
HISTORY AND CORPORATE STRUCTURE

OVERVIEW

We are a clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases. Leveraging our integrated R&D and manufacturing platform, we have built a comprehensive pipeline that covers the four major disease areas in the field, including skin, rheumatic, respiratory and digestive diseases.

Our history can be traced back to June 2015, when our Company was established by Mr. Qiu, our founder, and Mr. Yu Guo’an, our founding investor, in Taizhou as a limited liability company under the PRC Company Law, through entities controlled and/or owned by them. For further details of Mr. Qiu, see “Directors, Supervisors and Senior Management” in this document. For further details of Mr. Yu Guo’an, see “Relationship with our Controlling Shareholders” in this document.

KEY MILESTONES

The following table sets forth the key milestones of our corporate and business development.

Year	Milestone events
2015	<p>Our Company was established in Taizhou, the PRC in June 2015.</p> <p>We completed the Pre-Series A Financing and raised RMB14 million in November 2015.</p>
2016	<p>We completed the Series A Financing and raised RMB120 million in March 2016.</p>
2018	<p>We received IND approval of QX001S from the NMPA for the treatment of moderate-to-severe plaque Ps in China in January 2018.</p> <p>Cellularforce, our CMC-focused subsidiary, was established in Taizhou, the PRC in August 2018.</p>
2019	<p>We received IND approval of QX002N* from the NMPA for the treatment of active AS in adults in China in April 2019.</p>
2020	<p>We completed the Phase I clinical trial of QX001S for the treatment of Ps in China in May 2020.</p> <p>We completed the Series B Financing and raised RMB230 million in May 2020.</p>

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<u>Year</u>	<u>Milestone events</u>
	<p>We received IND approval of QX005N* from the NMPA for the treatment of moderate-to-severe AD in adults in China in June 2020.</p> <p>We entered into a collaboration agreement in August 2020 with Zhongmei Huadong, a subsidiary of Huadong Medicine, with respect to the joint development and commercialization of QX001S in the PRC.</p> <p>We completed the Series B+ Financing and raised RMB370 million in October 2020.</p>
2021	<p>We completed the Series B++ Financing and raised RMB300 million in April 2021.</p> <p>We received IND approvals from the NMPA for: (i) QX004N for the treatment of Ps in August 2021; (ii) QX006N for the treatment of SLE in September 2021; and (iii) QX005N* for the treatment of CRSwNP in November 2021.</p> <p>Our Company was converted from a limited liability company into a joint stock company with limited liability in September 2021.</p> <p>We completed the Phase Ia clinical trial of QX002N* for the treatment of AS in China in September 2021.</p>
2022	<p>We received IND approvals from the NMPA for: (i) QX005N* for the treatment of CSU in January 2022; (ii) QX005N* for the treatment of PN in March 2022; (iii) QX008N for the treatment of asthma in May 2022; (iv) QX008N for the treatment of moderate-to-severe COPD in May 2022; (v) QX005N* for the treatment of moderate-to-severe asthma in February 2022; and (vi) QX004N for the treatment of Crohn’s disease in November 2022. We also received an IND approval from the FDA for QX008N for the treatment of severe asthma in September 2022.</p> <p>We initiated the Phase II clinical trial of QX002N* for the treatment of AS in China in January 2022.</p> <p>We completed the Series C Financing and raised RMB227.5 million in March 2022.</p>

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<u>Year</u>	<u>Milestone events</u>
	<p>We completed the Phase Ib clinical trial of QX002N* for the treatment of AS in China in September 2022.</p>
	<p>We completed patient enrollment for the Phase II clinical trial of QX002N* for the treatment of AS in China in September 2022.</p>
2023	<p>We completed the Phase Ia clinical trial of QX005N* in healthy subjects in China in January 2023.</p> <p>We commenced a Phase II clinical trial in adult patients with PN in China for QX005N* for the treatment of PN in February 2023.</p> <p>We completed subject enrollment for our Phase II clinical trial of QX005N* for the treatment of AD in China in February 2023.</p> <p>We completed the Phase Ib clinical trial of QX005N* for the treatment of AD in China in February 2023.</p> <p>We commenced a Phase II clinical trial in adult patients with CRSwNP in China for QX005N* for the treatment of CRSwNP in April 2023.</p> <p>We completed subject enrollment for our Phase II clinical trial of QX005N* for the treatment of PN in China in May 2023.</p> <p>We completed the Phase III clinical trial of QX001S in patients with moderate-to-severe plaque Ps in China for the treatment of moderate-to-severe plaque Ps in June 2023.</p> <p>Zhongmei Huadong, a subsidiary of Huadong Medicine and our commercialization partner for QX001S, submitted a BLA in China in July 2023, which was accepted by the NMPA in August 2023.</p> <p>We completed the Phase II clinical trial of QX002N* for the treatment of AS in China in August 2023.</p> <p>We initiated the Phase III clinical trial of QX002N* for the treatment of AS in China in September 2023.</p> <p>We received IND approval from the NMPA for QX005N* for the treatment of COPD in September 2023.</p>

* Core Product

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OUR CORPORATE DEVELOPMENTS

Establishment and major shareholding changes of our Company

Our Company was established in Taizhou, the PRC as a limited liability company on June 16, 2015 with an initial registered capital of RMB50,000,000, of which RMB40,000,000 was paid up by Hangzhou Quanyi on July 14, 2015 with the remaining balance to be paid up by Hangzhou Quanli pursuant to the articles of association of our Company. As of the date of its establishment, our Company was owned as to 80% by Hangzhou Quanyi, a general partnership owned as to 50% by Mr. Qiu and 50% by Mr. Yu Guo’an, both being its general partners acting in concert, and 20% by Hangzhou Quanli, one of our original employee incentive platforms owned as to 1% by Mr. Qiu as its general partner and 99% by Mr. Yu Guo’an as its limited partner. Our Company is principally engaged in discovery of antibody drugs, antibody screening, preclinical and clinical development, registration and other regulatory affairs of our drug candidates, and is also responsible for the future sales and marketing activities of our Group. Our Company has not recorded any revenue for the two years ended December 31, 2022 and the five months ended May 31, 2023 and the loss for the corresponding periods was approximately RMB379.93 million, RMB266.80 million and RMB200.78 million, respectively.

Since its establishment, our Company has undertaken a series of capital increases to raise funds for the development of its business and to bring in new shareholders to our Company. The major shareholding changes of our Company are set out below.

1. *Pre-Series A Financing*

Pursuant to (i) the capital increase agreement dated October 14, 2015 entered into among our Company, Hangzhou Quanyi, Hangzhou Quanli and Shenzhen Qianhai Efung Taihe Equity Investment Fund Enterprise (Limited Partnership) (深圳市前海倚鋒太和股權投資基金企業(有限合夥)) (“Qianhai Efung”); (ii) the capital increase agreement dated October 15, 2015 entered into among our Company, Hangzhou Quanyi, Hangzhou Quanli and Nanjing Yuzhuhua Pharmaceutical Technology Partnership (Limited Partnership) (南京裕之華醫藥科技合夥企業(有限合夥)) (“Nanjing Yuzhuhua”); and (iii) the capital increase agreement dated November 5, 2015 entered into among our Company, Hangzhou Quanyi, Hangzhou Quanli and Shanghai Quanyou (Qianhai Efung, Nanjing Yuzhuhua and Shanghai Quanyou are collectively referred to as the “Pre-Series A Investors”), the Pre-Series A Investors agreed to make a total capital contribution of RMB14,000,000 to our Company (the “Pre-Series A Financing”), among which RMB10,000,000 was contributed to the registered capital of our Company and RMB4,000,000 was contributed to the capital reserve of our Company, details of which are set out below:

Name of [REDACTED] Investors	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	<i>(RMB)</i>	<i>(RMB)</i>	
Qianhai Efung	3,000,000	4,200,000	October 30, 2015

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<u>Name of [REDACTED] Investors</u>	<u>Registered capital subscribed for</u> <i>(RMB)</i>	<u>Consideration</u> <i>(RMB)</i>	<u>Date of full settlement of consideration in cash</u>
Nanjing Yuzhuhua ⁽¹⁾	2,000,000	2,800,000	October 30, 2015
Shanghai Quanyou	5,000,000	7,000,000	November 30, 2015
Total	<u>10,000,000</u>	<u>14,000,000</u>	

Note:

- (1) Formerly known as Nanjing Huayuxiang Asset Management Center (General Partnership) (南京華裕祥資產管理中心(普通合夥)).

The consideration of the Pre-Series A Financing was determined based on arm’s length negotiations between our Company and the Pre-Series A Investors with reference to, among others, the substantial investment made by our founder, the value of our management team with extensive industry experience and our long-term development strategies and potential. For further details of the Pre-Series A Financing and the background information of the Pre-Series A Investors, see “[REDACTED] Investments” below.

Upon completion of the Pre-Series A Financing, the registered capital of our Company was increased from RMB50,000,000 to RMB60,000,000 and the shareholding structure of our Company was as follows:

<u>Name of Shareholders</u>	<u>Registered capital</u> <i>(RMB)</i>	<u>Approximate equity interest percentage held</u>
Hangzhou Quanyi	40,000,000	66.67%
Hangzhou Quanli	10,000,000	16.67%
Shanghai Quanyou	5,000,000	8.33%
Qianhai Efung	3,000,000	5.00%
Nanjing Yuzhuhua	2,000,000	3.33%
Total	<u>60,000,000</u>	<u>100.00%</u>

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2. Series A Financing

Pursuant to the capital increase agreement dated January 18, 2016 entered into among our Company, Taizhou China Medical City Rongjianda Venture Capital Co., Ltd. (泰州中國醫藥城融健達創業投資有限公司) (“Rongjianda”), Taizhou Jianxin Venture Capital Co., Ltd. (泰州健鑫創業投資有限公司) (“Taizhou Jianxin”), Qianhai Efung, Nanjing Tongren Boda Equity Investment Center (Limited Partnership) (南京同人博達股權投資中心(有限合夥)) (“Tongren Boda”) and Shanghai Shuochen Investment Management Co., Ltd. (上海碩臣投資管理有限公司) (“Shanghai Shuochen”, together with Rongjianda, Taizhou Jianxin, Qianhai Efung and Tongren Boda are collectively referred to as the “Series A Investors”), the Series A Investors agreed to make a total capital contribution of RMB120,000,000 to our Company (the “Series A Financing”), among which RMB30,000,000 was contributed to the registered capital of our Company and RMB90,000,000 was contributed to the capital reserve of our Company, details of which are set out below:

Name of [REDACTED] Investors	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	<i>(RMB)</i>	<i>(RMB)</i>	
Rongjianda	7,500,000	30,000,000	January 28, 2016
Taizhou Jianxin	7,500,000	30,000,000	January 28, 2016
Qianhai Efung	5,000,000	20,000,000	March 29, 2016
Tongren Boda	5,000,000	20,000,000	March 22, 2016
Shanghai Shuochen	5,000,000	20,000,000	March 29, 2016
Total	30,000,000	120,000,000	

The consideration of the Series A Financing was determined based on the valuation of the equity interests of our Company as of December 31, 2015 according to a valuation report dated January 10, 2016 issued by an independent valuer. For further details of the Series A Financing and the background information of the Series A Investors, see “[REDACTED] Investments” below.

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

Name of Shareholders	Registered capital (RMB)	Approximate equity interest percentage held
Hangzhou Quanyi	40,000,000	44.44%
Hangzhou Quanli	10,000,000	11.11%
Qianhai Efung	8,000,000	8.89%
Rongjianda	7,500,000	8.33%
Taizhou Jianxin	7,500,000	8.33%
Shanghai Quanyou	5,000,000	5.56%
Tongren Boda	5,000,000	5.56%
Shanghai Shuochen	5,000,000	5.56%
Nanjing Yuzhuhua	2,000,000	2.22%
Total	90,000,000	100.00%

3. *Capital increase and subscription by Taizhou Quanli*

Pursuant to a written resolution of our then Shareholders passed on August 22, 2018, the registered capital of our Company was increased from RMB90,000,000 to RMB110,000,000. The increased registered capital of RMB20,000,000 was subscribed by Taizhou Quanli at a consideration of RMB80,000,000, among which RMB20,000,000 was contributed to the registered capital of our Company and RMB60,000,000 was contributed to the capital reserve of our Company. Taizhou Quanli was established on August 17, 2018 as one of our original employee incentive platforms, which was owned as to 1% by Mr. Qiu as its general partner and 99% by Mr. Wu Yiliang (吳亦亮), our executive Director and executive deputy general manager of Cellularforce, as its limited partner. Due to the re-establishment of our Employee Share Incentive Scheme and the shareholding platform thereunder, Taizhou Quanli had not actually paid up such consideration and it ceased to be a shareholder of our Company on June 11, 2021. Taizhou Quanli was subsequently deregistered on February 18, 2022. For further details of the cessation of Taizhou Quanli as our Shareholder and the re-establishment of our Employee Share Incentive Scheme, see “—9. Capital decrease” and “—Employee Share Incentive Scheme” below.

