

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a biotechnology company committed to developing innovative human vaccines and therapeutic biologics to prevent and control infectious diseases and treat cancer and autoimmune diseases. Since our inception in 2001, we have focused on human medicine and have established technology platforms with our understanding of immunology and protein engineering.

Our predecessor company, Beijing Luzhu Biotechnology Limited Liability Company (北京綠竹生物技術有限責任公司), was established in Beijing on November 9, 2001 as a limited liability company under the PRC Company Law. After several changes in our shareholding structure, our predecessor company was converted into a joint stock limited company under the laws of the PRC on July 19, 2013 by Mr. KONG, Ms. ZHANG, and Ms. JIANG as our promoters, who are also our executive Directors, and our predecessor company thereby became our Company. For details of the background and experience of Mr. KONG, Ms. ZHANG, and Ms. JIANG, see “Directors, Supervisors and Senior Management” in this document.

KEY MILESTONES

The following table illustrates the key milestones of our business development:

Year	Event
2001	Our predecessor company was established in Beijing.
2003	We submitted a clinical trial application for Meningococcal Group A and C Polysaccharide Conjugate Vaccine to Beijing Medical Product Administration and received NMPA clinical trial approval in 2003 ^(Note 1) .
2005	We received clinical trial approval for our Group ACYW ₁₃₅ Meningococcal Polysaccharide Vaccine ^(Note 1) .
2007	Our product, Group ACYW ₁₃₅ Meningococcal Polysaccharide Vaccine obtained new drug approval ^(Note 1) .
2009	We initiated the study of recombinant human monoclonal antibody and bispecific antibody.
2013	Our predecessor company was converted into a joint stock company with limited liability, and was renamed as Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司).
2017	We obtained NMPA clinical trial approval for (i) K3; and (ii) K11.
2018	We established our wholly-owned subsidiary, Zhuhai Luzhu. We submitted pre-IND data for K193 Antibody Injection to Center for Drug Evaluation at NMPA. We obtained NMPA clinical trial approval for Inactivated Enterovirus Type 71 vaccine (“ Inactivated EV71 Vaccine ”) ^(Note 2) .

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Year	Event
2019	<p>We initiated Phase I clinical trials of K193 in the PRC in December 2019.</p> <p>We completed the Series A Financing in the third quarter of 2019.</p> <p>We completed the Phase I clinical trial of K3 in the PRC.</p>
2020	<p>We submitted a PCT patent for LZ901 (Ref. No: PCT/CN2020/090200).</p>
2021	<p>We received clinical trial application approval for LZ901 from the NMPA in August 2021.</p> <p>We completed the Series B Financing in the third quarter of 2021.</p> <p>We established our wholly-owned subsidiary, Hong Kong Luzhu.</p>
2022	<p>We submitted an IND application for LZ901 to the FDA in January 2022 and received IND approval from the FDA in July 2022.</p> <p>We completed the Series B+ Financing in the first quarter of 2022.</p> <p>We were recognized as a Professional, Specialized and New Small and Medium Enterprise (專精特新中小企業) by the Beijing Municipal Bureau of Economy and Information Technology (北京市經濟和信息化局) in the PRC.</p> <p>We established our wholly-owned subsidiary, Beijing Luzhu.</p> <p>We completed Phase I clinical trials and initiated Phase II clinical trials for LZ901 in the PRC.</p> <p>We completed the Series C Financing in the second quarter of 2022.</p>

Notes:

- (1) In 2008, our Company assigned Beijing Zhifei Luzhu Biological Products Co., Ltd. (北京智飛綠竹生物製藥有限公司) (“**Zhifei Biopharma**”) the intellectual property rights in and to the Group ACYW₁₃₅ Meningococcal Polysaccharide Vaccine and Meningococcal Group A and C Polysaccharide Conjugate Vaccine, and transferred technical data and materials to produce the aforementioned vaccines to Zhifei Biopharma. For details, see “Business — Our Products and Product Candidates — Our commercialized vaccine products” in this document.
- (2) Pursuant to a technology transfer agreement entered into between our Company and Zhifei Biopharma in July 2011, we transferred all test results and research data in relation to pre-clinical studies of Inactivated EV71 Vaccine, proprietary technology related to Inactivated EV71 Vaccine pilot-scale manufacturing and testing, and relevant testing technologies that are not disclosed in the invention patent of Inactivated EV71 Vaccine to Zhifei Biopharma. For details, see “Business — Our Products and Product Candidates — Our Other Historically Developed Products” in this document.

OUR CORPORATE DEVELOPMENTS

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

Establishment of our Company

Our predecessor company, Beijing Luzhu Biotechnology Limited Liability Company (北京綠竹生物技術有限責任公司), was established on November 9, 2001, with an initial registered capital of RMB500,000, which was fully paid up as of the date of establishment. As of the date of establishment, our predecessor company was owned as to 45.00% by Ms. ZHANG and 55.00% by two other Independent Third Parties, respectively.

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Conversion into Joint Stock Limited Company and Major Shareholding Changes after the Conversion

After a series of equity transfers and capital injections and immediately prior to our conversion into a joint stock limited liability company, our predecessor company was owned as to 61.00% by Mr. KONG, 35.00% by Ms. ZHANG, and 4.00% by Ms. JIANG, respectively, with its sole director being Mr. KONG and sole supervisor being Ms. ZHANG. On June 28, 2013, Mr. KONG, Ms. ZHANG, and Ms. JIANG, as our promoters, resolved at a shareholders’ general meeting to convert our predecessor company into a joint stock company with limited liability, with a registered capital of RMB55.0 million. According to the capital verification report prepared by an Independent Third Party auditor, the total equity value of our Company as of May 31, 2013 amounted to approximately RMB55.8 million, of which (i) RMB55.0 million was converted into Shares of RMB1.00 par value each; and (ii) the remaining amount of approximately RMB0.8 million was converted into capital reserve. Upon the completion of registration with Beijing Administration for Industry and Commerce (北京市工商行政管理局) on July 19, 2013, our Company was converted into a joint stock company with limited liability, and was renamed as Beijing Luzhu Biotechnology Co., Ltd. (北京綠竹生物技術股份有限公司). Immediately upon completion of the said conversion, the shareholding structure of our Company was as follows:

<u>Shareholders</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u> (%)
Mr. KONG	33,550,000	61.00
Ms. ZHANG	19,250,000	35.00
Ms. JIANG	2,200,000	4.00
Total	55,000,000	100.00

Pursuant to an investment framework agreement entered into between our Company and Shenzhen Qianhai Qilin Xinsheng Investment (LP) (深圳前海麒麟鑫盛投資企業(有限合夥)) (“**Shenzhen Qianhai Qilin**”) on March 19, 2014, Shenzhen Qianhai Qilin invested into our Company and subscribed for 23,580,000 Shares, representing 30.00% of the post-subscription issued share capital of our Company at a total consideration of RMB60.0 million. The funds were irrevocably settled and received by our Company as of September 17, 2014. The consideration was determined after arm’s length negotiations between the relevant parties. Shenzhen Qianhai Qilin is a limited partnership established in the PRC and is principally engaged in investment holding.

In July 2014, with the intention to incentivize certain employees of our Group by offering them an opportunity to invest in our Company, Mr. KONG entered into an equity transfer agreement with each of the five selected staff members to transfer certain Shares at nominal consideration of RMB1.00, namely (i) 1,100,000 Shares to Ms. HUANG Ying (黃穎), our then deputy general manager; (ii) 550,000 Shares to Mr. ZOU Qiang (鄒強), our then Director; (iii) 550,000 Shares to Ms. KONG Xi (孔茜), our Supervisor, who is also the niece of Mr. KONG and Ms. ZHANG; (iv) 300,000 Shares to Mr. ZHOU Peng (周朋), our then Director; and (v) 250,000 Shares to Ms. YE Yi (葉藝), our then Supervisor, subject to a condition of minimum service period of five years, failing the fulfillment of which, Mr. KONG shall be entitled to buy back the Shares at nominal consideration. The abovementioned Share transfers were completed in July 2014. As Mr. ZOU Qiang and Ms. HUANG Ying left our Group in January 2015 and July 2018, respectively, and hence failed to satisfy the condition mentioned above, their Shares were bought back by Mr. KONG at nominal consideration of RMB1.00 in November 2018. Ms. YE Yi subsequently left our Group in December 2018 before satisfaction of the condition and her Shares were bought back by Mr. KONG in February 2021 as further discussed below. On the other hand, Mr. ZHOU Peng and Ms. KONG Xi fulfilled the conditions in July 2019 and continued to be our Shareholders as of the Latest Practicable Date.

