FDA for envafolimab for the treatment of advanced BTC.

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<u>Time</u>	<u>Milestone</u>
March 2020	We entered into a tripartite collaboration agreement with the Alphamab Group and the Simcere Group for the manufacturing, promotion and distribution of envafolimab in the PRC.
October 2020	We licensed-in the development, manufacturing and commercialization rights of 3D1001 and 3D1002 in the PRC from the Haihe Biopharma Group.
November 2020	We entered into a collaboration and license agreement with Aravive Inc. for an exclusive sub-license to develop and commercialize products that contain 3D229 as the sole drug substance, for the diagnosis, treatment or prevention of human oncological diseases, in Greater China.
December 2020	We obtained the BLA acceptance from NMPA for envafolimab in the treatment of previously treated MSI-H/dMMR advanced solid tumors. We entered into a license agreement with SELLAS Life Sciences Group, Inc., a company listed on Nasdaq, and its subsidiary (collectively “SELLAS”) for license of certain intellectual property owned or controlled by SELLAS for the purpose of developing, manufacturing and commercializing our 3D189 and 3D059 for all therapeutic and other diagnostic uses in Greater China. We entered into a license agreement with Y-Biologics with respect to license of 3D057 (also known as YBL-013), a T cell bi-specific engager, pursuant to which we will obtain the exclusive right to develop, manufacture and commercialize 3D057 in therapeutic, palliative, prophylactic and diagnostic applications for all therapeutic areas based on Y-Biologics’ Antibody Like Cell Engager (ALiCE) platform technology in Greater China.

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<u>Time</u>	<u>Milestone</u>
January 2021	<p>We received the IND approval for 3D011 from NMPA.</p> <p>Our envafolimab was publicly announced to be accepted for priority review by NMPA.</p>
March 2021	<p>We filed the IND for 3D229 in China.</p> <p>We entered into a license agreement with ImmuneOncia Therapeutics, Inc. for an exclusive license for the development, manufacturing and commercialization of 3D197 (also known as IMC-002) in Greater China in respect of oncology indications.</p>
May 2021	<p>We received approval from NMPA to initiate clinical trial for 3D229.</p> <p>The first-in-human study of envafolimab was published on the Oncologist.</p>
June 2021	<p>The Phase II pivotal clinical trial result of our envafolimab was published on the Journal of Hematology & Oncology.</p>
July 2021	<p>We received the IND approval for 3D229 for a Phase III clinical trial in patients with PROC in China to participate in the MRCT.</p>
November 2021	<p>Our envafolimab received BLA approval for previously treated MSI-H/dMMR advanced solid tumors from the NMPA.</p>
March 2022	<p>We obtained the IND approval for 3D189 in China.</p>
May 2022	<p>We completed a Phase I clinical trial for 3D229 in healthy volunteers in China.</p>

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OUR MATERIAL SUBSIDIARIES

As of the Latest Practicable Date, we had eleven subsidiaries and one branch. We set forth below certain information on our subsidiaries which made material contribution to our results of operations during the Track Record Period and up to the Latest Practicable Date:

Name	Date and place of incorporation	Percentage of equity attributable to our Company	Share capital/ Registered capital	Principal business activities
3D Medicines	September 10, 2015; PRC	89.46%	US\$119,735,390	Research and development
3DMed Beijing	December 22, 2014; PRC	89.46%	RMB200,000,000	Research and development
3DMed Shanghai	April 13, 2017; PRC	89.46%	RMB50,000,000	Research and development
3DMed Sichuan	March 16, 2016; PRC	89.46% ⁽¹⁾	RMB50,000,000	Research and development
3DMed Xuzhou	November 26, 2020; PRC	100%	US\$150,000,000	Manufacturing

Note:

- (1) Although 3DMed Sichuan is owned as to 51% and 49% by 3DMed Beijing and the Alphamab Group respectively, since the establishment of 3DMed Sichuan, we, through our controlled subsidiary 3DMed Beijing (in which we indirectly own 89.46% of its equity interest), have continuous effective control over 3DMed Sichuan as we hold 100% voting rights at shareholders’ meetings and 100% operational management rights over 3DMed Sichuan, and are entitled to 100% economic interests of and 100% nomination right of the director(s), supervisor(s) and senior management of 3DMed Sichuan. For more details, please refer to paragraphs “History – Corporate Development – Major Shareholding Changes in Our Material Subsidiaries – 3DMed Sichuan” and note 1 to the Accountants’ Report set out in Appendix I to this document.

For details of our subsidiaries, please refer to note 1 to the Accountants’ Report set out in Appendix I to this document.

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CORPORATE DEVELOPMENT

Early History of Our Business

Dr. Gong became acquainted with Dr. Xiong Lei (“**Dr. Xiong**”) in an innovative drug summit forum in 2013 when he worked for a new drug development company. Dr. Xiong was the founder of the Predecessor Holdco, established in 2011 and primarily engaged in oncology diagnosis business (the “**Diagnosis Business**”). At that time, Dr. Xiong invited Dr. Gong to join and develop a new business line, i.e. biotechnology business. Dr. Gong considered that the existing corporate infrastructure of the Predecessor Holdco would give a head start to the development of the Biotechnology Business. In 2014, Dr. Gong decided to join the Predecessor Holdco to develop the Biotechnology Business, separate from the Diagnosis Business. Since then, the two business units, namely Biotechnology Business and Diagnosis Business, were under one umbrella (the Predecessor Holdco) but carried separate business scope led by Dr. Gong and Dr. Xiong, respectively, prior to the Restructuring.

In early 2018, in order to seek separate financing and [REDACTED] of our Biotechnology Business and streamline corporate structure, the then existing shareholders of the Predecessor Holdco established our Company as holding company of the Biotechnology Business and commenced a series of business and corporate restructuring.

Restructuring of Our Group

The following sets forth the major corporate history of our Company and subsidiaries in our Group.

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands on January 30, 2018 as the holding company of our Group.

2. Incorporation of the BVI subsidiaries

Full Goal

On January 30, 2018, Full Goal Trading Limited (“**Full Goal**”) was incorporated in the British Virgin Islands with limited liability and was authorized to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each. On the same day, Full Goal allotted and issued one ordinary share at par value to Tong Chi Ho, an Independent Third Party, who subsequently transferred the one ordinary share to our Company on April 24, 2018. Since then, Full Goal has been a wholly-owned subsidiary of our Company.

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Integral Lane

On April 17, 2018, Integral Lane Holdings Limited (“**Integral Lane**”) was incorporated in the British Virgin Islands with limited liability and was authorized to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each.

On April 17, 2018, Integral Lane allotted and issued one ordinary share to Dr. Gong, who subsequently transferred the one ordinary share to Dr. Li Fugen (“**Dr. Li**”), an investor and an Independent Third Party, on May 2, 2018. Dr. Li was acquainted with Dr. Gong since 2015 through an industry business exchange. Dr. Li has been in the bio-pharmaceutical industry for more than 20 years. At present, he is the deputy chief executive officer at a PRC-based bio-pharmaceutical company.

On December 18, 2018, Li Fugen transferred the one ordinary share of Integral Lane to 3D Medicines (Hong Kong) Co., Limited (“**3DMed Hong Kong**”) at nominal consideration. The nominal consideration of the foregoing transfer was determined with reference to the unpaid consideration of RMB211,400 due to the Predecessor Holdco when Integral Lane acquired 5% equity interest in 3D Medicines from Predecessor Holdco. The payable of RMB211,400 from Integral Lane to Predecessor Holdco was subsequently settled in January 2019. For details, please refer to the subsection headed “Major Shareholding Changes in Our Material Subsidiaries – 3D Medicines” below.

Upon completion of the above transfers and as of the Latest Practicable Date, Integral Lane is an indirect wholly-owned subsidiary of our Company.

3. Incorporation of the Hong Kong subsidiary

On February 8, 2018, 3DMed Hong Kong was incorporated in Hong Kong with limited liability. On the same day, 3DMed Hong Kong allotted and issued 10,000 ordinary shares at par value to the initial subscriber, Tong Chi Ho, an Independent Third Party, who subsequently transferred the same shares to Full Goal on April 27, 2018. Upon completion of the above transfers and as of the Latest Practicable Date, 3DMed Hong Kong is an indirect wholly-owned subsidiary of our Company.

4. Acquisition of 3D Medicines

Pursuant to an equity transfer agreement dated August 7, 2018, 3DMed Hong Kong acquired 93% and 2% equity interest in 3D Medicines from the Predecessor Holdco and Shanghai 3DMed Biopharm Technology Co., Ltd. (上海思路迪生物技術有限公司) (“**3DMed Biopharm Technology**”), an affiliate of the Predecessor Holdco, at a consideration of RMB3,933,500 and RMB200,000, respectively. The consideration was negotiated and determined with reference to a valuation report of 3D Medicines prepared by an independent professional valuer, Shanghai Shangfang Assets Valuation Co., Ltd. (上海上方資產評估有限公司), based on the net assets of 3D Medicines as of April 30, 2018 being RMB4,230,400. Considering that 3D Medicines was a pre-revenue company without incurring any profit at the

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time of transfer, the transaction parties used net assets valuation for determining transfer price. The consideration of the above equity transfer was fully settled in December 2020. Please refer to the paragraph headed “Corporate Development – Major Shareholding Changes in Our Material Subsidiaries – 3D Medicines” for more details.

