
APPENDIX VII STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was established as a joint stock limited liability company in the PRC on November 22, 2016.

As of the date of this document, our Company’s registered office and head office is located at No. 666 Xinhua Avenue, Chengdu Cross-Strait Science and Technology Industry Development Park, Wenjiang District, Chengdu, Sichuan Province, PRC. Our Company has established a principal place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong and has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 26, 2023 with the Registrar of Companies in Hong Kong. Ms. FUNG Wai Sum (馮慧森), one of our joint company secretaries, has been appointed as the authorized representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is the same as our principal place of business in Hong Kong.

Our Company has applied for the conversion of Domestic Shares and Unlisted Foreign Shares into H Shares, which involves 19,620,539 Domestic Shares and 18,623,632 Unlisted Foreign Shares. The conversion of Domestic Shares and Unlisted Foreign Shares into H Shares [has been approved] by the CSRC on [●].

As our Company was established in the PRC, our corporate structure and Articles of Association are subject to the relevant laws and regulations of the PRC. A summary of the relevant provisions of our Articles of Association is set out in “Appendix V – Summary of Articles of Association.” A summary of certain relevant aspects of the laws and regulations of the PRC is set out in “Appendix IV – Summary of Principal Laws and Regulation.”

2. Changes in Share Capital of Our Company

As of the date of our incorporation, our registered share capital was RMB100.0 million divided into 100,000,000 Shares with a nominal value of RMB1.00 each.

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

On March 22, 2021, the registered share capital of the Company was increased from RMB104.2 million to RMB116,050,609 by way of share subscription by our Series A Investors. Please see “History and Corporate Structure – Corporate History – Establishment and Major Shareholding Changes of Our Company – 3. Series A Financing” for details.

On January 3, 2023, the registered share capital of the Company was increased from RMB116,050,609 to RMB193,382,499 by way of share subscription by Kelun Pharmaceutical and our Series B Investors. Please see “History and Corporate Structure – Corporate History – Establishment and Major Shareholding Changes of Our Company – 4. Series B Financing” for details.

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Upon completion of the [REDACTED] and conversion of Domestic Shares and Unlisted Foreign Shares into H Shares, without taking into account any H Shares which may be issued pursuant to the [REDACTED], our registered share capital will be increased to RMB[REDACTED], comprising 149,589,850 Domestic Shares, 5,548,478 Unlisted Foreign Shares and [REDACTED] H Shares, representing [REDACTED]%, [REDACTED]% and [REDACTED]% of our registered capital, respectively.

For further details, please see “History and Corporate Structure” of this document. Save as disclosed above, there has been no alteration in the share capital of our Company during the two years immediately preceding the date of this document.

3. Subsidiaries of our Company and Changes in Share Capital of Our Subsidiaries

Details of our subsidiaries are set out in “History and Corporate Structure – Our Subsidiaries” and note 1 to the Accountants’ Report as set out in Appendix I to this document.

There has been no alteration in the share capital of the subsidiaries of our Company within two years immediately preceding the date of this document.

4. Shareholders’ Resolutions

At the extraordinary general meeting of our Company held on February 15, 2023, among other things, the following resolutions were passed by the Shareholders:

- (a) the issue by our Company of H Shares of nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;
- (b) the number of H Shares to be issued shall be up to [REDACTED], and the grant of the [REDACTED] in respect of no more than 15% of the number of H Shares issued pursuant to the [REDACTED];
- (c) subject to the CSRC’s approval, upon completion of the [REDACTED], 19,620,539 Domestic Shares and 18,623,632 Unlisted Foreign Shares in aggregate will be converted into H Shares on a one-for-one basis;
- (d) subject to the completion of the [REDACTED], the granting of a general mandate to the Board to allot and issue H Shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of H Shares to be issued shall not exceed 20% of the number of H Shares in issue as at the [REDACTED];

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- (e) subject to the completion of the [REDACTED], the conditional adoption of the Articles of Association, which shall become effective on [REDACTED], and the Board has been authorized to amend the Articles of Association in accordance with any comments from the Stock Exchange and other relevant regulatory authorities; and
- (f) authorization of the Board and its authorized persons to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares.

5. Reorganization

The Company has not gone through any corporate reorganization for the purpose of the [REDACTED]. For details of history and development of the Company, please refer to “History and Corporate Structure”.

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) have been entered into by us or any of our subsidiaries within the two years preceding the date of this document that are or may be material:

- (a) the [REDACTED].