4. *Series B Financing*

Pursuant to (i) the capital increase agreements dated April 10, 2019 entered into among our Company, Mr. Qiu, Mr. Yu Guo’an, our then Shareholders, Taizhou Hongtai Health Investment Management Center (Limited Partnership) (泰州洪泰健康投資管理中心(有限合夥)) (“Hongtai Health”), Suzhou Hefu Ruitai Equity Investment Center (Limited Partnership)

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(蘇州合富瑞泰股權投資中心(有限合夥)) (“Hefu Ruitai”) and Shenzhen Triwise Rozman Phase II Investment Partnership (Limited Partnership) (深圳勤智羅茲曼二期投資合夥企業(有限合夥)) (“Triwise Rozman”); and (ii) the written confirmation dated November 8, 2019 signed by Shenzhen Triwise Kangxin Venture Capital Partnership (Limited Partnership) (深圳勤智康信創業投資合夥企業(有限合夥)) (“Shenzhen Triwise Kangxin”), a limited partnership under the common control with Triwise Rozman, for its subscription of the registered capital of RMB1,250,000 of our Company, Hongtai Health, Hefu Ruitai, Triwise Rozman and Shenzhen Triwise Kangxin agreed to make a total capital contribution of RMB200,000,000 to our Company, among which RMB25,000,000 was contributed to the registered capital of our Company and RMB175,000,000 was contributed to the capital reserve of our Company, details of which are set out below:

Name of [REDACTED] Investors	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	<i>(RMB)</i>	<i>(RMB)</i>	
Hongtai Health	18,750,000	150,000,000	June 11, 2019
Hefu Ruitai	3,750,000	30,000,000	March 28, 2019
Triwise Rozman	1,250,000	10,000,000	May 29, 2019
Shenzhen Triwise Kangxin	1,250,000	10,000,000	November 18, 2019
Total	25,000,000	200,000,000	

Such consideration was determined based on the valuation of the equity interests of our Company as of February 28, 2019 according to a valuation report dated March 16, 2019 issued by an independent valuer.

Pursuant to the capital increase agreement dated April 15, 2020 entered into among our Company, Mr. Qiu, Mr. Yu Guo’an, our then Shareholders, Shenzhen Lucky-source III Venture Capital Center (Limited Partnership) (深圳瑞享源三號創業投資中心(有限合夥)) (“Lucky-source III”) and Gongqingcheng Jiayin Ruixin Investment Management Partnership (Limited Partnership) (共青城佳銀瑞鑫投資管理合夥企業(有限合夥)) (“Jiayin Ruixin”, together with Hongtai Health, Hefu Ruitai, Triwise Rozman, Shenzhen Triwise Kangxin and Lucky-source III are collectively referred to as the “Series B Investors”), each of Lucky-source III and Jiayin Ruixin agreed to make a capital contribution of RMB20,000,000 and RMB10,000,000 to our Company, among which RMB2,500,000 and RMB1,250,000 were contributed to the registered capital of our Company and RMB17,500,000 and RMB8,750,000 were contributed to the capital reserve of our Company, respectively. The consideration was determined based on the valuation of the equity interests of our Company as of March 31, 2020 according to a valuation report dated April 5, 2020 issued by an independent valuer and our future prospect, and was fully settled on May 22, 2020. For further details of the Series B Financing and the background information of the Series B Investors, see “[REDACTED] Investments” below.

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

Name of Shareholders	Registered capital <i>(RMB)</i>	Approximate equity interest percentage held
Hangzhou Quanyi	40,000,000	28.83%
Taizhou Quanli	20,000,000	14.41%
Hongtai Health	18,750,000	13.51%
Hangzhou Quanli	10,000,000	7.21%
Qianhai Efung	8,000,000	5.77%
Rongjianda	7,500,000	5.41%
Taizhou Jianxin	7,500,000	5.41%
Shanghai Quanyou	5,000,000	3.60%
Tongren Boda	5,000,000	3.60%
Shanghai Shuochen	5,000,000	3.60%
Hefu Ruitai	3,750,000	2.70%
Lucky-source III	2,500,000	1.80%
Nanjing Yuzhijia	2,000,000	1.44%
Triwise Rozman	1,250,000	0.90%
Shenzhen Triwise Kangxin	1,250,000	0.90%
Jiayin Ruixin	1,250,000	0.90%
Total	<u>138,750,000</u>	<u>100.00%</u>

Note: Equity interest percentages may not add up to 100% due to rounding.

5. *Equity transfer by Qianhai Efung*

Pursuant to the equity transfer agreement dated May 14, 2020 entered into among Qianhai Efung, Shenzhen Lucky-source IV Venture Capital Center (Limited Partnership) (深圳瑞享源肆號創業投資中心(有限合夥)) (“Lucky-source IV”) and our Company, Qianhai Efung agreed to transfer approximately 3.24% of the then equity interest in our Company held by it to Lucky-source IV at a consideration of RMB30,000,000, which was determined based on arm’s length negotiations between Qianhai Efung and Lucky-source IV with reference to, among others, the post-money valuation of our Company upon completion of the Series B Financing, and was fully settled on June 10, 2020. For further details of such equity interest transfer and the background information of Lucky-source IV, see “[REDACTED] Investments” below.

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6. Series B+ Financing

Pursuant to the capital increase agreement dated August 14, 2020 entered into among our Company, Mr. Qiu, Mr. Yu Guo’an, our then Shareholders and Zhongmei Huadong (the “Series B+ Investor”), Zhongmei Huadong agreed to make a capital contribution of RMB370,000,000 to our Company, among which RMB35,900,000 was contributed to the registered capital of our Company and RMB334,100,000 was contributed to the capital reserve of our Company (the “Series B+ Financing”). Such consideration was determined based on the valuation of the equity interests of our Company as of June 30, 2020 according to a valuation report dated August 1, 2020 issued by an independent valuer and our future prospect, and was fully settled on October 9, 2020. For further details of the Series B+ Financing and the background information of Zhongmei Huadong, see “[REDACTED] Investments” below.

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

Name of Shareholders	Registered capital <i>(RMB)</i>	Approximate equity interest percentage held
Hangzhou Quanyi	40,000,000	22.90%
Zhongmei Huadong	35,900,000	20.56%
Taizhou Quanli	20,000,000	11.45%
Hongtai Health	18,750,000	10.74%
Hangzhou Quanli	10,000,000	5.73%
Rongjianda	7,500,000	4.29%
Taizhou Jianxin	7,500,000	4.29%
Shanghai Quanyou	5,000,000	2.86%
Tongren Boda	5,000,000	2.86%
Shanghai Shuochen	5,000,000	2.86%
Lucky-source IV	4,500,000	2.58%
Hefu Ruitai	3,750,000	2.15%
Qianhai Efung	3,500,000	2.00%
Lucky-source III	2,500,000	1.43%
Nanjing Yuzhuhua	2,000,000	1.15%
Triwise Rozman	1,250,000	0.72%
Shenzhen Triwise Kangxin	1,250,000	0.72%
Jiayin Ruixin	1,250,000	0.72%
Total	174,650,000	100.00%

Note: Equity interest percentages may not add up to 100% due to rounding.

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7. Series B++ Financing

Pursuant to the capital increase agreement dated April 2, 2021 entered into among our Company, Saifu Juli, Mr. Qiu, Mr. Yu Guo’an, our then Shareholders, Matrix Partners China VI Hong Kong Limited (“Matrix Partners VI”), Suzhou Guan hong Venture Capital Center (Limited Partnership) (蘇州冠鴻創業投資中心(有限合夥)) (“Suzhou Guan hong”), Xinyu Tongchuang Guosheng Science and Innovation Industry Investment Partnership (Limited Partnership) (新余市同創國盛科創產業投資合夥企業(有限合夥)) (“Cowin Guosheng”), Everest No. 37 (Shenzhen) Venture Capital Center (Limited Partnership) (朗瑪三十七號(深圳)創業投資中心(有限合夥)) (“Everest No. 37”), Shenzhen Triwise Detai New Technology Venture Capital Enterprise (Limited Partnership) (深圳勤智德泰新科技創業投資企業(有限合夥)) (“Triwise Detai”), Shenzhen Yuanzhi Fuhai New Industry II Investment Enterprise (Limited Partnership) (深圳遠致富海新興產業二期投資企業(有限合夥)) (“Yuanzhi Fuhai”) and Lucky-source III (Matrix Partners VI, Suzhou Guan hong, Cowin Guosheng, Everest No. 37, Triwise Detai, Yuanzhi Fuhai and Lucky-source III are collectively referred to as the “Series B++ Investors”), the Series B++ Investors agreed to make a total capital contribution of RMB300,000,000 to our Company (the “Series B++ Financing”), among which RMB21,830,000 was contributed to the registered capital of our Company and RMB278,170,000 was contributed to the capital reserve of our Company, details of which are set out below:

Name of [REDACTED] Investors	Registered capital subscribed for	Consideration	Date of full settlement of consideration in cash
	<i>(RMB)</i>	<i>(RMB)</i>	
Matrix Partners VI	10,920,000	150,000,000	April 26, 2021
Suzhou Guan hong	6,540,000	90,000,000	April 15, 2021
Cowin Guosheng	1,450,000	20,000,000	April 26, 2021
Everest No. 37	730,000	10,000,000	April 20, 2021
Triwise Detai	730,000	10,000,000	April 23, 2021
Yuanzhi Fuhai	730,000	10,000,000	April 22, 2021
Lucky-source III	730,000	10,000,000	April 23, 2021
Total	21,830,000	300,000,000	

The consideration of the Series B++ Financing was determined based on our products under development, our research and development capabilities, the milestones our Company has achieved or expects to achieve and the market condition at the material time. For further details of the Series B++ Financing and the background information of the Series B++ Investors, see “[REDACTED] Investments” below.

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

<u>Name of Shareholders</u>	<u>Registered capital</u> <i>(RMB)</i>	<u>Approximate equity interest percentage held</u>
Hangzhou Quanyi	40,000,000	20.36%
Zhongmei Huadong	35,900,000	18.27%
Taizhou Quanli	20,000,000	10.18%
Hongtai Health	18,750,000	9.54%
Matrix Partners VI	10,920,000	5.56%
Hangzhou Quanli	10,000,000	5.09%
Rongjianda	7,500,000	3.82%
Taizhou Jianxin	7,500,000	3.82%
Suzhou Guanhong	6,540,000	3.33%
Shanghai Quanyou	5,000,000	2.54%
Tongren Boda	5,000,000	2.54%
Shanghai Shuochen	5,000,000	2.54%
Lucky-source IV	4,500,000	2.29%
Hefu Ruitai	3,750,000	1.91%
Qianhai Efung	3,500,000	1.78%
Lucky-source III	3,230,000	1.64%
Nanjing Yuzhijia	2,000,000	1.02%
Cowin Guosheng	1,450,000	0.74%
Triwise Rozman	1,250,000	0.64%
Shenzhen Triwise Kangxin	1,250,000	0.64%
Jiayin Lucky-source	1,250,000	0.64%
Everest No. 37	730,000	0.37%
Triwise Detai	730,000	0.37%
Yuanzhi Fuhai	730,000	0.37%
Total	196,480,000	100.00%

8. *Capital decrease*

Pursuant to a written resolution of our then Shareholders passed on June 11, 2021, our registered capital was decreased from RMB196,480,000 to RMB166,480,000 due to the cessation of Hangzhou Quanli and Taizhou Quanli, both being our original employee incentive platforms, as our Shareholders, for the re-establishment of our Employee Share Incentive Scheme and the shareholding platform thereunder. For details of the re-establishment of our Employee Share Incentive Scheme, see “—Employee Share Incentive Scheme” below. Hangzhou Quanli and Taizhou Quanli were deregistered on March 21, 2022 and February 18, 2022, respectively.

