

RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS

OVERVIEW

Immediately upon completion of the [REDACTED] and without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED], Mr. Qiu will, directly or through Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin, control the voting rights of approximately [REDACTED]% of the total share capital of our Company.

Hangzhou Quanyi is an investment holding general partnership owned as to 50% by Mr. Qiu and 50% by Mr. Yu Guo’an as its general partners. 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 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. Shanghai Quanyou is an investment holding limited partnership whose general partner is Mr. Qiu. Xinfu Tongxin is one of our employee share incentive platforms whose general partner is Mr. Qiu. Accordingly, Mr. Qiu, Mr. Yu Guo’an, Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin constitute a group of our Controlling Shareholders under the Listing Rules.

Mr. Qiu is our founder, executive Director, chairman of the Board, chief executive officer and general manager of our Company. For further background of Mr. Qiu, see “Directors, Supervisors and Senior Management” in this document. Mr. Yu Guo’an is our founding investor who has nearly 20 years of working experience in the biotech industry, including as: (i) the founder and general manager of Hangzhou Epitomics, a biotech company principally engaged in the R&D and manufacturing of antibody reagents, from May 2003 to March 2014; and (ii) a deputy general manager of Hangzhou Liangkang Technology Co., Ltd. (杭州量康科技有限公司), a health monitoring service provider, since June 2014. Mr. Qiu and Mr. Yu Guo’an have a long-term cooperation relationship prior to the establishment of our Company. They first became acquainted in February 2004 when Mr. Qiu joined Hangzhou Epitomics as its deputy general manager. In July 2008, Mr. Qiu as the founder and Mr. Yu Guo’an as one of the investors established Jiangsu T-mab, a biotech company principally engaged in the R&D and production of genetically engineered drugs which was subsequently acquired by Shenzhen Langrun Investment Co., Ltd. (深圳市朗潤投資有限公司) (“Shenzhen Langrun”), a company focusing on investment in biotech and pharmaceutical projects which was owned as to approximately 88.29% by Mr. Tang Chunshan (唐春山) and 11.71% by Ms. Chen Shanna (陳珊娜), both being Independent Third Parties. Immediately prior to such acquisition, Jiangsu T-mab was owned as to 18.23% by Mr. Qiu, 32.94% by Mr. Yu Guo’an and 48.83% by other three Independent Third Parties. On January 26, 2015, Mr. Qiu and Mr. Yu Guo’an transferred their 18.23% and 32.94% equity interest in Jiangsu T-mab to Shenzhen Langrun at a consideration of RMB45,575,000 and RMB82,350,000, respectively. Jiangsu T-mab is currently a wholly owned subsidiary and manufacturing base of Mabwell (Shanghai) Biotechnology Co., Ltd. (邁威(上海)生物科技股份有限公司) (“Mabwell”), a company mainly engaged in the R&D, manufacturing and sales of biopharmaceuticals in oncology, metabolism, ophthalmology and infection and whose shares are listed on the Shanghai Stock Exchange (stock code: 688062). Having taken into account (i) the past successful achievement of Jiangsu T-mab in the R&D of its drug candidates led by Mr. Qiu and the recognition of the R&D and

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management capabilities of our management team; and (ii) Mr. Yu’s various directorships and management roles in his other businesses and his anticipation that he would not be able to devote sufficient time to our Company should he be appointed as our Director, Mr. Yu Guo’an, through Hangzhou Quanyi, made his investment in our Company as a founding investor. He has not been involved in our day-to-day management and business operation since the commencement of our business. Mr. Yu Guo’an also has no intention of serving as our Director or a member of our senior management after [REDACTED].

DELINEATION OF BUSINESS

Business of our Group

We are a clinical-stage biotech company exclusively focused on biologic therapies for autoimmune and allergic diseases.

Other business invested by Mr. Yu Guo’an

As of the Latest Practicable Date, apart from our business, Mr. Yu Guo’an had invested as a minority shareholder in other businesses which mainly include health monitoring, sales of health food, medical testing, *in vitro* diagnostics, medical devices, clothing design and sales and investment management (“Mr. Yu’s Other Businesses”). Given the differences between the business of our Group and Mr. Yu’s Other Businesses, there is clear delineation between our business and Mr. Yu’s Other Businesses. In addition, Mr. Yu Guo’an is also serving as a director of Triastek, Inc. (南京三迭紀醫藥科技有限公司) (“Triastek”), a biotech company principally engaged in the R&D of small-molecule drugs using 3D printing technology. Mr. Yu’s role in Triastek is non-executive in nature where he has never been involved in its daily management and operations. Mr. Yu Guo’an has no control and is unable to exert substantial influence over Triastek.

