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Immunotech Biopharm Ltd

永泰生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6978)

MAJOR TRANSACTION

CONSTRUCTION AGREEMENT IN RELATION TO THE CONSTRUCTION OF THE NEW BIOLOGICAL DRUG R&D AND INDUSTRIALISATION BASE IN BEIJING

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A letter from the Board is set out on pages 4 to 9 of this circular.

The transaction being the subject matter of this circular has been approved by written Shareholder's approval pursuant to the Listing Rules and this circular is being despatched to the Shareholders for information only.

26 May 2021

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Beijing Yongtai”	Immunotech Applied Science Limited (北京永泰生物製品有限公司), a limited liability company established in the PRC on 20 November 2006 and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CCTEB”	China Construction Third Engineering Bureau Group Co., Ltd. (中建三局集團有限公司), a limited liability company established in the PRC
“Company”	Immunotech Biopharm Ltd, incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange (stock code: 6978)
“Construction”	the construction of the R&D and Industrial Base pursuant to the Construction Agreement and the transactions contemplated thereunder
“Construction Agreement”	the agreement dated 26 March 2021 entered into between Beijing Yongtai and CCTEB in relation to the construction of the R&D and Industrialisation Based located on the Land
“Contract Sum”	the total contract sum payable to CCTEB under the Construction Agreement, being RMB664,999,999.33
“Director(s)”	the director(s) of the Company
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Hong Kong Underwriters”	CCB International Capital Limited; Guosen Securities (HK) Capital Company Limited; Haitong International Securities Company Limited; ABCI Securities Company Limited; Alpha International Securities (HONG KONG) Limited; BOCOM International Securities Limited; China Merchants Securities (HK) Co., Limited; CMBC Securities Company Limited; Essence International Securities (Hong Kong) Limited; Futu Securities International (Hong Kong) Limited; Guotai Junan Securities (Hong Kong) Limited; Huabang Securities Limited; I Win Securities Limited; ICBC International Securities Limited; Joy Rich Securities Investment Limited; Shenwan Hongyuan Securities (H.K.) Limited; Zhongrong PT Securities Limited; and Zhongtai International Securities Limited
“IPO”	the Company’s global offering on 10 July 2020
“Land”	the piece of land located at Lot N5M4, Lunan District, Beijing Economic and Technological Development Zone in Beijing, PRC
“Latest Practicable Date”	18 May 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“Mr Jung”	Mr Jung Hyun Chul (鄭鉉哲), an executive Director and the chief strategy officer of the Group
“Mr Tan”	Mr Tan Zheng (譚錚), chairman, an executive Director and a controlling shareholder of the Company
“Passive Minority Shareholders”	include Tan Xiaoyang, Zhang Junzheng, Song Aiping, Ke Shaobin, Ma Xiaoou, Wang Yuning, Wang Shuhui, Li Yunhui, Tan Yueyue, and their respective investment holding companies
“PRC”	means the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan

DEFINITIONS

“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on 6 June 2020
“Prospectus”	the Company’s prospectus dated 29 June 2020
“Proxy Agreement”	the proxy agreement dated 29 August 2019 entered into among Mr Tan and the Passive Minority Shareholders
“R&D”	research and development
“R&D and Industrialisation Base”	the R&D and industrialisation base to be constructed on the Land pursuant to the Construction Agreement
“Registered Shareholders”	the registered shareholders of Yongtai Ruike, being Mr Tan and Dr Wang
“Relevant Shareholders”	Mr Tan and Mr Jung
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Shares”	ordinary shares with a nominal value of US\$0.001 each in the capital of the Company
“Shareholders”	shareholder(s) of the Company
“sq.m”	square metres
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yongtai Ruike”	Beijing Yongtai Ruike Biotechnology Company Ltd (北京永泰端科生物科技有限公司), a company established in the PRC with limited liability on 8 June 2018 and is a wholly-owned subsidiary of the Company
“%”	per cent

In this circular, the terms “associate”, “connected person”, “controlling shareholder”, “percentage ratios” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

The English names of the PRC entities referred to in this circular are translations from their Chinese names and are for identification purposes only. If there is any inconsistency, the Chinese name shall prevail.