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Upon completion of capital decrease, the shareholding structure of our Company was as follows:

Name of Shareholders	Registered capital <i>(RMB)</i>	Approximate equity interest percentage held
Hangzhou Quanyi	40,000,000	24.03%
Zhongmei Huadong	35,900,000	21.56%
Hongtai Health	18,750,000	11.26%
Matrix Partners VI	10,920,000	6.56%
Rongjianda	7,500,000	4.51%
Taizhou Jianxin	7,500,000	4.51%
Suzhou Guanhong	6,540,000	3.93%
Shanghai Quanyou	5,000,000	3.00%
Tongren Boda	5,000,000	3.00%
Shanghai Shuo Chen	5,000,000	3.00%
Lucky-source IV	4,500,000	2.70%
Hefu Ruitai	3,750,000	2.25%
Qianhai Efung	3,500,000	2.10%
Lucky-source III	3,230,000	1.94%
Nanjing Yuzhijia	2,000,000	1.20%
Cowin Guosheng	1,450,000	0.87%
Triwise Rozman	1,250,000	0.75%
Shenzhen Triwise Kangxin	1,250,000	0.75%
Jiayin Lucky-source	1,250,000	0.75%
Everest No. 37	730,000	0.44%
Triwise Detai	730,000	0.44%
Yuanzhi Fuhai	730,000	0.44%
Total	166,480,000	100.00%

Note: Equity interest percentages may not add up to 100% due to rounding.

9. Conversion into a joint stock limited liability company

On September 2, 2021, our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited liability company and the change of name of our Company from Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥有限公司) to Qyuns Therapeutics Co., Ltd. (江蘇荃信生物醫藥股份有限公司). Pursuant to the promoters’ agreement dated September 2, 2021 entered into by all of our then Shareholders, all promoters approved the conversion of the net assets value of

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our Company as of July 31, 2021 into 166,480,000 Shares at a ratio of 4.7015:1. On September 17, 2021, our Company convened our inaugural meeting and our first general meeting, and passed relevant resolutions approving the conversion of our Company into a joint stock limited liability company, the adoption of the articles of association of our Company and the conduct of the relevant procedures. Upon the completion of the conversion, the registered capital of our Company became RMB166,480,000 divided into 166,480,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all our then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on September 30, 2021 when our Company obtained a new business license.

10. Series C Financing

Pursuant to the capital increase agreement dated January 31, 2022 entered into among our Company, Saifu Juli, Mr. Qiu, Mr. Yu Guo’an, our then Shareholders, Gongqingcheng Triwise Kangxin Venture Capital Partnership (Limited Partnership) (共青城勤智康鑫創業投資合夥企業(有限合夥)) (“Gongqingcheng Triwise Kangxin”), Jiaxing Jiquan Equity Investment Partnership (Limited Partnership) (嘉興集荃股權投資合夥企業(有限合夥)) (“Jiaxing Jiquan”), Shenzhen Kaitian Yunqi Venture Capital Center (Limited Partnership) (深圳開天雲起創業投資中心(有限合夥)) (“Shenzhen Kaitian”), TWVC Panglin Qyuns Investment Limited (“TWVC Panglin”) and Gongqingcheng Triwise Huisheng Venture Capital Partnership (Limited Partnership) (共青城勤智慧升創業投資合夥企業(有限合夥)) (“Triwise Huisheng”, together with Gongqingcheng Triwise Kangxin, Jiaxing Jiquan, Shenzhen Kaitian and TWVC Panglin are collectively referred to as the “Series C Investors”), the Series C Investors agreed to invest in our Company by subscribing an aggregate of 13,545,200 Shares at a total consideration of RMB227,500,000 (the “Series C Financing”), among which RMB13,545,200 was contributed to the registered capital of our Company and RMB213,954,800 was contributed to the capital reserve of our Company, details of which are set out below:

<u>Name of [REDACTED] Investors</u>	<u>Number of Shares subscribed for</u>	<u>Consideration</u>	<u>Date of full settlement of consideration in cash</u>
		(RMB)	
Gongqingcheng Triwise Kangxin	3,899,800	65,500,000	February 22, 2022
Jiaxing Jiquan	3,572,400	60,000,000	February 24, 2022
Shenzhen Kaitian	2,977,000	50,000,000	February 24, 2022
TWVC Panglin	2,500,600	42,000,000	March 1, 2022
Triwise Huisheng	595,400	10,000,000	February 22, 2022
Total	13,545,200	227,500,000	

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The consideration of the Series C Financing was determined based on arm’s length negotiations between our Company and the Series C Investors with reference to, among others, our products under development, our research and development capabilities and the milestones our Company has achieved or expects to achieve. For further details of the Series C Financing and the background information of the Series C Investors, see “[REDACTED] Investments” below.

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

Name of Shareholders	Number of Shares	Approximate shareholding percentage held
Hangzhou Quanyi	40,000,000	22.22%
Zhongmei Huadong	35,900,000	19.94%
Hongtai Health	18,750,000	10.42%
Matrix Partners VI	10,920,000	6.07%
Rongjianda	7,500,000	4.17%
Taizhou Jianxin	7,500,000	4.17%
Suzhou Guan hong	6,540,000	3.63%
Shanghai Quanyou	5,000,000	2.78%
Tongren Boda	5,000,000	2.78%
Shanghai Shuochen	5,000,000	2.78%
Lucky-source IV	4,500,000	2.50%
Gongqingcheng Triwise Kangxin	3,899,800	2.17%
Hefu Ruitai	3,750,000	2.08%
Jiaxing Jiquan	3,572,400	1.98%
Qianhai Efung	3,500,000	1.94%
Lucky-source III	3,230,000	1.79%
Shenzhen Kaitian	2,977,000	1.65%
TWVC Panglin	2,500,600	1.39%
Nanjing Yuzhijia	2,000,000	1.11%
Cowin Guosheng	1,450,000	0.81%
Triwise Rozman	1,250,000	0.69%
Shenzhen Triwise Kangxin	1,250,000	0.69%
Jiayin Lucky-source	1,250,000	0.69%
Everest No. 37	730,000	0.41%
Triwise Detai	730,000	0.41%
Yuanzhi Fuhai	730,000	0.41%
Triwise Huisheng	595,400	0.33%
Total	180,025,200	100.00%

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11. Capital increase and subscription

Pursuant to a written resolution of our then Shareholders passed on September 15, 2022, our registered capital was increased from RMB180,025,200 to RMB210,025,200. The additional registered capital of RMB30,000,000 was subscribed by (i) Dr. Yu Guoliang (余國良), a consultant of our Company and brother of Mr. Yu Guo’an, Dr. Qiu Zhihua (裘之華), vice president of our Company at the time of grant of options, and Mr. Guo Xinjun (郭新軍), a consultant of our Company at the time of grant of options, pursuant to the original share option scheme (the “Original Share Option Scheme”) adopted by our Company on November 14, 2018; and (ii) Mr. Qiu, Dr. Li Jianwei (李建偉), our chief operating officer and deputy general manager and the general manager of Cellularforce, Dr. Yu Guoliang and Xinfu Tongxin, our employee share incentive platform, pursuant to the Employee Share Incentive Scheme, at a total consideration of RMB30,000,000, details of which are set out below:

<u>Name of Shareholders</u>	<u>Number of Shares subscribed for</u> (RMB)	<u>Consideration</u> (RMB)	<u>Date of full settlement of consideration in cash</u>
Xinfu Tongxin	15,550,000	15,550,000	March 10, 2023
Mr. Qiu	10,000,000	10,000,000	March 2, 2023
Dr. Yu Guoliang	1,500,000	1,500,000	January 6, 2023
Dr. Li Jianwei	1,450,000	1,450,000	January 6, 2023
Dr. Qiu Zhihua	1,000,000	1,000,000	January 6, 2023
Mr. Guo Xinjun	500,000	500,000	December 27, 2022
Total	30,000,000	30,000,000	

12. Share transfer by Tongren Boda

Pursuant to the share transfer agreement dated November 29, 2022 entered into between Nanjing Talent Innovation Venture Capital Fund Partnership (Limited Partnership) (南京市人才創新創業投資基金合夥企業(有限合夥)) (“Nanjing Talent”) and Tongren Boda, Tongren Boda agreed to transfer 625,000 Shares held by it to Nanjing Talent at a consideration of RMB10 million, which was determined based on arm’s length negotiations between Tongren Boda and Nanjing Talent with reference to, among others, the post-money valuation of our Company upon completion of the Series C Financing, and was fully settled on December 14, 2022. For further details of such share transfer and the background information of Nanjing Talent, see “[REDACTED] Investments” below.

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Upon completion of the share transfer, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Approximate shareholding percentage held
Hangzhou Quanyi	40,000,000	19.05%
Zhongmei Huadong	35,900,000	17.09%
Hongtai Health	18,750,000	8.93%
Xinfu Tongxin	15,550,000	7.40%
Mr. Qiu	10,000,000	4.76%
Matrix Partners China VI, L.P.	9,853,116	4.69%
Rongjianda	7,500,000	3.57%
Taizhou Jianxin	7,500,000	3.57%
Suzhou Guanhong	6,540,000	3.11%
Shanghai Quanyou	5,000,000	2.38%
Shanghai Shuochen	5,000,000	2.38%
Lucky-source IV	4,500,000	2.14%
Tongren Boda	4,375,000	2.08%
Gongqingcheng Triwise Kangxin	3,899,800	1.86%
Hefu Ruitai	3,750,000	1.79%
Jiaxing Jiquan	3,572,400	1.70%
Qianhai Efung	3,500,000	1.67%
Lucky-source III	3,230,000	1.54%
Shenzhen Kaitian	2,977,000	1.42%
TWVC Panglin	2,500,600	1.19%
Nanjing Yuzhijia	2,000,000	0.95%
Dr. Yu Guoliang	1,500,000	0.71%
Cowin Guosheng	1,450,000	0.69%
Dr. Li Jianwei	1,450,000	0.69%
Triwise Rozman	1,250,000	0.60%
Shenzhen Triwise Kangxin	1,250,000	0.60%
Jiayin Lucky-source	1,250,000	0.60%
Matrix Partners China VI-A, L.P.	1,066,884	0.51%
Dr. Qiu Zhihua	1,000,000	0.48%
Everest No. 37	730,000	0.35%
Triwise Detai	730,000	0.35%
Yuanzhi Fuhai	730,000	0.35%
Nanjing Talent	625,000	0.30%
Triwise Huisheng	595,400	0.28%
Mr. Guo Xinjun	500,000	0.24%
Total	210,025,200	100.00%

Note: Shareholding percentages may not add up to 100% due to rounding.

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Our subsidiaries

Saifu Juli

Saifu Juli was established in the PRC as a limited liability company on July 6, 2018 with an initial registered capital of RMB51,000,000. As of the date of its establishment, Saifu Juli was owned as to approximately 70.59% by our Company and 29.41% by Suzhou Aibituo Biotechnology Co., Ltd. (蘇州艾比拓生物技術有限公司) (“Suzhou Aibituo”), an Independent Third Party.

On July 20, 2019, the registered capital of Saifu Juli was increased from RMB51,000,000 to RMB90,000,000. The additional registered capital of RMB39,000,000 was subscribed by our Company at a consideration of RMB39,000,000 and was fully settled on July 2, 2019. Upon completion of such capital increase, Saifu Juli became owned as to approximately 83.33% by our Company and 16.67% by Suzhou Aibituo. On September 29, 2020, Suzhou Aibituo transferred its 16.67% equity interest in Saifu Juli to our Company at nil consideration which was determined after taking into account that Suzhou Aibituo had not actually paid up the registered capital of RMB15,000,000 subscribed by it. Upon completion of such equity transfer, Saifu Juli became wholly owned by our Company. On October 27, 2022, the registered capital of Saifu Juli was further increased to RMB116,470,000, which was fully paid up in cash. As of the Latest Practicable Date, Saifu Juli was an investment holding company wholly owned by our Company and had not commenced any business.