For the corporate structure of our Group subsequent to the above restructuring and the shareholding changes as set out in the paragraphs headed “Corporate Development – Major Shareholding Changes in Our Material Subsidiaries” please refer to the chart in “Our Structure Immediately Prior to the [REDACTED]” below.

Upon the completion of the Business Restructuring, the Predecessor Holdco together with its remaining subsidiaries (the “**Remaining Group**”) continued engaging Diagnosis Business while the entire Biotechnology Business has been transferred from Predecessor Holdco to the Company and continued operating separately and independently from the Diagnosis Business. As of the Latest Practicable Date, none of our Founder and management members have any equity interest or serve any management roles in the Remaining Group, and to the best knowledge of the Group, vice versa. The Diagnosis Business is controlled by a different set of management and shareholding structure.

There is clear delineation of businesses between the Group, which is a bio-pharmaceutical company committed to the development and commercialization of drug candidates, and the Remaining Group, which engages in the Diagnosis Business. The Group does not have any intention to expand to businesses similar to those engaged by the Remaining Group nor does it have the required capabilities or background in diagnosis industry, and vice versa. The Biotechnology Business and Diagnosis Business prior to the Business Restructuring had recruited their respective R&D teams and operated separately since the establishment of their respective business under the Predecessor Group. Almost all R&D employees joining prior to the Business Restructuring were employed by the subsidiaries of the Group, including 3D Medicines, 3D Med Shanghai, 3D Med Beijing and 3D Medicines USA Inc., instead of the member companies conducting Diagnosis Business of Predecessor Group. There was no change in the key member of the R&D team before and after the Business Restructuring. Dr. Gong leads the R&D of the Core Product and other drug candidates of the Group before and after the Business Restructuring.

Major Shareholding Changes in Our Company

Our Company

Subsequent to the completion of the Business Restructuring, we received three rounds of Pre-[REDACTED] Investments, please refer to the paragraphs headed “Pre-[REDACTED] Investments” in this section for more details.

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Concurrently with the Pre-[REDACTED] Investments, some of the Pre-[REDACTED] Investors acquired certain shares from the then shareholders of the Company. The consideration of such secondary transfers were determined through arms’ length negotiation and settled between the relevant parties. Among these secondary transfers, other than the sale and purchase transactions conducted directly between the exiting shareholders and new investors, to facilitate certain transactions, the Company repurchased certain shares and made repurchase payment to the exiting shareholders and issued the same number of shares to new investors at a consideration equal to the repurchase payment paid to the exiting shareholders. All the exiting shareholders and new investors are Independent Third Party of the Company. Please refer to the paragraphs headed “Capitalization of Our Company” for capitalization of the Company upon completion of the Pre-[REDACTED] Investments and the secondary transfers.

On June 25, 2021, immediately prior to the completion of 2021 Financing, each of our issued and unissued shares of par value of HK\$0.01 was subdivided into 10 shares of par value of HK\$0.001 (the “Share Subdivision”).

[REDACTED]

Pursuant to the resolutions passed by our shareholders on [●], our Directors were authorized to allot and issue on the [REDACTED] a total of [REDACTED] Shares credited as fully paid at par to the shareholders whose name is registered on the register of members of our Company as at the date of the shareholders’ resolutions in proportion to their respective shareholdings in our Company (as nearly as possible without fractions) by capitalizing the sum of HK\$[REDACTED] standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued shall rank *pari passu* in all respects with the then existing issued Shares.

For other changes in the authorized share capital of our Company within two years immediately preceding the date of this document, please refer to the paragraphs headed “A. Further Information about Our Group – 2. Changes in the Share Capital of Our Company.” For capitalization of our Company as of the date of this document, please refer to the paragraphs headed “Capitalization of Our Company” in this section for more details.

Major Shareholding Changes in Our Material Subsidiaries

3D Medicines

3D Medicines was incorporated in the PRC on September 10, 2015 as a domestic enterprise wholly-owned by the Predecessor Holdco with an initial registered capital of RMB1,000,000, which was increased to RMB10,000,000 in December 2015.

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As part of the Business Restructuring, pursuant to an equity transfer agreement dated May 28, 2018, the Predecessor Holdco transferred 5% and 2% equity interest in 3D Medicines to Integral Lane and 3DMed Biopharm Technology at a consideration of RMB211,400 and RMB200,000, respectively. The considerations were determined through arms’ length negotiation amongst the parties. 3D Medicines was converted to a Sino-foreign joint venture with limited liability as the result of Integral Lane’s acquisition.

Pursuant to an equity transfer agreement dated August 7, 2018, 3DMed Hong Kong acquired 93% and 2% equity interest in 3D Medicines from the Predecessor Holdco and 3DMed Biopharm Technology at a consideration of RMB3,933,500 and RMB200,000, respectively. The consideration of the foregoing transfers were determined through arms’ length negotiation amongst the parties.

On March 19, 2019, Integral Lane and 3DMed Hong Kong resolved to increase the registered capital of 3D Medicines from RMB10,000,000 to US\$100,000,000 and 3DMed Hong Kong subscribed for the increased registered capital of US\$98,508,800.

On June 17, 2020, as part of the Pre-[REDACTED] Investments, the registered capital of 3D Medicines was increased from US\$100,000,000 to US\$121,768,707 to reflect Simcere Group’s subscription of an increased registered capital of US\$21,768,707 at a consideration of US\$40 million (the “**Simcere Investment**”).

According to a capital increase agreement entered into by, among others, Dr. Gong and 3D Medicines on August 31, 2020, Dr. Gong’s subscribed registered capital of US\$7,118,583 at a consideration of RMB100,000,000 (the “**Dr. Gong’s Investment**”). The equity interest representing registered capital of 3D Medicines of US\$7,118,583 was subsequently transferred to 3DMed Hong Kong at a consideration of RMB100,000,000 pursuant to an equity transfer agreement dated December 18, 2020 entered into by and between Dr. Gong and 3DMed Hong Kong. To reflect Dr. Gong’s Investment, our Company allotted 785,073 Series D Preferred Shares with par value HK\$0.01, which is equivalent to RMB100 million, to Dr. Gong’s holding vehicle, Dragon Prosper Holdings Limited (“**Dragon Prosper**”).

On January 14, 2021, the shareholders of 3D Medicines resolved to reduce the registered capital of 3D Medicines from US\$128,887,290 to US\$107,118,583 to reflect Simcere Group’s conversion of its equity interest in 3D Medicines to 2,304,730 Series D Preferred Shares with par value HK\$0.01 of our Company in March 2021. Please refer to the paragraphs headed “Pre-[REDACTED] Investments – 2019 Financing” in this section for more details of the Simcere Investment and Dr. Gong’s Investment.

Pursuant to a capital increase agreement dated December 31, 2020, as supplemented on the same day and further supplemented on May 24, 2021, Qingdao Hainuo Investment Development Co., Ltd. (青島海諾投資發展有限公司) (“**Qingdao Hainuo**”) subscribed for an increased registered capital of 3D Medicines of US\$12,616,807, representing 10.54% equity interest in 3D Medicines at a consideration of RMB332,780,000. The consideration was determined with reference to a pre-money valuation of 3D Medicines at US\$424,507,482. The

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investment from Qingdao Hainuo was fully settled in May 2021. Qingdao Hainuo is a limited liability company incorporated in the PRC and wholly-owned by the Financial Department of Southern District of Qingdao (青島市市南區財政局). To the best of our Directors’ knowledge, save for being a substantial shareholder of 3D Medicines, Qingdao Hainuo is independent from our Group. Qingdao Hainuo does not have any special right in 3D Medicines or any other members of our Group.

Upon completion of the above equity transfers and changes in registered capital and as of the Latest Practicable Date, 3D Medicines was held as to 89.40%, 0.06% and 10.54% by 3DMed Hong Kong, Integral Lane and Qingdao Hainuo, respectively.

3DMed Beijing

3DMed Beijing was incorporated in the PRC on December 22, 2014 as a limited liability company wholly-owned by the Predecessor Holdco with an initial registered capital of RMB1,000,000, which was increased to RMB50,000,000 in October 2015.

As part of the Business Restructuring, pursuant to an equity transfer agreement dated February 27, 2018, the Predecessor Holdco transferred 100% equity interest in 3DMed Beijing to 3D Medicines. On August 7, 2020, 3D Medicines resolved to increase the registered capital from RMB50,000,000 to RMB200,000,000 and subscribed for the increased registered capital of RMB150,000,000.