LETTER FROM THE BOARD



Immunotech Biopharm Ltd
永泰生物製藥有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6978)

Executive Directors:

Mr Tan Zheng (*Chairman*)
Dr Wang Yu (*Chief executive officer*)
Mr Jung Hyun Chul

Registered office:

P.O. Box 1350
Ugland House
Grand Cayman KY1-1104
Cayman Islands

Non-executive Directors:

Mr Si Xiaobing
Mr Lu Yuan
Mr Li Yuezhong

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Independent non-executive Directors:

Professor Wang Yingdian
Mr Ng Chi Kit
Ms Peng Sujiu

26 May 2021

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

**CONSTRUCTION AGREEMENT
IN RELATION TO THE CONSTRUCTION OF
THE NEW BIOLOGICAL DRUG R&D AND
INDUSTRIALISATION BASE IN BEIJING**

INTRODUCTION

Reference is made to the announcement of the Company dated 29 March 2021 in relation to the Construction Agreement entered into between the Company and CCTEB in relation to the construction of the R&D and Industrialisation Base in Beijing, the PRC at the Contract Sum of RMB664,999,999.33.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, further information on the Construction Agreement and other information as required under the Listing Rules.

THE CONSTRUCTION AGREEMENT

The principal terms of the Construction Agreement are summarised as follows:

Date: 26 March 2021

Parties:

- (i) Beijing Yongtai, as the owner of the Land
- (ii) CCTEB, as the contractor, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the CCTEB and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Subject matter: CCTEB shall be responsible for the construction and engineering works of the R&D and Industrialisation Base with a total site area of 34,995.92 sq.m and total construction area of 121,191.10 sq.m based on the technical specifications as required under the Construction Agreement. The contracted work includes, among other things, engineering work relating to the foundation, building structural, decorations, roof, building water supply and drainage, electricity and fire safety and outdoors. The Construction includes buildings for quality inspection, comprehensive-use, cell therapy and other production workshops, warehouse and rainwater collection tank.

Construction period: From 15 March 2021 to 1 September 2023

Contract sum and payment terms: The fixed Contract Sum payable by CCTEB under the Construction Agreement is RMB664,999,999.33, which comprises of the costs of construction works, the construction waste transportation and disposal, provisional evaluation and professional engineering and other provisional amounts for the Construction.

The Contract Sum shall be paid to CCTEB in the following manner:

- (i) 20% of the Contract Sum (after deduction of an aggregated amount of RMB225.20 million, comprising of the potential provision and construction estimated fee (暫列金額及工程暫估價) and safety and civilised construction fee (安全文明施工費)), by way of a prepayment (*Note 1*); and

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- (ii) the remainder of 80% of the Contract Sum, in accordance with the work progress of the Construction:
- up to 80% of the total Contract Sum (inclusive of the prepayment) in accordance with the payment requisitions of CCTEB based on progress of the construction (*Note 2*);
 - up to 90% of the total Contract Sum after completion and acceptance of the construction project;
 - up to 97% of the reviewed contract sum within 30 days after the construction project review; and
 - the remainder of 3% shall be a quality assurance sum, payable at the end of an agreed quality assurance period.

Notes:

- (1) Besides the prepayment, RMB17.6 million, which is 50.0% of the safety and civilised construction fee (安全文明施工費), shall be paid to CCTEB within 7 days after the commencement date of the Construction. Subject to the satisfaction of the safety production and standardisation assessment, the remainder of the safety and civilised construction fee (安全文明施工費) shall be paid to CCTEB by installments in accordance with the work progress of the Construction.
- (2) Pursuant to the Construction Agreement, CCTEB is required to formulate a detailed construction plan with information on construction timeline regarding the Construction, after making the notification on commencement of construction work. During the course of construction, CCTEB shall send a summary report and a monthly construction plan (the “**Plans and Reports**”) to the Company on the 25th day of each month during the Construction period, which generally describes the progress of the Construction. The said summary report shall include the status of the Construction, the expected timeline of the Construction and whether the actual Construction is on-schedule. If not, the report shall specify the reasons and discrepancies between the monthly Construction plan and the actual progress, and the plan to rectify the discrepancies.