Cellularforce

Cellularforce was established in the PRC as a limited liability company on August 2, 2018 with an initial registered capital of RMB100,000,000. As of the date of its establishment, Cellularforce was owned as to 51% by Saifu Juli, 34% by Taizhou Huacheng Medical Investment Group Co., Ltd. (泰州華誠醫學投資集團有限公司) (“Taizhou Huacheng”) and 15% by Taizhou Saifu Meibo Enterprise Management Partnership (Limited Partnership) (泰州市賽孚美博企業管理合夥企業(有限合夥)) (“Saifu Meibo”), a limited partnership whose general partner is Mr. Qiu. Taizhou Huacheng is controlled by Taizhou Medicine City Holding Group Co., Ltd. (泰州醫藥城控股集團有限公司) (“Taizhou Medicine”), a company wholly owned by the Management Committee of Taizhou Medical New & Hi-tech Industrial Development Zone (泰州醫藥高新技術產業開發區管理委員會) (“Taizhou High-tech Committee”), a PRC governmental body. Mr. Qiu first became acquainted with Taizhou High-tech Committee in 2007 when he attended the investment promotion activities organized by Taizhou High-tech Committee in Taizhou and became acquainted with Taizhou Huacheng through the introduction by Taizhou High-tech Committee, whose objective was to invest in a CDMO service platform managed by a professional operation team in order to promote the development of Taizhou-China Medical City (中國醫藥城) (also known as Taizhou Medical High-tech Industrial Park (泰州醫藥高新技術產業園區)) (“China Medical City”) as a comprehensive bio-medical industry base. Having taken into account (i) the demand for CDMO services from R&D-driven biotech companies; (ii) our demand for the development of in-house manufacturing capability of antibody drugs; and (iii) the strategic benefits that could be brought by Taizhou Huacheng

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and Taizhou High-tech Committee including the initial capital provided by Taizhou Huacheng and the synergy generated by combining the resources of Taizhou Huacheng and Taizhou High-tech Committee in financing capabilities and business development, we jointly established Cellularforce with Taizhou Huacheng in 2018.

On June 26, 2019, the registered capital of Cellularforce was increased from RMB100,000,000 to RMB176,470,000. The additional registered capital of RMB76,470,000 was subscribed by Saifu Juli, Taizhou Huacheng and Saifu Meibo in proportion to their respective equity interest. On September 19, 2022, Saifu Meibo transferred its approximately 15% equity interest in Cellularforce to Saifu Juli at nil consideration which was determined after taking into account that Saifu Meibo had not actually paid up the registered capital of RMB26,470,000 subscribed by it. Upon completion of such equity transfer and as of the Latest Practicable Date, Cellularforce was owned as to 66% by Saifu Juli and 34% by Taizhou Huacheng.

Saifu Juli and Taizhou Huacheng are entitled to exercise the voting rights and receive dividends and other economic distributions in proportion to their shareholdings. According to the articles of association of Cellularforce, the following matters require unanimous consent by all shareholders of Cellularforce: (i) amendment of the articles of association; (ii) increase or decrease in registered capital; (iii) establishment of new subsidiaries; (iv) merger, division, dissolution or change in the corporate form of Cellularforce; (v) obtaining loans or issue of bonds; (vi) provision of guarantees or loans to external parties; (vii) making of external equity investments; (viii) substantial changes in its main business; and (ix) conducting any equity transfer, equity pledge, mortgage or other disposal of major assets that may directly or indirectly result in a change in the actual controller of Cellularforce. Save for the above, all other matters shall be decided by an ordinary resolution where a simple majority of the votes held by the shareholders of Cellularforce is required. There are no special rights granted to Taizhou Huacheng in respect of its shareholding in Cellularforce. The board of the directors of Cellularforce consists of three directors, two of whom were nominated by us and one of whom was nominated by Taizhou Huacheng. Accordingly, our Company has sufficient control and influence over the board of directors and the management of Cellularforce by nominating a majority of its directors and all of its supervisor and key management. Based on the above, our Directors are of the view that Taizhou Huacheng does not have material control and is not able to exert substantial influence over Cellularforce.

Cellularforce is our CMC-focused subsidiary and is primarily responsible for cell line development, process development, formulation development, analytical method development, quality control, quality assurance, pilot and commercial scale manufacturing of our Group. For each of the two years ended December 31, 2022 and the five months ended May 31, 2023, Cellularforce recorded a revenue of approximately RMB54.48 million, RMB84.96 million and RMB28.73 million, respectively, which was generated from leasing, provision of CDMO and

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testing services to our Company, and the loss for the corresponding periods was approximately RMB45.39 million, RMB41.52 million and RMB25.22 million, respectively. In respect of the leasing, CDMO and testing services provided by Cellularforce to our Company during the Track Record Period, (i) the rent and property management service fees for the leased premises were determined with reference to the prevailing rent and property management service fees charged for comparable properties in China Medical City where the premises leased from Cellularforce are located; (ii) the fees charged under the CDMO related transactions were determined on a cost-plus basis, with the cost-plus margin ranging from approximately 5% to 30% of the cost depending on the nature, scope and complexity of services to be provided, the expected cost and expenses for provision of the required services and the prevailing market price for similar services; and (iii) the fees charged under the testing services were determined on a cost-plus basis, with the cost-plus margin ranging from approximately 5% to 30% of the cost depending on the scope and complexity of testing services to be provided, the expected cost and expenses for provision of the required testing services and the prevailing market price for similar testing services.

PRC Legal Advisors’ Confirmation

Our PRC Legal Advisors have confirmed that the above mentioned equity transfers and changes in the registered capitals of our Group have been properly and legally completed and our Group has obtained all necessary approvals and made all necessary filings, and has complied with applicable PRC laws and regulations in relation to the changes in shareholdings as set out above.

Employee Share Incentive Scheme

For the purpose of awarding our employees and consultants for their contributions to our Group and to incentivize them to further promote our development, Hangzhou Quanli and Taizhou Quanli were established on May 15, 2015 and August 17, 2018, respectively, as our original employee incentive platforms to hold equity interests in our Company. The general partner of Hangzhou Quanli and Taizhou Quanli is Mr. Qiu, who managed the daily affairs and exercise the voting rights of Hangzhou Quanli and Taizhou Quanli as shareholders of our Company pursuant to their partnership agreements. Pursuant to the Original Share Option Scheme adopted by our Company on November 14, 2018, an aggregate of 10,000,000 options to subscribe for an equivalent amount of RMB10,000,000 in the registered capital of our Company through Hangzhou Quanli were granted to the following employees or consultants of our Group on May 31, 2019.

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Grantees	Position(s) in our Group	Vesting period ⁽¹⁾	Equivalent amount in the registered capital of our Company in respect of the options granted <i>(RMB)</i>	Exercise price <i>(RMB)</i>
Directors				
Mr. Qiu	Executive Director, chairman of our Board, chief executive officer and general manager of our Company	From January 1, 2019 to December 31, 2021	3,000,000	3,000,000
Mr. Wu Yiliang	Executive Director and executive deputy general manager of Cellularforce	From January 1, 2019 to December 31, 2021	1,000,000	1,000,000
Supervisor				
Ms. Wang Yujiao	Employee representative Supervisor and assistant to general manager of our Company	From January 1, 2019 to December 31, 2021	300,000	300,000
Other employees or consultants of our Group				
Dr. Yu Guoliang ⁽²⁾	Consultant of our Company	From January 1, 2019 to December 31, 2021	1,000,000	1,000,000
Dr. Qiu Zhihua	Vice president of our Company at the time of grant	From January 1, 2019 to December 31, 2021	1,000,000	1,000,000
Mr. Guo Xinjun ⁽³⁾	Consultant of our Company at the time of grant	From January 1, 2019 to December 31, 2021	500,000	500,000

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Grantees	Position(s) in our Group	Vesting period ⁽¹⁾	Equivalent amount in the registered capital of our Company in respect of the options granted (RMB)	Exercise price (RMB)
12 other grantees ⁽⁴⁾		From January 1, 2019 to December 31, 2021	3,200,000	3,200,000
Total			10,000,000	10,000,000

Notes:

- Save for (i) Mr. Ke Yaohuang, our former consultant, who chose not to exercise the 1,000,000 options granted to him due to his personal financial arrangement and such options were lapsed and cancelled in September 2020 accordingly; (ii) Ms. Wu Meijuan, our former director (總監), who sold her 100,000 vested options to Xinfu Tongxin pursuant to the Original Share Option Scheme after her departure from our Group in March 2022; and (iii) Dr. Yu Guoliang, Dr. Qiu Zhihua and Mr. Guo Xinjun who had exercised all of the options granted to them under the Original Share Option Scheme in October, 2022, each of the other grantees agreed to reflect their interests under the Original Share Option Scheme in the Employee Share Incentive Scheme and the options granted to them were deemed cancelled.
- Upon the establishment of our Company, with a view to leveraging Dr. Yu's reputation and influence in biotech and pharmaceutical industry, Dr. Yu Guoliang was nominated as our non-executive Director and the chairman of our Board. During his tenure as our non-executive Director from June 2015 to February 2022, he participated in discussions at our Board meetings on Board matters, provided market insights and strategic advice on the overall development of the Group and introduced a variety of resources including investors, technical cooperation partners, business development partners and talents resources to our Group. In February 2022, due to his plan to focus on his other businesses, Dr. Yu Guoliang resigned as our non-executive Director and the chairman of our Board. Having taken into account the strategic benefits that could be brought by Dr. Yu Guoliang in our future commercialization and international expansion opportunities, Dr. Yu Guoliang was appointed as our consultant in October 2022 and is primarily responsible for providing strategic advice and guidance on our development strategy and pipeline development.

Save for the 1,500,000 Shares granted to Dr. Yu Guoliang pursuant to the Original Share Option Scheme and the Employee Share Incentive Scheme, representing approximately 0.71% of the share capital of our Company, Dr. Yu Guoliang has never been interested in any other Shares since our establishment.
- During his tenure as our consultant from July 2015 to December 2021, Mr. Guo Xinjun assisted in the strategic planning of domestic and foreign drug registration for our pipeline candidates and introduced high-quality CRO institutions and supplier resources to our Group. For example, Mr. Guo (i) assisted in formulating the overall development strategy of pharmaceutical and non-clinical research of QX001S throughout its IND stage and provided advice to file IND application under the pathway for biosimilars on the basis of adequate similarity comparison studies with its originator drug, which helped our Company successfully obtain IND approval of QX001S; (ii) provided advice to choose ankylosing spondylitis (AS) as the first indication of QX002N having considered the overall R&D and competing environment of antibody drugs in China during the relevant time, which helped our Company differentiate QX002N from other domestic drugs with same target but different indications to form a competitive advantage; (iii) introduced experts in the fields of pharmacy, pharmacology, toxicology, etc.

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to our colleagues who are responsible for drug regulatory affairs; (iv) introduced high-quality CRO institutions such as Bona Xiya (Hefei) Pharmaceutical Technology Co., Ltd. (博納西亞(合肥)醫藥科技有限公司) and Junke Zhengyuan (Beijing) Pharmaceutical Research Co., Ltd. (軍科正源(北京)藥物研究有限公司) to our Group; and (v) regularly visited our Company and provided guidance on the organizational structure, pharmacy affairs, personnel composition and manufacturing processes, etc. of our Company.

4. The 12 other grantees include (i) Ms. Fang Min, a deputy general manager of our Company; (ii) four existing directors (總監) of our Company, namely Mr. Chen Tao, Mr. Kong Yong, Mr. Chen Wei and Mr. Wang Yi; (iii) Ms. Wu Meijuan, a former director (總監) of our Company; (iv) Mr. Ke Yaohuang, a former consultant of our Company; (v) Mr. Xu Zuixiao, a deputy general manager of Cellularforce; (vi) Mr. Qiao Huaiyao, a senior director (高級總監) of Cellularforce; (vii) Mr. Xu Zhengxue, a director (總監) of Cellularforce; and (viii) two managers of Cellularforce, namely Mr. Li Tao and Mr. Huang Wenjun.