Upon completion of the above equity transfer and as of the Latest Practicable Date, 3DMed Beijing is wholly-owned by 3D Medicines.

3DMed Shanghai

3DMed Shanghai was incorporated in the PRC on April 13, 2017 as a limited liability company owned as to 98% and 2% by 3DMed Beijing and 3DMed Biopharm Technology, respectively.

Pursuant to an equity transfer agreement dated May 3, 2018, 3DMed Biopharm Technology transferred 2% equity interest in 3DMed Shanghai to 3D Medicines as part of the Business Restructuring.

Upon completion of the above equity transfer and as of the Latest Practicable Date, 3DMed Shanghai is owned as to 98% and 2% by 3DMed Beijing and 3D Medicines, respectively.

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3DMed Sichuan

3DMed Sichuan was incorporated in the PRC on March 16, 2016 as a limited liability company owned as to 68% and 32% by the Predecessor Holdco and Gong Zhaoxing (龔兆興), respectively, with registered capital of RMB50,000,000. Gong Zhaoxing is Dr. Gong’s brother.

For the purpose of the concentration of the equity interests in 3DMed Sichuan and along with the Business Restructuring, Gong Zhaoxing transferred 32% equity interest in 3DMed Sichuan to the Predecessor Holdco on January 31, 2018 at nil consideration, which was determined with reference to the 32% equity interest subscribed but not paid up at the time of the equity transfer. On March 20, 2018, the Predecessor Holdco subsequently transferred 100% equity interest in 3DMed Sichuan to 3D Medicines at the consideration of RMB1,491,771.11, which was determined through arms’ length negotiation amongst the parties. Pursuant to an equity transfer agreement dated August 20, 2020 entered into between 3D Medicines and 3DMed Beijing, 3D Medicines transferred 100% equity interest in 3DMed Sichuan to 3DMed Beijing to further streamline the corporate structure.

To reflect our collaboration with the Alphamab Group and to prepare for future manufacturing and commercialization of envafolimab, pursuant to an equity transfer agreement dated April 29, 2021, 3DMed Beijing transferred 49% equity interest in 3DMed Sichuan to the Alphamab Group at a nominal consideration. Upon completion of the aforementioned equity transfer and pursuant to the articles of association currently in effect of 3DMed Sichuan, 3DMed Beijing retains continuous effective control over 3DMed Sichuan as we hold 100% voting rights at shareholders’ meetings and 100% operational management rights over 3DMed Sichuan, and are entitled to 100% economic interests of and 100% nomination right of the director(s), supervisor(s) and senior management of 3DMed Sichuan. On October 17, 2022, Alphamab Group, 3DMed Beijing and 3DMed Sichuan entered into a confirmation letter, under which Alphamab Group agreed to transfer the 49% equity interest in 3DMed Sichuan back to 3DMed Beijing for the original consideration of RMB1. Therefore, upon the execution of the confirmation letter, 3DMed Beijing became the sole shareholder of 3DMed Sichuan. For more details, please refer to “Business – Our Research and Development – Collaboration Agreements – Collaboration with Alphamab Group for Envafolimab – 4. Shareholding changes and certain arrangements in relation to 3DMed Sichuan”.

3DMed Xuzhou

3DMed Xuzhou was incorporated in the PRC on November 26, 2020 as a limited liability company. Since its incorporation and as of the Latest Practicable Date, 3DMed Xuzhou is wholly-owned by 3DMed Hong Kong.

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SHARE INCENTIVE SCHEME

In order to facilitate the administration of share incentives granted to the employees and for future grant, our Company adopted a restricted share unit scheme (the “**RSU Scheme**”) on June 22, 2021, pursuant to which restricted share units (“**RSU**”) representing no more than 20% of the total number of Shares in issue on the [REDACTED] may be delivered to the eligible participants.

On June 24, 2021, our Company established three trusts (the “**ESOP Trusts**”) by entering into trust deeds with Kastle Limited (the “**Trustee**”). As of the Latest Practicable Date, 38,337,760 Shares were allotted and issued to three BVI entities wholly-owned by the Trustee, namely Immunal Medixin US Limited, Immunal Medixin Cino L. Limited and Immunal Medixin Cino Limited (collectively, the “**Share Incentive Platforms**”).

Pursuant to the trust deeds of the ESOP Trusts, the Trustee shall procure each of the Share Incentive Platforms to exercise its voting rights attached to the Shares in accordance with Dr. Gong’s instructions. As such, Dr. Gong is deemed to be interested in the Shares held by the Share Incentive Platforms. The underlying beneficiaries of the RSU Scheme are not entitled to any rights to influence how the Trustee exercises the voting rights in the Shares underlying the granted RSUs after vesting.

As of October 6, 2022, all of the Shares issued to the Share Incentive Platforms have been granted under the RSU Scheme to certain employees of the Company. All such granted Shares are expected to be vested prior to the [REDACTED]. The vested Shares shall remain in the ESOP Trusts, subject to the lock-up periods as determined by the ESOP administration department but in any event shall remain in the ESOP Trusts for at least six months upon [REDACTED]. For details, please refer to the paragraph headed “Statutory and General Information – D. Share Incentive Schemes – 1. Share Incentive Scheme” in Appendix IV to this document.

PRE-[REDACTED] INVESTMENTS

Our Company received three rounds of Pre-[REDACTED] Investments, including the 2019 Financing, the 2020 Financing and the 2021 Financing as set out below.

2019 Financing

Pursuant to a capital increase agreement dated December 23, 2019, Simcere Group subscribed for an increased registered capital of 3D Medicines of US\$21,768,707 at a consideration of US\$40,000,000 which were then converted to 2,304,730 Preferred Shares with par value of HK\$0.01 in our Company. Pursuant to a capital increase agreement dated August 31, 2020, Dr. Gong through Dragon Prosper subscribed for registered capital of US\$7,118,583 in 3D Medicines at a consideration of RMB100,000,000, which were then converted to 785,073 Series D Preferred Shares with par value of HK\$0.01 of our Company. Please refer to the paragraph headed “Major Shareholding Changes in Our Material Subsidiaries – 3D Medicines” in this section for more details of the Simcere Investment and Dr. Gong’s Investment.

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In addition to the Simcere Investment and Dr. Gong’s Investment, 15 other investors subscribed for 4,869,055 Series D Preferred Shares with par value of HK\$0.01 at an aggregate consideration of US\$90,642,711.

The investment amount of the 2019 Financing was primarily determined based on the post-money valuation of our Group of US\$340,642,711 and was fully settled on June 23, 2021. For details of share subscription of the 2019 Investors, please refer to the paragraphs headed “Principal Terms of the Pre-[REDACTED] Investments” and “Capitalization of Our Company” below.

2020 Financing

Pursuant to an agreement dated November 11, 2020 as supplemented on December 31, 2020 and further supplemented on February 22, 2021, the 2020 Investors subscribed for 1,136,305 Preferred Shares with par value of HK\$0.01 at a consideration of US\$24,507,482. The investment amount of the 2020 Financing was determined with reference to the post-money valuation of 3D Medicines at US\$424,507,482 and was fully settled on April 21, 2021. For details of share subscription of the 2020 Investors, please refer to the paragraphs headed “Principal Terms of the Pre-[REDACTED] Investments” and “Capitalization of Our Company” below.

2021 Financing

Pursuant to a series of share purchase agreements entered into by, among others, our Company, Dr. Gong and the 2021 Investors in April and June 2021, the 2021 Investors subscribed for 18,921,712 Preferred Shares with par value HK\$0.001 of our Company immediately upon the Share Subdivision at a consideration of US\$60,180,500 in aggregate. The investment was legally completed and the investment amount of the 2021 Financing was fully settled. For more details of share subscription of the 2021 Investors, please refer to the paragraphs headed “Principal Terms of the Pre-[REDACTED] Investments” and “Capitalization of Our Company” below.

Principal Terms of the Pre-[REDACTED] Investments

Principal terms of the 2019 Financing, 2020 Financing and 2021 Financing are set forth below:

	<u>2019 Financing</u>	<u>2020 Financing</u>	<u>2021 Financing</u>
Date of Investments	December 2019	November 2020	From April to June 2021
Date of Full Settlement	June 23, 2021	April 21, 2021	June 28, 2021
Cost per Share paid⁽¹⁾	US\$1.83	US\$2.16	US\$3.18
Discount/(premium) to the [REDACTED]⁽²⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%
Amount of consideration paid	US\$145,257,680	US\$24,507,482	US\$60,180,500

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	<u>2019 Financing</u>	<u>2020 Financing</u>	<u>2021 Financing</u>
Number of Preferred Shares⁽¹⁾	79,588,580	11,363,050	18,921,712
Post-money valuation of our Company	US\$340,642,711	US\$424,507,482	US\$700,177,630
Lock-up Period	The equity interest of our Company acquired by the Pre-[REDACTED] Investors in the Pre-[REDACTED] Investments will be subject to a lock-up period of six months from the [REDACTED].		
Use of proceeds from the Pre-[REDACTED] Investments	The proceeds have been used to support the research and development activities of our Group and the working capital needs of our Group. As of the Latest Practicable Date, approximately [REDACTED]% of the net [REDACTED] from the Pre-[REDACTED] Investments by the Pre-[REDACTED] Investors were utilized. We intend to utilize the remaining net [REDACTED] from the Pre-[REDACTED] Investments after the [REDACTED].		
Strategic benefits of the Pre-[REDACTED] Investors brought to our Company	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-[REDACTED] Investors’ investments in our Company and the Pre-[REDACTED] Investors’ knowledge and experience.		