The supervisor of the Construction shall review the Plans and Reports within a prescribed period upon receiving them. The Company shall arrange for payment after the review of the Plans and Reports by the supervisor, including any rectification or update of relevant Plans and Reports by CCTEB if that is required.

Basis for determining the Contract Sum

The Contract Sum payable by Beijing Yongtai under the Construction Agreement was arrived at after arm’s length negotiation with CCTEB as they have the relevant experience in construction and engineering works. The Contract Sum payable by the Group under Construction Agreement was determined from a tender process whereby invitation to bid for the Construction on the Land was solicited by Beijing Yongtai through an independent third party tendering agency. Out of the eight qualified candidates, the tendering agency considered that the tender submitted by CCTEB was considered the most appropriate taking into account various factors including, among other things, the design and technical measures of the construction plan, quality control and management of the tenderer, and workplace safety and environmental matters.

LETTER FROM THE BOARD

The Company intends to fund the Contract Sum by a mix use of net proceeds from its initial public offering and through external financing. The Company plans to pay for not more than 20% of the Contract Sum through its net proceeds from its initial public offering, which is approximately equivalent to RMB133.0 million, to fund the Contract Sum, and plans to fund the rest of the Contract Sum through external financing. As the payment will be due in stages, the ultimate proportion of net proceeds and external financing to be obtained will be subject to adjustment and based on financing needs of the Group. As at the Latest Practicable Date, the Company is in negotiation with various financing institutions to obtain terms more favourable to the Group for such financing.

INFORMATION ON THE GROUP AND CCTEB

The Company was incorporated in the Cayman Islands with limited liability, with its shares listed on the Main Board of the Stock Exchange. The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy. Since its establishment in 2006, it has focused on R&D and clinical applications of cellular immunotherapy drugs for cancers and other major diseases, by applying advanced theories in immunology, cell biology, and genetics.

Beijing Yongtai is an operating subsidiary of the Group which is principally engaged in the R&D of the Group's core product candidate EAL[®]. It is an indirectly wholly-owned subsidiary of the Company.

To the best of the knowledge, information and belief of the Directors, (i) CCTEB is a contractor based in the PRC which is principally engaged in the undertaking of construction and engineering works; (ii) CCTEB has reputation and experience in the construction market; and (iii) CCTEB is indirectly and ultimately controlled by China State Construction Engineering Corporation (中國建築集團有限公司), a state-owned corporation organised and existing under the laws of the PRC.

REASONS FOR AND BENEFITS OF THE CONSTRUCTION AGREEMENT

As disclosed in the Prospectus, in April 2020, the Group won the bid for a parcel of land situated at Lunan District, Beijing Economic and Technological Development Zone, Beijing, the PRC for purpose of establishing a sizeable production centre as part of the Group's growth plans. Moreover, as the production of EAL[®], the Group's core product candidate, is based on living human cells which impose a limitation on delivery time, it has been the Group's plan to establish production centres in major cities in the PRC, including Beijing, with a close proximity to densely-populated areas in China.

To cater for and for the purposes of preparing for the commercialisation of the Group's core product candidate and other product candidates, the Group intends to construct the R&D and Industrialisation Base on the parcel of Land located in Beijing. In particular, the Construction includes buildings for cell therapy and other production workshops and quality inspection use, which will allow the Group to carry out necessary R&D work, testing and quality assurance procedures for purposes of the commercialisation of the Group's core product candidate and other product candidates.