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Subsequently, pursuant to the equity transfer agreements dated April 23, 2019 entered into between Shenzhen Qianhai Qilin and each of Mr. KONG, Ms. ZHONG Siyu (鍾思雨) and Ms. CHEN Qingyun (陳清雲) respectively, Shenzhen Qianhai Qilin transferred 19,650,000 Shares, 2,358,000 Shares and 1,572,000 Shares to Mr. KONG, Ms. ZHONG Siyu and Ms. CHEN Qingyun, for a consideration of RMB50.0 million, RMB6.0 million and RMB4.0 million, respectively, which in total equals to its initial subscription costs of RMB60.0 million. Each of Ms. ZHONG Siyu and Ms. CHEN Qingyun is an Independent Third Party. Upon completion of the said Share transfers, the shareholding structure of our Company was as follows:

Shareholders	Major position(s) in our Group upon completion of the Share transfers	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	Director, general manager, chairman of our Board	52,100,000	66.30
Ms. ZHANG	Director, deputy general manager	19,250,000	24.50
Ms. JIANG	Deputy general manager, vice-chairlady of our Board	2,200,000	2.80
Ms. ZHONG Siyu	N/A	2,358,000	3.00
Ms. CHEN Qingyun	N/A	1,572,000	2.00
Ms. KONG Xi	Supervisor	550,000	0.70
Mr. ZHOU Peng	Director	300,000	0.38
Ms. YE Yi	N/A ^(Note)	250,000	0.32
Total		78,580,000	100.00

Note: Ms. YE Yi left our Group in December 2018, and she continued to be our Shareholder until February 2021 when her Shares were bought back by Mr. KONG as further discussed below.

On July 23, 2019, our Company, Mr. KONG and Ms. ZHANG entered into a capital increase agreement (the “**2019 Capital Increase Agreement**”) with (i) Beijing Yizhuang; and (ii) Beijing Science Sun, pursuant to which Beijing Yizhuang and Beijing Science Sun subscribed for 39,290,000 Shares and 9,822,500 Shares, respectively, at a consideration of RMB200.0 million and RMB50.0 million, respectively (the “**Series A Financing**”). The consideration was determined after arm’s length negotiations taking into account the prospects in the research and development of our product candidates, including that we obtained clinical trial approval from the NMPA to commence Phase I clinical trials of K193 (our antibody injection candidate) in China. The consideration payable by Beijing Science Sun was irrevocably settled and received by our Company as of August 15, 2019. On the other hand, pursuant to the terms of the 2019 Capital Increase Agreement, Beijing Yizhuang should settle its consideration payable in two installments of RMB100.0 million each. The first installment was settled by Beijing Yizhuang on August 1, 2019, whereas the second installment was settled by Beijing Yizhuang II and Beijing Science Sun on March 26, 2021 and March 4, 2021, respectively, following the transfer of Shares by Beijing Yizhuang to Beijing Yizhuang II and Beijing Science Sun in February 2021 as further discussed below. See “— Pre-[REDACTED] Investments” in this section for further details of the Series A Financing and the background of Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun.

Investors	Number of Shares subscribed for	Approximate percentage of shareholding in our Company upon completion (%)	Consideration (RMB)
Beijing Yizhuang	39,290,000	30.77	200,000,000
Beijing Science Sun	9,822,500	7.69	50,000,000

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The shareholding structure of our Company immediately following the subscriptions of Shares by Beijing Yizhuang and Beijing Science Sun was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	52,100,000	40.80
Ms. ZHANG	19,250,000	15.08
Beijing Yizhuang	39,290,000	30.77
Beijing Science Sun	9,822,500	7.69
Ms. ZHONG Siyu	2,358,000	1.85
Ms. JIANG	2,200,000	1.72
Ms. CHEN Qingyun	1,572,000	1.23
Ms. KONG Xi	550,000	0.43
Mr. ZHOU Peng	300,000	0.23
Ms. YE Yi	250,000	0.20
Total	127,692,500	100.00

On February 2, 2021, Hengqin Luzhu LP, our employee incentive platform, entered into an investment cooperation agreement with our Company, pursuant to which Hengqin Luzhu LP subscribed for 12,307,500 Shares at a par value of RMB1.00 per Share. The consideration of RMB12,307,500 was fully settled on March 30, 2021. See “— Employee Incentive Scheme” in this section for further details.

Pursuant to an equity transfer agreement dated February 7, 2021, Mr. KONG bought back 250,000 Shares from Ms. YE Yi at a consideration of approximately RMB0.6 million because the condition of the transfer of such Shares from Mr. KONG back in July 2014 had not been fulfilled as mentioned above. The said consideration was determined after negotiations between the parties taking into account the long-term tenure of Ms. YE Yi at our Company since February 2013, and had been fully settled on February 8, 2021. Ms. YE Yi ceased to be a Shareholder upon completion of such share transfer. Mr. KONG then further transferred such 250,000 Shares to Ms. ZHANG, his spouse, at nil consideration.

Separately, on February 7, 2021, Ms. ZHANG entered into equity transfer agreements with each of Ms. JIANG and Ms. HUANG Ying (who re-joined our Group in December 2020 as our deputy manager), pursuant to which Ms. ZHANG transferred 800,000 Shares and 1,100,000 Shares to Ms. JIANG and Ms. HUANG Ying, respectively, at a consideration of approximately RMB2.03 million and RMB2.79 million, respectively, with a settlement period of five years. As of the Latest Practicable Date, the consideration payable by Ms. JIANG was fully settled, whereas Ms. HUANG Ying had transferred all her 1,100,000 Shares back to Ms. ZHANG following her subsequent departure from our Group as further discussed below.

Pursuant to an equity transfer agreement dated February 16, 2021 entered into by (i) Mr. KONG, (ii) Ms. ZHANG, (iii) our Company, (iv) Beijing Science Sun, (v) Beijing Yizhuang and (vi) Beijing Yizhuang II, Beijing Yizhuang transferred 15,716,000 Shares and 3,929,000 Shares to Beijing Yizhuang II and Beijing Science Sun, respectively, at nil consideration. Pursuant to the terms of such equity transfer agreement, Beijing Yizhuang II and Beijing Science Sun should settle the second installment consideration of RMB100.0 million payable by Beijing Yizhuang to our Company under the 2019 Capital Increase Agreement, and upon completion of such Share transfers, Beijing Yizhuang II and Beijing Science Sun would enjoy the same shareholder’s rights as Beijing Yizhuang. Accordingly, the said transfer of 19,645,000 Shares by Beijing Yizhuang to Beijing Science Sun and Beijing Yizhuang II is considered as part of the Series A Financing. The corresponding capital contribution of Beijing Yizhuang II and Beijing Science Sun of RMB80.0 million and RMB20.0 million, respectively, were fully received by our Company on March 26, 2021 and March 4, 2021, respectively. Upon completion of the said Share transfers, the shareholding structure of our Company was as follows:

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Shareholders	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	52,100,000	37.21
Ms. ZHANG	17,600,000	12.57
Beijing Yizhuang	19,645,000	14.03
Beijing Yizhuang II	15,716,000	11.23
Beijing Science Sun	13,751,500	9.82
Hengqin Luzhu LP	12,307,500	8.79
Ms. JIANG	3,000,000	2.14
Ms. ZHONG Siyu	2,358,000	1.68
Ms. CHEN Qingyun	1,572,000	1.12
Ms. HUANG Ying	1,100,000	0.79
Ms. KONG Xi	550,000	0.39
Mr. ZHOU Peng	300,000	0.21
Total	140,000,000	100.00

On August 30, 2021, our Company entered into an investment agreement (the “**Series B Financing**”) with (i) CCB International Capital Management (Tianjin) Ltd. (建銀國際資本管理(天津)有限公司) (“**CCB Capital**”); (ii) Jinjiang Zhenrui Equity Investment Partnership (LP) (晉江禎睿股權投資合夥企業(有限合夥)) (“**Jinjiang Zhenrui**”); (iii) Zhuhai Livzon Pharmaceutical Equity Investment Management Co., Ltd. (珠海市麗珠醫藥股權投資管理有限公司) (“**Zhuhai Livzon**”); (iv) Hangzhou Taikun Equity Investment Fund Partnership (LP) (杭州泰鯤股權投資基金合夥企業(有限合夥)) (“**Hangzhou Taikun**”); (v) Haikou Hengji Rongyu Investment Center (LP) (海口恒基榮域投資中心(有限合夥)) (“**Hengji Rongyu**”) and (vi) Beijing Xinchuang Technology Phase I Venture Capital Center (LP) (北京芯創科技一期創業投資中心(有限合夥)) (“**Xinchuang Technology**”) (collectively as the “**Series B Investors**”), pursuant to which the Series B Investors subscribed for an aggregate of 27,216,175 Shares at an aggregate consideration of RMB350.0 million. The funds were irrevocably settled and received by our Company as of September 10, 2021. The consideration was determined after arm’s length negotiations taking into account prospects in the research and development of our product candidates, including the submission of clinical trial application for LZ901 (our vaccine candidate and Core Product) with the NMPA, which result was still pending at the time when the consideration was determined in June 2021. See “— Pre-[REDACTED] Investments” in this section for further details of the Series B Financing.