Notes:

- (1) The 2019 Financing and the 2020 Financing took place prior to the Share Subdivision. For illustration purpose, the number of Preferred Shares issued and the cost per share paid of the 2019 Financing and the 2020 Financing are based on number of Preferred Shares of par value of HK\$0.001 held by our 2019 Investors and 2020 Investors subsequent to the Share Subdivision.
- (2) The discount (or premium where applicable) to the [REDACTED] is calculated based on (i) the [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] range, (ii) the exchange rate of US\$1.00 to HK\$[7.8499] as of November 11, 2022 and (iii) the conversion of Preferred Shares into Shares on 1:1 basis.

The increase from the post-money valuation of the 2019 Financing to the pre-money valuation of the 2020 Financing was due to (i) the anticipated filing to NMPA for application of BLA acceptance for envafolimab for treatment of previously treated MSI-H/dMMR advanced solid tumors in November 2020 and (ii) the expanded product portfolio of our Group after licensing in 3D229 November 2020. The significant increase from the post-money valuation of the 2020 Financing to the pre-money valuation of the 2021 Financing was due to (i) the IND approval for 3D011 obtained from NMPA in January 2021, (ii) our envafolimab being accepted to priority review by NMPA in January 2021, (iii) the commencement of construction of new manufacturing facilities in Xuzhou in February 2021, and (iv) three new products introduced to our Group product portfolio after licensing in 3D189 in December 2020, 3D057 in December 2020 and 3D197 in March 2021 which further increased the valuation of our Group. These developments have significantly reduced the development risks in relation to our product candidates and increased the probability of success, which reflect the likelihood of our products being approved and the attainability of future cash flow, and in turn boost the Company’s valuation.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The increase in estimated market capitalization of the Company from the valuation after the 2021 Financing completed in June 2021 are mainly due to the progress of the Company’s pipeline candidates includes: (1) the Core Product envafolimab, was approved in November 2021 and commercialized in December 2021; (2) the Company obtained IND approval for 3D189 in April 2022; (3) the Company obtained IND approval for 3D197 in China in January 2022; (4) the Company submitted the IND for 3D229 for a MRCT Phase III clinical trial in April 2021 and obtained IND approval for this trial in July 2021; (5) the Company completed the enrolment of Phase I clinical trial for 3D229 in healthy volunteers in the third quarter of 2021; (6) the Company completed the Phase I clinical trial of 3D185 in China and U.S. in August 2021; (7) the Company received IND approval for a Phase Ib/II clinical trial for the combo of 3D229 and envafolimab or Lenvatinib for advanced solid tumors in March 2022. Moreover, in the last month of 2021, the Company’s core product envafolimab has generated a sales revenue of RMB60.3 million in the single month, which is much higher than the average monthly sales in 2021 of competitive products. Thus, from the perspective of valuation, the progress indicates a lower risk of failure or a higher possibility towards our success, which in turn brings a higher valuation of the Company. After the [REDACTED], the Company’s shares can be traded in the open market, which the Company believes will improve the liquidity of the Company’s shares. Compared with the pre-[REDACTED] stage where the Company’s shares can only be transferred privately, submitting [REDACTED] application improves the probability of successful [REDACTED] of the Company, and then improves the valuation of the Company.

Pre-[REDACTED] Exchangeable Loan

Pursuant to a facility agreement and a series of ancillary documents dated December 31, 2020 entered into among Dr. Gong, Dragon Prosper, CNCB (Hong Kong) Investment Limited (“CNCB”) and our Company, CNCB provided a loan to Dragon Prosper (the “**Pre-[REDACTED] Exchangeable Loan**”), in consideration of which Dragon Prosper provided CNCB with a right to exchange a fixed monetary amount (the “**Exchange Amount**”), in full or in part, to certain Shares owned by Dragon Prosper (the “**Exchanged Shares**”) at the [REDACTED].

CNCB is a subsidiary of China CITIC Bank, a commercial bank listed on the Stock Exchange (stock code: 0998) and is primarily engaged in debt and equity investments. To the best of our Directors’ knowledge, CNCB is an Independent Third Party of the Company, CSCI (one of the Pre-[REDACTED] Investors) and China Securities (International) Corporate Finance Company Limited (one of the Joint Sponsors).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Principal terms of the Pre-[REDACTED] Exchangeable Loan are set forth below:

Principal amount of the Pre-[REDACTED] Exchangeable Loan	US\$20 million
Date of facility agreement	December 31, 2020
Final Repayment Date of Pre-[REDACTED] Exchangeable Loan	24 months from the first utilization date of the Pre-[REDACTED] Exchangeable Loan, or any other extended final repayment date
Exchange Amount	The lesser of (i) 20% of the total outstanding principal amount as of the last utilization date of the Pre-[REDACTED] Exchangeable Loan or (ii) US\$4 million (or its equivalent in other currencies)
Exercise Period of the Exchange Right	After six months upon the [REDACTED] and until 36 months from the first utilization date of the Pre-[REDACTED] Exchangeable Loan
Exchangeable Shares	Number of Shares equivalent to the Exchange Amount divided by [REDACTED]
Utilization of the Pre-[REDACTED] Exchangeable Loan	<p>Dragon Prosper primarily used the proceeds of the Pre-[REDACTED] Exchangeable Loan for further subscription of 785,073 shares of our Company.</p> <p>The capital raised by our Company from such [REDACTED] will be used for our working capital and general corporate purposes, research and development, and general and administrative expenses.</p>

As of the Latest Practicable Date, US\$[15,600,000] was drawn down and the total outstanding principal amount was US\$15,600,000. As such, as of the Latest Practicable Date, the Exchange Amount is US\$3,120,000, being the lesser of (i) 20% of the total outstanding principal amount as of the last utilization date of the Pre-[REDACTED] Exchangeable Loan or (ii) US\$4,000,000. Based on the Exchange Amount as of the Latest Practicable Date, and assuming (i) CNCB elects to exercise its Exchange Right in full within the Exchange Period and (ii) the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED]) and based on the exchange rate of US\$1.00 to HK\$[7.8499] as of November 11, 2022, [REDACTED] shares held by Dragon Prosper will be transferred to CNCB.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As Dragon Prosper relied on the Pre-[REDACTED] Exchangeable Loan as financing to further invest in our Company and CNCB is interested in the shares of our Company through its Exchange Right, CNCB is regarded as one of our Pre-[REDACTED] Investors. Save for the Exchangeable Right which is only exercisable upon the [REDACTED] subject to the lock-up requirement imposed on Dr. Gong under Listing Rules, the terms of the Pre-[REDACTED] Exchangeable Loan did not grant any special right to CNCB.

Information about the Pre-[REDACTED] Investors

Save as disclosed below, each of our Pre-[REDACTED] Investors, including their respective general partner(s) and limited partner(s) where applicable, is an Independent Third Party. The background information of our Pre-[REDACTED] Investors who either holds 1% or more of the Shares as at the Latest Practicable Date, or are our sophisticated investors, is set out below:

Name of Pre-[REDACTED] Investors	Background
Hangzhou Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司) (“ Tigermed ”)	Hangzhou Tigermed Equity Investment Partnership (Limited Partnership) (杭州泰格股權投資合夥企業(有限合夥)) is a limited partnership established in the PRC and its general partner is Shanghai Tiger Medicine Technology Co., Ltd. (上海泰格醫藥科技有限公司) (“ Shanghai Tiger ”), a wholly-owned subsidiary of Tigermed. Tigermed is a China-based provider of comprehensive biopharmaceutical R&D services which is listed on the ChiNext market of the Shenzhen Stock Exchange (stock code: 300347) and the Stock Exchange (stock code: 3347). As of June 30, 2020, Tigermed has invested in 57 innovative companies and other companies in the healthcare industry, as well as a limited partner in 39 investment funds. Hongkong Tigermed Co., Limited is a company incorporated in Hong Kong with limited liability. It is wholly owned by Tigermed. Tigermed is a sophisticated investor.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
Shenzhen Efung Ruishi Investment Enterprise (Limited Partnership) (深圳市倚鋒睿實投資企業(有限合夥)) (“ Shenzhen Efung ”)	Shenzhen Efung invested in our Company through its affiliate, Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership) (上海甄路企業管理諮詢合夥企業(有限合夥)). Shenzhen Efung is principally engaged in business consulting. It is a limited partnership incorporated in the PRC whose executive partner is Shenzhen Efung Investment Management Enterprise (L.P.) (深圳市倚鋒投資管理企業(有限合夥)), which is in turn owned as to 51%, 24%, 15% and 10% by Shenzhen Efung Holding Co., Ltd. (深圳市倚鋒控股集團有限公司) (“ Shenzhen Efung Holding ”), Mr. Zhu Jinqiao (朱晉橋), Shenzhen Galaxy Start-up Investment Centre Limited Partnership (L.P.) (深圳市格拉斯創業投資中心合夥企業(有限合夥)) and Shenzhen Efung Capital Co., Ltd. (深圳市倚鋒創業投資有限公司), respectively. Shenzhen Efung Holding is in turn owned as to 54%, 23% and 23% by Mr. Zhu Jinqiao (朱晉橋), Mr. Zhu Pai (朱湃) and Ms. Zhu Chen (朱晨), respectively. Mr. Zhu Jinqiao is the father of Mr. Zhu Pai, who is our non-executive Director, while Ms. Zhu Chen (朱晨) is an Independent Third Party. Mr. Zhu Jinqiao and Mr. Zhu Pai shall act in concert in relation to the exercising of their voting rights in Shenzhen Efung Holding. Shenzhen Efung Investment Management Enterprise (L.P.) is a sophisticated investor with more than RMB3 billion of assets under management and has invested in 56 companies as of June 30, 2021, including Chipscreen Biosciences, a company listed on the Shanghai Stock Exchange (stock code: 688321) and Ascentage Pharma, a company listed on the Stock Exchange (stock code: 6855).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED]	Background
Investors Advantech Capital Investment XVIII Limited (“ Advantech ”)	Advantech is an exempted limited company registered in the Cayman Islands and an affiliate of Advantech Capital II L.P. (“ Advantech Capital II ”). Advantech Capital II is a growth capital fund focusing on innovation-driven private equity investments primarily in China. As of June 30, 2021, Advantech Capital II has a capital commitment of approximately US\$867 million. Advantech Capital II pursues investment opportunities in the healthcare, technology and innovation sectors, particularly companies providing innovative products, solutions or services. Within the biotech sector, Advantech Capital II’s portfolio investments mainly comprise pharmaceutical companies specializing in anti-tumor or anti-inflammatory drugs and developers of innovative medical equipment or software solutions.
Sincere	Sincere Pharmaceutical Group Limited (“ Sincere ”, together with its subsidiaries, the “ Sincere Group ”) is a rapidly transitioning to an innovation and R&D-driven pharmaceutical company has listed on the Stock Exchange (stock code: 2096). Sincere Group is engaged in the R&D, production and commercialization of pharmaceuticals with the national key laboratory of translational medicine and innovative pharmaceuticals. Sincere Group has a diversified product portfolio in strategically focused therapeutic areas, including, (i) oncology, (ii) central nervous system diseases and (iii) autoimmune diseases, with leading positions in their respective therapeutic segments and/or established track record. As of March 24, 2022 (being the date of Sincere’s 2021 annual report), Sincere Group has developed a diversified product portfolio of over 60 innovative pharmaceuticals in its R&D pipelines, and is conducting 20 registration clinical studies for 17 potential innovative pharmaceuticals. In 2021, Sincere’s proportion of sales revenue from innovative pharmaceuticals contributed to 62.4% of its total revenue. Sincere as a major pharmaceutical company is a sophisticated investor. Other than investment in our Group, Sincere also invested in other companies engaging in the R&D of innovative pharmaceutical products, e.g. Bioheng Therapeutics Limited, Ruichu Pharm Co., Ltd., etc. As of December 31, 2021, the assets relating to investments held by Sincere amounted to approximately RMB2.24 billion.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
GSUM VIII Holdings Limited	GSUM VIII Holdings Limited is ultimately managed and controlled by Hillhouse Capital Management, Ltd. (“ Hillhouse ”), an exempted company incorporated under the laws of Cayman Islands. Founded in 2005, Hillhouse is a global firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to Hillhouse’s investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on enacting innovation and technological transformation. Hillhouse invests in the healthcare, consumer, TMT, consumer technology, financial and business services sectors in companies across all equity stages. Hillhouse and its group members manage assets on behalf of global institutional clients. Hillhouse is a sophisticated investor.
China Securities (International) Finance Company Limited (中信建投(國際)財務有限公司) (“ CSCI ”)	CSCI is ultimately owned as to 100% by CSC Financial Co., Ltd. (中信建投證券股份有限公司) (“ CSC Financial ”) (Stock Code: 6066.HK/601066.SH), and is mainly engaged in investment of equity and financial instruments covering emerging industries such as healthcare, AI and pan-TMT, etc. Both CSCI and China Securities (International) Corporate Finance Company Limited (one of the Joint Sponsors) are subsidiaries of CSC Financial and are therefore the connected persons of each other.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
Smilegate Global Unicorn 1st Venture Fund and Smilegate Pathfinder Fund	Smilegate Global Unicorn 1st Venture Fund and Smilegate Pathfinder Fund are managed by Smilegate Investment, a venture capital firm based in Korea, and specializes in investing in seed, early stage and growth companies. Smilegate Investment has approximately US\$1 billion of assets under management and has invested in 550 portfolio companies, including more than 80 biotech and healthcare companies. Mr. Chang Heung-Sun is the vice president of Smilegate Investment with focus on both life science and artificial intelligence sector. He has led the KOSDAQ initial public offering of Syntekabio, Inc., an AI-based drug development company listed on KOSDAQ (stock code: 226330) and MiCo BioMed Co Ltd, a company listed on KOSDAQ (stock code: 214610) focusing on COVID-19 diagnostics based on semiconductor technologies.
Xuzhou Zhenxin Venture Capital Co., Ltd. (徐州臻心創業投資有限公司)	Xuzhou Zhenxin Venture Capital Co., Ltd. (徐州臻心創業投資有限公司) is a limited liability company established in the PRC. It is wholly owned by Xuzhou Jinlonghu Holding Group Co., Ltd. (徐州金龍湖控股集團有限公司), which is ultimately owned by the Xuzhou Economic and Technological Development Zone Management Committee (徐州經濟技術開發區管理委員會).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
Guofeng Precision Medicine Capital Limited (“ Guofeng ”)	Guofeng is an exempted company incorporated in the Cayman Islands, wholly owned by Shenzhen Yifeng Investment Partnership (Limited Partnership) (深圳屹峰投資合夥企業(有限合夥)) (“ Shenzhen Yifeng ”). It is principally engaged in investment holding. The general partner of Shenzhen Yifeng is China Reform Venture Capital Investment Management (Shenzhen) Ltd. (國新風險投資管理(深圳)有限公司), which is wholly owned by Guoxin Science and Technology Fund Management Co., Ltd. (國新科創基金管理有限公司). Guoxin Science and Technology Fund Management Co., Ltd. is in turn held as to 40% by China Reform Fund Management Co., Ltd. (中國國新基金管理有限公司), a wholly owned subsidiary of China Reform Holdings Corporation Ltd. (中國國新控股有限責任公司) (“ CRHC ”). CRHC is controlled by the State Council. Shenzhen Yifeng has five limited partners, with 98.64% of the partnership interest held by China Venture Capital Fund Corporation Limited (中國國有資本風險投資基金股份有限公司), in which the State Council holds more than 35% interest. Guofeng is a sophisticated investor.
Wuhu Boquan Yifei Equity Investment Partnership (Limited Partnership) (蕪湖博 荃逸飛股權投資合夥 企業(有限合夥))	Wuhu Boquan Yifei Equity Investment Partnership (Limited Partnership) (蕪湖博荃逸飛股權投資合夥企業(有限合夥)), a limited partnership established in the PRC, is principally engaged in investing in the healthcare sector. Its general partner is Shanghai Boquan Equity Investment Management Co., Ltd. (上海博荃股權投資管理有限公司), which is ultimately owned by Wu Yaqiu (吳亞秋), Ge Weidong (葛衛東), Liu Leilei (劉蕾蕾), Zhou Yijun (周逸君), and Shang Haijin (尚海金). Wuhu Boquan Yifei Equity Investment Partnership (Limited Partnership) (蕪湖博荃逸飛股權投資合夥企業(有限合夥)) has three limited partners, with Huang Jiamei (黃嘉眉) holding 89.98% of the partnership interest.
Pavilion Soar Limited	Pavilion Soar Limited is a company incorporated in the British Virgin Islands with limited liability. It is solely owned by Mr. Yu Mingfang (于明芳).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
U-Tiger Global Strategic International Placement Fund S.P.	U-Tiger Global Strategic International Placement Fund S.P. is a segregated portfolio created by U-Tiger SPC. U-Tiger SPC is a segregated portfolio company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands. It is wholly owned by Prosperous Investment Management Limited, a company with limited liability incorporated in the Cayman Islands indirectly wholly owned by UP Fintech Holding Limited, a company listed on the NASDAQ (stock code: TIGR).
Lucion VC 3 Limited and Lucion VC 5 Limited	Lucion VC 3 Limited is an exempted company incorporated in the Cayman Islands with limited liability. It is indirectly wholly owned by Luxin Venture Capital Group Co., Ltd. (魯信創業投資集團股份有限公司) (“ Luxin Venture ”), a company listed on the Shanghai Stock Exchange (stock code: 600783). Luxin Venture is in turn owned as to 69.57% by Shandong Luxin Investment Holding Group Co., Ltd. (山東省魯信投資控股集團有限公司), an investment platform under the Shandong Provincial Department of Finance (山東省財政廳). Lucion VC 5 Limited is an exempted company incorporated in the Cayman Islands with limited liability. It is wholly owned by Yunnan Huaxin Runcheng Biopharmaceutical Industry Venture Investment Fund (Limited Partnership) (雲南華信潤城生物醫藥產業創業投資基金合夥企業(有限合夥)) (“ Yunnan Huaxin ”). Yunnan Huaxin’s general partner is Yunnan Huaxin Runcheng Equity Investment Fund Management Co., Ltd. (雲南華信潤城股權投資基金管理有限公司), a limited liability company whose ultimate beneficial owners are Shandong Provincial Department of Finance, Yu Wenxue (于文學), Du Lin (杜霖), Bao Haiping (暴海平) and Shandong SASAC. Yunnan Huaxin has five limited partners, with Luxin Venture being the largest holding 37.05%.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
Shenzhen Bo Rong Gong Ying No.3 Investment Corporation (Limited Partnership) (深圳博 榮共盈三號投資企業 (有限合夥))	Shenzhen Bo Rong Gong Ying No.3 Investment Corporation (Limited Partnership) (深圳博榮共盈三號投資企業(有限合夥)) is a limited liability partnership established in the PRC. Its general partner, Hainan Ruiming Investment Partnership (Limited Partnership) (海南睿明投資合夥企業(有限合夥)) (“ Hainan Ruiming ”), also owns 99% of the partnership interest. Hainan Ruiming’s general partner is Deng Yuehui (鄧躍輝), and it has nine limited partners. None of the beneficial owners or limited partners of Hainan Ruiming holds 30% or more interest in the partnership.
Rainbow Beauty International Limited	Rainbow Beauty International Limited is a company incorporated in the British Virgin Islands with limited liability. It is wholly owned by Mr. Zhang Zhixiang (張志祥).
JAS Investment Group Limited	JAS Investment Group Limited is a company incorporated in the British Virgin Islands with limited liability. It is wholly owned by Jiang Nanchun (江南春).
Aves Capital Holdings Limited	Aves Capital Holdings Limited is a company incorporated in the British Virgin Islands with limited liability. Each of Minghua Xiong and Rong Hu owns 50% of Aves Capital Holdings Limited.
Shanghai Xing Zhi Mang Information Technology Partners LP (上海星之芒信息 科技合夥企業(有限合 夥)), Charm City Enterprises Limited, Rich Full Enterprises Limited, and Cosmic Star Ventures Limited	Shanghai Xing Zhi Mang Information Technology Partners LP (上海星之芒信息科技合夥企業(有限合夥)) is a limited partnership established in the PRC. Its general partner is Zhang Zhiyao (張志耀) (“ Mr. Zhang ”). It has three limited partners, with Wanzai Hongding Enterprise Management Center (Limited Partnership) (萬載鴻鼎企業管理中心(有限合夥)) holding 94.12% of the partnership interest. Mr. Zhang and Chen Xiaoyun (陳小云) (“ Mr. Chen ”) hold 80% and 20% of the partnership interest in Wanzai Hongding Enterprise Management Center (Limited Partnership) (萬載鴻鼎企業管理中心(有限合夥)) respectively. Charm City Enterprises Limited, wholly owned by Mr. Zhang, and Rich Full Enterprises Limited, wholly owned by Mr. Chen, are both companies incorporated in the British Virgin Islands with limited liability. Cosmic Star Ventures Limited is a company incorporated in the British Virgin Islands with limited liability and wholly owned by Skycore Holdings Limited, a company directly wholly owned by Vistra Trust as trustee of a discretionary trust established by Mr. Zhang (as the settlor and beneficiary) for the benefit of Mr. Zhang and his family.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Pre-[REDACTED] Investors	Background
DH International Capital Partners Limited	DH International Capital Partners Limited is a limited liability company incorporated in Hong Kong. Its beneficial owner is Hua Feng Mao (華風茂), who owns 95.1% of its shares.
CEG Beaux Associated Co., Ltd.	CEG Beaux Associated Co., Ltd. is a company incorporated in the British Virgin Islands with limited liability. It is wholly owned by Shanghai Laishuo Investment Limited Partnership (上海來碩投資合夥企業(有限合夥)) (“ Shanghai Laishuo ”), whose general partner is Beijing Xinzhongli Equity Investment Management Co., Ltd. (北京信中利股權投資管理有限公司), a company indirectly owned by Chen Chunmei (陳春梅). Shanghai Laishuo has 11 limited partners, with Bohai Life Insurance Co., Ltd. (渤海人壽保險股份有限公司) and Lee On Life Insurance Co., Ltd. (利安人壽保險股份有限公司) each holding 25.53% of the partnership interest. None of the beneficial owner or limited partners of Shanghai Laishuo holds 30% or more interest in the partnership.
Grow Lighthouse Project Company Limited	Grow Lighthouse Project Company Limited is a company incorporated in the British Virgin Islands. Its majority shareholder is K11 Investment Company Limited, which is in turn wholly owned by New World Development Company Limited, a company listed on the Stock Exchange (stock code: 0017). New World Development is a Hong Kong-based conglomerate with businesses spanning across numerous sectors, including property investment, management and development, infrastructure and services, healthcare, insurance, hospitality and other strategic businesses.
Golden Sail Ventures Limited	Golden Sail Ventures Limited is a company incorporated in the Cayman Islands. Liu Guailin and Chen Ming Hao holds 80% and 20% respectively.
Smart Victory Limited	Smart Victory Limited is a company incorporated in the British Virgin Islands with limited liability. Liao Hai Bing and Ma Qing Xiong owned 36.06% and 63.94% respectively.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Rights of the Pre-[REDACTED] Investors