As of the Latest Practicable Date, the board of directors of Triastek consisted of eight directors, namely Dr. Cheng Senping (成森平), Mr. He Sun, Dr. Li Xiaoling (李霄凌), Ms. Wu Jing (吳晶), Dr. Yu Zhiyun (喻志雲), Mr. Sun Qi (孫琦), Mr. Xue Wenyu (薛文煜) and Mr. Yu Guo’an. Triastek has a broad and diverse base of shareholders and its shareholding structure as of the Latest Practicable Date was as follows:

Name of shareholders of Triastek	Approximate equity interest percentage held
Dr. Cheng Senping	15.81%
Dr. Li Xiaoling	9.49%
Shiyao Biomedical Technology (Shanghai) Co., Ltd. (世耀生物醫藥技術(上海)有限公司)	7.00%
Nanjing Yapei Culture Communication Co., Ltd. (南京雅培文化傳播有限公司)	6.41%
Nanjing Jingqian No.2 Equity Investment Partnership (Limited Partnership) (南京經乾二號股權投資合夥企業(有限合夥))	6.24%

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Name of shareholders of Triastek	Approximate equity interest percentage held
Suzhou Dalton Chunhui Venture Capital Partnership (Limited Partnership) (蘇州道彤淳輝創業投資合夥企業(有限合夥))	5.91%
Shanghai Volcanic Stone Phase I Equity Investment Partnership (Limited Partnership) (上海火山石一期股權投資合夥企業(有限合夥))	5.39%
Nanjing Da Sheng Guan Management Consulting Partnership (Limited Partnership) (南京大勝關管理諮詢合夥企業(有限合夥))	5.00%
CPE 3D Pharmaceutical Limited	4.88%
Nanjing Tianyin Management Consulting Partnership (Limited Partnership) (南京天印管理諮詢合夥企業(有限合夥))	4.50%
Tasly Pharmaceutical Group Co., Ltd. (天士力醫藥集團股份有限公司)	4.05%
HealthCare Asia Bio Tech Limited (亞洲保康生物技術有限公司)	3.96%
Mr. Zheng Xiaodong (鄭效東)	3.63%
Nanjing Yunzhou Venture Capital Investment Center (Limited Partnership) (南京雲周創業投資中心(有限合夥))	3.52%
Jiangsu Honrts Medical Technology Co., Ltd. (江蘇泓睿醫療科技有限公司)	2.14%
Tianjin Kangchen Ruixin Pharmaceutical Group Co., Ltd. (天津康晨瑞信醫藥集團有限公司)	1.80%
Tianjin Huaxin Pharmaceutical Venture Capital Partnership (Limited Partnership) (天津華新醫藥創業投資合夥企業(有限合夥))	1.80%
Mr. Yu Guo'an	1.78%
Shenzhen Triwise Kangzhi Venture Capital Partnership (Limited Partnership) (深圳勤智康智創業投資合夥企業(有限合夥))	1.52%
Shanghai Science and Technology Creation Center No.1 Equity Investment Fund Partnership (Limited Partnership) (上海科創中心壹號股權投資基金合夥企業(有限合夥))	1.47%
Dalton Inc.	1.11%
New Dimension Ventures Limited Liability Company	0.81%
Triwise Huisheng	0.62%
Gongqingcheng Triwise Hecheng No.1 Venture Capital Partnership (Limited Partnership) (共青城勤智和成壹號創業投資合夥企業(有限合夥))	0.58%
Triwise Detai	0.39%
Nanjing Yuncheng Equity Investment Center (Limited Partnership) (南京雲成股權投資中心(有限合夥))	0.19%
Total	100%

Note: To the best of our Directors' knowledge, information and belief, save for (i) Triwise Huisheng and Triwise Detai being two of our Shareholders; and (ii) Shenzhen Triwise Kangzhi Venture Capital Partnership (Limited Partnership) (深圳勤智康智創業投資合夥企業(有限合夥)) and Gongqingcheng Triwise Hecheng No.1 Venture Capital Partnership (Limited Partnership) (共青城勤智和成壹號創業投資合夥企業(有限合夥)) being limited partnerships controlled by Triwise Capital, the other shareholders of Triastek has no past or present relationships (business, employment, family, financing, trust or otherwise) with Mr. Yu Guo'an or our Group or their respective associates.

