

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Cayman Companies Act on July 29, 2016. Our registered office address is at 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman, KY1-1002, Cayman Islands. As our Company is incorporated in the Cayman Islands, our operation is subject to the relevant laws and regulations of the Cayman Islands, the Articles and the Memorandum. A summary of the relevant laws and regulations of the Cayman Islands and of our constitution is set out in “Summary of the Constitution of our Company and Cayman Companies Act” in Appendix III.

Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on June 7, 2022. Our principal place of business in Hong Kong is at 46F, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong. Ms. TANG Wing Shan Winza (鄧穎珊) has been appointed as our authorized representative for the acceptance of service of process and notices in Hong Kong. The address of service of process is the same as our principal place of business in Hong Kong set out above.

Our Company’s head offices are located at 5th Floor, No. 987 Cailun Road, Zhangjiang Hi-Tech Park, Pudong New District, Shanghai, PRC.

2. Changes in the Share Capital of Our Company

On the date of incorporation of our Company, our authorized share capital was US\$50,000 divided into 500,000,000 ordinary shares with a par value of US\$0.0001 each. On the same day, one subscriber share was allotted and issued at par value to our initial subscriber, Offshore Incorporations (Cayman) Limited, which was subsequently transferred at par value to Dr. Lu. On the same day, 49,999 ordinary shares were allotted and issued at nominal value to Dr. Lu.

The following sets out the changes in the share capital of our Company during the two years immediately preceding the date of this document:

- (1) On October 4, 2021, our Company allotted and issued 633,801 Series D Preferred Shares to Worldstar Global Holdings Limited and 101,408 Series D Preferred Shares to Infinity-HB Ventures Fund LP.
- (2) On November 19, 2021, our Company allotted and issued 158,450 Series D Preferred Shares to Yanchuang Biotech Investment L.P..
- (3) On March 31, 2022, our Company allotted and issued 1,166,525 ordinary shares and 338,273 Series Seed Preferred Shares to Rococean Technology Holdings Limited.

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- (4) On April 28, 2022, our Company allotted and issued certain ordinary shares and Series D Preferred Shares in the following manner:
- (i) 750,000 ordinary shares to Linbell Technology Holdings Limited;
 - (ii) 83,475 ordinary shares to Rococean Technology Holdings Limited;
 - (iii) 1,901,403 Series D Preferred Shares to Future Industry Investment Fund II;
 - (iv) 348,591 Series D Preferred Shares to Ningbo Yanchuang Borong Venture Capital Partnership (Limited Partnership);
 - (v) 278,873 Series D Preferred Shares to Chengdu Infinity Kechuang Jingrong Venture Capital Partnership (Limited Partnership);
 - (vi) 253,520 Series D Preferred Shares to Shenzhen Leaguer Infinity Innovation Investment Fund (Limited Partnership); and
 - (vii) 190,140 Series D Preferred Shares to Ningbo Yanchuang Xiangshang Venture Capital Partnership (Limited Partnership).

For details of our Company’s authorized and issued share capital and consideration relating to the allotment of the Preferred Shares above, see “Share Capital – Authorized and Issued Share Capital” and “History, Development and Corporate Structure – [REDACTED] Investments”.

Save as disclosed above, there has been no alternation in our share capital within the two years immediately preceding the date of this document.

3. Changes in the Share Capital of Our Subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 1 to the Accountants’ Report set out in Appendix I.

The following sets out the changes in the share capital of our subsidiaries within the two years immediately preceding the date of this document:

Laekna Pharmaceutical

On July 22, 2021, the registered capital of Laekna Pharmaceutical increased from RMB6,000,000 to RMB22,000,000.

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Laekna HK

On June 29, 2022, Laekna HK allotted and issued 130,000,000 ordinary shares to our Company.

Save as disclosed above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

Save for the subsidiaries mentioned in the Accountants' Report set out in Appendix I, our Company has no other subsidiaries.

4. Corporate Reorganization

Our Company has not gone through any corporate reorganization. For details of the history and development of our Company, see "History, Development and Corporate Structure".

5. Resolutions of our Shareholders

Resolutions of our Shareholders were passed on [●], 2023 pursuant to which, among others:

- (a) conditional on (i) the Listing Committee granting the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as to be stated in this document and such [REDACTED] and permission not subsequently having been revoked prior to the commencement of dealing in the Shares on the Stock Exchange; (ii) the [REDACTED] having been determined; (iii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before such dates as may be specified in the [REDACTED]; and (iv) the [REDACTED] having been duly executed by the [REDACTED] and our Company:
 - (1) the [REDACTED] and the [REDACTED] were approved, and the proposed allotment and issue of the [REDACTED] under the [REDACTED] were approved, and the Directors were authorized to determine the [REDACTED] for, and to allot and issue the [REDACTED];
 - (2) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options which would or might require Shares to be allotted, issued or dealt with, otherwise than pursuant to the [REDACTED] or pursuant to a right issue or pursuant to the exercise of any subscription rights attaching to any warrants or any option scheme or similar arrangement which may be allotted and issued by

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our Company from time to time on a specific authority granted by the Shareholders in general meeting or, pursuant to the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles, Shares not exceed 20% of the aggregate number of issued Shares immediately following completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever is the earliest;

- (3) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose in accordance with all applicable laws and the requirements of the Listing Rules and of any other stock exchange (as applicable), such number of Shares will represent up to 10% of the number of the Shares in issue immediately following the completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first;
 - (4) the general mandate as mentioned in paragraph (2) above be extended by the addition to the number of Shares which may be allotted, issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by the Company pursuant to the Repurchase Mandate referred to in paragraph (3) above;
 - (5) immediately prior to the completion of the [REDACTED], each share in the Company's issued and unissued share capital with a par value of US\$0.0001 each be subdivided into [10] shares of the corresponding class with a par value of US\$[0.00001] each, and each of the Preferred Shares be converted into ordinary Shares at the conversion of one-to-one by way of re-designation; and
- (b) our Company conditionally approved and adopted the Memorandum and the Articles with effect from the [REDACTED].

6. Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) Provision of the Listing Rules

The Listing Rules permit companies with a primary [REDACTED] on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders' Approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company with a primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [●], 2023, the Repurchase Mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase its own Shares on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares will represent up to 10% of the number of the Shares in issue immediately following the completion of the [REDACTED], such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles or any applicable laws, or until revoked or varied by an ordinary resolution of Shareholders in general meeting, whichever occurs first.