Investors	Number of Shares subscribed for	Approximate percentage of shareholding in our Company upon completion (%)	Consideration (RMB)
CCB Capital	11,664,075	6.98	150,000,000
Jinjiang Zhenrui	7,776,050	4.65	100,000,000
Zhuhai Livzon	2,332,815	1.40	30,000,000
Hangzhou Taikun	2,332,815	1.40	30,000,000
Hengji Rongyu	2,332,815	1.40	30,000,000
Xinchuang Technology	777,605	0.47	10,000,000

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Upon completion of the Series B Financing, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	52,100,000	31.16
Ms. ZHANG	17,600,000	10.53
Hengqin Luzhu LP	12,307,500	7.36
Beijing Yizhuang	19,645,000	11.75
Beijing Yizhuang II	15,716,000	9.40
Beijing Science Sun	13,751,500	8.22
CCB Capital	11,664,075	6.98
Jinjiang Zhenrui	7,776,050	4.65
Ms. JIANG	3,000,000	1.79
Ms. ZHONG Siyu	2,358,000	1.41
Zhuhai Livzon	2,332,815	1.40
Hangzhou Taikun	2,332,815	1.40
Hengji Rongyu	2,332,815	1.40
Ms. CHEN Qingyun	1,572,000	0.94
Ms. HUANG Ying	1,100,000	0.66
Xinchuang Technology	777,605	0.47
Ms. KONG Xi	550,000	0.33
Mr. ZHOU Peng	300,000	0.18
Total	167,216,175	100.00%

Following Ms. HUANG Ying’s departure from our Group in September 2021, Ms. HUANG Ying and Ms. ZHANG entered into an equity transfer agreement dated December 20, 2021, pursuant to which Ms. HUANG Ying transferred all of her 1,100,000 Shares to Ms. ZHANG at nil consideration, and thereafter ceased to be a Shareholder. The reason for the nil consideration was because the consideration payable by Ms. HUANG Ying to Ms. ZHANG for the transfer of such 1,100,000 Shares in February 2021 had not been settled.

On December 31, 2021, our Company entered into an investment agreement (the “**Series B+ Financing**”) with (i) Hainan Zhaoan Private Equity Fund Management Partnership (LP) (海南兆安私募基金管理合夥企業(有限合夥)) (“**Hainan Zhaoan**”); (ii) Hengji Rongyu; (iii) Gongqingcheng Zhenrui Equity Investment Partnership (LP) (共青城臻銳股權投資合夥企業(有限合夥)) (“**Gongqingcheng Zhenrui**”); (iv) Jinjiang Xuanhong No.1 Equity Investment Partnership (LP) (晉江軒弘壹號股權投資合夥企業(有限合夥)) (“**Jinjiang Xuanhong**”); and (v) Shaanxi Jinou Investment Fund Partnership (LP) (陝西金甌投資基金合夥企業(有限合夥)) (“**Shaanxi Jinou**”) (collectively as the “**Series B+ Investors**”), pursuant to which the Series B+ Investors subscribed for 6,674,082 Shares at an aggregate consideration of RMB120.0 million. The funds were irrevocably settled and received by our Company as of January 28, 2022. The consideration was determined after arm’s length negotiations with reference to the investment price of the Series B Financing together with an upward adjustment primarily reflecting the grant of clinical trial approval for LZ901 by the NMPA. The subscriptions under the Series B+ Financing were registered with the relevant PRC regulatory authority on January 28, 2022. See “—Pre-[REDACTED] Investments” in this section for further details of the Series B+ Financing.

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Investors	Number of Shares subscribed for	Approximate percentage of shareholding in our Company upon completion (%)	Consideration (RMB)
Hainan Zhaoan	1,668,521	0.96	30,000,000
Gongqingcheng Zhenrui	556,173	0.32	10,000,000
Jinjiang Xuanhong	2,224,694	1.28	40,000,000
Shaanxi Jinou	556,173	0.32	10,000,000
Hengji Rongyu	1,668,521	2.30 ^(Note)	30,000,000

Note: Hengji Rongyu, being one of the Series B Investors, owned approximately 1.40% of the issued share capital of our Company immediately before completion of the Series B+ Financing. It then subscribed for an additional 1,668,521 Shares under the Series B+ Financing (representing approximately 0.98% of the post-subscription issued share capital of our Company), and therefore owned a total of approximately 2.30% of the issued share capital of our Company immediately upon completion of the Series B+ Financing.

Upon completion of the Series B+ Financing, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	52,100,000	29.96
Ms. ZHANG	18,700,000	10.75
Hengqin Luzhu LP	12,307,500	7.08
Beijing Yizhuang	19,645,000	11.30
Beijing Yizhuang II	15,716,000	9.04
Beijing Science Sun	13,751,500	7.91
CCB Capital	11,664,075	6.71
Jinjiang Zhenrui	7,776,050	4.47
Hengji Rongyu	4,001,336	2.30
Ms. JIANG	3,000,000	1.73
Ms. ZHONG Siyu	2,358,000	1.36
Zhuhai Livzon	2,332,815	1.34
Hangzhou Taikun	2,332,815	1.34
Jinjiang Xuanhong	2,224,694	1.28
Hainan Zhaoan	1,668,521	0.96
Ms. CHEN Qingyun	1,572,000	0.90
Xinchuang Technology	777,605	0.45
Gongqingcheng Zhenrui	556,173	0.32
Shaanxi Jinou	556,173	0.32
Ms. KONG Xi	550,000	0.32
Mr. ZHOU Peng	300,000	0.17
Total	173,890,257	100.00

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Pursuant to the Series B Financing agreement, our Company, the then Shareholders and the then Pre-[REDACTED] Investors mutually agreed that, upon (i) our Company entering into a new round of pre-[REDACTED] investment with a pre-money valuation of not less than RMB4.0 billion; or (ii) the commencement of the Phase II clinical trials for LZ901 in the PRC, our Company could issue 5% of the total issued share capital of our Company to our Promoters, namely Mr. KONG, Ms. ZHANG and Ms. JIANG at RMB1.00 per Share to incentivize them. Such arrangement was also acknowledged and confirmed in the Series B+ Financing agreement. We commenced Phase II clinical trials for LZ901 in April 2022. On May 13, 2022, we resolved to allot and issue to our promoters an aggregate of 8,694,513 Shares at par value, and the consideration had been fully settled as of the Latest Practicable Date.

<u>Investors</u>	<u>Number of new Shares subscribed</u>	<u>Number of Shares after subscription</u>	<u>Approximate percentage of shareholding in our Company before subscription</u> (%)	<u>Approximate percentage of shareholding in our Company after subscription</u> (%)
Mr. KONG	6,194,513	58,294,513	29.96	31.93
Ms. ZHANG	1,500,000	20,200,000	10.75	11.06
Ms. JIANG	1,000,000	4,000,000	1.73	2.19

On June 16, 2022, our Company entered into an investment agreement (the “**Series C Financing**”) with (i) Tianjin Huapu Biopharmaceutical Technology Partnership (LP) (天津華普生物醫藥科技合夥企業(有限合夥)) (“**Tianjin Huapu**”); (ii) Beijing Xinyin Xinghong Equity Investment Partnership (LP) (北京信銀興弘股權投資合夥企業(有限合夥)) (“**Xinyin Xinghong**”); (iii) Zibo Runxin Xinchuang Investment Partnership (LP) (淄博潤信芯創投資合夥企業(有限合夥)) (“**Zibo Runxin**”); (iv) Zibo Runwen Kangju Equity Investment Partnership (LP) (淄博潤文康聚股權投資合夥企業(有限合夥)) (“**Zibo Runwen**”); (v) Beijing Yizhuang II; and (vi) Hengji Rongyu (collectively as the “**Series C Investors**”), pursuant to which the Series C Investors subscribed for 9,478,262 Shares at an aggregate consideration of RMB218.0 million. The funds were irrevocably settled and received by our Company as of June 27, 2022. The consideration was determined after arm’s length negotiations with reference to, among others, the commencement of Phase II clinical trials for LZ901 in April 2022. The subscriptions under the Series C Financing were registered with the relevant PRC regulatory authority on June 17, 2022. See “— Pre-[REDACTED] Investments” in this section for further details of the Series C Financing.

<u>Investors</u>	<u>Number of Shares subscribed for</u>	<u>Approximate percentage of shareholding in our Company upon completion</u> (%)	<u>Consideration</u> (RMB)
Tianjin Huapu	3,043,478	1.58	70,000,000
Xinyin Xinghong	1,434,783	0.75	33,000,000
Zibo Runxin	652,174	0.34	15,000,000
Zibo Runwen	434,783	0.23	10,000,000
Beijing Yizhuang II	2,608,696	9.54 ⁽¹⁾	60,000,000
Hengji Rongyu	1,304,348	2.76 ⁽²⁾	30,000,000

Notes:

- (1) Beijing Yizhuang II, being one of the investors under the Series A Financing, owned approximately 8.61% of the issued share capital of our Company immediately before completion of the Series C Financing. It then subscribed for an additional 2,608,696 Shares under the Series C Financing (representing approximately 1.36% of the post-subscription issued share capital of our Company), and therefore owned a total of approximately 9.54% of the issued share capital of our Company immediately upon completion of the Series C Financing.