2. Our Intellectual Property Rights

(a) Trademarks

(i) Registered Trademarks

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

No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Expiry Date
1.	舒泰菜	PRC	46761751	the Company	5	2031.01.20
2.	希泰菜	PRC	46761750	the Company	5	2031.01.20
3.	宁泰菜	PRC	46761749	the Company	5	2031.01.20
4.	君泰菜	PRC	46761748	the Company	5	2031.01.20

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No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Expiry Date
5.	坤泰菜	PRC	46761747	the Company	5	2031.01.20
6.	嘉泰菜	PRC	46761746	the Company	5	2031.01.20
7.	沛泰菜	PRC	46761745	the Company	5	2031.01.20
8.	朗泰菜	PRC	46761744	the Company	5	2031.01.20
9.	佳泰菜	PRC	46761743	the Company	5	2031.01.20
10.	清泰菜	PRC	46761742	the Company	5	2031.01.20
11.	奇泰菜	PRC	46761741	the Company	5	2031.01.20
12.	科泰菜	PRC	46761740	the Company	5	2031.01.20
13.	达泰来	PRC	46602863	the Company	5	2031.01.13
14.	智泰菜	PRC	46602862	the Company	5	2031.01.13
15.	达泰菜	PRC	46602861	the Company	5	2031.01.13
16.	兴泰菜	PRC	46602860	the Company	5	2031.01.20
17.	坦泰菜	PRC	46602859	the Company	5	2031.01.13
18.	希泰来	PRC	46602858	the Company	5	2031.01.13
19.	坤泰来	PRC	46602857	the Company	5	2031.01.13
20.	嘉泰来	PRC	46602856	the Company	5	2031.01.13
21.	沛泰来	PRC	46602855	the Company	5	2031.01.13
22.	朗泰来	PRC	46602854	the Company	5	2031.01.13

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No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Expiry Date
23.	智泰来	PRC	46602853	the Company	5	2031.01.13
24.	佳泰来	PRC	46602852	the Company	5	2031.01.13
25.	利泰来	PRC	46602851	the Company	5	2031.01.13
26.	清泰来	PRC	46602850	the Company	5	2031.01.13
27.	兴泰来	PRC	46602849	the Company	5	2031.01.13
28.	卡泰来	PRC	46602848	the Company	5	2031.01.13
29.	坦泰来	PRC	46602847	the Company	5	2031.01.13
30.	卡泰莱	PRC	46503045	the Company	5	2031.01.06
31.	君泰来	PRC	46503044	the Company	5	2031.01.06
32.	舒泰来	PRC	46503043	the Company	5	2031.01.20
33.	科泰来	PRC	46503042	the Company	5	2031.01.20
34.	科伦博泰	PRC	23225123	the Company	10	2028.03.06
35.	科伦博泰	PRC	23225122	the Company	35	2028.03.06
36.	科伦博泰	PRC	23225121	the Company	5	2028.03.06
37.	科伦博泰	PRC	23225120	the Company	44	2028.03.06
38.	科伦博泰	PRC	23225119	the Company	42	2028.03.06
39.	KELUN-BIOTECH	PRC	23225116	the Company	42	2028.03.06
40.	KELUN-BIOTECH	PRC	23225115	the Company	35	2028.03.06
41.	KELUN-BIOTECH	PRC	23225114	the Company	44	2028.03.06

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No.	Trademark	Place of Registration	Registration No.	Registered Owner	Class	Expiry Date
42.		PRC	23225111	the Company	44	2028.03.06
43.		PRC	23225110	the Company	42	2028.03.06
44.		PRC	23225109	the Company	35	2028.03.06
45.	科 纳 思	PRC	19152007	the Company	35	2028.03.27
46.	KLUS PHARMA	PRC	19151967	the Company	35	2028.03.27
47.	KLUS PHARMA	PRC	19151958	the Company	10	2028.03.27
48.	科 纳 思	PRC	19151922	the Company	10	2028.03.27
49.	KLUS PHARMA	PRC	19151812	the Company	5	2028.03.27

(ii) Trademark under application

As of the Latest Practicable Date, there was no trademark under application which we consider to be or may be material to our business.