(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of Hong Kong and the Cayman Islands. A [REDACTED] company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

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(iii) Trading Restrictions

The total number of shares which a [REDACTED] company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a [REDACTED] company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of [REDACTED] securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The [REDACTED] of all purchased securities (whether on the Stock Exchange or otherwise) is automatically canceled and the relevant certificates must be canceled and destroyed. Under the laws of the Cayman Islands, unless the Directors resolve to hold the Shares purchased by our Company as treasury Shares prior to the purchase, Shares purchased by our Company shall be treated as canceled and the amount of our Company's issued share capital shall be diminished by the nominal value of those Shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands law.

(v) Suspension of Repurchase

A [REDACTED] company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a [REDACTED] company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a [REDACTED] company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the [REDACTED] company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a [REDACTED] company has breached the Listing Rules.

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(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, a [REDACTED] company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell its securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and Shareholders for our Directors to have a general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Memorandum and Articles of Association and the applicable laws of the Cayman Islands. Our Directors may not repurchase the Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any payment for the repurchases of Shares will be drawn from the profits of our Company or from a fresh issue of shares made for the purpose of the repurchase or, if authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Memorandum and Articles of Association and subject to Cayman Companies Act, out of capital.

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However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or its gearing levels which, in the opinion of the Directors, are from time to time appropriate for our Company.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following completion of the [REDACTED], could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Articles of Association or any other applicable laws to be held; or
- the date when it is varied or revoked by an ordinary resolution of the Shareholders in general meeting.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

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No core connected person of our Company has notified our Company that he or she has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of our Group within the two years immediately preceding the date of this document which are or may be material:

- (a) the third amended and restated shareholders agreement dated October 4, 2021 entered into among our Company, Laekna Limited, Laekna Therapeutics Shanghai Co., Ltd. (來凱醫藥科技(上海)有限公司), Laekna Pharmaceutical Shanghai Co., Ltd. (來凱製藥(上海)有限公司), Laekna LLC, Ealex LLC, Hongrun Limited, Chris Xiangyang Lu, Novartis Pharma AG, OrbiMed Asia Partners III, L.P., GP Healthcare Capital, Inc., Shanghai GP Healthcare Phase III Equity Investment Fund Partnership (Limited Partnership) (上海金浦健康三期股權投資基金合夥企業(有限合夥)), Shanghai Haoyao Information Technology Partnership (Limited Partnership) (上海灝藥信息科技合夥企業(有限合夥)), Beijing Longmaide Venture Capital Fund (Limited Partnership) (北京龍脈得創業投資基金(有限合夥)), Shenzhen Capital Group Company, Ltd. (深圳市創新投資集團有限公司), HTYL Investment Holdings Limited (紅土醫療投資有限公司), Jiangsu Yanyuan Oriental Venture Capital Investment Partnership (LP) (江蘇燕園東方創業投資合夥企業(有限合夥)), Ningbo Yanchuang Yaoshang Yangming Venture Capital Investment Partnership (LP) (寧波燕創姚商陽明創業投資合夥企業(有限合夥)), Ningbo Yanyuan Innovation Venture Capital Investment Partnership (LP) (寧波燕園創新創業投資合夥企業(有限合夥)), Ningbo Rongshun Yanyuan Venture Capital Investment Partnership (LP) (寧波榮舜燕園創業投資合夥企業(有限合夥)), CDIB Yida Healthcare Private Equity (Kunshan) Enterprise (Limited Partnership) (昆山華創毅達生醫股權投資企業(有限合夥)), CMBI Private Equity Series B SPC on behalf of and for the account of Health Innovation Fund I SP, Sushang United PE Investment Fund (Limited Partnership) (蘇州蘇商聯合產業投資合夥企業(有限合夥)), Future Industry Investment Fund II (先進製造產業投資基金二期(有限合夥)), Worldstar Global Holdings Limited, Ningbo Yanchuang Xiangshang Venture Capital Partnership (Limited Partnership) (寧波燕創象商創業投資合夥企業(有限合夥)), Ningbo Yanchuang Borong Venture Capital Partnership (Limited Partnership) (寧波燕創勃榮創業投資合夥企業(有限合夥)), Shenzhen Grandway Capital Management Co. Ltd. (深圳市嘉遠資本管理有限公司), Zhuhai Zhongyi Yingfei New Industry Investment Fund (Limited Partnership) (珠海中以英飛新興產業投資基金(有限合夥)), and Infinity-HB Ventures Fund LP, pursuant to which the parties agreed on the terms and conditions to regulate the affairs of the Company and the rights of the shareholders; and

- (b) [REDACTED]

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2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, our Group has registered the following material trademarks:

No.	Trademark	Registered Owner	Class	Registration Number	Place of registration
1.		Laekna Therapeutics	5 35	33125903 33125904	PRC
2.		Laekna Therapeutics	42	33006214	PRC
3.		Laekna Therapeutics	42	25916159	PRC
4.	(A)  (B) 	Laekna HK	5, 35, 42	305869711	Hong Kong
5.		Laekna Therapeutics	10 44	61681250 61669473	PRC
6.		Laekna Therapeutics	5 10 35 42 44	61685395 61677452 61670774 61692019 61676500	PRC
7.		Laekna Therapeutics	5 10 35 42 44	61857933 61859763 61877363 61866373 61874686	PRC

(b) Domain Names

As of the Latest Practicable Date, our Group had registered the following domain names which we consider to be material to our Group’s business:

Domain name	Registered owner	Expiry date
laekna.com	Laekna Therapeutics	September 2, 2024
laeknatp.com	Laekna Therapeutics	July 18, 2023

(c) Patents

For a discussion of the details of the material granted patents and filed patent applications in connection with our clinical and pre-clinical drug candidates, see “Business – Intellectual Property”.

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Save as aforesaid, as of the Latest Practicable Date, there were no other trade or service marks, patents, intellectual or industrial property rights which were material in relation to our Group’s business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Particulars of Directors’ Service Contracts and Appointment Letters

(a) *Executive and non-executive Directors*

Each of our executive Directors and non-executive Directors [has entered] into a service contract with us under which the initial term of their service contract shall be three years until terminated in accordance with the terms and conditions of the service contract or by either party giving to the other not less than three months’ prior notice.