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- (2) Hengji Rongyu, being one of the Series B Investors and one of the Series B+ Investors, owned approximately 2.30% of the issued share capital of our Company immediately before completion of the Series C Financing. It then subscribed for an additional 1,304,348 Shares under the Series C Financing (representing approximately 0.68% of the post-subscription issued share capital of our Company), and therefore owned a total of approximately 2.76% of the issued share capital of our Company immediately upon completion of the Series C Financing.

Upon completion of the Series C Financing, the shareholding structure of our Company was as follows:

Shareholders	Number of Shares	Approximate percentage of shareholding in our Company (%)
Mr. KONG	58,294,513	30.35
Ms. ZHANG	20,200,000	10.52
Hengqin Luzhu LP	12,307,500	6.41
Beijing Yizhuang	19,645,000	10.23
Beijing Yizhuang II	18,324,696	9.54
Beijing Science Sun	13,751,500	7.16
CCB Capital	11,664,075	6.07
Jinjiang Zhenrui	7,776,050	4.05
Hengji Rongyu	5,305,684	2.76
Ms. JIANG	4,000,000	2.08
Tianjin Huapu	3,043,478	1.58
Ms. ZHONG Siyu	2,358,000	1.23
Zhuhai Livzon	2,332,815	1.21
Hangzhou Taikun	2,332,815	1.21
Jinjiang Xuanhong	2,224,694	1.16
Hainan Zhaoan	1,668,521	0.87
Ms. CHEN Qingyun	1,572,000	0.82
Xinyin Xinghong	1,434,783	0.75
Xinchuang Technology	777,605	0.40
Zibo Runxin	652,174	0.34
Gongqingcheng Zhenrui	556,173	0.29
Shaanxi Jinou	556,173	0.29
Ms. KONG Xi	550,000	0.29
Zibo Runwen	434,783	0.23
Mr. ZHOU Peng	300,000	0.16
Total	192,063,032	100.00%

SUBSIDIARIES OF OUR COMPANY

As of the Latest Practicable Date, we had three wholly-owned subsidiaries and their details are set forth below:

Zhuhai Luzhu

Zhuhai Luzhu was established in the PRC with a registered capital of RMB100.0 million on November 29, 2018. On April 19, 2022, the registered capital of Zhuhai Luzhu was increased to RMB200.0 million. As of the Latest Practicable Date, the registered capital of Zhuhai Luzhu had been fully paid up. Zhuhai Luzhu principally engages in research, development and production of vaccines and therapeutic biologics in the PRC.

Hong Kong Luzhu

Hong Kong Luzhu was incorporated in Hong Kong on December 20, 2021 with limited liability. On the date of incorporation, 100,000 shares in Hong Kong Luzhu were allotted and issued to our Company at HK\$1.00 each. As of the Latest Practicable Date, Hong Kong Luzhu had not yet commenced any substantive business.

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Beijing Luzhu

Beijing Luzhu was established in the PRC with a registered capital of RMB150.0 million on March 31, 2022. As of the Latest Practicable Date, the registered capital of Beijing Luzhu had been fully paid up, and Beijing Luzhu had not yet commenced any substantive business.

EMPLOYEE INCENTIVE SCHEME

In anticipation of the [REDACTED], we have adopted an employee incentive scheme on December 15, 2021 (the “**Employee Incentive Scheme**”) with a view to attract and retain talents for our Group, and foster shared interests between Shareholders and our management team. The Employee Incentive Scheme has replaced all outstanding share options granted to our employees historically under the previous employee incentive arrangements. Further, Hengqin Luzhu LP, Beijing Luzhu Kangrui Enterprise Management Partnership (LP) (北京綠竹康瑞企業管理合夥企業(有限合夥)) (“**Beijing Luzhu Kangrui**”) and Zhuhai Luzhu Kangrui Enterprise Management Partnership (LP) (珠海綠竹康瑞企業管理合夥企業(有限合夥)) (“**Zhuhai Luzhu Kangrui**”) have also been established in the PRC as our employee incentive platforms. For further details of the Employee Incentive Scheme, see “Statutory and General Information — B. Further Information about the Business of our Company — 3. Employee Incentive Scheme” in Appendix VII to this document.

Hengqin Luzhu LP

Hengqin Luzhu LP was established in the PRC as a limited partnership on January 14, 2021. Mr. KONG, as the sole general partner of Hengqin Luzhu LP, is responsible for the management of Hengqin Luzhu LP and exercising the voting rights attaching to the Shares held by Hengqin Luzhu LP, in accordance with the partnership agreement entered into among the general and limited partners of Hengqin Luzhu LP. As of the Latest Practicable Date, Mr. KONG held approximately 0.97% interests in Hengqin Luzhu LP, with the remaining interests being held by five limited partners of Hengqin Luzhu LP, namely Beijing Luzhu Kangrui (holding approximately 40.67% interests), Zhuhai Luzhu Kangrui (holding approximately 19.87% interests), Ms. ZHANG, our executive Director (holding approximately 27.61% interests), and two Independent Third Parties, namely, Ms. DAN Xiaoning (淡肖寧) (“**Ms. DAN**”), our consultant (holding approximately 8.13% interests) and Ms. HUANG Ying, our former employee (holding approximately 2.76% interests).

Ms. DAN has years of experience in financial control and management, and has passed the qualification examinations of fund practitioner (基金從業員) under the Asset Management Association of China. She completed the Executive Master of Business Administration program of Cheung Kong Graduate School of Business in the PRC in 2021, and is currently pursuing the Cheung Kong Chief Executive Officer program of Cheung Kong Graduate School of Business in the PRC. Ms. DAN was first introduced to Mr. KONG by her acquaintance, Mr. ZHANG Zhiyong (張志勇), who is the deputy general manager of E-town Sun with years of experience in the investment industry, and an Independent Third Party. In early 2021, in light of Ms. DAN’s qualification and experience in financing and capital and financial management, Mr. KONG invited Ms. DAN to be a consultant of our Company to provide advice and necessary technical support on the financial aspects of our Group, including advising on our capital and financial management strategies, such as budgeting and internal financial arrangement related matters. The term of Ms. DAN’s engagement commenced in February 2021, and shall end in December 2024. In this connection, Ms. DAN has been transferred approximately 8.13% interests in Hengqin Luzhu LP as her remuneration, and she is also entitled to a sum of RMB4,000 per month as disbursement and subsidy.

As of the Latest Practicable Date, Hengqin Luzhu LP owned approximately 6.41% of the issued Shares.

Beijing Luzhu Kangrui

Beijing Luzhu Kangrui was established in the PRC as a limited partnership on April 26, 2022. As of the Latest Practicable Date, Beijing Luzhu Kangrui had 32 limited partners, including one Director, two Supervisors and two other members of the senior management of our Group. The general partner of Beijing Luzhu Kangrui is Ms. PENG Ling (彭玲), our Supervisor.

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Zhuhai Luzhu Kangrui

Zhuhai Luzhu Kangrui was established in the PRC as a limited partnership on April 14, 2022. As of the Latest Practicable Date, Zhuhai Luzhu Kangrui had 35 limited partners, including three members of the senior management of our Group. The general partner of Zhuhai Luzhu Kangrui is Ms. ZHANG, our executive Director.

PRE-[REDACTED] INVESTMENTS

Principal terms of the Pre-[REDACTED] Investments

We received four rounds of Pre-[REDACTED] Investments since our establishment. The following table sets forth a summary of the details of the Pre-[REDACTED] Investments:

	<u>Series A Financing</u>	<u>Series B Financing</u>	<u>Series B+ Financing</u>	<u>Series C Financing</u>
Number of Shares subscribed	49,112,500	27,216,175	6,674,082	9,478,262
Amount of consideration paid	RMB250,000,000	RMB350,000,000	RMB120,000,000	RMB218,000,000
Post-money valuation of our Company ⁽¹⁾	Approximately RMB650.0 million	Approximately RMB2.15 billion	Approximately RMB3.13 billion	Approximately RMB4.42 billion
Participants of the Pre-[REDACTED] Investments	Beijing Science Sun; Beijing Yizhuang; and Beijing Yizhuang II	CCB Capital; Jinjiang Zhenrui; Zhuhai Livzon; Hangzhou Taikun; Hengji Rongyu; and Xinchuang Technology	Hainan Zhaoan; Gongqingcheng Zhenrui; Jinjiang Xuanhong; Shaanxi Jinou; and Hengji Rongyu	Tianjin Huapu; Xinyin Xinghong; Zibo Runxin; Zibo Runwen; Beijing Yizhuang II; and Hengji Rongyu
Date of investment agreement(s)	July 23, 2019 ⁽³⁾ February 16, 2021 ⁽⁴⁾	August 30, 2021	December 31, 2021	June 16, 2022
Date of payment of full consideration	March 26, 2021	September 10, 2021	January 28, 2022	June 27, 2022
Cost per Share paid under the Pre-[REDACTED] Investments	RMB5.09	RMB12.86	RMB17.98	RMB23.0
Discount to the [REDACTED] ⁽²⁾	Approximately [REDACTED]%	Approximately [REDACTED]%	Approximately [REDACTED]%	Approximately [REDACTED]%
Use of proceeds from the Pre-[REDACTED] Investments	For the expenses of K193 clinical trial and development of various vaccines and therapeutic biologics such as recombinant herpes zoster vaccine	Working capital of our Company, such as development and production of pharmaceutical products, clinical trials, etc.	Working capital of our Company, such as development and production of pharmaceutical products, clinical trials, etc.	For research and development, capital expenditure and working capital requirements relating to the principal business of our Company