Accordingly, the entering into the of the Construction Agreement by Beijing Yongtai is in line with the aforesaid intention and business strategies of the Group, and as such, the Board considers that the Construction Agreement was entered into after arm's length negotiation between Beijing Yongtai and CCTEB on normal commercial terms and the Construction is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

None of the Directors has a material interest in the Construction Agreement or was required to abstain from voting on the Board resolutions approving the Construction Agreement.

FINANCIAL EFFECTS OF THE CONSTRUCTION AGREEMENT ON THE GROUP

The Contract Sum of RMB664,999,999.33. is expected to be settled by a mix use of net proceeds from its initial public offering and through external financing.

The Company considers that while there will not be any material effect on the earnings of the Group immediately after the signing and the completion of the Construction Agreement, the commencement of the operation of the R&D and Industrialisation Base may have a positive impact on the Group's revenue in the long run. After the completion of the Construction and full payment of the Contract Sum, the cash and cash equivalents of the Group is expected to decrease, the property, plant and equipment is expected to increase, and the total liabilities of the Company is expected to increase.

LISTING RULES IMPLICATIONS

Since the highest applicable percentage ratio under Rule 14.07 of the Listing Rules exceeds 25% but all of them are lower than 100%, the Construction and transactions contemplated under the Construction Agreement constitute a major transaction of the Company and is subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Construction. As such, no Shareholders would be required to abstain from voting in favour of the resolution approving the Construction. As at the date of this circular, the Relevant Shareholders, being a closely allied group of Shareholders, control an aggregate of 315,428,571 Shares, which represents approximately 61.29% of the total number of issued shares of the Company. Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting of the Company to approve the terms of the Construction Agreement and the transactions contemplated thereunder upon satisfaction of the conditions set out under Rule 14.44 of the Listing Rules. The Company has received written Shareholders' approval in respect of the Construction from the Relevant Shareholders (through their respective investment holding companies) in accordance with Rule 14.44 of the Listing Rules. Accordingly, no Shareholders' meeting will be convened by the Company to approve the Construction.

Under the Proxy Agreement, Tan Zheng Ltd, an investment holding company of Mr Tan was irrevocably entrusted with the voting rights of the Passive Minority Shareholders at any general meeting of the Company, representing 155,794,286 Shares or approximately 30.27% voting rights in the Company, such that Tan Zheng Ltd may exercise such voting rights with absolute discretion. Mr Jung, Evodevo Ltd, an investment holding company, control 134,948,571 Shares, which represents approximately 26.22% of the total number of issued shares of the Company. Mr Tan and Mr Jung do not have any relationship with each other and have been the Shareholders since August 2018. The Relevant Shareholders, namely Mr Tan and Mr Jung who are a closely allied group of Shareholders, through their respective investment holding companies, as such, hold approximately 35.07% and approximately 26.22% of the Company's voting rights, respectively, as at the date of the

LETTER FROM THE BOARD

Construction Agreement. The Company has obtained written Shareholders' approval for the Construction from the Relevant Shareholders.

Accordingly, pursuant to Rule 14.44 of the Listing Rules, written Shareholders' approval may be accepted in lieu of holding a general meeting of the Company for the purpose of approving the Construction and no such general meeting will be held.

RECOMMENDATIONS

The Directors, including the independent non-executive Directors, consider that the Construction Agreement was entered into upon normal commercial terms following arm's length negotiations between the parties and that the terms of the Construction Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. If a general meeting were to be convened for the approval of the Construction Agreement, the Board would recommend the Shareholders to vote in favour of the resolution to approve the Construction Agreement at such general meeting.

ADDITIONAL INFORMATION

Your attention is drawn to the financial and general information as set out in the appendices to this circular.

By order of the Board
Immunotech Biopharm Ltd
Tan Zheng
Chairman and executive Director

1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for of the three years ended 31 December 2020 are disclosed in the following documents respectively, which have been published and are available on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.eaal.net):

- the Prospectus of the Company dated 29 June 2020 which was published on 29 June 2020 available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0629/2020062900019.pdf>, please refer to Appendix I thereto in particular; and

- the annual report of the Company for the financial year ended 31 December 2020 which was published on 20 April 2021 available on:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0420/2021042001467.pdf>, please refer to pages 100 to 180 in particular.