Pursuant to the service contracts entered into with us, none of the executive Directors and non-executive Directors will receive any remuneration as director’s fee.

(b) *Independent non-executive Directors*

Each of our independent non-executive Directors has signed an appointment letter with our Company for a term of three years effective upon the date of this document (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than one month’s prior notice in writing. Under these appointment letters, each of our independent non-executive Directors will receive an annual director’s fee of [●] commencing on the effective date of their appointment.

For details of our Company’s remuneration policy, see “Directors and Senior Management – Remuneration of Directors and Senior Management”.

2. Remuneration of Directors

For the two years ended December 31, 2021 and 2022:

- (a) the total amount of salaries, bonuses, allowances, benefits in kind and pension scheme contributions paid or payable by us to the Directors were approximately RMB3.3 million and RMB6.0 million, respectively;
- (b) the total amount of share-based payment expenses incurred by us in respect of the Directors were approximately RMB4.4 million and RMB6.3 million, respectively.

The aggregate amount of emoluments which the Company incurred in respect of the five highest paid individuals of the Group (including both employees and Directors) for the two years ended December 31, 2021 and 2022 were approximately RMB16.1 million and RMB24.5 million, respectively.

It is estimated that emoluments of approximately RMB11.0 million in aggregate will be incurred in respect of our Directors and proposed Directors for the financial year ending December 31, 2023 under arrangements in force as of the Latest Practicable Date.

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Under the arrangements currently in force, as of the Latest Practicable Date, none of our Directors had a service contract with the Company other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

3. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executive in the share capital of our Company and its associated corporations following completion of the [REDACTED]

Immediately following completion of the [REDACTED], the interests and/or short positions (as applicable) of our Directors and chief executive in the Shares, underlying shares and debentures of our Company and its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have taken under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of [REDACTED] Issuers as set out in Appendix 10 to the Listing Rules (“**Model Code**”), will be as follows:

Long position in our Company

Name of Director	Nature of interest	Number of Shares held immediately following completion of the [REDACTED]⁽¹⁾	Approximate percentage of interest in our Company immediately following completion of the [REDACTED]
Dr. Lu	Beneficial interest	[REDACTED] ⁽²⁾	[REDACTED]%
	Founder of a discretionary trust	[REDACTED] ⁽²⁾	[REDACTED]%
Ms. Xie	Interest in controlled corporation	[REDACTED] ⁽³⁾	[REDACTED]%
	Interest in controlled corporations	[REDACTED] ⁽⁴⁾	[REDACTED]%
Dr. Justin Gu	Beneficial interest	[REDACTED] ⁽⁵⁾	[REDACTED]%

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Notes:

1. Assuming the [REDACTED] and the Conversion have been completed prior to the [REDACTED].
2. Includes (i) Shares held by Dr. Lu beneficially under his own name; and (ii) Shares held by the Family Trust which Dr. Lu is the settlor. Accordingly, Dr. Lu is deemed to be interested in the Shares held by the Family Trust. Further, pursuant to the [REDACTED] Share Option Scheme, Dr. Lu was granted Share Options to subscribe for 2,635,520 Shares.
3. Includes Shares held by Ms. Xie through Linbell Technology Holdings Limited, a limited liability company incorporated in the BVI wholly-owned by her.
4. Includes Shares held under the ESOP Trusts. Pursuant to the trust deed dated [●], Futu Trustee Limited (as the trustee of the ESOP Trusts) will exercise their voting rights in accordance with the instructions of Ms. Xie. Further, pursuant to the [REDACTED] Share Option Scheme, Ms. Xie was granted Share Options to subscribe for 2,482,750 Shares.
5. Includes the underlying Shares under the Share Options granted to Dr. Justin Gu pursuant to the [REDACTED] Share Option Scheme.

(b) Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

For information on the persons who will, immediately following completion of the [REDACTED], have or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group, see "Substantial Shareholders".

Save as set out above, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following completion of the [REDACTED], be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group or had option in respect of such share capital.

4. Disclaimers

Save as disclosed in this document:

- (i) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Directors and any member of the Group;

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- (ii) none of the Directors or the experts named in the sub-section headed “F. Other Information – 4. Consents of Experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Shares in or debentures of our Company within the two years immediately preceding the date of this document; and
- (iv) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group taken as a whole.

D. [REDACTED] SHARE OPTION SCHEME

The [REDACTED] Share Option Scheme was adopted by the Board on April 11, 2018 and was amended on October 30, 2019, April 20, 2021 and March 31, 2022.

We have applied for, and [have been granted] (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of and paragraph 27 of Appendix 1A to the Listing Rules and (ii) an exemption from the SFC from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the information of the Share Options granted under the [REDACTED] Share Option Scheme. For further details, see “Waivers and Exemptions – Waiver and Exemption in relation to the [REDACTED] Share Option Scheme”.

The following is a summary of the principal terms of the [REDACTED] Share Option Scheme. The terms of the [REDACTED] Share Option Scheme are not subject to the provisions of Chapter 17 of the Listing Rules as it does not involve any grant of Share Options by our Company to subscribe for new Shares after [REDACTED].

1. Summary of terms

(a) *Who may join*

We may grant Share Options to employees, officers, directors, contractors, advisors or consultants of the Group (the “**Eligible Participant(s)**”).

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(b) Maximum number of Shares

Subject to capitalization adjustments, the maximum aggregate number of Shares in respect of the Share Options which may be issued pursuant to the [REDACTED] Share Option Scheme shall not exceed 5,699,943 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) (subject to adjustment to reflect any rights issue, consolidation, share splits, or similar transactions).

As of the Latest Practicable Date, the Company has granted Share Options pursuant to the [REDACTED] Share Option Scheme representing a total of 4,245,352 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]) (including those that have been exercised but excluding those that were terminated or lapsed). Taking into account the adjustments required as a result of the [REDACTED], Share Options correspond to [14,545,910] Shares remain available for grant under the [REDACTED] Share Option Scheme. No further Share Option will be granted by the Company under the [REDACTED] Share Option Scheme after the [REDACTED], and that any unused scheme limit of the [REDACTED] Share Option Scheme will not be utilized after the [REDACTED].

(c) Administration

The [REDACTED] Share Option Scheme shall be administered by the Board or a duly authorized committee of the Board (if any) (the "**Administrator**") and the decision of the Board shall be final and binding on all parties.