All Preferred Shares shall be converted into Shares of our Company immediately before the completion of the [REDACTED] on a ratio of 1:1. All the existing shareholders (including the Pre-[REDACTED] Investors) of our Company are bound by the shareholders’ agreement dated June 25, 2021 (as amended from time to time) (the “SHA”), which superseded all previous agreements among the contracting parties in respect of the shareholders’ rights in our Company, and the current articles of association of our Company.

The principal special rights granted to the Pre-[REDACTED] Investors under the SHA include the customary protective provisions, redemption rights, information rights, right of first refusal, right to elect directors, inspection rights etc. The certain special rights including redemption rights under the SHA are automatically terminated prior to the date of the first submission of the [REDACTED] application by the Company. All remaining special rights together with the second amended and restated shareholders agreement are expected to terminate upon the closing of an [REDACTED].

Compliance with Interim Guidance and Guidance Letters

On the basis that (i) the consideration for the Pre-[REDACTED] Investments (apart from the investment by 2021 Investors in June 2021) was settled more than 28 clear days before the date of our first submission of the [REDACTED] to the Stock Exchange in relation to the [REDACTED], (ii) the consideration for the investment by 2021 Investors in June 2021 was settled no less than 120 clear days before the [REDACTED], and (iii) all special rights granted to the Pre-[REDACTED] Investors have been terminated or will cease to be effective prior to the [REDACTED], in particular, redemption rights under the SHA have been automatically terminated prior to the date of the first submission of the [REDACTED] by the Company, the Joint Sponsors have confirmed that the Pre-[REDACTED] Investments are in compliance with the Interim Guidance on Pre-[REDACTED] Investments issued by the Stock Exchange on 13 October 2010, as updated in March 2017, the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012, as updated in July 2013 and March 2017, and the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012, as updated in March 2017.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The following table illustrates the capitalizations of the Company as of the Latest Practicable Date and immediately upon completion of the [REDACTED] and the [REDACTED] (assuming that (i) all the Preferred Shares have been converted to Ordinary Shares on 1:1 basis, (ii) the [REDACTED] is not exercised and (iii) CNCB does not elect to exercise its Exchange Right):