Having taken into account (i) the conversion plan of our Company from a limited liability company into a joint stock company with limited liability at the material time which required all registered capital of our Company to be fully paid up before the conversion; (ii) Hangzhou Quanli and Taizhou Quanli had not actually paid up the registered capital of our Company subscribed by them where such contribution shall indeed be funded by the exercise price payable by the relevant grantees upon the full exercise of (a) all options granted above; and (b) the options in respect of an equivalent amount of RMB20,000,000 in the registered capital of our Company held by Taizhou Quanli which had yet to be granted at the material time; (iii) the list of grantees of options to be granted with the right to subscribe for an equivalent amount in the registered capital of our Company held by Taizhou Quanli had not yet been determined at the material time; (iv) the intention of our Group to adopt a new share incentive scheme which involves the grant of restricted shares instead of share options of our Company; (v) the administrative procedure to amend the existing scheme documents to reflect the above intended changes; (vi) each of Dr. Yu Guoliang, Dr. Qiu Zhihua and Mr. Guo Xinjun intended to become our direct Shareholders upon the exercise of the options granted under the Original Share Option Scheme; and (vii) each of the other grantees intended to have their interests under the Original Share Option Scheme reflected in the new employee share incentive scheme of our Company after the conversion, we established our Employee Share Incentive Scheme and the employee incentive platforms thereunder by decreasing the registered capital of our Company through the cessation of Hangzhou Quanli and Taizhou Quanli as our Shareholders, establishing our new employee incentive platforms for administrative convenience and increasing the registered capital of our Company through the subscription as disclosed in “—Establishment and major shareholding changes of our Company—13. Capital increase and subscription” above. For details of the Employee Share Incentive Scheme, see “Appendix VII—Statutory and General Information—D. Employee Share Incentive Scheme” to this document.

HISTORY AND CORPORATE STRUCTURE

Xinfu Tongxin was established in the PRC as one of our new employee share incentive platforms on August 19, 2021. As of the Latest Practicable Date, Mr. Qiu was the general partner of Xinfu Tongxin and held approximately 6.62% of the interest in Xinfu Tongxin. The remaining 41 limited partners of Xinfu Tongxin which held approximately 93.38% interest in Xinfu Tongxin comprised (i) Mr. Wu Yiliang, our executive Director and executive deputy general manager of Cellularforce, holding approximately 10.68% interest in Xinfu Tongxin; (ii) Mr. Lin Weidong, our executive Director and deputy general manager, holding approximately 6.43% interest in Xinfu Tongxin; (iii) Ms. Wang Yujiao, our Supervisor and assistant to general manager, holding approximately 5.72% interest in Xinfu Tongxin; (iv) Xinfu Quanxin, one of our new employee share incentive platforms, holding approximately 11.38% interest in Xinfu Tongxin; and (v) 37 other employees of our Group in aggregate holding approximately 59.16% interest in Xinfu Tongxin, and none of them held 30% or more of the interest in Xinfu Tongxin. The voting rights of the Shares held by Xinfu Tongxin are controlled and exercisable by Mr. Qiu as its general partner.

Given that (i) the maximum number of partners in a limited partnership shall be 50 according to the Partnership Enterprise Law of the People’s Republic of China (中華人民共和國合夥企業法); and (ii) the number of eligible participants who would be granted the underlying incentive Shares and would invest in our Company by way of becoming limited partners of our employee share incentive platform exceeded 50, our Company decided to establish another employee share incentive platform which would be one of the limited partners of Xinfu Tongxin where part of the participants of the Employee Share Incentive Scheme could invest in our Company by way of becoming limited partners of the new employee share incentive platform. Under such circumstance, Xinfu Quanxin was established in the PRC as one of our new employee share incentive platforms on February 27, 2023. As of the Latest Practicable Date, Mr. Wu Yiliang was the general partner of Xinfu Quanxin and held approximately 0.56% interest in Xinfu Quanxin. The remaining 28 limited partners of Xinfu Quanxin were employees of our Group in aggregate holding approximately 99.44% interest in Xinfu Quanxin and none of them held 30% or more interest in Xinfu Quanxin. Save as disclosed above, there is no difference between the nature of Xinfu Tongxin and Xinfu Quanxin as employee share incentive platforms of our Company.

HISTORY AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

Principal Terms of the [REDACTED] Investments

Name of [REDACTED] Investor(s)	Pre-Series A Investors	Series A Investors	Series B Investors ^{(1), (2)}	Lucky-source IV ⁽¹⁾	Series B+ Investor	Series B++ Investors ⁽³⁾	Series C Investors	Nanjing Talent ⁽⁴⁾
Date of agreement	October 14, 2015 October 15, 2015 November 5, 2015	January 18, 2016	April 10, 2019 April 15, 2020	May 14, 2020	August 14, 2020	April 2, 2021	January 31, 2022	November 29, 2022
Date of full settlement of all consideration	November 30, 2015	March 29, 2016	May 22, 2020	June 10, 2020	October 9, 2020	April 26, 2021	March 1, 2022	December 14, 2022
Approximate cost per RMB1.00 of registered capital/Share paid under the [REDACTED] Investments	RMB1.40	RMB4.00	RMB8.00	RMB6.67	RMB10.31	RMB13.74	RMB16.80	RMB16.00
Amount of registered capital/number of Shares held	RMB10,000,000	RMB30,000,000	RMB28,750,000	RMB4,500,000	RMB35,900,000	RMB21,830,000	13,543,200 Shares	625,000 Shares
Amount of consideration paid	RMB14.00 million	RMB120.00 million	RMB230.00 million	RMB30.00 million	RMB370.00 million	RMB300.00 million	RMB227.50 million	RMB10.00 million
Approximate post-money valuation of our Company	RMB84.00 million	RMB360.00 million ⁽⁵⁾	RMB1,110.00 million ⁽⁶⁾	N/A	RMB1,800.00 million ⁽⁷⁾	RMB2,700.00 million ⁽⁸⁾	RMB3,527.50 million ⁽⁹⁾	N/A
Discount to the [REDACTED] of the indicative [REDACTED] ⁽¹⁰⁾ (approximate %)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

HISTORY AND CORPORATE STRUCTURE

Name of [REDACTED] Investor(s)	Pre-Series A Investors	Series B Investors ⁽¹⁾ ⁽²⁾	Lucky-source IV ⁽¹⁾	Series B+ Investor	Series B++ Investors ⁽³⁾	Series C Investors	Nanjing Talent ⁽⁴⁾
Shareholding in our Company immediately upon completion of the [REDACTED]	For the shareholding in our Company held by the [REDACTED] Investors immediately after completion of the [REDACTED], see “—Shareholding and Corporate Structure Immediately After the Completion of the [REDACTED]” in this section.						
[REDACTED]	We used the [REDACTED] to finance our research and development activities and fund our daily operations.						
	As of the Latest Practicable Date, approximately [REDACTED] of the [REDACTED] from the [REDACTED] Investments had been utilized for the aforementioned purposes. We expect to use the remaining [REDACTED] from the [REDACTED] Investments for the same purposes.						
Lock-up period	All current Shareholders (including the [REDACTED] Investors) are subject to a lock-up period of 12 months following the [REDACTED] according to the PRC Company Law.						
Strategic benefits	Our Directors were of the view that (i) our Group would benefit from the additional capital provided by the [REDACTED] Investors for our research and development and daily operations; (ii) the [REDACTED] Investments have broadened our shareholder base and demonstrated the [REDACTED] Investors’ confidence in the operation and development of our Group; (iii) the [REDACTED] Investors include experienced investors in the area of biotech and healthcare industry, who can share their insight on business strategies and provide professional advice on our Group’s corporate governance, financial reporting, internal control and future development; and (iv) our Group could be benefited from the synergy generated by combining the resources and expertise of the [REDACTED] Investors such as introduction of medical or research resources, qualified suppliers, talents and other investors to our Group to facilitate our clinical trials, commercialization and equity financing activities. In addition, we entered into a collaboration agreement with Zhongmei Huadong with respect to the joint development and exclusive commercialization of QX001S in China. On the other hand, the [REDACTED] Investors could participate in the investment of our Company with a view to be benefited from increase in the value of their respective equity interest in our Company with the development of our business.						

HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) Pursuant to the equity transfer agreement dated May 14, 2020 entered into among Qianhai Efung, Lucky-source IV and our Company, Qianhai Efung agreed to transfer approximately 3.24% of the then equity interest in our Company held by it to Lucky-source IV at a consideration of RMB30,000,000, which was determined based on arm’s length negotiations between Qianhai Efung and Lucky-source IV with reference to, among others, the post-money valuation of our Company upon completion of the Series B Financing.
- (2) Pursuant to the equity transfer agreement dated March 29, 2021 entered into between Jiayin Ruixin and Jiayin Lucky-source, Jiayin Ruixin agreed to transfer approximately 0.72% of the then equity interest in our Company held by it to Jiayin Lucky-source at a consideration of RMB10,000,000, which was determined with reference to the total investment made by Jiayin Ruixin in our Company and was fully settled on February 20, 2021. Such equity transfer was conducted between entities under common control for the purpose of their internal restructuring and Jiayin Ruixin was no longer a Shareholder upon completion of such equity transfer.
- (3) Pursuant to the share transfer agreement dated October 14, 2022 entered into among Matrix Partners VI, Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P., Matrix Partners VI agreed to transfer 9,853,116 Shares and 1,066,884 Shares, representing approximately 5.47% and 0.59% of the then share capital of our Company to Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P., respectively. Such equity transfers were conducted among entities under common control for the purpose of their internal management and Matrix Partners VI was no longer a Shareholder upon completion of such equity transfers.
- (4) Pursuant to the share transfer agreement dated November 29, 2022 entered into between Nanjing Talent and Tongren Boda, Tongren Boda agreed to transfer 625,000 Shares held by it to Nanjing Talent at a consideration of RMB10 million, which was determined based on arm’s length negotiations between Tongren Boda and Nanjing Talent with reference to, among others, the post-money valuation of our Company upon completion of the Series C Financing.
- (5) The increase from our post-money valuation upon completion of the Pre-Series A Financing to our post-money valuation upon completion of the Series A Financing was primarily because the consideration of the Pre-Series A Financing was not negotiated and determined in October 2015 and November 2015 when the formal capital increase agreements were entered into among our Company and the respective Pre-Series A Investors. Instead, such consideration was negotiated and determined at the early stage of our business preparation in May 2015 with reference to the expected substantial investment made by our founder, the value of our management team with extensive industry experience and our long-term development strategies and potential. Given the capital injection by Mr. Qiu and Mr. Yu Guo’an into our Company had not been completed until July 2015, the formal capital increase agreements and capital injection by the Pre-Series A Investors were completed after the capital injection by Mr. Qiu and Mr. Yu Guo’an. On the other hand, the consideration of the Series A Financing was negotiated and determined in January 2016 based on the valuation of the equity interests of our Company as of December 31, 2015 according to a valuation report dated January 10, 2016 issued by an independent valuer (the “Valuation Report”). From May 2015 to December 2015, (i) our Company was established in Taizhou and Mr. Qiu and Mr. Yu Guo’an made their capital injection into our Company through Hangzhou Quanyi; and (ii) certain experienced management and R&D personnel including Dr. Qiu Zhihua, Mr. Qiao Huaiyao and Dr. Kong Yong joined our Group to strengthen our R&D capabilities; and (iii) we completed the cell line screening and process development of QX001S. Accordingly, the valuation of the equity interest of our Company based on the Valuation Report was significantly higher than that of the valuation of the equity interest of our Company at the early stage of our business preparation in May 2015.
- (6) The increase from our post-money valuation upon completion of the Series A Financing to our post-money valuation upon completion of the Series B Financing was primarily due to the progress of research and development of our products, the milestone we achieved and our business prospects. For instance, (i) we received IND approval of QX001S from the NMPA for the treatment of moderate-to-severe plaque Ps in China in January 2018 and IND approval of QX002N from the NMPA for the treatment of AS in China in April 2019; and (ii) we, through our CMC-focused subsidiary, Cellularforce, have established an in-house manufacturing capability to support our R&D activities.

HISTORY AND CORPORATE STRUCTURE

- (7) The increase from our post-money valuation upon completion of the Series B Financing to our post-money valuation upon completion of the Series B+ Financing was primarily due to the progress of research and development of our products, the milestones we achieved and our business prospects. For instance, we completed the Phase I clinical trial of QX001S for the treatment of Ps in China in May 2020 and received IND approval of QX005N from the NMPA for the treatment of moderate-to-severe AD in adults in China in June 2020.
- (8) The increase from our post-money valuation upon completion of the Series B+ Financing to our post-money valuation upon completion of the Series B++ Financing was primarily due to (i) the strategic benefits that have been brought by Zhongmei Huadong to our Group since the Series B+ Financing such as our strategic collaboration with Zhongmei Huadong in respect of the joint development and exclusive commercialization of QX001S in China which will help ensure the effective and efficient commercialization of QX001S, our first expected commercial drug; and (ii) the progress of research and development of our products, the milestones we achieved and our business prospects. For instance, we initiated the Phase Ib clinical trial of QX002N in September 2020 for treating AS and the Phase Ia clinical trial of QX005N in December 2020 in healthy subjects.
- (9) The increase from our post-money valuation upon completion of the Series B++ Financing to our post-money valuation upon completion of the Series C Financing was primarily due to the progress of research and development of our products, the milestone we achieved and our business prospects. For instance, (i) we received IND approvals from the NMPA for: (a) QX004N for the treatment of Ps in August 2021; (b) QX006N for the treatment of SLE in September 2021; and (c) QX005N for the treatment of CRSWNP in November 2021; (d) QX005N for the treatment of CSU in January 2022; and (ii) we completed the Phase Ia clinical trial and initiated the Phase II clinical trial of QX002N for the treatment of AS in China in September 2021 and January 2022, respectively.
- (10) The discount to the [REDACTED] is calculated based on the foreign exchange rate as of the Latest Practicable Date and the assumption that the [REDACTED] is HK\$[REDACTED] per H Share (being the [REDACTED] of the indicative [REDACTED]).