The Administrator shall have the right to, among others, (i) interpret and construe the provisions of the [REDACTED] Share Option Scheme, (ii) to determine the persons who will be awarded Share Options under the [REDACTED] Share Option Scheme and the relevant terms of the Share Options awarded (such as exercise price and any performance conditions upon which the exercise of an Share Option is conditioned), (iii) to make such appropriate and equitable adjustments to the terms of Share Options granted under the [REDACTED] Share Option Scheme as it deems necessary, (iv) to amend, add to and/or delete any of the provisions of the [REDACTED] Share Option Scheme, provided that no such amendment, addition or deletion shall adversely affect the rights of any grantee of the Share Options (the "**Grantee**") in respect of any Share Options granted to such Grantee, and (v) to make such other decisions or determinations as it shall deem appropriate in the administration of the [REDACTED] Share Option Scheme.

(d) Offer and grant of Share Options

On and subject to the terms of the [REDACTED] Share Option Scheme, the Administrator is entitled to make an offer to any Eligible Participant as the Administrator may in its absolute discretion select to take up Share Options in respect of such number of Shares as the Administrator may determine at an exercise price. Share Options may be

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granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Administrator may determine, provided such terms and conditions shall not be inconsistent with any other terms and conditions of the [REDACTED] Share Option Scheme.

An offer letter (the "**Offer Letter**") shall be made to an Eligible Participant in such form as the Administrator may from time to time determine to require the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the [REDACTED] Share Option Scheme. A Grantee is not required to pay for the grant of any Share Option.

Unless otherwise approved by the Administrator, a Share Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Share Option or attempt so to do, except pursuant to the [REDACTED] Share Option Scheme.

(e) Term of the [REDACTED] Share Option Scheme

Unless terminated earlier, the [REDACTED] Share Option Scheme has a term of ten (10) years commencing on the adoption date of the [REDACTED] Share Option Scheme.

(f) Exercise of Share Options

Except as otherwise provided in an Offer Letter, any Share Option shall become exercisable upon vesting. Notwithstanding the foregoing, the exercise shall be conditional upon full compliance of the Grantee and the Company with all applicable laws and regulations. Each notice of exercise of a Share Option must be accompanied by a remittance for the aggregate amount of the exercise price multiplied by the number of Shares in respect of which the notice is given. Within 30 days after receipt of the notice and remittance and, where appropriate, receipt of the auditors' certificate, the Company shall allot and issue or procure the allotment and issue of the relevant Shares to the Grantee (or his or her personal representative) credited as fully paid and issue to the Grantee (or his or her personal representative) a share certificate in respect of the Shares so allotted. The Shares will be subject to the provisions of the Memorandum and Articles of the Company for the time being in force and will rank pari passu with the fully paid Shares in issue as from the date of exercise of the Share Option and in particular will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of exercise of the Share Option other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the date of exercise of the Share Option subject to the [REDACTED] Share Option Scheme.

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In the event the Grantee ceases to be an employee by reason of his/her death, disability or for any other reason that the Administrator considers valid, before exercising the Share Option in full, the Grantee's vested Share Option may be assigned to its representative (to the extent not already exercised).

(g) Exercise price

The exercise price of the Share Options granted shall be approved by the Board and shall be set out in the Offer Letter.

(h) Vesting schedule

Unless otherwise approved by the Administrator and set forth in an Offer Letter, the vesting schedule of the Share Options granted shall be a 60-month vesting schedule consisting of a cliff vesting of forty percent (40%) after twenty-four (24) months from the commencement date as indicated in the Offer Letter and, thereafter, quarterly vesting of equal installments over the remaining twelve (12) quarters.

(i) Changes in capital structure

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidation, subdivision, or reduction of the share capital of the Company or otherwise howsoever in accordance with legal requirements, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party or an issue of shares pursuant to, or in connection with, any share option plan, share appreciation rights plan or any arrangement for remunerating or incentivizing any employee, consultant or adviser to the Group or in the event of any distribution of the Company's capital assets to its Shareholders on a pro rata basis (whether in cash or in specie) other than dividends paid out of the net profits attributable to its Shareholders for each financial year of the Company, such corresponding alterations (if any) shall be made to (i) the number or nominal value of Shares subject to the Share Option so far as unexercised; or (ii) the exercise price of the Share Options, or any combination thereof, as an independent financial adviser or the auditors shall confirm to the Administrator in writing, provided that no such adjustments be made to the extent that a Share would be issued at less than its nominal value.

(j) Repurchase right

Unless otherwise approved by the Administrator, prior to the [REDACTED], after a Grantee's termination of employment by or services to the Group, any Shares issued by the Company as a result of the exercise of a Share Option by such Grantee or any vested Share Option held by such Grantee shall be subject to a right, but not an obligation, of repurchase by the Company and/or its assignee(s) at a price equal to the fair market value of the Shares on the date the Company exercises such repurchase right, minus the exercise price in the case of an unexercised and vested Share Option.

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(k) Amendment or termination of the [REDACTED] Share Option Scheme

The [REDACTED] Share Option Scheme may be altered in any respect by the prior approval of the Administrator, provided that no such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration, except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Memorandum and Articles for the time being of the Company for a variation of the rights attached to the Shares.

2. Outstanding Share Options

As at the Latest Practicable Date, our Company had granted Share Options under the [REDACTED] Share Option Scheme to 113 Grantees to subscribe for an aggregate of 4,705,302 shares (or [REDACTED] Shares as adjusted after the [REDACTED]). Share Options to subscribe for 459,950 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) had lapsed following the resignation of certain Grantees (including Share Options granted to two former consultants whereby part of their Share Options had lapsed after they ceased to be our consultants). As of the Latest Practicable Date, Share Options corresponding to 833,475 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) had been exercised (which included Share Options corresponding to 750,000 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) and 83,475 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) exercised by Ms. Xie and Mr. Lin Dianhai (林殿海), a former Director, respectively). Accordingly, as of the Latest Practicable Date, Share Options granted to 101 Grantees to subscribe for 3,411,877 shares (or [REDACTED] Shares as adjusted after the [REDACTED]) were outstanding, representing approximately [REDACTED]% of our Company’s issued share capital immediately after completion of the [REDACTED], Conversion and [REDACTED], which included Share Options granted to three Directors with respect to 1,161,827 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]), two other senior management members with respect to 850,000 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]), three other employees who have been granted Share Options to subscribe 120,000 ordinary shares of the Company (to be adjusted to [REDACTED] Shares upon [REDACTED]) or more with respect to 390,000 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]), four existing and two former consultants with respect to 25,250 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]), and 87 other Grantees with respect to an aggregate of 984,800 underlying shares (or [REDACTED] Shares as adjusted after the [REDACTED]). No Share Options were granted to other connected persons of the Company and no consideration was paid for the Share Options granted.