2. INDEBTEDNESS STATEMENT

As at 31 March 2021, the indebtedness of the Group primarily included lease liabilities.

As at 31 March 2021, our lease liabilities were approximately RMB94.26 million. The lease liabilities were secured by rental deposits and unguaranteed.

Save as aforesaid, as of 31 March 2021, being the latest practicable date for determining indebtedness, the Company did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances or acceptance credits or hire purchase commitments or guarantees or other material contingent liabilities.

3. MATERIAL ADVERSE CHANGE

The Directors confirmed that, as at the Latest Practicable Date, they were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Group were made up.

4. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the existing cash and bank balances, the Group has sufficient working capital for its present requirements and to satisfy its requirements for at least the next 12 months from the date of publication of this circular.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Group is a leading cellular immunotherapy biopharmaceutical company in China focusing on the research, development, and commercialisation of T cell immunotherapy. Since its establishment in 2006, it has focused on R&D and clinical applications of cellular immunotherapy drugs for cancers and other major diseases, by applying advanced theories in immunology, cell biology, and genetics.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying Shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which were otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code adopted by the Company, are set out below:

(i) Interests in the Company

Name of Director	Company/name of associated company	Name of interest and capacity	Number of Shares held (L) ^(Note 1)	Approximate percentage of shareholding
Mr Tan ^(Note 2)	The Company	Interest in controlled corporation	180,480,000	35.07%
		Beneficial interest	5,000,000	0.97%
Mr Jung ^(Note 3)	The Company	Interest in controlled corporation	134,948,571	26.22%
Dr Wang Yu ^(Note 4)	The Company	Beneficial interest	23,450,000	4.56%

Notes:

- The letter "L" denotes the person's long position in such Shares.

2. Mr Tan was interested as a grantee of options which could subscribe for up to 5,000,000 Shares under the Pre-IPO Share Option Scheme.

Tan Zheng Ltd is a company wholly-owned by Mr Tan. Accordingly, Mr Tan is deemed to be interested in the 185,480,000 Shares held/deemed to be interested in by Tan Zheng Ltd. Pursuant to the Proxy Arrangement, the Passive Minority Shareholders have irrevocably entrusted their voting rights at any general meeting of the Company to Tan Zheng Ltd, such that it may exercise such voting rights with absolute discretion and hence it is deemed to be interested in the Shares held by the Passive Minority Shareholder. Among the 185,480,000 Shares held by Tan Zheng Ltd, 155,794,286 Shares were entrusted by the Passive Minority Shareholders pursuant to the Proxy Arrangement.

3. These Shares are held by Evodevo Ltd, a company wholly-owned by Mr Jung. Accordingly, Mr Jung is deemed to be interested in the Shares held by Evodevo Ltd.
4. Dr Wang was interested as a grantee of options which could subscribe for up to 23,450,000 Shares under the Pre-IPO Share Option Scheme.

(ii) *Interests in the associated corporations*

Name of Director	Nature of interest	Name of associated corporation	Registered capital	Percentage of interest in the associated corporation
Mr Tan	Beneficial interest	Yongtai Ruike	RMB30,000,000	60.00%
Dr Wang Yu	Beneficial interest	Yongtai Ruike	RMB20,000,000	40.00%

Save as disclosed above, as the Latest Practicable Date, none of the Directors and/or chief executives of the Company nor their associates had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which would be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders' and other persons' interests and/or short positions in the Shares and underlying Shares