(b) Patents

(i) Registered Patents

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following patents which we consider to be or may be material to our business:

No.	Patent	Patentee	Place of Registration	Patent Number	Application Date
1.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗体-藥物偶聯物及其組合物、製備方法和應用)	the Company	PRC	2018112985479	2016.11.22

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date
2.	The solid form of azetidine derivative and preparation method use thereof (氮雜環丁烷衍生物的固體形式及其製備方法和用途)	the Company	PRC	201880023346X	2018.05.28
3.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	PRC	2018800695435	2018.12.10
4.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	PRC	2015108240648	2015.11.23
5.	A PDL-1 antibody and pharmaceutical composition and use thereof (一種PDL-1抗體、其藥物組合物及其用途)	the Company	PRC	2017101208477	2017.03.02
6.	Polyamide compound and use thereof (多醯胺化合物及其用途)	the Company	PRC	2017800468206	2017.09.22
7.	Azetidine derivatives and preparation method and use thereof (氮雜環丁烷衍生物、其製備方法及用途)	the Company	PRC	2016800593964	2016.12.08
8.	A PDL-1 antibody and pharmaceutical composition and use thereof (一種PDL-1抗體、其藥物組合物及其用途)	the Company	PRC	2018106479747	2017.03.02
9.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	PRC	2016800367605	2016.11.22
10.	A PDL-1 antibody and pharmaceutical composition and use thereof (一種PDL-1抗體、其藥物組合物及其用途)	the Company	PRC	2017800021828	2017.03.02
11.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	PRC	2018112986113	2016.11.22
12.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Hong Kong	HK1243957	2016.11.22
13.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Hong Kong	HK1254298	2016.11.22

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No.	Patent	Patentee	Place of Registration	Patent Number	Application Date
14.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	Hong Kong	HK40020572	2018.12.10
15.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Japan	JP6888871	2016.11.22
16.	Cytotoxins and conjugates, their uses and methods of preparation (細胞毒素和偶聯物、其用途和製備方法)	the Company	U.S.	US11207420B2	2018.04.12
17.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Eurasian	EA039757	2016.11.22
18.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Europe	EP3381469	2016.11.22
19.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Japan	JP7200454B2	2016.11.22

(ii) Pending Patents

As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be or may be material to our business:

No.	Patent Title	Applicant	Place of Registration	Application Number	Application Date
1.	An anti-PD-L1 antibody preparation (一種抗PD-L1抗體製劑)	the Company	PRC	2019111900374	2019.11.28
2.	An of intermediate compound and preparation method therefor, and solid phase synthesis method for preparing polypeptide from intermediate compound (一種中間體化合物及其製備方法, 及以該中間體化合物製備多肽的固相合成方法)	the Company	PRC	2019800064095	2019.01.28
3.	A purification method of polypeptide (一種多肽的純化方法)	the Company	PRC	2019800192638	2019.05.05
4.	A use of anti-programmed death ligand-1 (pd-l1) antibody for anti-tumor (抗程序性死亡配體-1(PD-L1)抗體的抗腫瘤用途)	the Company	PRC	2019800591110	2019.09.19

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No.	Patent Title	Applicant	Place of Registration	Application Number	Application Date
5.	Pharmaceutical composition comprising polypeptide compound, preparation method therefor and use thereof (含有多肽類化合物的藥物組合物及其製備方法和用途)	the Company	PRC	2019800603438	2019.11.08
6.	An antibody and use thereof (一種抗體及其用途)	the Company	PRC	2019800764745	2019.12.19
7.	Oral pharmaceutical composition with azetidine derivative as active ingredient, preparation method and use thereof (以氮雜環丁烷衍生物為活性成分的口服藥物組合物、其製備方法及用途)	the Company	PRC	2020800074009	2020.02.20
8.	Heterocyclic compound, pharmaceutical composition the same and preparation method and use thereof (雜環化合物、包含其的藥物組合物及其製備方法和用途)	the Company	PRC	2020800099542	2020.02.11
9.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	PRC	2021111104339	2018-12-10
10.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	PRC	2021111108310	2018.12.10
11.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	PRC	2021111137008	2018.12.10
12.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	PRC	2021111145127	2018.12.10
13.	Salt and crystal of a pyrimidine compound and their preparation method (一種嘧啶類化合物的鹽和晶型及其製備方法)	the Company	PRC	2021800388570	2021.7.23
14.	Cytotoxins and conjugates, their uses and methods of preparation (細胞毒素和偶聯物、其用途和製備方法)	the Company	PRC	2018800125291	2018.4.12
15.	Preparation method of conjugates (製備偶聯物的方法)	the Company	PRC	2019100617790	2019.1.23
16.	Preparation method of conjugates (製備偶聯物的方法)	the Company	PRC	2019800060944	2019.1.23
17.	Cytotoxic agents and conjugates, preparation method and uses thereof (細胞毒性劑及其偶聯物、其製備方法及用途)	the Company	PRC	2019800063961	2019.1.25
18.	Use of anti-HER2 antibody-drug conjugates in the treatment of cancer (抗HER2抗體-藥物偶聯物在治療癌症中的用途)	the Company	PRC	2019800186355	2019.04.30