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Below is a list of Grantees of outstanding Share Options (excluding lapsed and exercised Share Options) under the [REDACTED] Share Option Scheme:

Name of Grantee	Position(s) held within our Group	Address	Exercise price as adjusted after the Share [REDACTED] (US\$ per share)	Date of grant	Vesting period	Number of Shares underlying the outstanding Share Options as adjusted after the [REDACTED]	Approximate percentage of shareholding interest in our Company underlying the outstanding Share Options ^(f)
DIRECTORS AND SENIOR MANAGEMENT							
Dr. Lu	Executive Director	26 Rockville Ave Lexington, MA 02421	[0.452]	February 15, 2023	Note 2	[2,635,520]	[REDACTED]%
	Chief Executive Officer	United States of America					
Ms. Xie	Executive Director	Room 214, No. 15, Sijing Road, Huangpu District, Shanghai, PRC	[0.05]	March 1, 2021, June 15, 2021 and March 31, 2022	Note 2	[2,482,750]	[REDACTED]%
	Senior vice president						
Dr. Justin Gu	Executive Director	10-1901, Lane 388, Chuanhe Road, Pudong New Area, Shanghai, PRC	[0.234]	January 4, 2020, March 2, 2020 and June 15, 2021	Note 2	[5,500,000]	[REDACTED]%
	Chief Scientific Officer		[0.452]	March 31, 2022	Note 2	[500,000]	[REDACTED]%
			[0.452]	February 15, 2023	Note 2	[500,000]	[REDACTED]%
Dr. YUE Yong	Chief Medical Officer	1 Bellewood Drive, Warren, NJ 07059, United States of America	[0.234]	August 31, 2018 and January 18, 2019	Note 3	[5,000,000]	[REDACTED]%
			[0.234]	March 2, 2020 and June 15, 2021	Note 2	[1,500,000]	[REDACTED]%
			[0.452]	March 31, 2022	Note 2	[500,000]	[REDACTED]%
Ms. WANG Liqing	Vice president	Room 406, No. 1, Lane 45, Yude Road, Shanghai, PRC	[0.05]	August 23, 2019	Note 3	[500,000]	[REDACTED]%
			[0.05]	March 2, 2020, March 1, 2021, June 16, 2021, and March 31, 2022	Note 2	[1,000,000]	[REDACTED]%
Total						[20,118,270]	[REDACTED]%

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Name of Grantee	Position(s) held within our Group	Address	Exercise price as adjusted after the Share [REDACTED] (US\$ per share)	Date of grant	Vesting period	Number of Shares underlying the outstanding Share Options as adjusted after the [REDACTED]	Approximate percentage of shareholding interest in our Company underlying the outstanding Share Options ⁽¹⁾
CONSULTANTS							
Peter ten DIJKE ⁽⁴⁾	External consultant	Rapenburg 73, 2311 GJ Leiden, Netherlands	0.452	March 31, 2022	Note 2	[10,000]	[REDACTED]
Counde O'YANG ⁽⁴⁾	External consultant	1420 Bellingham Way, Sunnyvale, CA 94087, United States of America	0.452	March 31, 2022	Note 2	[10,000]	[REDACTED]
Jeff PORTER ⁽⁴⁾	External consultant	27 Carriage Drive, Lexington, MA 02420, United States of America	0.452	March 31, 2022	Note 2	[20,000]	[REDACTED]%
Scott L. FRIEDMAN ⁽⁴⁾	External consultant	455 Central Park West, Apt 18B, New York, NY 10025, United States of America	0.452	October 1, 2022	Note 2	[10,000]	[REDACTED]
SHEN Haige ⁽⁵⁾	Former external consultant	301, No. 68, Lane 1705, Yangnan Road, Pudong New Area, Shanghai, PRC	0.234	July 16, 2018	Note 3	67,500	[REDACTED]%
WANG Yu ⁽⁵⁾	Former external consultant	Room 1101, No. 8, Lane 1220, Jiangning Road, Putuo District, Shanghai, PRC	0.234	July 16, 2018	Note 3	135,000	[REDACTED]%
Total						[252,500]	[REDACTED]%

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Name of Grantee	Position(s) held within our Group	Address	Exercise price as adjusted after the Share [REDACTED] (US\$ per share)	Date of grant	Vesting period	Number of Shares underlying the outstanding Share Options as adjusted after the [REDACTED]	Approximate percentage of shareholding interest in our Company underlying the outstanding Share Options ⁽¹⁾
OTHER EMPLOYEES BEING GRANTED SHARE OPTIONS TO SUBSCRIBE FOR 1,200,000 SHARES OR MORE							
FENG Tao	Vice president, head of CMC	No. 53, Lane 399, Xiangnan Road, Pudong New Area, Shanghai, PRC	[0.05]	March 2, 2020, March 1, 2021, June 15, 2021 and March 31, 2022	Note 2	[695,000]	[REDACTED]%
			[0.05]	August 31, 2018 and March 25, 2019	Note 3	[605,000]	[REDACTED]%
Guy ROSENTHAL	Vice president, head of corporate and business development	464 North Gardner St. Los Angeles, CA 90036, United States of America	[0.234]	June 1, 2021	Note 2	[1,000,000]	[REDACTED]%
			[0.452]	March 31, 2022	Note 2	[200,000]	[REDACTED]%
WANG Jun	Vice president, head of clinical development	53-302, Phase 4 Wanke, Wanshun Road, Wuxi, PRC	[0.05]	September 9, 2021, March 31, 2022 and January 31, 2023	Note 2	[1,400,000]	[REDACTED]%
Total						[3,900,000]	[REDACTED]%