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	<u>Series A Financing</u>	<u>Series B Financing</u>	<u>Series B+ Financing</u>	<u>Series C Financing</u>
Lock-up arrangement	Subject to a lock-up period of 12 months following the [REDACTED] pursuant to the PRC Company Law.			
Strategic benefits to our Company	At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company for our research and development activities. Further, our Directors are also of the view that the investments by the Pre-[REDACTED] Investors demonstrated their confidence in our operations and served as an endorsement of our Company’s performance and prospects. Further, our non-executive Directors represent certain of our Pre-[REDACTED] Investors and they complement our executive Directors to maintain good corporate governance.			

Notes:

- (1) The post-money valuation figures equal the total consideration paid by the Pre-[REDACTED] Investors in each round divided by the shareholding percentage held by them immediately following their respective round of investment. The increase in valuation from Series A Financing to Series B Financing was mainly due to the progress in the research and development of LZ901 where an application for clinical trial approval was accepted by the NMPA in May 2021. LZ901 is our Core Product and is expected to be the world’s first herpes zoster vaccine with a tetrameric molecular structure to prevent shingles caused by VZV for adults aged 50 years and older. The increase in valuation from Series B Financing to Series B+ Financing was mainly due to the grant of clinical trial approval for LZ901 by the NMPA, as the result of the clinical trial application for LZ901 was still pending at the time when the consideration for Series B Financing was determined in June 2021. The increase in valuation from Series B+ Financing to Series C Financing was mainly due to the commencement of the Phase II clinical trials of LZ901 in April 2022. Our anticipated market [REDACTED] immediately upon completion of the [REDACTED] has primarily taken into account (a) the post-money valuation of the Series C Financing; (b) the expected capital raising during the [REDACTED]; (c) the expected progress in the development of our product candidates, including (i) LZ901 which we expect to complete its Phase II clinical trials in the first quarter of 2023, and (ii) Recombinant Varicella Vaccine, which we filed its IND application to the NMPA in June 2022; and (d) the difference in risks undertaken by our Pre-[REDACTED] Investors investing in a private company vis-à-vis investors investing in a [REDACTED] company.
- (2) Calculated on the basis of the [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range.
- (3) The date of the 2019 Capital Increase Agreement.
- (4) The date of the equity interest transfer agreement entered into by, among others, Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun, pursuant to which Beijing Yizhuang transferred 15,716,000 Shares and 3,929,000 Shares to Beijing Yizhuang II and Beijing Science Sun, respectively.

As of the Latest Practicable Date, (i) approximately 13.1% of proceeds of the Series A Financing, amounting to approximately RMB32.7 million, remained unutilized. Such unutilized proceeds will be used to fund the clinical trial of K193 and the development of our various vaccines and therapeutic biologics; and (ii) approximately 52.6% of proceeds of Series B Financing, amounting to approximately RMB184.2 million, remained unutilized. Such unutilized proceeds will be used as our working capital to support our development and production of pharmaceutical products, clinical trials and other operations. On the other hand, the proceeds of the Series B+ Financing and the Series C Financing had yet been utilized as of the Latest Practicable Date. The proceeds of approximately RMB120.0 million from Series B+ Financing will be used as our working capital to support our development and production of pharmaceutical products, clinical trials and other operations, whereas the proceeds of approximately RMB218.0 million from Series C Financing will be used to fund our research and development, capital expenditure, and working capital requirements that relate to our principal business.

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Special Rights and Obligations under the Pre-[REDACTED] Investments Agreements

The Pre-[REDACTED] Investors were granted customary special rights, including but not limited to divestment right, pre-emptive right, information right and anti-dilution right. In this connection, the special rights of Series A Investors, Series B Investors, Series B+ Investors and Series C Investors are set out in the Series C Financing agreement, which was entered into among the Company, the Series C Investors and all the then Shareholders and unified the special rights granted in previous rounds of Pre-[REDACTED] Investments.

Divestment right

Each Pre-[REDACTED] investor is given the right to, upon the occurrence of specified divestment events, request Mr. KONG and Ms. ZHANG to repurchase the Shares each Pre-[REDACTED] Investor then holds at a specified purchase price.

If (i) our Company cannot achieve a [REDACTED] of the Shares on, among others, the Stock Exchange, with a minimum pre-[REDACTED] valuation of our Company of not less than RMB5.1 billion or not able to complete the Phase II clinical trial of LZ901 by December 31, 2023 (in either scenario); (ii) if our Company cannot achieve a [REDACTED] of the Shares on, among others, the Stock Exchange, with a minimum pre-[REDACTED] valuation of our Company of not less than RMB6.2 billion by December 31, 2025 or not able to complete the Phase III clinical trial of LZ901 by December 31, 2024 (whichever is earlier); (iii) Mr. KONG and Ms. ZHANG lose their actual control over our Company; (iv) our Company, Mr. KONG and Ms. ZHANG are subject to any administrative and/or criminal penalties which causes material harm to our Company; (v) our Company fails and/or Mr. KONG and Ms. ZHANG fail to procure our Company to use the relevant Pre-[REDACTED] Investment proceeds as agreed or there is a material breach of the terms of the Series C Financing agreement by our Company, Mr. KONG and/or Ms. ZHANG; or (vi) any other Pre-[REDACTED] Investors request to exercise their divestment rights, the Pre-[REDACTED] Investors shall have the right to request Mr. KONG and Ms. ZHANG or any third parties nominated by Mr. KONG and Ms. ZHANG to repurchase the relevant equity interests.

The divestment rights granted to the Pre-[REDACTED] Investors have been suspended immediately prior to the submission of our [REDACTED] application and will terminate upon [REDACTED]. The information rights granted to the Pre-[REDACTED] Investors will terminate upon the [REDACTED]. All other special rights under the Pre-[REDACTED] Investments had been terminated prior to the submission of our [REDACTED] application in accordance with Guidance Letter HKEX-GL43-12 issued by the Stock Exchange. Save as disclosed above, there are no other side agreements, understandings, arrangements or undertakings, verbal or in writing, between our Company (including any of our subsidiaries, their directors, supervisors, shareholders, senior management or any of their respective associates) and each of the Pre-[REDACTED] Investors (including their beneficial owners and directors), in relation to their investments in our Group, that are subsisting.

Background of the Pre-[REDACTED] Investors

Our Pre-[REDACTED] Investors include major pharmaceutical companies and experienced investors such as seasoned healthcare funds and established funds with a focus on investments in the biopharmaceutical sector, the details of which are set out below:

1. Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun

Beijing Yizhuang is a limited liability partnership established in the PRC on November 16, 2015 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB800.0 million. Beijing Yizhuang primarily focuses on investment opportunities in next-generation biopharmaceutical companies, biomacromolecule technology, cell engineering technology and gene regulation. As of the Latest Practicable Date, Beijing Yizhuang had (i) one general partner and fund manager, namely E-town Sun, which held approximately 1.25% interest in Beijing Yizhuang; and (ii) seven limited partners, namely Beijing Science Sun (being the largest limited partner and holding approximately 26.25% interest in Beijing Yizhuang), Saide Ruibo (holding approximately 16.25% interest in Beijing Yizhuang), and five Independent Third Parties (together holding the remaining approximately 56.25% interest in Beijing Yizhuang). As of the Latest Practicable Date, E-town Sun was owned as to approximately 34.00%, 46.00% and 20.00% by Saiding Fangde, Saide Ruibo and Botai Fangde (Beijing) Capital Management Co., Ltd. (博泰方德(北京)資本管

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理有限公司) (“**Botai Fangde**”), respectively. Saiding Fangde and Saide Ruibo have confirmed that they are acting in concert in respect of their interests in E-town Sun. Further, E-town Sun is also regarded by Beijing Science Sun as having the same Actual Controller, i.e. Mr. MA Biao (馬彪), who is our non-executive Director. On the other hand, Botai Fangde is an Independent Third Party. As of the Latest Practicable Date, Botai Fangde was owned as to (i) approximately 69.39% by Beijing E-town Practical Industrial Investment Management Co., Ltd. (北京亦莊國際產業投資管理有限公司), which in turn was ultimately controlled by the Financial Audit Bureau of the Beijing Economic-Technological Development Area (北京經濟技術開發區財政審計局), an Independent Third Party; and (ii) approximately 30.61% by Beijing Yizhuang International Biomedical Investment Management Co. Ltd. (北京亦莊國際生物醫藥投資管理有限公司), which in turn was ultimately controlled by the Management Committee of the Beijing Economic-Technological Development Area (北京經濟技術開發區管理委員會), an Independent Third Party. Except for the fact that (i) E-town Sun, being the general partner of Beijing Yizhuang, is our connected person, (ii) Beijing Science Sun and Saide Ruibo, being limited partners of Beijing Yizhuang, are our connected persons, and (iii) Beijing Yizhuang, together with Beijing Yizhuang II and Beijing Science Sun, are regarded as a group of substantial shareholders of our Company as discussed below, the limited partners of Beijing Yizhuang are all Independent Third Parties.