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No.	Patent Title	Applicant	Place of Registration	Application Number	Application Date
19.	Camptothecin derivatives and their water-soluble prodrugs, pharmaceutical compositions containing them, their preparation methods and uses (喜樹碱衍生物及其水溶性前藥、包含其的藥物組合物及其製備方法和用途)	the Company	PRC	2020800065387	2020.01.16
20.	Bioactive conjugate, preparation method therefor and use thereof (生物活性物偶聯物及其製備方法和用途)	the Company	U.S.	US16758980	2018.12.10
21.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Canada	CA3000763	2016.11.22
22.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	Korea	KR102017703 6761	2016.11.22
23.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	U.S.	US15765685	2016.11.22
24.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	U.S.	US17169087	2016.11.22
25.	Anti-ErbB2 antibody-drug conjugate and its composition, preparation method and application (抗ErbB2抗體-藥物偶聯物及其組合物、製備方法和應用)	the Company	U.S.	US17471653	2016.11.22
26.	Use of anti-HER2 antibody-drug conjugates in the treatment of cancer (抗HER2抗體-藥物偶聯物在治療癌症中的用途)	the Company	U.S.	US16979251	2019.04.30
27.	Method and use of antibody drug conjugate in cancer treatment (抗體藥物偶聯物治療癌症的方法及用途)	the Company	Patent Cooperation Treaty (PCT)	PCTCN20220 89836	2022.04.28
28.	Use of anti-HER2 antibody-drug conjugates in the treatment of cancer (抗HER2抗體-藥物偶聯物在治療癌症中的用途)	the Company	Hong Kong	HK620210234 154	2019.04.30
29.	Cytotoxins and conjugates, their uses and methods of preparation (細胞毒素和偶聯物、其用途和製備方法)	the Company	Europe	EP187878053	2018.04.12
30.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	Canada	CA3080236	2018.12.10

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No.	Patent Title	Applicant	Place of Registration	Application Number	Application Date
31.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	Europe	EP188886238	2018.12.10
32.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	Japan	JP2020521429	2018.12.10
33.	Biologically active substance conjugate and its preparation method and use (生物活性物偶聯物及其製備方法和用途)	the Company	Korea	KR1020207010986	2018.12.10
34.	Use of medicament in treatment of tumor disease (藥物在治療腫瘤疾病中的應用)	the Company	Patent Cooperation Treaty (PCT)	WO2022228497A1	2022.11.03

(c) Copyrights

As of the Latest Practicable Date, we have registered the following copyright that we consider to be or may be material to our business:

No.	Name	Registered Owner	Type	Registration Number	Registration Date
1.	The logos of KEBIOUS and BIOTECH	the Company	Artistic work	國作登字-2020-F-00028611	2020.12.28

(d) Domain Names

As of the Latest Practicable Date, we have registered the following domain name that we consider to be or may be material to our business:

No.	Domain Name	Registrant	Expiry Date
1.	kelun-biotech.com	the Company	2028.05.25

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Save as disclosed above, 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 business.

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUPERVISORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors, Supervisors and Chief Executive

(i) Disclosure of Interests – Interests and short positions of the Directors, Supervisors and chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations

Immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the interests or short positions of our Directors, Supervisors and chief executives 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 short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be 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 Listed Companies contained in the Listing Rules (for this purpose, the relevant provisions of the SFO will be interpreted as if they apply to the Supervisors), will be as follows:

Name	Position	Nature of interest	Number and class of Shares	Appropriate percentage of interest in our Company	Approximate percentage of interest in the relevant class of Shares of our Company
Mr. LIU Gexin (劉革新)	Chairman of the Board and non-executive Director	Interest in a controlled corporation	136,555,685 Domestic Shares	[REDACTED]%	[REDACTED]%
			9,000,000 H Shares	[REDACTED]%	[REDACTED]%
Dr. WANG Jingyi (王晶翼)	Executive Director	Beneficial Owner	2,850,000 Domestic Shares	[REDACTED]%	[REDACTED]%
			2,850,000 H shares	[REDACTED]%	[REDACTED]%

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

(ii) Particulars of service agreements

Pursuant to Rules 19A.54 and 19A.55 of the Listing Rules, our Company [has entered into] a service agreement with each of the Directors and Supervisors which contains provisions in relation to, among other things, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration.