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Name of Grantee	Position(s) held within our Group	Address	Exercise price as adjusted after the Share [REDACTED] (US\$ per share)	Date of grant	Vesting period	Number of Shares underlying the outstanding Share Options as adjusted after the [REDACTED]	Approximate percentage of shareholding interest in our Company underlying the outstanding Share Options ⁽¹⁾
OTHER GRANTEES							
Other Grantees			[0.03]	April 11, 2018	Note 3	[1,220,000]	[REDACTED]%
	(including 83 employees and four former employees) ⁽⁶⁾			and March 1, 2021			
			[0.05]	November 1, 2019 to January 31, 2023	Note 2	[6,747,000]	[REDACTED]%
			[0.05]	July 31, 2018 to August 30, 2019	Note 3	[783,000]	[REDACTED]%
			[0.234]	March 1, 2020 to September 8, 2021	Note 2	[280,000]	[REDACTED]%
			[0.234]	July 9, 2019	Note 3	[128,000]	[REDACTED]%
			[0.452]	March 31, 2022 to January 31, 2023	Note 2	[690,000]	[REDACTED]%
Total						9,848,000	[REDACTED]%

Notes:

1. Approximate percentage of shareholding is calculated as the number of Shares underlying to the outstanding Share Options granted to a Grantee and divided by [REDACTED] Shares, being the total number of Shares in issue immediately upon completion of the [REDACTED] and the [REDACTED].
2. The vesting schedule for these Share Options is: (i) 40% to be vested two years from the date of grant; and (ii) 5% to be vested every quarter thereafter.
3. The vesting schedule for these Share Options is: (i) 20% to be vested one year from the date of grant; and (ii) 5% to be vested every quarter thereafter.
4. Each of Peter ten DIJKE, Counde O’YANG, Jeff PORTER and Scott L. FRIEDMAN is a member of our scientific advisory board.
5. SHEN Haige was our biostatistics management consultant and WANG Yu was our medical consultant whom have both ceased to be our consultants in November 2020. Share Options to subscribe for [REDACTED] and [REDACTED] Shares (as adjusted after the [REDACTED]) granted to SHEN Haige and WANG Yu had lapsed after they ceased to be our consultants, respectively.
6. Four former employees were granted and have vested Share Options to subscribe for an aggregate of [REDACTED] Shares (as adjusted after the [REDACTED]) during the period when they were employed by the Group.

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All the shares underlying the [REDACTED] Share Option Scheme which are unexercised have been allotted and issued and are held by the ESOP Trusts on trust prior to the [REDACTED]. Accordingly, if all the outstanding Share Options granted under the [REDACTED] Share Option Scheme are exercised, there will not be any dilution effect on the shareholdings of our Shareholders nor any impact on the earnings per share arising from the exercise of the outstanding Share Options.

E. [REDACTED] SHARE OPTION SCHEME

A summary of the principal terms of the [REDACTED] Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by ordinary resolutions of our Shareholders on [●] is as follows.

1. Purpose

The purpose of the [REDACTED] Share Option Scheme is to incentivize and reward the Eligible Participants (as defined below) for their contribution to the Group and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

2. Who may join

The Board (which expression shall, for the purpose of this paragraph, include the Board or a duly authorized committee thereof) may, at its absolute discretion, offer to grant an option to subscribe for such number of Shares as the Board may determine to (a) an employee (whether full time or part-time) or a director of the Company or any of its subsidiaries (“**Eligible Employee(s)**”) and (b) a consultant who provides services to the Group (such as in respect of research and development, product commercialization, marketing and investor relations in investment environment of the Group) on a continuing and recurring basis in its ordinary and usual course of business which are material to the long term growth of the Group (“**Eligible Consultant(s)**”, together with the Eligible Employees referred as “**Eligible Participant(s)**”).

For the avoidance of doubt, Eligible Consultants shall exclude [REDACTED] agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and any professional service providers such as auditors or valuers.

The eligibility of any Eligible Employee shall be determined by the Board from time to time on the basis of the Board’s opinion as to, among others, the participant’s individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard, the length of engagement with the Group and the actual or potential contribution to the development and growth of the Group.

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The eligibility of any Eligible Consultant shall be determined by the Board from time to time on the basis of the Board's opinion as to, among others, the contribution to the development and growth of the Group, the prevailing market practice and industry standard, the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Consultant has established with the Group, and the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Consultant has exerted and given towards the success of the Group, and/or whether the person is regarded as a valuable consultant of the Group, taking into account the knowledge, experience, qualification, expertise and reputation of the Eligible Consultant or other relevant factors (including without limitation technical know-how, market competitiveness, synergy between him/her and the Group and his/her strategic value).

3. Maximum number of Shares

- (i) Subject to paragraphs (iv) and (v) below, the total number of Shares which may be issued upon exercise of all options to be granted under the [REDACTED] Share Option Scheme shall not in aggregate exceed 10% of the relevant class of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange (the "**Scheme Mandate Limit**"), being [REDACTED] Shares. Options lapsed in accordance with the terms of the [REDACTED] Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) Subject to paragraph (i) above, within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all options to be granted to Eligible Consultants shall not exceed [1]% of the relevant class of Shares in issue on the day on which trading of the Shares commences on the Stock Exchange, being [REDACTED] Shares (the "**Eligible Consultant Sublimit**").
- (iii) Subject to paragraph (iv) below, the Scheme Mandate Limit and the Eligible Consultant Sublimit may be refreshed at any time after three years from the date of Shareholders' approval for the last refreshment (or the date on which the [REDACTED] Share Option Scheme is adopted, as the case may be) by approval of its Shareholders in general meeting provided that (1) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive directors) and the chief executive of the Company and their respective associates) must abstain from voting in favor of the relevant resolution at the general meeting; and (2) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 of the Listing Rules. The requirements under (1) and (2) of this paragraph do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share.

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- (iv) The total number of Shares which may be issued upon exercise of all options to be granted under the [REDACTED] Share Option Scheme and any other schemes of the Company under the scheme mandate as refreshed must not exceed 10% of the relevant class of Shares in issue as at the date of approval of the refreshed scheme mandate.
- (v) Without prejudice to paragraph (iv) above, the Company may seek separate Shareholders' approval in a general meeting to grant options beyond the Scheme Mandate Limit to participants specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to its Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options will serve such purpose and all other information required under the Listing Rules. The date of board meeting for proposing such further grant should be taken as the date on which an option is offered to a participant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.

4. Maximum entitlement of a grantee

Where any grant of options to a participant would result in the Shares issued and to be issued upon exercise of all options and awards granted to such participant under the [REDACTED] Share Option Scheme and any other schemes of the Company (excluding any options lapsed in accordance with the terms of the [REDACTED] Share Option Scheme) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such participant and his/her close associates (or his/her associates if the participant is a connected person) abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval. The date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules.