Following the completion of the Series C Financing, our Company expects that the market capitalization of our Company upon [REDACTED] would be increased having taken into account: (i) the expected capital raising during the [REDACTED]; (ii) our business development since completion of the Series C Financing; (iii) the risks undertaken by the Series C Investors investing in an unlisted company which justifies a discount in valuation vis-à-vis investors investing in a public company; and (iv) the premium attached to the H Shares issued under the [REDACTED] as they become freely tradeable upon [REDACTED]. Subsequent to the completion of the Series C Financing, we have continued to advance in the R&D of our pipeline products. In particular, (i) we completed the Phase Ib clinical trial and patient enrollment for the Phase II clinical trial of QX002N for the treatment of AS in China in September 2022; (ii) the Phase III clinical trial of QX001S for the treatment of Ps in China reached its primary endpoint in October 2022 as reviewed by the IDMC; (iii) we completed the Phase Ib clinical trial of QX005N and completed subject enrollment for the Phase II clinical trial of QX005N for the treatment of AD in China in February 2023; and (iv) we commenced a Phase II clinical trial in adult patients with PN in China for QX005N for the treatment of PN in February 2023. For details of the aforesaid advancements in our business and pipeline products, see “Business” in this document.

HISTORY AND CORPORATE STRUCTURE

Information Relating to Our [REDACTED] Investors

Among our [REDACTED] Investors, each of Zhongmei Huadong, Hongtai Aplus (as defined below), Taizhou Huayin (as defined below), Matrix Partners China, Triwise Capital (as defined below) and Shenzhen Lucky-source (as defined below) is a [REDACTED] Investor who has made meaningful investment in our Company in accordance with Guidance Letter HKEX-GL92-18. We became acquainted with each of the [REDACTED] Investors through introduction by Mr. Qiu or Dr. Yu Guoliang or through introduction by the other [REDACTED] Investors or in our networking activities in the biotech industry. The background information of our [REDACTED] Investors who remained as our Shareholders as of the Latest Practicable Date is set out below.

[REDACTED]

Investors

Background

Zhongmei Huadong

Zhongmei Huadong is a pharmaceutical company established in the PRC with limited liability, which is a comprehensive pharmaceutical enterprise deeply engaged in medication for specialized departments, chronic diseases and special drugs, and has built solid market foundation in fields such as chronic kidney diseases, transplantation immunity, internal secretion and digestive system. Zhongmei Huadong is a wholly-owned subsidiary of Huadong Medicine, a pharmaceutical company whose shares are listed on the Shenzhen Stock Exchange (stock code: 000963). As a major pharmaceutical company, Zhongmei Huadong is a [REDACTED] Investor.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Hongtai Health

Hongtai Health is a limited partnership established in the PRC, which is owned as to approximately 0.88% by Beijing Hongtai Tongchuang Investment Management Co., Ltd. (北京洪泰同創投資管理有限公司) (“Hongtai Aplus”) as its general partner, 55.07% by Taizhou Huacheng and 44.05% by Zijin Trust Co., Ltd. (紫金信託有限責任公司) (“Zijin Trust”) as its limited partners. Hongtai Aplus was co-founded by Mr. Yu Minhong (俞敏洪) and Mr. Sheng Xitai (盛希泰) and is owned as to 90% by Qingdao Xinchun Technology Innovation Industrial Co., Ltd. (青島鑫宸科創實業有限公司) (a company owned as to 60% by Mr. Sheng Xitai and 10% by Mr. Yu Minhong), 5% by Mr. Sheng Xitai and 5% by Mr. Yu Minhong. Hongtai Aplus is an investment company focusing on equity investments, including investing in information technology, advanced manufacturing, healthcare and medicine, new consumption, new energy and new materials, with approximately RMB30 billion of assets under its management as of the Latest Practicable Date. Therefore, Hongtai Aplus is a [REDACTED] Investor. Taizhou Huacheng is a substantial shareholder of Cellularforce and is controlled by Taizhou Medicine, a company wholly owned by Taizhou High-tech Committee, a governmental body. Zijin Trust is ultimately controlled by Nanjing People’s Municipal Government State-owned Assets Supervision and Administration Commission (南京市人民政府國有資產監督管理委員會). To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Hongtai Health, Hongtai Aplus, Mr. Sheng Xitai, Mr. Yu Minhong and Zijin Trust is an Independent Third Party.

The decision of Hongtai Health in exercising its voting rights in our Company is determined by Hongtai Aplus. As one of the limited partners of Hongtai Health, Taizhou Huacheng is entitled to receive its portion of economic interest but is not involved in the management of Hongtai Health or exercising the voting rights of Hongtai Health in our Company.

Save for Dr. Ding Chao (丁超) who was nominated by Hongtai Health as its representative in the Supervisory Committee of our Company, Hongtai Health has no other representative in the board of directors, supervisory committees or senior management of our Company and/or Cellularforce.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Taizhou Jianxin and
Rongjianda

Taizhou Jianxin is an investment fund established in the PRC with limited liability focusing on private equity investment in great health industry. It is managed by Taizhou Huaxin Venture Capital Management Co., Ltd. (泰州華鑫創業投資管理有限公司) (“Taizhou Huaxin”), a company controlled by Taizhou Medical New & Hi-tech Industrial Development Zone Huayin Finance Investment Co., Ltd. (泰州醫藥高新區華銀金融投資有限公司) (“Taizhou Huayin”). Rongjianda is an investment fund established in the PRC with limited liability focusing on private equity investment in great health industry. It is managed by Taizhou China Medical City Rongjianda Venture Capital Management Co., Ltd. (泰州中國醫藥城融健達創業投資管理有限公司) (“Rongjianda VC”), which is owned as to 81% by Taizhou Huayin, 7.5% by Ms. Dong Qiuming (董秋明), an Independent Third Party, 5% by Mr. Ye Xiang (葉翔), our Supervisor, 3% by Mr. You Ronghui (遊榮輝), an Independent Third Party, 1.5% by Mr. Song Ronghua (宋榮華), an Independent Third Party, 1.5% by Mr. Hu Yanbao, our Board secretary and joint company secretary, and 0.5% by Mr. Gu Minghu (顧明虎), an Independent Third Party. Taizhou Huayin is owned as to approximately 41.76% by Taizhou Medical High-tech Industry Investment Development Co., Ltd. (泰州醫藥高新技術產業投資發展有限公司) (“Taizhou Medical High-tech”) (a company wholly owned by the Finance Bureau of Taizhou Medical High-tech Industry Development Zone (泰州醫藥高新技術產業開發區財政局), a bureau under Taizhou High-tech Committee), 31.50% by Taizhou Oriental China Medical City Holding Group Co., Ltd. (泰州東方中國醫藥城控股集團有限公司) (“Taizhou Oriental”) (a company owned as to 90% by Taizhou Medicine) and 10.50% by Taizhou Huacheng (a company owned as to approximately 93.23% by Taizhou Medicine). Taizhou Huayin had approximately RMB1.48 billion of assets under management as of the Latest Practicable Date and is therefore a [REDACTED] Investor.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Taizhou Jianxin and Rongjianda have the same management team and decision making committee. The decisions of Taizhou Jianxin and Rongjianda in exercising their voting rights in our Company are ultimately determined by Taizhou High-tech Committee. Taizhou Huacheng is not involved in such decision making process of Taizhou Jianxin and Rongjianda.

Save for Mr. Wu Zhiqiang (吳志強) who was nominated by Taizhou Jianxin and Rongjianda as their representative in our Board, Taizhou Jianxin and Rongjianda have no other representative in the board of directors, supervisory committees or senior management of our Company and/or Cellularforce.

There is no special agreement or arrangement among Hongtai Health, Taizhou Jianxin and Rongjianda in respect of their shareholding in our Company.

Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P.

Each of Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. is a venture capital fund incorporated under the laws of the Cayman Islands with a primary purpose of making investments in the PRC, mainly focusing on companies in the advanced technology, mobile Internet, healthcare, consumer sectors, etc.. The general partner of Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. is Matrix China Management VI, L.P.. The general partner of Matrix China Management VI, L.P. is Matrix China VI GP GP, Ltd.. Timothy A. Barrows, David Ying Zhang, David Su and Harry Ho Kee Man are directors of Matrix China VI GP GP, Ltd. and are deemed to have shared investment voting power over the shares held by Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P.. Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. has 55 and 75 limited partners, respectively, and none of such limited partners holds 30.00% or more interest in Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P.. Matrix Partners China is a [REDACTED] Investor. To the best of our Directors' knowledge, information and belief having made all reasonable enquiries, each of Matrix Partners China VI, L.P., Matrix Partners China VI-A, L.P., Matrix China Management VI, L.P., Matrix China VI GP GP, Ltd., Timothy A. Barrows, David Ying Zhang, David Su, Harry Ho Kee Man, the limited partners of Matrix Partners China VI, L.P. and Matrix Partners China VI-A, L.P. is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Tongren Boda and
Hefu Ruitai

Each of Tongren Boda and Hefu Ruitai is a limited partnership established in the PRC. The general partner of Tongren Boda and Hefu Ruitai is Nanjing Tongren Boda Investment Management Co., Ltd. (南京同人博達投資管理有限公司) (“Nanjing Tongren”), an investment company focusing on private equity investment in medical health industry with approximately RMB566 million assets under its management as of the Latest Practicable Date and ultimately controlled by Mr. Sun Jianjun (孫建軍). Save for Zhejiang Hengjingtang Information Consulting Service Co., Ltd (浙江恒景堂信息諮詢服務有限公司) (formerly known as Jiangsu Hengjingtang Consulting Service Co., Ltd. (江蘇恒景堂諮詢服務有限公司)) (“Zhejiang Hengjingtang”), a company wholly owned by Ms. Cao Dongling (曹冬玲) and Zhejiang Ningtai Enterprise Management Co., Ltd (浙江寧泰企業管理有限公司) (formerly known as Jiangsu Lvkejian Enterprise Management Co., Ltd (江蘇綠科建企業管理有限公司)) (“Zhejiang Ningtai”), a company controlled by Mr. Han Qihong (韓秋宏) holding 40.00% and 30.00% interest in Tongren Boda, respectively, none of the other limited partners of Tongren Boda holds 30% or more interest in the partnership. Save for Mr. Chen Zhenqun (陳振群) holding approximately 33.33% interest in Hefu Ruitai, none of the other limited partners of Hefu Ruitai holds 30.00% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Tongren Boda, Hefu Ruitai, Nanjing Tongren, Mr. Sun Jianjun, Zhejiang Hengjingtang, Ms. Cao Dongling, Zhejiang Ningtai, Mr. Han Qihong, Mr. Chen Zhenqun, the other limited partners of Tongren Boda and Hefu Ruitai is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Triwise Rozman,
Shenzhen Triwise
Kangxin, Triwise
Detai, Gongqingcheng
Triwise Kangxin and
Triwise Huisheng