The principal particulars of these service agreements are: (a) each of the agreements is for a term of three years following his/her respective appointment date; and (b) each of the agreements is subject to termination in accordance with their respective terms. The service agreements may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors or Supervisors in their respective capacities as Directors/Supervisors (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

(iii) Directors' and Supervisors' remuneration

For the year ended December 31, 2021 and the nine months ended September 30, 2022, the total amount paid by us for payments of emoluments, salaries, allowances, discretionary bonus, defined contribution retirement plans and other benefits in kind (if applicable) to Directors were approximately RMB13.1 million and RMB6.3 million, respectively. For remuneration details of all Directors during the Track Record Period, please refer to Note 8 to the Accountants' Report as set out in Appendix I to this document.

For the year ended December 31, 2021 and the nine months ended September 30, 2022, the total amount paid by us for payments of emoluments, salaries, allowances, discretionary bonus, defined contribution retirement plans and other benefits in kind (if applicable) to Supervisors were RMB2.2 million and RMB3.3 million, respectively.

Based on the arrangements in force as of the Latest Practicable Date, it is estimated that the total remuneration paid to the Directors and Supervisors for the year ending December 31, 2023 will be approximately RMB16.3 million.

During the Track Record Period, no remuneration was paid by us nor receivable by Directors, Supervisors or the five highest remunerated individuals as incentives for joining or as rewards upon joining our Company. During the Track Record Period, no remuneration was

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paid by us nor receivable by Directors, past Directors, Supervisors, past Supervisors or the five highest remunerated individuals as compensation for leaving positions relating to management affairs in any subsidiary of the Company.

During the Track Record Period, none of our Directors have waived any remuneration. Save as disclosed above, during the Track Record Period, no other amounts shall be paid or payable by us or any of our subsidiaries to the Directors or the five highest remunerated individuals.

Save as disclosed above and indirect shareholding interest our Directors and Supervisors held through our Employee Incentive Plan, no Director or Supervisor is entitled to receive other special benefits from the Company.

2. Substantial Shareholders

(i) Interests in the Shares of our Company

For information on the persons (other than our Directors, Supervisors or chief executive of our Company) who will, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), having 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 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of any other member of our Company, see “Substantial Shareholders” of this document.

Save as disclosed in the section headed “Substantial Shareholders” in this document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be interested in 10% or more of the issued voting shares of any member of our Group or had option in respect of such capital.

(ii) Interests in our Company’s subsidiaries

Immediately following the completion of the [REDACTED], assuming (i) the [REDACTED] has become unconditional and all [REDACTED] have been issued pursuant to the [REDACTED]; and (ii) the [REDACTED] have not been exercised, all member companies of our Group (other than our Company) are wholly owned by our Company. As such, no person (other than our Company) will be interested, directly or indirectly, in 10% or more in any share class with the right to, in any event, vote at the general meeting of any other member (other than our Company) of our Group.

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3. Personal Guarantees

During the Track Record Period, Mr. LIU Gexin provided guarantees in respect of certain bank borrowings by our Group (the "Guaranteed Loans"). Please refer to note 21 of the Accountants' Report in Appendix I to this document for further details. As of the Latest Practicable Date, all the outstanding principal amount of the Guaranteed Loans and the accrued interest under the Guaranteed Loans had been fully repaid by us.

Save for the above, no Director or Supervisor has provided personal guarantees for the benefit of the lenders in connection with any banking facilities granted to the Company.

4. Directors' Competing Interests

None of the Company's Directors has any interests in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

5. Agency Fees or [REDACTED] Paid or Payable

Save as disclosed in "[REDACTED]" section in this document, no [REDACTED], discounts, brokerages or other special terms were granted within the two years preceding the date of this document in connection with the issue or sale of any capital or security of any member of our Group.