As at the Latest Practicable Date, the following substantial Shareholders (other than Directors and chief executives of the Company) had, or were deemed to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and which were recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity	Number of Shares held (L) ^(Note 1)	Approximate percentage of shareholding in the Company
Tan Zheng Ltd ^(Note 2)	Beneficial owner	24,685,714	4.80%
	Interest of a party to an agreement	155,794,286	30.27%
Evodevo Ltd	Beneficial interest	134,948,571	26.22%
Zhang Beini ^(Note 3)	Interested in controlled corporation	30,666,667	5.96%
Bei Ni Ltd	Beneficial interest	30,666,667	5.96%
Greater Bay Area Homeland Development Fund (GP) Limited ^(Note 4)	Interested in controlled corporation	33,138,619	6.44%
Greater Bay Area Homeland Development Fund LP ^(Note 4)	Interested in controlled corporation	33,138,619	6.44%
Poly Platinum Enterprises Limited ^(Note 4)	Beneficial interest	33,138,619	6.44%
Tan Xiaoyang ^(Note 5)	Other/Interest of spouse	59,794,286	11.62%
Tan Xiao Yang Ltd ^(Note 5)	Other	46,080,000	8.95%
Tan Yueyue ^(Note 5)	Interested in controlled corporation/Interest of spouse	59,794,286	11.62%
Zhang Junzheng ^(Note 6)	Other/Interest of spouse	51,875,714	10.08%
Zhang Jun Zheng Ltd ^(Note 6)	Other	41,691,428	8.10%
Wang Minhui ^(Note 6)	Interested in controlled corporation/Interest of spouse	51,875,714	10.08%

Notes:

1. The letter "L" denotes the person's long position in such Shares.
2. Pursuant to a proxy agreement dated 29 August 2019 (the "Proxy Agreement"), the passive minority shareholders interested in 155,794,286 Shares in aggregate have irrevocably entrusted their voting rights at any general meeting of the Company to Tan Zheng Ltd, such that it may exercise such voting rights with absolute discretion and hence it is deemed to be interested in the Shares held by the passive minority shareholders.

3. Bei Ni Ltd is a company wholly-owned by Zhang Beini. Accordingly, Zhang Beini is deemed to be interested in the Shares held by Bei Ni Ltd.
4. Poly Platinum is a wholly-controlled subsidiary of Greater Bay Area Homeland Development Fund LP (大灣區共同家園發展基金有限合夥) (“**Greater Bay Area Fund**”). According to Poly Platinum, the general partner of Greater Bay Area Fund is Greater Bay Area Homeland Development Fund (GP) Limited. Accordingly, each of Greater Bay Area Homeland Development Fund (GP) Limited and Greater Bay Area Fund is deemed to be interested in the Shares held by Poly Platinum.
5. These 59,794,286 Shares comprises 46,080,000 Shares held by Tan Xiao Yang Ltd and 13,714,286 Shares held by a company controlled by Ms Tan Yueyue. Tan Xiao Yang Ltd is a company wholly-owned by Mr Tan Xiaoyang, who is deemed to be interested in Shares held by Tan Xiao Yang Ltd. Ms Tan Yueyue is the spouse of Mr Tan Xiaoyang.

Mr Tan Xiaoyang and Tan Xiao Yang Ltd are the passive minority shareholders which entrusted their voting rights in the Company in Tan Zheng Ltd pursuant to the Proxy Agreement.

6. These 51,875,714 Shares comprises 41,691,428 Shares held by Zhang Jun Zheng Ltd and 10,184,286 Shares held by a company controlled by Ms Wang Minhui. Zhang Jun Zheng Ltd is a company wholly-owned by Mr Zhang Junzheng, who is deemed to be interested in the Shares held by Zhang Jun Zheng Ltd. Ms Wang Minhui is the spouse of Mr Zhang Junzheng.

Mr Zhang Junzheng and Zhang Jun Zheng Ltd are the passive minority shareholders which entrusted their voting rights in the Company in Tan Zheng Ltd pursuant to the Proxy Agreement.