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Based on the list of suppliers provided by Triastek, for the two years ended December 31, 2022 and the five months ended May 31, 2023, we had 10, 14 and 9 overlapping suppliers with Triastek, respectively, and the total transaction amount with the overlapping suppliers accounted for approximately 5.2%, 0.9% and 1.7% of our total procurement for the corresponding periods. Given the difference on product characteristics and R&D technology between our Group and Triastek and Mr. Yu’s non-executive role in Triastek, our Directors are of the view that there is no material competition between Triastek and our Group arising from Mr. Yu’s directorship in Triastek.

Save as disclosed above, as of the Latest Practicable Date, none of our Controlling Shareholders and their close associates had any interest in a business, apart from our business, which competes or is likely to compete, either directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS AND THEIR CLOSE ASSOCIATES

We believe that we are capable of carrying on our business independently from our Controlling Shareholders and their respective close associates (other than our Group) after the [REDACTED] for the following reasons:

Management Independence

Our Board comprises three executive Directors, three non-executive Directors and three independent non-executive Directors. Mr. Qiu is one of our executive Directors, chief executive officer, general manager and chairman of our Board. He has been involved in the management of our Group since he founded our Group. With the support of our experienced management team, Mr. Qiu is expected to continuously devote a sufficient portion of his time to the day-to-day operations of our Group upon [REDACTED]. Mr. Qiu is also serving as the general partner of each of Hangzhou Quanyi, Shanghai Quanyou and Xinfu Tongxin. As of the Latest Practicable Date, save for Mr. Qiu, none of our Directors or members of our senior management held any position at our Controlling Shareholders or their close associates.

Despite the overlapping roles assumed by Mr. Qiu as mentioned above, when performing his duties in our Group, Mr. Qiu has been and will continue to be supported by the separate and independent Board which comprises eight other Board members and senior management of our Group. Moreover, each of Hangzhou Quanyi and Shanghai Quanyou is merely an investment holding platform and Xinfu Tongxin is one of our employee share incentive platforms and do not engage in other business activities. On such basis, Mr. Qiu confirmed that his involvement in the aforementioned entities will not affect the discharge of his duties in our Group.

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Each of our Directors is aware of his/her fiduciary duties as a Director, which require, among other things, that he/she acts for the benefit and in the best interests of our Company and does not allow any conflict between his/her duties as a Director and his/her personal interests. In the event that there is an actual or potential conflict of interest arising out of any transaction to be entered into between our Group and any of the Directors or their respective close associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum.

Our Board comprises nine Directors, including three independent non-executive Directors, which represent one-third of the members of our Board. Our independent non-executive Directors have extensive experience in corporate management and governance, and they are appointed to ensure that our Board will only make decisions after due consideration of independent and impartial opinions. Certain matters of our Company must always be referred to the independent non-executive Directors for review.

We have adopted a series of corporate governance measures to manage conflicts of interest, if any, between our Group and our Controlling Shareholders that would support our independent management. For details, see “Corporate Governance Measures” in this section.

Based on the reasons above, our Directors are of the view that our Group is capable of managing our business independently from our Controlling Shareholders and their respective close associates after the [REDACTED].

Operational Independence

We have full rights to make all decisions on, and carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the [REDACTED]. Our Group is able to operate without reliance on our Controlling Shareholders and their respective close associates.

Research and development

We have our own R&D platform, personnel and production facilities which are independent from our Controlling Shareholders and their respective close associates. As of the Latest Practicable Date, our R&D platforms had employed 118 members, who were all full-time employees of our Group and did not hold any position in our Controlling Shareholders or their respective close associates. We, through our CMC-focused subsidiary, Cellularforce, have established an in-house manufacturing capability which seamlessly supports our R&D activities from laboratory-scale trial, clinical trial to commercial scale production. In addition, our Group owns over 30 registered patents in the PRC and other countries which are necessary for our R&D and operations. With such independent R&D platforms, an experienced and independent R&D team, independent supporting manufacturing capabilities and self-owned patents, our Directors believe that we have all the requisite resources to carry on our R&D process independently.

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Access to suppliers and business partners

We have independent access to our suppliers as well as our business partners. Our suppliers and business partners bases are diversified and unrelated to our Controlling Shareholders and their respective close associates.