6. Disclaimers

Save as disclosed in this document:

- (i) none of our Directors, Supervisors, chief executive or any of the parties listed in "– D. Other Information – 7. Qualification of Experts" is:
 - (a) interested in our promotion, or in any assets which, within the two years immediately preceding the date of this document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or
 - (b) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (ii) save in connection with the [REDACTED] and the [REDACTED], none of the parties listed in "– E. Other Information – 7. Qualification of Experts":
 - (a) is interested legally or beneficially in any shares in any member of our Group;
or
 - (b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

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- (iii) none of our Directors or Supervisors or their close associates or any shareholders of our Company who to the knowledge of our Directors owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and
- (iv) none of our Directors or Supervisors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are [REDACTED] on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EMPLOYEE INCENTIVE SCHEME

We have approved and adopted the Employee Incentive Scheme in 2016, and further revised it in May 2020 and January 2023, respectively. The Employee Incentive Scheme is not subject to the provisions of Chapter 17 of the Listing Rules as the Employee Incentive Scheme does not involve the grant of new shares or awards by the Company after the [REDACTED].

The Company has established four employee incentive platforms, namely Kelun Huicai, Kelun Huide, Kelun Huineng and Kelun Huizhi (the “**Employee Incentive Platforms**”). As of the Latest Practicable Date, the four Employee Incentive Platforms, in aggregate, held 30,000,000 Shares. For details of our Employee Incentive Platforms, please refer to “History and Corporate Structure – Employee Incentive Platforms” in this document.

Purpose

For the purpose of quickly attracting and recruiting high-end talents, fully mobilizing the enthusiasm of our core employees, ensuring the stability, motivation and long-term of the core R&D personnel’s labor relationships, accelerating the development process of products candidates, encouraging core employees to work hard and aligning their interest with the long-term development of our Company, the Company provides equity incentives for core employees.

Form of the Employee Incentive Scheme

Participants, as partners of the Employee Incentive Platforms which are in the form of limited partnerships, shall subscribe for the capital contribution of the limited partnership interest according to the amount approved by the equity incentive management committee (the “**Equity Incentive Management Committee**”), and make the corresponding payment in accordance with the arrangement of the Equity Incentive Management Committee, thereby indirectly holding the shares of the Company by virtue of their capacity as a limited partner of the relevant Employee Incentive Platform.

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Participants

The participants include the senior management, key technical personnel and other core employees, directors, supervisors or consultants of the Company, Sichuan Konas and KLUS (the “**Participants**”).

The Equity Incentive Management Committee shall determine or adjust the scope of Participants and the incentive shares after considering factors such as the employee’s working years, on-boarding situations, annual appraisal performance, nature of the job, seniority, and sense of corporate identity.

Total Number of the Incentive Shares

Participants shall hold a total of 30,000,000 shares of the Company through the limited partnerships, which means that four limited partnerships serving as the Employee Incentive Platforms shall hold a total of 30,000,000 shares of the Company, corresponding to the capital of the Company of RMB30 million.

Subscription Price of the Incentive Shares

The subscription price of the incentive shares is based on comprehensive consideration of factors and is determined by Equity Incentive Management Committee according to the following principles:

The subscription price for the first batch of Participants to subscribe and pay for the incentive shares in 2017 is RMB1.00 per share, and the price for subsequent batches of Participants to subscribe and pay for the incentive shares is calculated as: $RMB1.00 \times (1 + 6\% \times N)$ (“N” refers to the number of years, “N” is calculated by the calendar year in which such Participants were granted incentive shares for the first time less 2017).

Payment of the Incentive Share Price

Participants must subscribe for the incentive shares in cash, and should ensure that their source of funds is genuine and lawful.

The subscription period of the incentive shares shall be determined by the Equity Incentive Management Committee. Participants shall make the corresponding payment for incentive shares fully and timely. Participants who fail to pay or pay less than the corresponding price as stated in the notice of grant issued by the Equity Incentive Management Committee are deemed to give up the opportunity to subscribe for the incentive shares. The Equity Incentive Management Committee has the right to adjust or revoke the qualifications of Participants, and return the paid principal (without interest).

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Distribution Method of the Incentive Shares

- (1) **Original distribution:** Based on the factors such as the current working years and previous performance, the Equity Incentive Management Committee will determine the scope of Participants and the number of the incentive shares. Unless approved by the Equity Incentive Management Committee, the cumulative incentive shares held by a single natural person through this method shall not exceed 0.5% of the total incentive shares. The employees who have obtained the original distribution shares are regarded as the first batch of Participants, and shall make the payment in installments and are deemed to have obtained the incentive shares at the establishment of the limited partnerships.
- (2) **Annual appraisal distribution:** According to the annual appraisal by the Company and associated subsidiaries, the Equity Incentive Management Committee has the right to decide to add new Participants or increase the number of the incentive shares of existing Participants every year.
- (3) Unless approved by the Equity Incentive Management Committee, the cumulative incentive shares held by a single natural person shall not exceed 1% of the total incentive shares subscribed through the original distribution and annual appraisal distribution.