Each of Triwise Rozman, Shenzhen Triwise Kangxin, Triwise Detai and Gongqingcheng Triwise Kangxin is a limited partnership established in the PRC. Shenzhen Qianhai Triwise International Capital Management Co., Ltd. (深圳前海勤智國際資本管理有限公司) (“Triwise Capital”) is the general partner of each of them. Triwise Huisheng is a limited partnership established in the PRC, the general partner of which is Gongqingcheng Triwise Investment Co., Ltd. (共青城勤智投資有限公司) (“Triwise Investment”), a subsidiary of Triwise Capital. Triwise Capital is ultimately controlled by Mr. Tang Dajie (湯大傑). As an investment company focusing on investment in healthcare industry which had established an advanced investment portfolio with more than RMB3 billion of assets currently under its management as of the Latest Practicable Date, Triwise Capital is a [REDACTED] Investor. Save for (i) Ms. Peng Longmei (彭龍妹) holding approximately 72.07% interest in Shenzhen Triwise Kangxin; (ii) Shengtak New Material Co., Ltd. (盛德鑫泰新材料股份有限公司) (“Shengtak”), a company whose shares are listed on Shenzhen Stock Exchange (stock code: 300881), holding 95.00% interest in Triwise Detai; and (iii) Mr. Xu Shensheng (徐申升) holding 88% interest in Triwise Huisheng, none of the other limited partners holds 30.00% or more interest in Triwise Rozman, Shenzhen Triwise Kangxin, Triwise Detai, Gongqingcheng Triwise Kangxin and Triwise Huisheng. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Triwise Rozman, Shenzhen Triwise Kangxin, Triwise Detai, Gongqingcheng Triwise Kangxin, Triwise Huisheng, Triwise Investment, Triwise Capital, Mr. Tang Dajie, Ms. Peng Longmei, Shengtak, Mr. Xu Shensheng and the other limited partners of Triwise Rozman, Shenzhen Triwise Kangxin, Triwise Detai and Gongqingcheng Triwise Kangxin is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Lucky-source III and
Lucky-source IV

Each of Lucky-source III and Lucky-source IV is a limited partnership established in the PRC focusing on equity investment in biomedical industry. The general partner of Lucky-source III and Lucky-source IV is Shenzhen Lucky-source Fund Management Co., Ltd. (深圳瑞享源基金管理有限公司) (“Shenzhen Lucky-source”), an investment company ultimately controlled by Mr. Hu Guo’an (胡國安). Shenzhen Lucky-source had approximately RMB2 billion of assets under its management as of the Latest Practicable Date and is therefore a [REDACTED] Investor. Save for Mr. Li Siyuan (李思遠) holding approximately 31.24% of the partnership interest in Lucky-source IV, none of the other limited partners of Lucky-source III and Lucky-source IV holds 30.00% or more interest in Lucky-source III or Lucky-source IV. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Lucky-source III, Lucky-source IV, Shenzhen Lucky-source, Mr. Hu Guo’an, Mr. Li Siyuan and the other limited partners of Lucky-source III and Lucky-source IV is an Independent Third Party.

Suzhou Guanhong

Suzhou Guanhong is a limited partnership established in the PRC focusing on investment in biopharmaceutical industry. It is managed by its general partner, Suzhou Rongshi Private Equity Management Co., Ltd. (蘇州融實私募基金管理有限公司) (formerly known as Suzhou Guanya Investment Management Co., Ltd (蘇州冠亞投資管理有限公司)) (“Suzhou Rongshi”), which is ultimately controlled by Mr. Huang Yimin (黃益民). Suzhou Rongshi had over RMB2 billion of assets under its management as of the Latest Practicable Date. Save for Mr. Zhang Jianjun (張建軍) holding approximately 44.05% interest in Suzhou Guanhong, none of the other limited partners holds 30.00% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Suzhou Guanhong, Suzhou Rongshi, Mr. Huang Yimin, Mr. Zhang Jianjun and the other limited partners of Suzhou Guanhong is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Shanghai Quanyou

Shanghai Quanyou is a limited partnership established in the PRC focusing on equity investment. It is owned as to approximately 45.71% by Mr. Qiu as its general partner, 8.57% by Ms. Xu Qiu (許秋), the spouse of Mr. Qiu, as one of its limited partners, and 45.72% by three other limited partners. All the three other limited partners of Shanghai Quanyou are Independent Third Parties and none of them holds 30.00% or more interest in Shanghai Quanyou.

Shanghai Shuochen

Shanghai Shuochen is a company established in the PRC with limited liability focusing on equity investment in pharmaceutical industry. It is owned as to 80.00% by Mr. Huang Huibin (黃慧斌) and 20.00% by Mr. Huang Guoming (黃國明). To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Shanghai Shuochen, Mr. Huang Huibin and Mr. Huang Guoming is an Independent Third Party.

Jiaxing Jiquan

Jiaxing Jiquan is a limited partnership established in the PRC focusing on equity investment in biomedical industry. The general partner of Jiaxing Jiquan is Shanghai Jincheng Equity Investment Fund Management Co., Ltd. (上海晉成股權投資基金管理有限公司) (“Shanghai Jincheng”), which is ultimately controlled by Mr. Gu Dongchen (顧棟臣) and Mr. Gu Zhiqiang (顧志強). Shanghai Jincheng had approximately RMB7.86 billion of assets under its management as of the Latest Practicable Date. Save for Mr. Xiong Yongxiang (熊永祥) and Ms. Zheng Qing’ai (鄭青愛) holding 45% and approximately 33.33% interest in Jiaxing Jiquan, respectively, none of the other limited partners of Jiaxing Jiquan holds 30% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Jiaxing Jiquan, Shanghai Jincheng, Mr. Gu Dongchen, Mr. Gu Zhiqiang, Mr. Xiong Yongxiang, Ms. Zheng Qing’ai and the other limited partners of Jiaxing Jiquan is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Qianhai Efung

Qianhai Efung is a limited partnership established in the PRC. The general partner of Qianhai Efung is Shenzhen Efung Investment Management Enterprise (Limited Partnership) (深圳市倚鋒投資管理企業(有限合夥)) (“Efung Capital”), an investment enterprise ultimately controlled by Mr. Zhu Jinqiao (朱晉橋). Efung Capital is one of the earliest biomedical investment institutions in the PRC with approximately more than RMB3 billion of assets under its management. Save for Ms. Shen Xueyu (沈雪雨) holding approximately 33.83% interest in Qianhai Efung, none of the other limited partners of Qianhai Efung holds 30.00% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Qianhai Efung, Efung Capital, Mr. Zhu Jinqiao and Ms. Shen Xueyu and the other limited partners of Qianhai Efung is an Independent Third Party.

Shenzhen Kaitian

Shenzhen Kaitian is a limited partnership established in the PRC. The general partner of Shenzhen Kaitian is Shenzhen Yunqi Private Equity Investment Fund Management Co., Ltd. (深圳雲起私募股權投資基金管理有限公司) (“Shenzhen Yunqi”), which was ultimately controlled by Mr. Tong Shanbing (童善炳). Shenzhen Yunqi is a private equity fund management company focusing on equity investment in medical and biotech industries with approximately RMB100 million of assets under its management as of the Latest Practicable Date. None of the limited partners of Shenzhen Kaitian holds 30% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Shenzhen Kaitian, Shenzhen Yunqi, Mr. Tong Shanbing and the limited partners of Shenzhen Kaitian is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

TWVC Panglin

TWVC Panglin is a company incorporated in Hong Kong with limited liability which is wholly owned by TWVC Panglin Fund SPC (“TWVC SPC”). TWVC SPC is a segregated portfolio company registered under the laws of the Cayman Islands whose investment manager is TW Venture Capital Limited (“TW VC”). TW VC is an approved investment manager in the British Virgin Islands and is wholly owned by Tong Group Holdings Limited (“Tong Group”), which is in turn wholly owned by Ms. Cai Li Na (蔡麗娜). TW VC had approximately RMB432 million of assets under its management as of the Latest Practicable Date. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of TWVC Panglin, TWVC SPC, TW VC, Tong Group and Ms. Cai Li Na is an Independent Third Party.

Nanjing Yuzhuhua

Nanjing Yuzhuhua is a limited partnership established in the PRC focusing on equity investment in biomedical industry. It was owned as to 99.90% by Ms. Shen Xiaoqin (沈小芹) as its limited partner and 0.10% by Mr. Shen Hui (沈輝) as its general partner. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Nanjing Yuzhuhua, Ms. Shen Xiaoqin and Mr. Shen Hui is an Independent Third Party.

Cowin Guosheng

Cowin Guosheng is a limited partnership established in the PRC. The general partner of Cowin Guosheng is Cowin Jinxiu Capital Firm (深圳同創錦繡資產管理有限公司) (“Cowin Jinxiu”), a wholly-owned subsidiary of Shenzhen Cowin Asset Management Co., Ltd. (深圳同創偉業資產管理股份有限公司) (“Cowin Weiye”) whose shares are listed on the National Equities Exchange and Quotations in the PRC (stock code: 832793). Cowin Weiye is an investment company focusing on investing in a pioneering enterprise on a long-term basis which has 23 years of experience of capital management with more than RMB30 billion of assets under its management as of the Latest Practicable Date. None of the limited partners of Cowin Guosheng holds 30% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Cowin Guosheng, Cowin Jinxiu, Cowin Weiye and the limited partners of Cowin Guosheng is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Jiayin Lucky-source

Jiayin Lucky-source is a limited partnership established in the PRC. The general partner of Jiayin Lucky-source is Shenzhen Jiayin Fund Management Co., Ltd. (深圳市佳銀基金管理有限公司) (“Shenzhen Jiayin”), an investment company focusing on investment in innovative enterprises in new energy, new materials, biomedicine, high-end manufacturing, semiconductors and other fields with high technology, high value-added and high growth and ultimately controlled by Mr. Wang Siqu (汪斯奇). Shenzhen Jiayin had approximately RMB250 million of assets under its management as of the Latest Practicable Date. Jiayin Lucky-source has two limited partners, namely Gongqingcheng Jiarui Investment Co., Ltd. (共青城佳睿投資有限公司) (“Gongqingcheng Jiarui”), an investment company ultimately controlled by Mr. Wang Siqu, holding 79.95% interest in Jiayin Lucky-source, and Lucky-source III, one of our [REDACTED] Investors, holding 20.00% interest in Jiayin Lucky-source, respectively. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Jiayin Lucky-source, Shenzhen Jiayin, Mr. Wang Siqu, Gongqingcheng Jiarui and Lucky-source III is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Yuanzhi Fuhai

Yuanzhi Fuhai is a limited partnership established in the PRC. The general partner of Yuanzhi Fuhai is Shenzhen Yuanzhi Fuhai Investment Management Co., Ltd. (深圳市遠致富海投資管理有限公司) (“Shenzhen Yuanzhi”), an investment company focusing on investment in health, internet application, artificial intelligence, new energy car, energy saving, and new-advanced manufacturing fields which is controlled by Shenzhen Capital Operation Group Co., Ltd (深圳市資本運營集團有限公司) (“Shenzhen Capital”), a company wholly owned by Shenzhen People’s Municipal Government State-owned Assets Supervision and Administration Commission (深圳市人民政府國有資產監督管理委員會). Shenzhen Yuanzhi had approximately RMB13.7 billion of assets under its management as of the Latest Practicable Date. Save for Harbin City Investment Holding Co., Ltd. (哈爾濱市城投投資控股有限公司) (“Harbin Investment”), an investment company ultimately controlled by Harbin People’s Municipal Government State-owned Assets Supervision and Administration Commission (哈爾濱市人民政府國有資產監督管理委員會) holding approximately 57.73% interest in Yuanzhi Fuhai, none of the other limited partners of Yuanzhi Fuhai holds 30.00% or more interest in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Yuanzhi Fuhai, Shenzhen Yuanzhi, Shenzhen Capital, Harbin Investment and the other limited partners of Yuanzhi Fuhai is an Independent Third Party.

Everest No. 37

Everest No. 37 is a limited partnership established in the PRC. The general partner of Everest No. 37 is Everest Venture Capital Co., Ltd. (朗瑪峰創業投資有限公司) (“Everest VC”), which is controlled by Mr. Xiao Jiancong (肖建聰). Everest VC is an investment company focusing on investment in high-tech companies which had approximately RMB10 billion of assets under its management as of the Latest Practicable Date. None of the limited partners of Everest No. 37 holds 30% or more interests in the partnership. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Everest No. 37, Everest VC, Mr. Xiao Jiancong and the limited partners of Everest No. 37 is an Independent Third Party.

HISTORY AND CORPORATE STRUCTURE

[REDACTED]

Investors

Background

Nanjing Talent

Nanjing Talent is a limited partnership established in the PRC, which is owned as to 0.05% by Nanjing Talent is Nanjing Zijin Venture Capital Fund Management Co., Ltd. (南京紫金創投基金管理有限責任公司) (“Nanjing Zijin”) as its general partner and 99.95% by Nanjing Zijin Emerging Industry Venture Capital Fund Co., Ltd. (南京紫金新興產業創業投資基金有限公司) (“Nanjing Emerging”) as its limited partner. Nanjing Zijin is an investment company focusing on investment in China’s strategic emerging industries and is ultimately controlled by Nanjing People’s Municipal Government State-owned Assets Supervision and Administration Commission. Nanjing Zijin had over RMB20 billion of assets under its management as of the Latest Practicable Date. Nanjing Emerging is a state-owned company and none of its shareholders holds 30% or more interests in Nanjing Emerging. To the best of our Directors’ knowledge, information and belief having made all reasonable enquiries, each of Nanjing Talent, Nanjing Zijin, Nanjing Emerging is an Independent Third Party.