Operational facilities and administration

We have independent R&D platform office and manufacturing facilities. In addition, we have a full-time management team and staff to carry out our own administration and operation independently from our Controlling Shareholders and their respective close associates. All key administrative functions have been and will be carried out by our own without reliance or the support of our Controlling Shareholders and their respective close associates.

Employees

As of the Latest Practicable Date, all of our full-time employees were independent from our Controlling Shareholders and their respective close associates and were primarily recruited through both internal referrals and external sources such as campus recruitment, recruiting websites and third-party recruiters.

Based on the reasons above, our Directors are of the view that we have full rights to make all decisions on, and to carry out, our own business operations independently from our Controlling Shareholders and their respective close associates and will continue to do so after the [REDACTED].

Financial Independence

We have an independent financial system and make financial decisions according to our own business needs. We also have our own internal control and accounting systems, accounting and finance department for discharging the treasury function, which all are independent from our Controlling Shareholders and their respective close associates.

As of the Latest Practicable Date, our Group did not have any outstanding loans, advances or balances due to or from our Controlling Shareholders or their respective close associates which were not arising out of the ordinary course of business. All guarantee provided by our Controlling Shareholders or their respective close associates on the borrowings of our Group will be released before the [REDACTED]. We are capable of obtaining financing from Independent Third Parties without relying on any guarantee or security provided by our Controlling Shareholders or their respective close associates and we received a series of [REDACTED] Investments from Independent Third Party investors as of the Latest Practicable Date. For details of the [REDACTED] Investments, see “History and Corporate Structure—[REDACTED] Investments” in this document.

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Based on the above, our Directors believe that we are able to conduct our business independently from our Controlling Shareholders and their respective close associates from a financial perspective and are able to maintain financial independence and would not place undue reliance on our Controlling Shareholders or their respective close associates.

CORPORATE GOVERNANCE MEASURES

Each of our Controlling Shareholders has confirmed that it/he has fully comprehended its/his obligations to act in our Shareholders’ best interests as a whole. Our Directors recognize the importance of good corporate governance in protecting our Shareholders’ interests. We would adopt the following measures to safeguard good corporate governance standards and to avoid potential conflict of interests between our Group and our Controlling Shareholders:

- (a) as part of our preparation for the [REDACTED], we have amended our Articles of Association to comply with the Listing Rules. In particular, our Articles of Association provided that, unless otherwise provided, a Director shall not vote on any resolution approving any contract or arrangement or any other proposal in which such Director or any of his/her associates have a material interest nor shall such Director be counted in the quorum present at the meeting;
- (b) a Director with himself/herself or his/her close associates having material interests shall make full disclosure in respect of matters that may have conflict or potentially conflict with any of our interest at the meeting of our Board, shall abstain from voting on such matters and not be counted in the quorum, unless the attendance or participation of such Director at such meeting of the Board is permitted under the Listing Rules;
- (c) we are committed that our Board should include a balanced composition with not less than one-third of independent non-executive Directors to ensure that our Board is able to effectively exercise independent judgment in its decision-making process and provide independent advice to our Shareholders. We [have appointed] three independent non-executive Directors and we believe our independent non-executive Directors possess sufficient experience and they are free of any business or other relationship which could interfere in any material manner with the exercise of their independent judgment and will be able to provide an impartial, external opinion to protect the interests of our public Shareholders. For details of our independent non-executive Directors, see “Directors, Supervisors and Senior Management—Board of Directors—Independent non-executive Directors” in this Document;
- (d) we have appointed Somerley Capital Limited as our compliance advisor pursuant to Rule 3A.19 of the Listing Rules, which will provide advice and guidance to us in respect of compliance with the applicable laws and the Listing Rules including various requirements relating to Directors’ duties and corporate governance;

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- (e) our Company has established internal control mechanisms to identify connected transactions. Upon and after the [REDACTED], if our Company enters into connected transactions with our Controlling Shareholders or any of their associates, our Company will comply with the applicable Listing Rules; and
- (f) as required by the Listing Rules, our independent non-executive Directors shall review any continuing connected transaction annually and confirm in our annual report that such transactions have been entered into in our ordinary and usual course of business, are either on normal commercial terms or on terms no less favorable to us than those available to or from independent third parties and on terms that are fair and reasonable and in the interests of our Shareholders as a whole.

Based on the above, our Directors believe that there are sufficient and adequate corporate governance measures in place to manage existing and potential conflicts of interest that may arise between our Group and our Controlling Shareholders, and to protect minority shareholders’ interests after the [REDACTED].