5. Grant and exercise of options

The Board or a duly authorized committee thereof may in its absolute discretion specify such event, time limit or conditions (if any) as it thinks fit when making such offer to the Eligible Participants, including, without limitation, conditions as to performance criteria (such as growth rate of revenue, earnings per share and/or total shareholders' return) to be satisfied or achieved by the Eligible Participants and/or the Company and/or the Group which must be satisfied before an option can be exercised.

An offer of the grant of an option shall be made to any Eligible Participants by letter in such form as the Board or a duly authorized committee thereof may from time to time determine specifying the number of Shares, the vesting period (subject to any acceleration of the vesting schedule at the Board's discretion, provided that any acceleration shall be subject to the minimum vesting period of 12 months, subject to a shorter vesting period as permitted

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under the Listing Rules from time to time), the Subscription Price, the option period, the date by which the grant must be accepted being a date not more than 28 days after the date of grant (provided such offer shall be open for acceptance after the effective period of the [REDACTED] Share Option Scheme) and further requiring the Eligible Participants to hold the option on the terms on which it is to be granted and to be bound by the provisions of the [REDACTED] Share Option Scheme. An option shall be deemed to have been granted and accepted and to have taken effect when the duplicate letter comprising acceptance of the offer of the grant of the option duly signed by the grantee together with a payment to the Company and/or any of its subsidiaries of HK\$1 (or the equivalent of HK\$1 in the local currency of any jurisdiction where the Company and/or its subsidiaries operate, as the Board or a duly authorized committee thereof may in its absolute discretion determine) by way of consideration for the grant thereof is received by the Company within the time period specified in the offer of the grant of the option. Such remittance shall not be refundable.

An option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any third party over or in relation to any option. Any breach of the foregoing by the grantee shall entitle the Company to cancel any outstanding entitlement of such grantee.

An option may be exercised in accordance with the terms of the [REDACTED] Share Option Scheme at any time during a period to be determined and notified by the Board to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is accepted or deemed to be accepted but shall end in any event not later than 10 years from the date on which an option is offered to a participant, subject to the provisions for early termination under the [REDACTED] Share Option Scheme or the relevant document of grant or other notification issued by the Board. In any event, the minimum period for which an option must be held before it can be exercised shall be 12 months subject to a shorter vesting period otherwise permitted under the Listing Rules.

6. Subscription price

The amount payable for each Share to be subscribed for under an option (“**Subscription Price**”) in the event of the option being exercised shall be determined by the Board or a duly authorized committee thereof at its absolute discretion and notified to any Eligible Participant (subject to any adjustments made pursuant to paragraph 11 below), which shall be not less than the highest of:

- (i) the nominal value of a Share;
- (ii) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant, which must be a business day; and
- (iii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of grant.

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7. Options granted to connected persons

- (i) Any grant of options under the [REDACTED] Share Option Scheme to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a participant of the [REDACTED] Share Option Scheme and has accepted an offer of a grant of an option).
- (ii) Where any grant of options to an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options lapsed in accordance with the terms of the [REDACTED] Share Option Scheme) under the [REDACTED] Share Option Scheme and any other schemes of the Company to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of options must be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of poll. The Company shall send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. The grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting (except where any core connected person intends to vote against the proposed grant and his/her intention to do so has been stated in the aforesaid circular). Any change in the terms of an option granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

8. Restriction of grant of options

No option shall be offered or granted:

- (a) to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until (and including) the trading day after the relevant price sensitive or inside information has been announced in accordance with the applicable provisions of law or the Listing Rules;
- (b) to any Eligible Participant during the period commencing one month immediately before the following (whichever is earlier):
 - (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual, quarterly (if any) or half-yearly results; and
 - (ii) the deadline for the Company to publish an announcement of its annual, quarterly (if any) or half-yearly results;

and ending on the date of the results announcement. No option shall be granted during any period of delay in the publication of a results announcement.

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- (c) to any Director (except where the Subscription Price is to be determined by the Board or a duly authorized committee thereof at the time of exercise of the option):
 - (i) during the period of 60 days immediately preceding the publication of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication of the results; or
 - (ii) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication of the results.

9. Lapse of option

Any option shall elapse automatically and not be exercisable on the earliest of:

- (a) the expiry of the option period or other applicable exercisable periods under the [REDACTED] Share Option Scheme;
- (b) the expiry of the periods or the occurrence of the relevant event referred to in paragraphs 12 and 13 below;
- (c) subject provided in the [REDACTED] Share Option Scheme, the date of the commencement of the winding-up of the Company;
- (d) the date on which the grantee commits a breach of relevant clauses that rights are personal to the grantee; or
- (e) the occurrence or non-occurrence of any event, expiry of any period, or non-satisfaction of any condition, as specified in the letter containing the offer or grant of the relevant option.

10. Voting and dividend rights

No grantee shall enjoy any of the rights of a Shareholder (including but not limited to voting rights or any other rights attached to a Share) by virtue of the grant of an option pursuant to the [REDACTED] Share Option Scheme, unless and until the registration of the grantee (or such other person as may succeed to the grantee's title by operation of applicable laws and in compliance with the terms of the [REDACTED] Share Option Scheme) as the holder thereof.

For the avoidance of doubt, the trustee holding unvested Shares under the [REDACTED] Share Option Scheme, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

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11. Effects of alterations in the capital structure of our Company

In the event of a capitalization issue, rights issue, [REDACTED] or consolidation of Shares or reduction of capital of the Company whilst an option remains exercisable, such corresponding adjustment (if any) certified by the auditors for the time being or an independent financial advisor to the Company as fair and reasonable will be made to (a) the number of Shares to which the option relates, so far as unexercised, and/or (b) the Subscription Price of any unexercised option, provided that (i) any such alteration shall give a grantee the same proportion of the issued share capital (rounded to the nearest whole Share) to which the grantee was entitled prior to such alteration; (ii) any such adjustments shall be made on the basis that the aggregate Subscription Price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same as it was before such event; and (iii) no adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any adjustment made on a capitalization issue, such auditors or independent financial advisor must confirm to the Board in writing that the adjustments comply with the relevant provisions of the Listing Rules (or any guideline or supplementary guideline as may be issued by the Stock Exchange from time to time).