Beijing Yizhuang II is a limited liability partnership established in the PRC on December 27, 2019 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB1.0 billion. Beijing Yizhuang II primarily focuses on investment opportunities in next-generation biopharmaceutical companies, biomacromolecule technology, cell engineering technology and gene regulation. As of the Latest Practicable Date, Beijing Yizhuang II had (i) one general partner and fund manager, namely E-town Sun, which held approximately 1.00% interest in Beijing Yizhuang II; and (ii) five limited partners, namely Beijing Science Sun (being the largest limited partner and holding approximately 31.00% interest in Beijing Yizhuang II) and four Independent Third Parties (together holding the remaining approximately 68.00% interest in Beijing Yizhuang II). Except for the fact that (i) E-town Sun, being the general partner of Beijing Yizhuang II, is our connected person, (ii) Beijing Science Sun, being a limited partner of Beijing Yizhuang II, is our connected person, and (iii) Beijing Yizhuang II, together with Beijing Yizhuang and Beijing Science Sun, are regarded as a group of substantial shareholders of our Company as discussed below, the limited partners of Beijing Yizhuang II are all Independent Third Parties.

Beijing Science Sun is a limited liability company established in the PRC on May 20, 1999, and was converted into a joint stock limited company on July 28, 2011. Beijing Science Sun principally engaged in the research, manufacture and sales of biological and biochemical pharmaceuticals. It is a company listed on the Shenzhen Stock Exchange (stock code: 300485) since June 2015, with Mr. MA Biao as its Actual Controller, holding approximately 49.51% of the issued shares of Beijing Science Sun as of the Latest Practicable Date.

Beijing Yizhuang and Beijing Yizhuang II share the same general partner and fund manager, i.e. E-town Sun, which in turn is regarded as having the same Actual Controller as Beijing Science Sun (i.e. Mr. MA Biao). Accordingly, Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun are regarded as a group of substantial shareholders of our Company.

2. *CCB Capital*

CCB Capital is a limited liability company established in the PRC on September 17, 2008, and is primarily engaged in investment management and consulting. It is a Sophisticated Investor having made meaningful investment in our Company during the Series B Financing, which is more than six months before the [REDACTED] for the purpose of Guidance Letter HKEX-GL92-18 issued by the Stock Exchange. As of December 31, 2022, CCB Capital had assets under management of approximately RMB6.0 billion. Other than our Company, the investment portfolio of CCB Capital and its associates in the biopharmaceutical sector also includes the following companies: (i) Novogene Co., Ltd. (北京諾禾致源科技股份有限公司), a genomic products and services provider listed on the Shanghai Stock Exchange (stock code: 688315); (ii) Kintor Pharmaceutical Limited (開拓藥業有限公司), a novel drug developer listed on the Stock Exchange (stock code:9939), focusing on cancers and other androgen receptor-related diseases; (iii) Hinova Pharmaceuticals Inc. (海創藥業股份有限公司), a pharmaceutical listed on the Shanghai Stock Exchange (stock code: 688302), focusing on deuteration technology and PROTAC targeted protein degradation; and (iv) Beijing Kangle Weishi Biotechnology Co., Ltd. (北京康樂衛士生

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物技術股份有限公司), a biotech company quoted on the National Equities Exchange and Quotations (“NEEQ”) (stock code: 833575), focusing on the research, development and industrialization of vaccines. CCB Capital is indirectly and wholly owned by CCB International (Holdings) Limited (建銀國際(控股)有限公司), which in turn is an investment services flagship indirectly and wholly-owned by China Construction Bank Corporation (中國建設銀行股份有限公司), a joint-stock company established in the PRC and dually listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: 601939).

3. *Jinjiang Zhenrui and Jinjiang Xuanhong*

Jinjiang Zhenrui is a limited liability partnership established in the PRC on April 23, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB100.0 million. Jinjiang Zhenrui primarily focuses on investment opportunities in the medical, pharmaceutical and healthcare industries in the PRC. As of the Latest Practicable Date, (i) Jinjiang Zhenrui had nine limited partners, with the largest limited partner holding approximately 49.75% interests in Jinjiang Zhenrui; and (ii) the general partner and fund manager of Jinjiang Zhenrui was Herui Venture Capital Fund Management (Shenzhen) Co., Ltd. (和瑞創業投資基金管理(深圳)有限公司) (“**Herui VC**”), which was owned as to 40.00%, 40.00% and 20.00% by Mr. CHEN Ruolin (陳若霖), Mr. WANG Zhixian (王智顯) and Ms. LIN Bei (林貝), respectively. Both Mr. CHEN Ruolin and Ms. LIN Bei have years of experience in the finance industry and are currently responsible for the investment related matters of Herui VC. Mr. WANG Zhixian, on the other hand, works in the healthcare industry. Jinjiang Zhenrui and its general partner and limited partners are all Independent Third Parties.

Jinjiang Xuanhong is a limited liability partnership established in the PRC on May 13, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB40.0 million. Jinjiang Xuanhong primarily focuses on investment opportunities in the medical, pharmaceutical and healthcare industries in the PRC. As of the Latest Practicable Date, (i) Jinjiang Xuanhong had 14 limited partners, with the largest limited partner holding approximately 25.00% interests in Jinjiang Xuanhong; and (ii) the general partner and fund manager of Jinjiang Xuanhong was Herui VC. Jinjiang Xuanhong and its general partner and limited partners are all Independent Third Parties.

As Jinjiang Zhenrui and Jinjiang Xuanhong share the same general partner and fund manager, i.e. Herui VC, they are regarded as a group of Shareholders.

4. *Zhuhai Livzon*

Zhuhai Livzon is a limited liability company established in the PRC on May 17, 2019, and is primarily engaged in investments in the biomedical industry. Zhuhai Livzon is a wholly-owned subsidiary of Livzon Pharmaceutical Group Inc. (麗珠醫藥集團股份有限公司), a PRC-based pharmaceutical company dually listed on the Stock Exchange (stock code: 1513) and the Shenzhen Stock Exchange (stock code: 000513), which principally engaged in the research and development, production and sales of pharmaceutical products.

5. *Hangzhou Taikun*

Hangzhou Taikun is a limited liability partnership established in the PRC on August 10, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB1.0 billion. Hangzhou Taikun primarily focuses on investment opportunities in companies which engage in development of innovative medical devices and medicine, medical services, etc. As of the Latest Practicable Date, (i) Hangzhou Taikun had three limited partners, with the largest limited partner holding approximately 49.00% in Hangzhou Taikun; (ii) the general partner and fund manager of Hangzhou Taikun was Hangzhou Tailong Venture Capital Partnership (LP) (杭州泰龍創業投資合夥企業(有限合夥)) (“**Hangzhou Tailong**”). The general partner of Hangzhou Tailong is Zhaotai (Zibo) Venture Capital Management Partnership (LP) (昭泰(淄博)創業投資管理合夥企業(有限合夥)), the general partner of which is Mr. LIU Chunguang (劉春光), holding approximately 99.00% partnership interest therein. Mr. LIU Chunguang is a private investor with interest and experience in the biopharmaceutical industry. As of the Latest Practicable Date, approximately 49.00% and 99.00% of the respective interest in Hangzhou Taikun and Hangzhou Tailong was held by their respective largest limited

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partner, Hangzhou Tigermed Equity Investment Partnership (LP) (杭州泰格股權投資合夥企業(有限合夥)), which is a wholly-owned subsidiary of Tigermed Consulting Co., Ltd. (杭州泰格醫藥科技股份有限公司), a biopharmaceutical company dually listed on the Stock Exchange (stock code: 3347) and the Shenzhen Stock Exchange (stock code: 300347). The remaining approximately 51.00% interests of Hangzhou Taikun was held by three partners, namely Hangzhou Tailong and two other Independent Third Parties. Hangzhou Taikun and its general partner and limited partners are all Independent Third Parties.