Save as disclosed above, as at the Latest Practicable Date, the Directors and the chief executive of the Company are not aware of any person (other than a Director or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, directly or indirectly, interested in 5% or more of any class of the issued share capital carrying rights to vote in all circumstances at general meetings of the Company.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates (as defined under the Listing Rules) had any interest in any business which competes or was likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS OF THE GROUP

As at the Latest Practicable Date,

- (a) none of the Directors were materially interested in any contract or arrangement subsisting and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following are contracts entered into within the two years preceding the date of this circular which are or may be material:

- (a) the subscription agreement dated 3 June 2019 entered into among Poly Platinum Enterprises Limited, the Company, Tan Xiaoyang (譚曉陽), Mr Tan, Zhang Junzheng (張軍政), Ma Xiaoou (馬曉鷗), Song Aiping (宋愛平), Ke Shaobin (柯少彬), Wang Shuhui (王淑慧), Li Yunhui (李昀慧), Tan Yueyue (譚月月) and Wang Yuning (王玉寧), pursuant to which Poly Platinum Enterprises Limited agreed to subscribe for convertible preference shares in the Company for HK\$200.0 million;
- (b) the first supplemental subscription agreement dated 12 June 2019 entered into among Poly Platinum Enterprises Limited, the Company, Tan Xiaoyang (譚曉陽), Mr Tan, Zhang Junzheng (張軍政), Ma Xiaoou (馬曉鷗), Song Aiping (宋愛平), Ke Shaobin (柯少彬), Wang Shuhui (王淑慧), Li Yunhui (李昀慧), Tan Yueyue (譚月月) and Wang Yuning (王玉寧), in relation to the agreement referred to in (i) above, pursuant to which the number, valuation and formula relating to the issuance of convertible preference shares were adjusted;
- (c) the put option deed dated 12 June 2019 entered into among the Company, Tan Xiaoyang (譚曉陽), Mr Tan, Zhang Junzheng (張軍政), Ma Xiaoou (馬曉鷗), Song Aiping (宋愛平), Ke Shaobin (柯少彬), Wang Shuhui (王淑慧), Li Yunhui (李昀慧), Tan Yueyue (譚月月) and Wang Yuning (王玉寧) and Poly Platinum Enterprises Limited in relation to a put option granted by the Company, Tan Xiaoyang (譚曉陽), Mr Tan, Zhang Junzheng (張軍政), Ma Xiaoou (馬曉鷗), Song Aiping (宋愛平), Ke Shaobin (柯少彬), Wang Shuhui (王淑慧), Li Yunhui (李昀慧), Tan Yueyue (譚月月) and Wang Yuning (王玉寧) to purchase or redeem all or any portion of the convertible preference shares from Poly Platinum Enterprises Limited;

- (d) the deed of indemnity dated 6 June 2020 and executed by TAN ZHENG LTD and Mr Tan in favour of the Company (for itself and as trustee for each of its subsidiaries) to provide indemnities on a joint and several basis in respect of, among other things, taxation resulting from income, profits or gains earned, accrued or received on or before the date on which the Global Offering becomes unconditional;
- (e) a cornerstone investment agreement dated 12 June 2020 and a supplemental agreement dated 19 June 2020, entered into between the Company, Poly Platinum Enterprises Limited, CCB International Capital Limited and Guosen Securities (HK) Capital Company Limited, pursuant to which Poly Platinum Enterprises Limited agreed to subscribe for such number of Shares rounded down to the nearest whole board lot which may be purchased with US\$20.0 million at the offer price of the Company's IPO;
- (f) a cornerstone investment agreement dated 12 June 2020 entered into between the Company, Tasly (Hong Kong) Pharmaceutical Investment Limited, CCB International Capital Limited, Guosen Securities (HK) Capital Company Limited and Haitong International Securities Company Limited, pursuant to which Tasly (Hong Kong) Pharmaceutical Investment Limited agreed to subscribe for such number of Shares rounded down to the nearest whole board lot which may be purchased with US\$10.0 million (minus brokerage and levies) at the Offer price of the Company's IPO;
- (g) the cornerstone investment agreement dated 16 June 2020 entered into by and among the Company, 季洪昌 (Ji Hongchang), CCB International Capital Limited and Guosen Securities (HK) Capital Company Limited, pursuant to which 季洪昌 (Ji Hongchang) agreed to subscribe for such number of Shares rounded down to the nearest whole board lot which may be purchased with US\$5.0 million at the Offer price of the Company's IPO, through an asset manager which is a qualified domestic institutional investor;
- (h) a cornerstone investment agreement dated 18 June 2020 entered into between the Company, China Lesso Group Holdings Limited, CCB International Capital Limited and Guosen Securities (HK) Capital Company Limited, pursuant to which China Lesso Group Holdings Limited agreed to subscribe for such number of Shares rounded down to the nearest whole board lot which may be purchased with US\$5.0 million at the Offer price of the Company's IPO;
- (i) the Hong Kong underwriting agreement dated 26 June 2020 entered into by the Company, Mr Tan, Tan Zheng Ltd, Dr Wang, Mr Jung, Evodevo Ltd, CCB International Capital Limited, Guosen Securities (HK) Capital Company Limited and the Hong Kong Underwriters in relation to the IPO;