Special Rights of the [REDACTED] Investors

Pursuant to the shareholders agreement (the “Shareholders Agreement”) dated November 30, 2022 entered into among our Company, Mr. Qiu, Mr. Yu Guo’an and our then Shareholders, the [REDACTED] Investors were granted certain special rights, including, amongst others, (i) the right to elect Directors and Supervisors; (ii) the right to receive financial statements and other information about our Company and inspect assets, records and books of the members of our Group; (iii) pre-emptive right; (iv) right of first refusal in certain circumstances; (v) tag-along right; (vi) right to prior consent to certain corporate actions; (vii) redemption rights to request Mr. Qiu, Mr. Yu Guo’an and Hangzhou Quanyi to repurchase the Shares upon occurrence of specified redemption events; (viii) anti-dilution right; and/or (ix) right of entitlement of same favorable terms offered to other investors. Pursuant to the supplemental agreement to the Shareholders Agreement dated March 10, 2023, the redemption rights were terminated at the time of the first submission of the [REDACTED] but can be reinstated if the [REDACTED] has been withdrawn or the [REDACTED] is not completed within 18 months from the date of the [REDACTED], and all the other special rights under the Shareholders Agreement shall be automatically terminated upon the [REDACTED] in accordance with the Guidance on [REDACTED] Investments (HKEX-GL43-12).

HISTORY AND CORPORATE STRUCTURE

Shareholding of our [REDACTED] Investors in our Company upon the [REDACTED]

Immediately after the completion of the [REDACTED] and conversion of [REDACTED] Shares into H Shares (assuming the [REDACTED] is not exercised), the shareholding of our [REDACTED] Investors in our Company will be as follows:

Name of [REDACTED] Investors	Description of Shares	Number of Shares	Approximate shareholding percentage in our total issued share capital
Zhongmei Huadong	H Shares to be converted from Domestic Shares	35,900,000	[REDACTED]%
Hongtai Health	H Shares to be converted from Domestic Shares	18,750,000	[REDACTED]%
Matrix Partners China VI, L.P.	H Shares to be converted from [REDACTED] Foreign Shares	9,853,116	[REDACTED]%
Rongjianda	H Shares to be converted from Domestic Shares	7,500,000	[REDACTED]%
Taizhou Jianxin	Domestic Shares	3,750,000	[REDACTED]%
	H Shares to be converted from Domestic Shares	3,750,000	
Suzhou Guanhong	H Shares to be converted from Domestic Shares	6,540,000	[REDACTED]%
Shanghai Quanyou	H Shares to be converted from Domestic Shares	5,000,000	[REDACTED]%
Shanghai Shuochen	H Shares to be converted from Domestic Shares	5,000,000	[REDACTED]%
Lucky-source IV	H Shares to be converted from Domestic Shares	4,500,000	[REDACTED]%
Tongren Boda	H Shares to be converted from Domestic Shares	4,375,000	[REDACTED]%
Gongqingcheng Triwise Kangxin	H Shares to be converted from Domestic Shares	3,899,800	[REDACTED]%
Hefu Ruitai	H Shares to be converted from Domestic Shares	3,750,000	[REDACTED]%
Jiaxing Jiquan	Domestic Shares	3,572,400	[REDACTED]%
Qianhai Efung	H Shares to be converted from Domestic Shares	3,500,000	[REDACTED]%
Lucky-source III	H Shares to be converted from Domestic Shares	3,230,000	[REDACTED]%
Shenzhen Kaitian	H Shares to be converted from Domestic Shares	2,977,000	[REDACTED]%
TWVC Panglin	H Shares to be converted from [REDACTED] Foreign Shares	2,500,600	[REDACTED]%
Nanjing Yuzhijhua	H Shares to be converted from Domestic Shares	2,000,000	[REDACTED]%
Cowin Guosheng	H Shares to be converted from Domestic Shares	1,450,000	[REDACTED]%
Triwise Rozman	H Shares to be converted from Domestic Shares	1,250,000	[REDACTED]%
Shenzhen Triwise Kangxin	H Shares to be converted from Domestic Shares	1,250,000	[REDACTED]%
Jiayin Lucky-source	H Shares to be converted from Domestic Shares	1,250,000	[REDACTED]%
Matrix Partners China VI-A, L.P.	H Shares to be converted from [REDACTED] Foreign Shares	1,066,884	[REDACTED]%
Everest No. 37	H Shares to be converted from Domestic Shares	730,000	[REDACTED]%

HISTORY AND CORPORATE STRUCTURE

Name of [REDACTED] Investors	Description of Shares	Number of Shares	Approximate shareholding percentage in our total issued share capital
Triwise Detai	H Shares to be converted from Domestic Shares	730,000	[REDACTED]%
Yuanzhi Fuhai	H Shares to be converted from Domestic Shares	730,000	[REDACTED]%
Nanjing Talent	H Shares to be converted from Domestic Shares	625,000	[REDACTED]%
Triwise Huisheng	H Shares to be converted from Domestic Shares	595,400	[REDACTED]%
Subtotal	Domestic Shares	7,322,400	[REDACTED]%
	H Shares	132,702,800	[REDACTED]%
Total		140,025,200	[REDACTED]%

[REDACTED]

Mr. Qiu is our executive Director and Controlling Shareholder and therefore a core connected person of our Company. Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin are our Controlling Shareholders and therefore core connected persons of our Company. Zhongmei Huazhong is our substantial shareholder and therefore a core connected person of our Company. Taizhou Jianxin, Rongjianda and Taizhou Huacheng (a substantial shareholder of Cellularforce) are entities under common control, and Taizhou Jianxin and Rongjianda are therefore regarded as core connected persons of our Company. The subscription of Shares by Hongtai Health was partly financed by Taizhou Huacheng as one of the limited partners of Hongtai Health holding approximately 55.07% interest in Hongtai Health. Accordingly, an aggregate of [REDACTED] Shares held by Mr. Qiu, Hangzhou Quanyi, Shanghai Quanyou, Xinfu Tongxin, Zhongmei Huadong, Taizhou Jianxin, Rongjianda and Hongtai Health, representing approximately [REDACTED]% of our Shares in issue immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]) will not be counted as part of the [REDACTED] after the [REDACTED].

HISTORY AND CORPORATE STRUCTURE

An aggregate of [REDACTED] Shares, representing approximately [REDACTED]% of our Shares in issue immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]) held by Jiaxing Jiquan will not be counted as part of the [REDACTED] after the [REDACTED] as the Shares held by Jiaxing Jiquan are Domestic Shares which will not be converted into H Shares and [REDACTED] on the Stock Exchange following the completion of the [REDACTED].

An aggregate of 66,252,800 Shares, representing approximately [REDACTED]% of our Shares in issue immediately following the completion of the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED]) held by Dr. Yu Gouliang, Dr. Li Jianwei, Dr. Qiu Zhihua, Mr. Guo Xinjun and the [REDACTED] investors including Matrix Partners China VI, L.P., Suzhou Guanhong, Tongren Boda, Shanghai Shuochen, Lucky-source IV, Gongqingcheng Triwise Kangxin, Hefu Ruitai, Qianhai Efung, Lucky-source III, Shenzhen Kaitian, TWVC Panglin, Nanjing Yuzhuhua, Cowin Guosheng, Triwise Rozman, Shenzhen Triwise Kangxin, Jiayin Lucky-source, Matrix Partners China VI-A, L.P., Everest No. 37, Triwise Detai, Yuanzhi Fuhai, Nanjing Talent and Triwise Huisheng will be converted into H Shares and [REDACTED] on the Stock Exchange immediately following the completion of the [REDACTED]. As Dr. Yu Guoliang, Dr. Li Jianwei, Dr. Qiu Zhihua, Mr. Guo Xinjun and the above [REDACTED] Investors are not core connected persons of our Company and their investments are not financed directly or indirectly by any core connected persons of our Company, Shares held by them will be counted towards the [REDACTED] for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED]. Over [REDACTED]% of the total issued share capital of our Company with a market capitalization of substantially over HK\$[REDACTED] will be held by the public upon completion of the [REDACTED] in accordance with Rule 8.08(1)(a) and Rule 18A.07, respectively, of the Listing Rules.

Compliance with Interim Guidance and Guidance Letters

The Sole Sponsor is of the view that the [REDACTED] Investments are in compliance with the Interim Guidance on [REDACTED] Investments (HKEX-GL29-12) and the Guidance on [REDACTED] Investments (HKEX-GL43-12).

HISTORY AND CORPORATE STRUCTURE

SHAREHOLDING AND CORPORATE STRUCTURE

Corporate Structure Immediately After the Completion of the [REDACTED] Investments But Before the [REDACTED]

The following chart sets forth our corporate and shareholding structure immediately after the completion of the [REDACTED] Investments, but before the completion of the [REDACTED]:



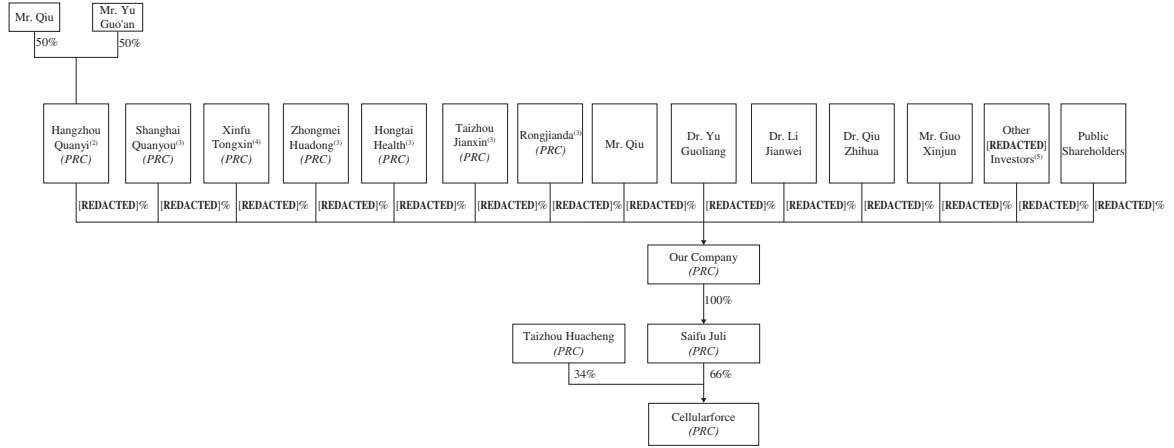
Notes:

1. Share capital percentages may not add up to 100% due to rounding.
2. Pursuant to the supplemental partnership agreement of Hangzhou Quanyi entered into between Mr. Qiu and Mr. Yu Guo'an on February 5, 2022, Mr. Qiu and Mr. Yu Guo'an agreed and confirmed, among others, that since the date of establishment of our Company, they have been and would continue to be parties acting in concert and they have agreed to consult with each other and reach a unanimous consensus between themselves before making the decisions and exercising their voting rights through Hangzhou Quanyi at the Board and Shareholders' meetings and in the event that they are unable to reach consensus on any matter presented, the decisions of Mr. Qiu shall prevail.
3. For the details of the background information of Shanghai Quanyou, Zhongmei Huadong, Hongtai Health, Taizhou Jianxin and Rongjianda, see “[REDACTED] Investments” above.
4. Xinfu Tongxin was established in the PRC as one of our employee share incentive platforms on August 19, 2021, the general partner of which is Mr. Qiu. For further details, see “—Employee Share Incentive Scheme” above.
5. For the details of the background information of the Other [REDACTED] Investors, see “[REDACTED] Investments” above.

HISTORY AND CORPORATE STRUCTURE

Corporate Structure Immediately After the Completion of the [REDACTED]

The following chart sets forth our corporate and shareholding structure immediately after the completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note: Please refer to the notes in “—Shareholding and Corporate Structure—Corporate Structure Immediately After the Completion of the [REDACTED] Investments But Before the [REDACTED]” above.