6. *Hengji Rongyu*

Hengji Rongyu is a limited liability partnership established in the PRC on June 11, 2021, primarily focuses on research and production of disposable biological consumables with an aggregate amount of assets under management of approximately RMB100.0 million. As of the Latest Practicable Date, (i) Hengji Rongyu had three limited partners, with the largest limited partner holding approximately 10.0% interest in Hengji Rongyu; and (ii) the general partner of Hengji Rongyu was Ms. WANG Li (王麗), who held approximately 85.20% interest in Hengji Rongyu. Ms. WANG Li is an entrepreneur. Apart from being the general partner of Hengji Rongyu, she is also the controlling shareholder, director and general manager of Beijing Kemanhua Technology and Trading Co., Ltd. (北京科曼華科貿有限公司) (“**Beijing Kemanhua**”), a trading company with registered capital of RMB19.0 million as of the Latest Practicable Date. Ms. WANG Li held approximately 97.00% of the equity interests in Beijing Kemanhua as of the Latest Practicable Date. Hengji Rongyu and its general partner and limited partners are all Independent Third Parties.

7. *Xinchuang Technology*

Xinchuang Technology is a limited liability partnership established in the PRC on February 20, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB680.0 million. Xinchuang Technology primarily focuses on investment opportunities in information technology application innovation industry, advanced manufacturing and biomedical industry. As of the Latest Practicable Date, (i) Xinchuang Technology had 13 limited partners, with the largest limited partner holding approximately 29.91% interest in Xinchuang Technology; and (ii) the general partners of Xinchuang Technology were (a) Beijing E-town International Technology Innovation Private Equity Fund Management Co., Ltd. (北京亦莊國際科技創新私募基金管理有限公司) (“**E-town Private Equity**”) (which was also the fund manager of Xinchuang Technology); and (b) Beijing E-town Huaray Investment Management Co., Ltd. (北京屹唐華睿投資管理有限公司) (“**E-town Huaray Investment**”), holding approximately 1.00% and 0.25% interest in Xinchuang Technology, respectively. As of the Latest Practicable Date, (i) E-town Private Equity was owned as to approximately 45.00% by Beijing Rongyue Changxiang Information Consulting Service Center (LP) (北京榮躍暢享信息諮詢服務中心(有限合夥)) (“**Rongyue Changxiang**”), and approximately 20.00%, 15.00%, 10.00% and 10.00% by four other shareholders, respectively. The general partner of Rongyue Changxiang is Mr. ZHANG Peng (張鵬), holding approximately 10.00% interest in Rongyue Changxiang as of the Latest Practicable Date. Mr. ZHANG Peng has years of experience in the investment and finance industry and is a fund practitioner (基金從業員) registered under the Asset Management Association of China; and (ii) E-town Huaray Investment was owned as to approximately 37.50% by Beijing E-town International Industrial Investment and Management Co., Ltd (北京亦莊國際產業投資管理有限公司), which in turn was ultimately owned by the Financial Audit Bureau of the Beijing Economic-Technological Development Area (北京經濟技術開發區財政審計局), and approximately 31.25%, 18.75% and 12.50% by three other shareholders, respectively. Xinchuang Technology and its general partners and limited partners are all Independent Third Parties.

8. *Hainan Zhaoan*

Hainan Zhaoan is a limited liability partnership established in the PRC on June 11, 2021, and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB200.0 million. Hainan Zhaoan primarily focuses on private equity investment. As of the Latest Practicable Date, (i) Hainan Zhaoan had seven limited partners, with the largest limited partner holding approximately 31.50% interest in Hainan Zhaoan; and (ii) the general partner and fund manager of Hainan Zhaoan was Tibet Ming Feng Capital Investment Management Co., Ltd. (西藏銘豐資本投資管理有限公司), which was owned as to approximately 33.50%, 30.00%, 15.00%, 15.00%, 3.50% and 3.00% by Mr. FEI Simin (費思敏), Mr. WANG Dapeng (王

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大鵬), Ms. ZHANG Lanying (張蘭英), Ms. WANG Xiongling (王熊玲), Mr. ZHANG Yong (張勇) and Mr. QIN Yong (秦勇), respectively. Each of Mr. FEI Simin, Mr. WANG Dapeng, Ms. ZHANG Lanying, Ms. WANG Xiongling, Mr. ZHANG Yong and Mr. QIN Yong is a private investor with years of investment experience, and their backgrounds are diversified: (i) Mr. FEI Simin, Mr. WANG Dapeng and Mr. QIN Yong had previously worked in the real estate development and/or investment industry; (ii) Ms. ZHANG Lanying had previously worked in the medical industry; (iii) Ms. WANG Xiongling had previously worked in the mining industry; and (iv) Mr. ZHANG Yong had previously worked in the engineering and construction industry. Hainan Zhaoan and its general partner and limited partners are all Independent Third Parties.

9. *Gongqingcheng Zhenrui*

Gongqingcheng Zhenrui is a limited liability partnership established in the PRC on October 14, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB10.0 million. Gongqingcheng Zhenrui primarily focuses on investment opportunities in biomedical industry. As of the Latest Practicable Date, (i) Gongqingcheng Zhenrui had seven limited partners, with the largest limited partner holding approximately 19.81% interests in Gongqingcheng Zhenrui; and (ii) the general partner and fund manager of Gongqingcheng Zhenrui was Shenzhen Mingsheng Private Equity Fund Management Co., Ltd. (深圳銘盛私募股權基金管理有限公司) (formerly known as Hainan Mingsheng Private Equity Fund Management Co., Ltd. (海南銘盛私募基金管理有限公司)), which was wholly owned by Ms. JI Lingzi (紀鈴子). Ms. JI Lingzi has years of experience in the banking and investment industry and is a fund practitioner (基金從業員) registered under the Asset Management Association of China. Gongqingcheng Zhenrui and its general partner and limited partners are all Independent Third Parties.

10. *Shaanxi Jinou*

Shaanxi Jinou is a limited liability partnership established in the PRC on July 30, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB25.0 million. Shaanxi Jinou primarily focuses on investment opportunities in biomedical industry. As of the Latest Practicable Date, (i) Shaanxi Jinou had two limited partners, with the largest limited partner holding approximately 12.00% interests in Shaanxi Jinou; and (ii) the general partner and fund manager of Shaanxi Jinou was Shaanxi New Age Capital Management Co., Ltd. (陝西新時代資本管理有限公司), which was ultimately owned by the Department of Finance of Shaanxi Province. Shaanxi Jinou and its general partner and limited partners are all Independent Third Parties.

11. *Tianjin Huapu*

Tianjin Huapu is a limited liability partnership established in the PRC on June 7, 2022, and primarily focuses on the investment opportunities in biomedical field, with an aggregate amount of assets under management of approximately RMB400.0 million. As of the Latest Practicable Date, the general partner of Tianjin Huapu was Mr. LV Maojie (呂茂傑). Mr. LV Maojie works in the biopharmaceutical industry and has years of industry experience. Mr. LV Maojie and the limited partner of Tianjin Huapu, Tianjin Huapu Haihe Biopharmaceutical Industry Fund Partnership (LP) (天津華普海河生物醫藥產業基金合夥企業(有限合夥)) (“**Huapu Haihe**”) held approximately 0.1% and 99.9% interest in Tianjin Huapu, respectively. As of the Latest Practicable Date, Huapu Haihe was owned as to approximately 50.00%, 20.00%, 29.90% and 0.10% by Tianjin Haihe Industry Fund Partnership (LP) (天津市海河產業基金合夥企業(有限合夥)) (“**Haihe Fund**”), Tianjin Ringpu Bio-Technology Co., Ltd. (天津瑞普生物技術股份有限公司) (a company listed on the Shenzhen Stock Exchange (stock code: 300119)), Shanghai Wantian Investment Management Co., Ltd. (上海萬天投資管理有限公司) and Tianjin Ruisheng Private Fund Management Co., Ltd. (天津瑞晟私募基金管理有限公司) (“**Tianjin Ruisheng**”). The general partner of Huapu Haihe is Tianjin Ruisheng, and the fund manager of Huapu Haihe is Ruijiu Venture Capital (天津瑞久創業投資管理有限公司). As of the Latest Practicable Date, Haihe Fund was owned as to approximately 99.8% by Tianjin Jinrong Investment Service Group Co., Ltd. (天津津融投資服務集團有限公司), which was owned as to approximately 77.62% by State-owned Assets Supervision and Administration Commission of Tianjin People’s Government (天津市人民政府國有資產監督管理委員會) (through itself and Tianjin Jincheng State-owned Capital Investment and Operations Co., Ltd. (天津津誠國有資本投資運營有限公司), its wholly owned company). Tianjin Huapu and its general partner and limited partner are all Independent Third Parties.