- (j) the subscription agreement dated 31 December 2020 entered into among the Company, as a subscriber; and Tasly Bioscience Fund Limited, for itself and in its capacity as general partner of Tasly Bioscience Fund, L.P. (the “**Investment Fund**”), in relation to, among other things, the subscription of the limited partner interests in the Investment Fund by the Company for a total capital commitment of HK\$156.8 million;
- (k) the amended and restated limited partnership agreement dated 31 December 2020 entered into among Tasly Bioscience Fund Limited, as the general partner and as attorney of the limited partners to the Investment Fund, including the Company, to govern their relationship and provide for, among others, the manner of operation and management of the Investment Fund;
- (l) the cooperation framework agreement dated 24 February 2021 entered into among Beijing Yongtai and Shaoxing Binhai New Area Management Committee (紹興濱海新區管理委員會) in relation to the development of biomedical industry in Shaoxing Binhai New Area (紹興濱海新區) by the introduction of Beijing Yongtai to participate in the Huadong Cellular Immunotherapy Industrial Park (華東細胞產業園) project, including, among other things, the establishment of a specialised industry fund (the “**Specialised Industry Fund**”), targeted at investments in the upstream and downstream industrial chain of, among other things, cellular immunotherapy;
- (m) the limited partnership agreement dated 24 February 2021 entered into among Shaoxing Binhai New Area Biomedical Industry Equity Investment Fund Partnership (LP) (紹興濱海新區生物醫藥產業股權投資基金合夥企業(有限合夥)), Beijing Yongtai, Tianjin Tianjian Medical Technology Co., Ltd. (天津天健醫療科技有限公司) (as limited partners) and Tianjin Jinxin Health Technology Co., Ltd. (天津金新健康科技有限公司) (as general partner) in relation to the establishment of the Specialised Industry Fund and subscription by Beijing Yongtai for a total capital commitment of RMB50 million; and
- (n) the Construction Agreement.

6. LITIGATION

As at the Latest Practicable Date, there was no litigation or claim of material importance known to the Directors to be pending or threatened against the Group or any member of the Group.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation)).

8. GENERAL

- (a) The registered office of the Company is at the offices of Maples Corporate Services Limited at PO Box 309, Umland House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The Cayman Islands principal share registrar and transfer office of the Company is at Maples Fund Services (Cayman) Limited, P.O. Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.
- (c) The Hong Kong branch share registrar and transfer office of the Company is at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The Company's principal place of business in Hong Kong is at 31/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.
- (e) The joint company secretaries of the Company are Ms Yin Mengyang and Ms Leung Shui Bing, who has been an associate member of the Hong Kong Institute of Chartered Secretaries since December 2017.
- (f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 9:00 a.m. to 6:00 p.m. (except Saturdays, Sundays and public holidays) at the principal place of business of the Company in Hong Kong for a period of 14 days commencing from the date of this circular:

- (a) the memorandum and the articles of association of the Company;
- (b) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (c) the annual report of the Company for the year ended 31 December 2020;
- (d) the Prospectus of the Company dated 29 June 2020; and
- (e) this circular.