Distribution Procedures of the Incentive Shares

The Equity Incentive Management Committee is responsible for the distribution of the incentive shares. In general, the distribution procedures are as follows:

- (1) The Equity Incentive Management Committee decides the specific conditions for eligible Participants, the allocation of the incentive shares among different internal departments and divisions, the preliminary grantee list and the number of shares proposed to be granted.
- (2) The management of relevant departments of the Company and its subsidiaries is responsible for formulating departmental allocation plans, selecting the Participants from the lists, determining the number of incentive shares, and submitting the departmental allocation plans to the Equity Incentive Management Committee.
- (3) The Equity Incentive Management Committee is responsible for making the final decisions about the selected Participants and number of the incentive shares to be granted to each selected Participants.
- (4) The selected Participants shall sign relevant legal documents and pay the subscription price in accordance with the arrangement and instructions of the Equity Incentive Management Committee.

Obligations of Participants

The main obligations of Participants are as follows:

- (1) The incentive shares held by Participants shall be locked up for a period of 4 years from the effective date of the incentive shares grant agreement (the “**Incentive Shares Grant Agreement**”). During the 4-year lock-up period, Participants are not allowed to transfer the incentive shares to any third party, nor use the incentive shares for guarantee or repayment of debts. During the lock-up period, if Participants rescind or terminate the labor or business relationship with the Company or its subsidiaries, Participants shall follow the relevant arrangements to cooperate with the executive partner to go through the relevant procedures for repurchasing their incentive shares. Participants shall voluntarily commit to continuing to hold the incentive shares for more than 1 year after the expiration of the lock-up period.
- (2) Individual income tax arising from withdrawal, holding or transfer of the incentive shares, dividends or other activities shall be borne by Participants themselves.
- (3) Participants are obliged to abide by other relevant administration measures formulated by Kelun Pharmaceutical and the Company at the general meetings, the meetings of board of directors and the meetings of the Equity Incentive Committee.

Arrangements for Participants Resigning during the Lock-up Period

During the lock-up period, if Participants rescind or terminate the labor or service contracts with the Company or its subsidiaries, Participants shall transfer all their incentive shares to the executive partner or its designated third party according to the requirements of the executive partner. Such incentive shares transferred to the executive partner or the designated third party shall be used in accordance with the decision of the Equity Incentive Management Committee.

Overall Repurchase of the Incentive Shares

For the incentive shares held by Participants, Kelun Pharmaceutical or its subsidiaries shall have the right to repurchase relevant incentive shares as a whole according to business needs. Overall repurchase can be done all in one time or in batches.

When conducting the overall repurchase, appropriate methods such as issuing shares to purchase assets, repurchasing in cash, or a combination of these two methods may be adopted. When necessary, an independent third-party financial consultant or valuer could be engaged to assess the fair valuation of the relevant incentive shares.

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Adjustment to the Employee Incentive Scheme

When the number of Participants, fundraising methods and incentive methods may raise regulatory concern or affect the long-term development of the Company's overall interests, Kelun Pharmaceutical and the Company have the right to make corresponding adjustments to the effective documents of the Employee Incentive Scheme and other incentive management measures provided that such adjustments comply with the principles of fairness, justice, win-win and order.

Equity Incentive Management Committee

The Equity Incentive Management Committee is responsible for the daily decision-making, management and execution of employee equity incentive matters. The Equity Incentive Management Committee is composed of five members, elected by and responsible to the Board. The Equity Incentive Management Committee is responsible for the following matters:

- (1) handling specific matters such as the selection of Participants, determination of allocated shares, and payment arrangements for the incentive shares in accordance with the basic principles confirmed by Kelun Pharmaceutical's board of directors;
- (2) daily management of agreements and documents related to the Employee Incentive Scheme;
- (3) formulating and revising the terms of reference of the Equity Incentive Management Committee; and
- (4) other matters concerning the Equity Incentive Management Committee.