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12. *Xinyin Xinghong*

Xinyin Xinghong is a limited liability partnership established in the PRC on February 14, 2019, with its investments amounting to approximately RMB33.0 million, and primarily focuses on investment opportunities in emerging industries such as intelligent technology, high-end manufacturing, medical healthcare, next-generation information technology and new energy and materials. As of the Latest Practicable Date, (i) Xinyin Xinghong had only one limited partner, which held approximately 99.86% interest in Xinyin Xinghong; and (ii) the general partner of Xinyin Xinghong was Xinyin Zhenhua (Beijing) Equity Investment Fund Management Co., Ltd. (信銀振華(北京)股權投資基金管理有限公司) (“**Xinyin Zhenhua**”), which held approximately 0.14% interest in Xinyin Xinghong. Xinyin Zhenhua is a subsidiary of CNCB (Hong Kong) Investment Limited (信銀(香港)投資有限公司), which is in turn the overseas investment banking platform of China CITIC Bank Corporation Limited (中信銀行股份有限公司), and ultimately controlled by CITIC Group (中信集團), a PRC state-owned investment company and an Independent Third Party. Xinyin Xinghong and its general partner and limited partner are all Independent Third Parties.

13. *Zibo Runxin and Zibo Runwen*

Zibo Runxin is a limited liability partnership established in the PRC on August 12, 2021, and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB15.0 million. Zibo Runxin primarily focuses on equity investments, covering the semi-conductor, high-end manufacturing and biomedical industries. As of the Latest Practicable Date, (i) Zibo Runxin had nine limited partners, with the largest limited partner holding approximately 30.67% interests in Zibo Runxin; and (ii) the general partner and fund manager of Zibo Runxin was Beijing Runsen Yixin Investment Management Co., Ltd. (北京潤森義信投資管理有限公司) (“**Runsen Yixin**”), which was owned as to approximately 85.00% and 15.00% by Mr. GAO Wei (高巍) and Mr. WANG Han (王涵), respectively. Mr. GAO Wei and Mr. WANG Han are the founders of Runsen Yixin and had previously worked in the investment banking industry. Zibo Runxin and its general partner and limited partners are all Independent Third Parties.

Zibo Runwen is a limited liability partnership established in the PRC on June 8, 2021 and is an investment fund registered under the Asset Management Association of China with an aggregate amount of assets under management of approximately RMB10.0 million. Zibo Runwen primarily focuses on equity investments, covering the semi-conductor, high-end manufacturing and biomedical industries. As of the Latest Practicable Date, (i) Zibo Runwen had three limited partners, with the largest limited partner holding approximately 49.51% interests in Zibo Runwen; and (ii) the general partner and fund manager of Zibo Runwen was Runsen Yixin. Zibo Runwen and its general partner and limited partners are all Independent Third Parties.

As Zibo Runxin and Zibo Runwen share the same general partner and fund manager, i.e. Runsen Yixin, they are regarded as a group of Shareholders.

Other than Beijing Yizhuang, Beijing Yizhuang II and Beijing Science Sun, and save as disclosed above all the other Pre-[REDACTED] Investors, their general partners and limited partners (where applicable), and their respective ultimate beneficial owners are Independent Third Parties.

Public Float

Upon [REDACTED], (i) the Domestic Shares directly held by Mr. KONG and Xinyin Xinghong, and (ii) the H Shares directly held by Ms. ZHANG, Hengqin Luzhu LP, Beijing Yizhuang, Beijing Yizhuang II, Beijing Science Sun, Ms. JIANG and Ms. KONG Xi will not be counted towards the public float. Except as stated above, all the H Shares held by other Shareholders upon [REDACTED] will be counted towards the public float for the purpose of Rules 8.08 and 18A.07 of the Listing Rules.

Immediately upon completion of the [REDACTED], assuming (i) [REDACTED] H Shares are [REDACTED] and [REDACTED] to public Shareholders in the [REDACTED]; (ii) the conversion of [REDACTED] Domestic Shares into H Shares as applied in “Full Circulation” as shown in the table in “— Corporate Structure immediately after completion of the [REDACTED]” in this section below; and (iii) the [REDACTED] is not exercised, and based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low-end of the indicative [REDACTED] range), the total number of H Shares

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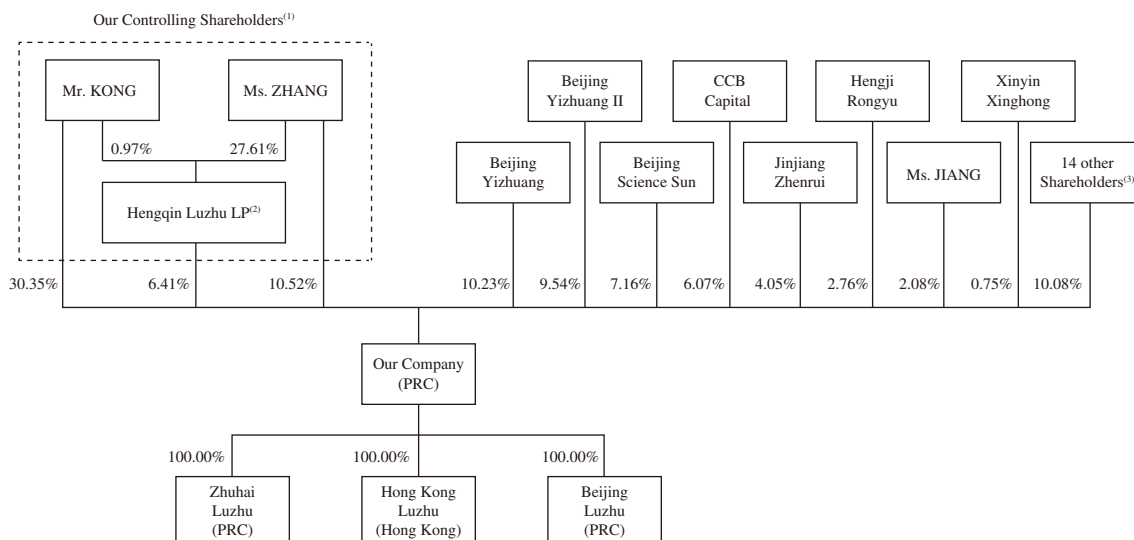
of our Company held by the public represents approximately [REDACTED]% of the total number of issued Shares of our Company and our Company will have a [REDACTED] of at least HK\$[REDACTED] held by the public. Therefore, our Company will be able to meet the minimum public float requirement under Rules 8.08 and 18A.07 of the Listing Rules.

Sole Sponsor’s Confirmation

On the basis that (i) the consideration for Series A Financing, Series B Financing and Series B+ Financing was settled more than 28 clear days before the date of first submission of the [REDACTED] application to the Stock Exchange; (ii) the consideration for Series C Financing was settled no less than 120 clear days before the [REDACTED]; and (iii) the special rights granted to the Pre-[REDACTED] Investors had been suspended or terminated prior to the submission of the application for the [REDACTED] and/or will be terminated upon completion of the [REDACTED], in compliance with Guidance Letter HKEX-GL43-12, the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and in March 2017 and Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO COMPLETION OF THE [REDACTED]

The following chart sets forth a simplified corporate structure of our Group immediately prior to completion of the [REDACTED]:



Notes:

- (1) As (i) Ms. ZHANG is the spouse of Mr. KONG, and (ii) Mr. KONG is the sole general partner of Hengqin Luzhu LP and can exercise the voting rights attached to the Shares held by Hengqin Luzhu LP in accordance with the partnership agreement entered into among the general and limited partners of Hengqin Luzhu LP, Mr. KONG, Ms. ZHANG and Hengqin Luzhu LP are considered to be a group of Controlling Shareholders, who collectively held approximately 47.28% of our total issued Shares as of the Latest Practicable Date.
- (2) The sole general partner of Hengqin Luzhu LP is Mr. KONG. As of the Latest Practicable Date, the remaining 71.42% interests of Hengqin Luzhu LP were held by Beijing Luzhu Kangrui (holding approximately 40.67%), Zhuhai Luzhu Kangrui (holding approximately 19.87%) and two Independent Third Parties, namely Ms. HUANG Ying (holding approximately 2.76%), and Ms. DAN (holding approximately 8.13%). The general partner of Beijing Luzhu Kangrui is Ms. PENG Ling, our Supervisor. As of the Latest Practicable Date, Beijing Luzhu Kangrui had 32 limited partners, including one Director, two Supervisors and two other members of the senior management of our Group. The general partner of Zhuhai Luzhu Kangrui is Ms. ZHANG, our executive Director. As of the Latest Practicable Date, Zhuhai Luzhu Kangrui had 35 limited partners, including three members of the senior management of our Group.
- (3) Such 14 other Shareholders include Tianjin Huapu, Ms. ZHONG Siyu, Zhuhai Livzon, Hangzhou Taikun, Jinjiang Xuanhong, Hainan Zhaoan, Ms. CHEN Qingyun, Xinchuang Technology, Zibo Runxin, Gongqingcheng Zhenrui, Shaanxi Jinou, Ms. KONG Xi, Zibo Runwen and Mr. ZHOU Peng, respectively holding approximately 1.58%, 1.23%, 1.21%,