12. Rights on ceasing employment, death, or dismissal

- (i) In the event a grantee ceases to be an Eligible Participant for any reason other than death, or termination of his/her employment, directorship, office, appointment or engagement on one or more of the grounds referred to in sub-paragraph (iii) below, the grantee may exercise the option up to his/her entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation.
- (ii) In the event a grantee ceases to be an Eligible Participant by reason of his/her death, before exercising the option in full and none of the event which would be a ground for termination of the grantee's employment, directorship, office, appointment or engagement under sub-paragraph (iii) below, his/her legal personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent which has become exercisable but not already exercised) in whole or in part within a period of six months following the date of death of the grantee.
- (iii) In the event a grantee ceases to be an Eligible Participant and ceases to be an Eligible Participant by reason of summary termination of his/her employment, directorship, office, appointment or engagement on any one or more of the grounds that he/she has been guilty of misconduct or has been convicted of any criminal offence involving his/her integrity or honesty or (if so determined by the Board) on any other ground on which the relevant company in the Group would be entitled to terminate his/her employment, directorship, office, appointment or engagement

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summarily at common law or pursuant to any applicable laws or under the grantee's service contract, his/her option will lapse automatically on the date of cessation of his/her employment, directorship, office, appointment or engagement with the Group.

13. Rights on takeover and schemes of compromise or arrangement

If a general or partial offer (whether by way of take-over offer, share repurchase offer or otherwise in like manner other than by way of a scheme of arrangement) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror) the Company shall use its best endeavors to procure that such offer is extended to all the grantees (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, Shareholders of the Company). If such offer becomes or is declared unconditional, the grantee (or his/her legal personal representative(s)) shall be entitled to exercise the grantee's outstanding entitlement in full at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

14. Rights on a voluntary winding-up

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, notice thereof shall be given by the Company to grantees with options outstanding in full or in part at such date. If a grantee immediately prior to such event had any outstanding entitlement, the grantee (or his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of such resolution elect to be treated as if the entitlement had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the grantee shall be duly transferred with the relevant Shares (or treated as such by the Company) and entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares that are the subject of such election.

15. Ranking of Shares

The Shares underlying the options will be subject to all the provisions of the Articles of Association of the Company for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends and other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor falls before the date of allotment.

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16. Duration

The [REDACTED] Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date when the [REDACTED] Share Option Scheme becomes unconditional, after which period no further options will be granted by the provisions of the [REDACTED] Share Option Scheme, but the provisions of the [REDACTED] Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the [REDACTED] Share Option Scheme.

17. Alteration of the [REDACTED] Share Option Scheme

The Board may subject to the rules of the [REDACTED] Share Option Scheme amend any of the provisions of the [REDACTED] Share Option Scheme at any time (but not so as to affect adversely any rights which have accrued to any grantee at that date).

Any alterations to the terms and conditions of the [REDACTED] Share Option Scheme which are of a material nature and among others, as to all such matters set out in Rule 17.03 of the Listing Rules, shall be subject to the approval of the Shareholders in general meeting and, where required under the Listing Rules, the Stock Exchange. Any change to the terms of any options granted to an Eligible Participant must be approved by the Board, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the options was approved as such (as the case may be).

18. Cancellation of options

Any cancellation of options granted may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation. Where the Company cancels options granted to a participant and makes a new grant to the same participant, such new grant may only be made under the [REDACTED] Share Option Scheme with available Scheme Mandate Limit approved by the Shareholders. The options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

19. Malus and clawback

The Board may, at its absolute discretion, determine such malus and/or clawback provisions to be applied to an option or an offer of grant so as to provide, upon the occurrence of the applicable malus and/or clawback event(s) such as serious misconduct, a material misstatement in the Company's financial statements and fraud. If the Board exercises its discretion under this paragraph, it will give the relevant grantee written notice of such determination and the Board's interpretation of and determination pursuant to this paragraph shall be final, conclusive and binding.

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20. Termination

The Company by resolution in general meeting or the Board may at any time terminate the operation of the [REDACTED] Share Option Scheme and in such event no further options will be offered but the provisions of the [REDACTED] Share Option Scheme shall remain in full force in all other respects. All options granted prior to such termination shall continue to be valid and exercisable in accordance with the terms of the [REDACTED] Share Option Scheme.

21. Value of option

Our Directors consider it inappropriate to disclose the value of options which may be granted under the [REDACTED] Share Option Scheme as if they had been granted as of the Latest Practicable Date. Any such valuation will have to be made on the basis of a certain option pricing model or other method that depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options granted as of the Latest Practicable Date would be based on a number of speculative assumptions that are not meaningful and would be misleading to [REDACTED].

22. General

As of the Latest Practicable Date, no option had been granted or agreed to be granted under the [REDACTED] Share Option Scheme.

Application has been made to the Listing Committee for the [REDACTED] of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the [REDACTED] Share Option Scheme.

F. OTHER INFORMATION

1. Estate Duty

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

2. Litigation

So far as our Directors are aware, no litigation or claim of material importance is pending or threatened against any member of our Group.

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3. Sole Sponsor

The Sole Sponsor has made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue (including the Shares issued to the ESOP Trusts for the purpose of the [REDACTED] Share Option Scheme and the Shares issued upon conversion of Preferred Shares) and to be issued pursuant to (i) the [REDACTED], and (ii) the [REDACTED] Share Option Scheme.

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of US\$500,000 for acting as the sponsor for the [REDACTED].

4. Consents of Experts

The following experts have each given and have not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they are respectively included.

Name	Qualification
China International Capital Corporation Hong Kong Securities Limited	Licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Jingtian & Gongcheng	Legal adviser to our Company as to PRC law
Harney Westwood & Riegels	Legal adviser to our Company as to Cayman Islands law
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry Consultant

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As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

5. Binding Effect

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

6. Bilingual Document

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

7. Preliminary Expenses

We have not incurred any material preliminary expense.

8. Other Disclaimers

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital or debenture of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid other than in cash or otherwise; and
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) no share or loan capital or debenture of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

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- (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries by our Company for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares in or debentures of our Company or any of our subsidiaries.

- (c) None of our Directors or proposed Directors or experts (as named in this document) has any interest, direct or indirect, in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group.

- (d) We do not have any promoters. No cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document within the two years immediately preceding the date of this document.

- (e) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.