Shareholders	As of the Latest Practicable Date			Upon completion of the [REDACTED] ⁽¹⁾ and the [REDACTED]	
	Number of Ordinary Shares	Number of Preferred Shares	Ownership percentage	Number of Ordinary Shares	Ownership percentage
Dragon Prosper Holdings Limited	22,357,900	13,634,200	15.04%	[REDACTED]	[REDACTED]%
Immunal Medixin US Limited	19,143,220	–	8.00%	[REDACTED]	[REDACTED]%
Immunal Medixin Cino L. Limited	9,571,610	–	4.00%	[REDACTED]	[REDACTED]%
Immunal Medixin Cino Limited	9,622,930	–	4.02%	[REDACTED]	[REDACTED]%
Sincere Pharmaceutical Group Limited	–	23,047,300	9.63%	[REDACTED]	[REDACTED]%
Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership)	–	13,817,280	5.77%	[REDACTED]	[REDACTED]%
Xuzhou Zhenxin Venture Capital Co., Ltd.	–	9,273,130	3.88%	[REDACTED]	[REDACTED]%
Hopeway Development Limited	8,446,660	–	3.53%	[REDACTED]	[REDACTED]%
Guofeng Precision Medicine Capital Limited	–	7,335,360	3.07%	[REDACTED]	[REDACTED]%
Wuhu Boquan Yifei Equity Investment Partnership (Limited Partnership)	–	6,444,680	2.69%	[REDACTED]	[REDACTED]%
China Securities (International) Finance Company Limited	–	5,371,700	2.24%	[REDACTED]	[REDACTED]%
Pavilion Soar Limited	–	5,240,250	2.19%	[REDACTED]	[REDACTED]%
U-Tiger Global Strategic International Placement Fund S.P.	–	4,716,240	1.97%	[REDACTED]	[REDACTED]%
Lucion VC 3 Limited	–	4,297,360	1.80%	[REDACTED]	[REDACTED]%
Shenzhen Bo Rong Gong Ying No. 3 Investment Corporation (Limited Partnership)	–	3,925,360	1.64%	[REDACTED]	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date			Upon completion of the [REDACTED] ⁽¹⁾ and the [REDACTED]	
	Number of Ordinary Shares	Number of Preferred Shares	Ownership percentage	Number of Ordinary Shares	Ownership percentage
Rainbow Beauty International Limited	–	3,788,050	1.58%	[REDACTED]	[REDACTED]%
JAS Investment Group Limited	–	3,350,640	1.40%	[REDACTED]	[REDACTED]%
Aves Capital Holdings Limited	–	3,350,640	1.40%	[REDACTED]	[REDACTED]%
Shanghai Xing Zhi Mang Information Technology Partners LP	–	3,280,890	1.37%	[REDACTED]	[REDACTED]%
Advantech Capital Investment XVIII Limited	–	3,144,160	1.31%	[REDACTED]	[REDACTED]%
Hangzhou Tigermed Equity Investment Partnership (Limited Partnership)	–	3,140,290	1.31%	[REDACTED]	[REDACTED]%
DH International Capital Partners Limited	–	3,083,250	1.29%	[REDACTED]	[REDACTED]%
CEG Beaux Associated Co., Ltd.	–	2,718,630	1.14%	[REDACTED]	[REDACTED]%
Grow Lighthouse Project Company Limited	–	2,685,850	1.12%	[REDACTED]	[REDACTED]%
Golden Sail Ventures Limited	–	2,685,850	1.12%	[REDACTED]	[REDACTED]%
Smilegate Global Unicorn 1st Venture Fund	–	2,672,536	1.12%	[REDACTED]	[REDACTED]%
Smart Victory Limited	–	2,556,630	1.07%	[REDACTED]	[REDACTED]%
Charm City Enterprises Limited	–	2,518,230	1.05%	[REDACTED]	[REDACTED]%
Rui Xia Investment Holding Limited	–	2,355,220	0.98%	[REDACTED]	[REDACTED]%
Lucion VC 5 Limited	–	2,223,050	0.93%	[REDACTED]	[REDACTED]%
Gongqingcheng Hyde Dingchuang Investment Partnership (Limited Partnership)	–	2,158,950	0.90%	[REDACTED]	[REDACTED]%
Ng Shan Shan	–	2,148,230	0.90%	[REDACTED]	[REDACTED]%
Able Legend Development Limited	–	2,119,946	0.89%	[REDACTED]	[REDACTED]%
Zhuhai Hengqin Xingrui Yuanhang Investment Center (Limited Partnership)	–	2,089,920	0.87%	[REDACTED]	[REDACTED]%
Saint Seiya Co., Ltd.	–	1,903,470	0.80%	[REDACTED]	[REDACTED]%
GSUM VIII Holdings Limited	–	1,572,080	0.66%	[REDACTED]	[REDACTED]%
Hongkong Tigermed Co., Limited	–	1,572,080	0.66%	[REDACTED]	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	As of the Latest Practicable Date			Upon completion of the [REDACTED] ⁽¹⁾ and the [REDACTED]	
	Number of Ordinary Shares	Number of Preferred Shares	Ownership percentage	Number of Ordinary Shares	Ownership percentage
CHARIOT SPC FUND – WANHAI BALANCE FUND SP	–	1,572,080	0.66%	[REDACTED]	[REDACTED]%
Manyee Engineering Limited	–	1,568,500	0.66%	[REDACTED]	[REDACTED]%
HONG JINXIU	–	1,157,490	0.48%	[REDACTED]	[REDACTED]%
Smilegate Pathfinder Fund	–	1,074,340	0.45%	[REDACTED]	[REDACTED]%
Cosmic Star Ventures Limited	–	1,000,000	0.42%	[REDACTED]	[REDACTED]%
Raderwo Limited	–	1,000,000	0.42%	[REDACTED]	[REDACTED]%
Coast Town Limited	–	943,248	0.39%	[REDACTED]	[REDACTED]%
Glory Gain Engineering Limited	–	899,650	0.38%	[REDACTED]	[REDACTED]%
Rising Capital Holdings Limited	–	823,990	0.34%	[REDACTED]	[REDACTED]%
Weifang Datron CNC Equipment Co., Ltd	–	785,070	0.33%	[REDACTED]	[REDACTED]%
Star Union Industries Limited	–	754,970	0.32%	[REDACTED]	[REDACTED]%
Sheenway International Limited	–	690,890	0.29%	[REDACTED]	[REDACTED]%
Rich Full Enterprises Limited	–	644,010	0.27%	[REDACTED]	[REDACTED]%
JMC Capital HK LIMITED	–	628,832	0.26%	[REDACTED]	[REDACTED]%
Powerful Kirin Limited	–	537,170	0.22%	[REDACTED]	[REDACTED]%
Tao Qiling	–	537,170	0.22%	[REDACTED]	[REDACTED]%
Unite Choice Holdings Limited	–	506,660	0.21%	[REDACTED]	[REDACTED]%
Hong Kong Anchengda Investments Co., Limited	–	460,600	0.19%	[REDACTED]	[REDACTED]%
Regal Sky Enterprises Limited	–	180,830	0.08%	[REDACTED]	[REDACTED]%
Max Gain Engineering Limited	–	160,980	0.07%	[REDACTED]	[REDACTED]%
Subtotal	69,142,320	170,147,932	100.00%	[REDACTED]	[REDACTED]%
Investors taking part in the [REDACTED]	–	–	–	[REDACTED]	[REDACTED]%
Total	69,142,320	170,147,932	100.00%	[REDACTED]	100.00%

Note

- (1) Pursuant to the resolutions passed by our shareholders on [●], our Directors were authorized to allot and issue on the [REDACTED] a total of [REDACTED] Shares credited as fully paid at par to the shareholders whose name is registered on the register of members of our Company as at the date of the shareholders’ resolutions in proportion to their respective shareholdings in our Company (as nearly as possible without fractions) by [REDACTED] the sum of HK\$[REDACTED] standing to the credit of the share premium account of our Company, and the Shares [REDACTED] and [REDACTED] shall rank *pari passu* in all respects with the then existing issued Shares.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED]

Upon completion of the [REDACTED] (assuming that no Shares will be allotted and issued under the [REDACTED]), the Shares held by our core connected persons will not count towards the [REDACTED]. The Shares held by Dragon Prosper, the Share Incentive Platforms and Shenzhen Efung will not count towards the [REDACTED].

Save as disclosed above, to the best of our Directors’ knowledge, all other investors and shareholders of our Company are not core connected persons of our Company. As a result, our other existing Shareholders will aggregately hold a total of approximately [REDACTED]% of the Shares (upon completion of the [REDACTED] and the [REDACTED] without taking into account (i) the Shares which may be allotted and issued under the [REDACTED] and (ii) the Exchangeable Shares to be transferred from Dragon Prosper to CNCB if the Exchange Right is exercised) which will count towards the [REDACTED]. Assuming the [REDACTED] are allotted and issued to public shareholders, over 25% of our Company’s total issued Shares will be held by the public upon completion of the [REDACTED] in accordance with 8.08(1)(a) of the Listing Rules.