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Details of the Incentive Shares Granted Under the Employee Incentive Scheme

As of the Latest Practicable Date, details of the incentive shares granted to Directors, Supervisors and senior management under the Employee Incentive Scheme are set out below:

Name	Position	Relevant Employee Incentive Platforms	Approximate partnership interests of the Employee Incentive Platforms	Approximate number of shares corresponding to awards held by the Employee Incentive Platforms	Approximate shareholding percentage corresponding to awards in the total number of shares in issue immediately prior to the [REDACTED]
Dr. GE Junyou (葛均友)	Executive Director and general manager	Kelun Huicai	13.33%	1,000,000	0.52%
Mr. FENG Hao (馮昊)	Non-executive Director	Kelun Huicai	5.60%	420,000	0.22%
Mr. LAI Degui (賴德貴)	Chairman of the Board of Supervisors and Supervisor	Kelun Huicai	5.60%	420,000	0.22%
Ms. LIAO Yihong (廖益虹)	Supervisor	Kelun Huicai	2.27%	170,000	0.09%
Dr. SONG Hongmei (宋宏梅)	Supervisor	Kelun Huizhi	6.00%	450,000	0.23%
Ms. YANG Qiuyan (楊秋艷)	Supervisor	Kelun Huineng	4.27%	320,000	0.17%
Dr. QING Yan (卿燕)	Supervisor	Kelun Huicai	5.33%	400,000	0.21%
Mr. FENG Yi (馮毅)	Deputy general manager, chief strategy officer and senior vice president	Kelun Huicai	9.33%	700,000	0.36%
Dr. ZHANG Yiwei (張一偉)	Deputy general manager	Kelun Huineng	4.67%	350,000	0.18%
Dr. TAN Xiangyang (譚向陽)	Deputy general manager and chief scientific officer	Kelun Huineng	4.67%	350,000	0.18%
Dr. JIN Xiaoping (金小平)	Deputy general manager and chief medical officer	Kelun Huineng	8.00%	600,000	0.31%
Mr. ZHOU Zejian (周澤劍)	Chief financial officer	Kelun Huide	9.33%	700,000	0.36%

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E. 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

During the Track Record Period and as of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on our results of operations or financial conditions.

3. Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the [REDACTED] of, and permission to [REDACTED] in, the H Shares to be converted from Unlisted Foreign Shares and the H Shares to be issued pursuant to the [REDACTED] (including the additional H Shares which may be issued pursuant to the exercise of the [REDACTED]). All necessary arrangements have been made to enable our H Shares to be admitted into CCASS. The Joint Sponsors satisfy the independence criteria applicable to Sponsors set out in Rule 3A.07 of the Listing Rules.

Each of the Joint Sponsors will be paid by our Company a fee of US\$500,000 to act as a Sponsor to our Company in connection with the [REDACTED].

4. Compliance Advisor

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

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transactions are effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is 0.13% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

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7. Qualification of Experts

The following are the qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given opinions or advice which are contained in this document:

Name	Qualification
Goldman Sachs (Asia) L.L.C.	Licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
CITIC Securities (Hong Kong) Limited	Licensed corporation to conduct Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
King & Wood Mallesons	Legal advisers as to PRC law
Frost & Sullivan	Independent industry consultant
Cushman & Wakefield Limited	Property valuer
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance

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.

8. Consent of Experts

Each of the experts whose names are set out in paragraph 7 above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included herein in the form and context in which it respectively appears.

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9. Promoters

The promoters of our Company are Kelun Pharmaceutical, Kelun Huicai, Kelun Huide, Kelun Huineng and Kelun Huizhi.

Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the promoters named above in connection with the [REDACTED] and the related transactions described in this document.

10. Bilingual Document

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

11. Binding Effect

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

12. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since September 30, 2022 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

13. Related Party Transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this Document as mentioned in Note 30 of the Accountants’ Report set out in Appendix I to this document.

14. Miscellaneous

(a) Save as disclosed in “History and Corporate Structure”, “Financial Information”, Appendix I, and the section headed “– D. Employee Incentive Scheme” in this Appendix VII, 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;

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- (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; and

no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries.
- (b) Save as disclosed in "History and Corporate Structure", "Financial Information" Appendix I, and the sections headed "- D. Employee Incentive Scheme" in this Appendix VII:
 - (i) there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
 - (ii) there is no arrangement under which future dividends are waived or agreed to be waived;
 - (iii) there are no contracts for hire or hire purchase of plan to or by us for a period of over one year which are substantial in relation to our business;
 - (iv) 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; and
 - (v) there are no outstanding debentures or convertible debt securities of our Company or any of our subsidiaries.
- (c) Save as disclosed in the paragraph headed "- B. Further Information about our Business - 1. Summary of Material Contracts" in this section, none of our Directors or proposed Directors or experts (as named in this document), have 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) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document.
- (e) none of our equity and debt securities is presently listed on any stock exchange or traded on any trading system and no such listing or permission to list is being or is proposed to be sought.