PRC LEGAL COMPLIANCE

Our PRC Legal Advisers advised that the transfer of 5% equity interests in 3D Medicines to Integral Lane (the “**First Transfer**”) on May 28, 2018 is subject to the Regulations on Mergers and Acquisitions of Domestic Companies by Foreign Investors (Revised in 2009, the “**M&A Rules**”) (關於外國投資者併購境內企業的規定) and Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises (Revised in 2017, the “**2017 Measures**”) (外商投資企業設立及變更備案管理暫行辦法(2017年修訂)), which became invalid from June 30, 2018 due to the implementation of the Interim Administrative Measures for the Record-filing of the Incorporation and Change of Foreign-invested Enterprises (Revised in 2018, the “**2018 Measures**”) (外商投資企業設立及變更備案管理暫行辦法(2018年修訂)), and 3D Medicines has obtained the record-filing receipt for the incorporation of foreign-invested enterprise (外商投資企業設立備案回執) and the new business license pursuant to the M&A Rules and 2017 Measures. After the First Transfer, 3D Medicines became a sino-foreign joint venture enterprise. For the transfer of 93% equity interests held by Predecessor Holdco, 2% equity interests held by 3D Med Biopharm Technology in 3D Medicines to 3D Med Hong Kong (the “**Second Transfer**”) on August 7, 2018, our PRC Legal Advisers advised that since 3D Medicines has converted into a sino-foreign joint venture enterprise, the Second Transfer is the equity transfer in a foreign-invested enterprise, thus the Rules on the Changes of Shareholding of Foreign-invested Enterprise Investor (外商投資企業投資者股權變更的若干規定, the “**Rules**”) and the 2018 Measures, shall apply. 3D Medicines has obtained the record-filing receipts for the change of foreign-invested enterprise (外商投資企業變更備案回執) and the new business license pursuant to the Rules and 2018 Measures for the Second Transfer. Our PRC Legal Advisers are of the view that the First Transfer has been completed in accordance with the M&A Rules and 2017 Measures, the Second Transfer has been completed in accordance with the Rules and the 2018 Measures.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

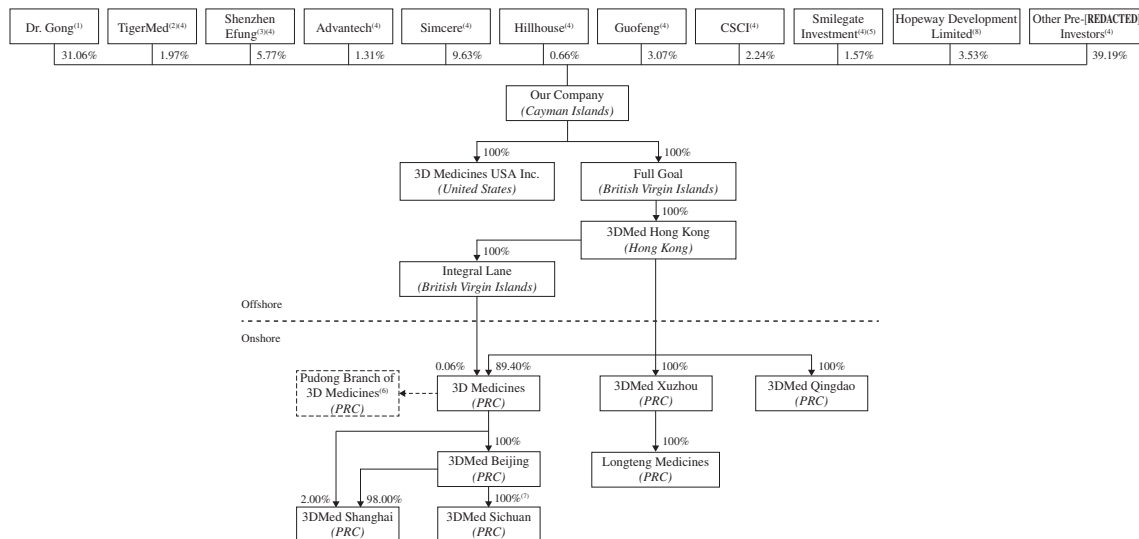
As confirmed by our PRC Legal Advisers, we have obtained and completed all necessary approvals and/or registrations in all material aspects from the relevant PRC regulatory authorities as to PRC laws in relation to our PRC subsidiaries as described above.

Pursuant to the SAFE Circular 37 promulgated by SAFE and which became effective on July 1, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division.

Pursuant to the Circular of SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**SAFE Circular 13**”), promulgated by SAFE and which became effective on June 1, 2015, initial foreign exchange registration under SAFE Circular 37 was delegated from local SAFE to local banks where the assets or interest in the local entity was located.

As of the Latest Practicable Date, none of the direct shareholder of the Company was PRC citizen or was subject to the registration under SAFE Circular 37.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

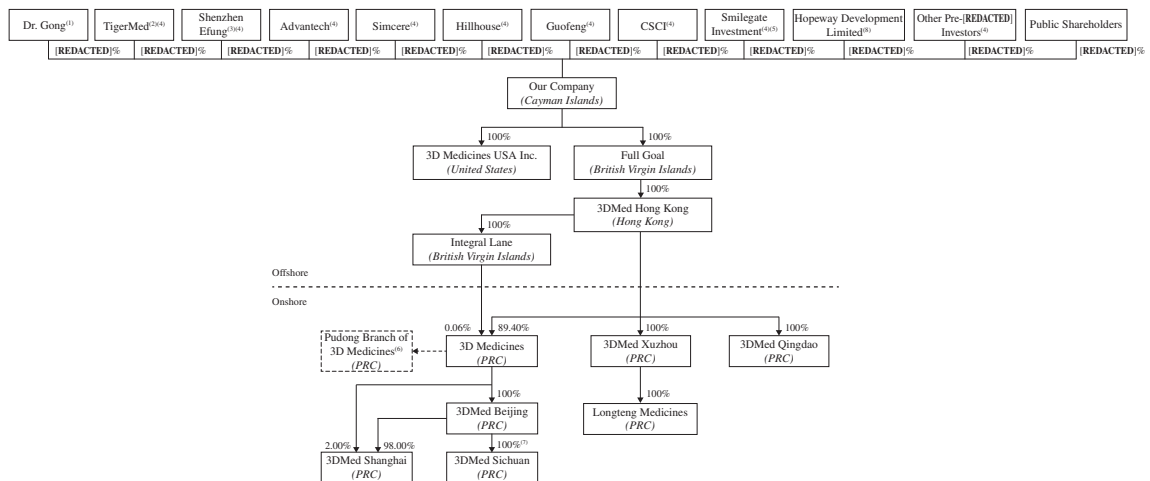


HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Dr. Gong controls Shares of our Company through Dragon Prosper and the Share Incentive Platforms. For more details, please refer to the paragraph headed “Share Incentive Scheme” in this section.
- (2) TigerMed is interested in our Shares through Hangzhou Tigermed Equity Investment Partnership (Limited Partnership) and Hongkong Tigermed Co., Limited. Each of Hangzhou Tigermed Equity Investment Partnership (Limited Partnership) and Hongkong Tigermed Co., Limited is an Independent Third Party.
- (3) Shenzhen Efung is interested in our Shares through Shanghai Zhenlu Enterprise Management Consulting Partnership (Limited Partnership) (上海甄路企業管理諮詢合夥企業(有限合夥)). Mr. Zhu Jinqiao and Mr. Zhu Pai, who are connected persons of the Company, control 54% and 23% of Shenzhen Efung Holding respectively, which in turn holds 51% of Shenzhen Efung Investment Management Enterprise (L.P.) (深圳市倚鋒投資管理企業(有限合夥)), the executive partner of Shenzhen Efung. Mr. Zhu Jinqiao and Mr. Zhu Pai shall act in concert in relation to the exercising of their voting rights in Shenzhen Efung Holding.
- (4) To the best of knowledge of our Directors, save for Shenzhen Efung, each of the Pre-[REDACTED] Investors is an Independent Third Party. Please refer to “– Pre-[REDACTED] Investments – Information about the Pre-[REDACTED] Investors” for more information of some of the Pre-[REDACTED] Investors.
- (5) Smilegate Investment is interested in our Shares through Smilegate Global Unicorn 1st Venture Fund and Smilegate Pathfinder Fund. Each of Smilegate Global Unicorn 1st Venture Fund and Smilegate Pathfinder Fund is an Independent Third Party.
- (6) The Pudong branch of 3D Medicines was incorporated on March 29, 2021.
- (7) Please refer to Note (1) in the paragraph headed “Our Material Subsidiaries” in this section.
- (8) Hopeway Development Limited is wholly owned by Dr. Xiong Lei, the founder of the Predecessor Holdco. Please refer to “Corporate Development – Early History of Our Business” for more information of Dr. Xiong and Processor Holdco.

OUR STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED] AND [REDACTED]



Note: Please refer to the notes to “– Our Structure Immediately Prior to the [REDACTED]” in this section.