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Application Proof of



Eccogene Inc. 誠益生物開曼有限公司*

(the “Company”)

(Incorporated in the Cayman Islands with limited liability)

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ECCOGENE

Eccogene Inc.

誠益生物開曼有限公司*

(Incorporated in the Cayman Islands with limited liability)

[REDACTED]

**Number of [REDACTED] : [REDACTED] (subject to the
under the [REDACTED] [REDACTED])**

Number of [REDACTED] : [REDACTED] (subject to [REDACTED])

**Number of [REDACTED] : [REDACTED] (subject to [REDACTED]
and the [REDACTED])**

**Maximum [REDACTED] : HK\$[REDACTED] per [REDACTED],
plus brokerage of 1.0%, AFRC
transaction levy of 0.00015%, SFC
transaction levy of 0.0027% and Stock
Exchange trading fee of 0.00565%
(payable in full on application in Hong
Kong dollars and subject to refund)**

Nominal value : US\$0.0001 per [REDACTED]

[REDACTED] : [REDACTED]

Joint Sponsors, [REDACTED]

Jefferies

BofA Securities

CICC

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The [REDACTED] (for themselves and on behalf of the [REDACTED]) may, where considered appropriate and with our consent, reduce the number of [REDACTED] and/or the [REDACTED] below that stated in this document at any time prior to the morning of the last day for lodging applications under the [REDACTED]. In such case, an announcement will be published on the websites of the Stock Exchange at www.hkexnews.hk and our Company at www.eccogene.com and the [REDACTED] will be canceled and relaunched at the revised number of [REDACTED] and/or the revised [REDACTED] range in accordance with the requirements under Rule 11.13 of the Listing Rules (which include the issue of a supplemental or a new document (as appropriate)), as soon as practicable following the decision to make such reduction, and in any event not later than the morning of the last day for lodging applications under the [REDACTED]. For more details, see “[REDACTED]” and “[REDACTED].”

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[REDACTED]

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[REDACTED]

IMPORTANT

[REDACTED]

IMPORTANT

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

EXPECTED TIMETABLE⁽¹⁾

[REDACTED]

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SUMMARY

This summary aims to give you an overview of the information contained in this document. As this is a summary, it does not contain all the information that may be important to you. You should read the whole document before you decide to [REDACTED] in the [REDACTED].

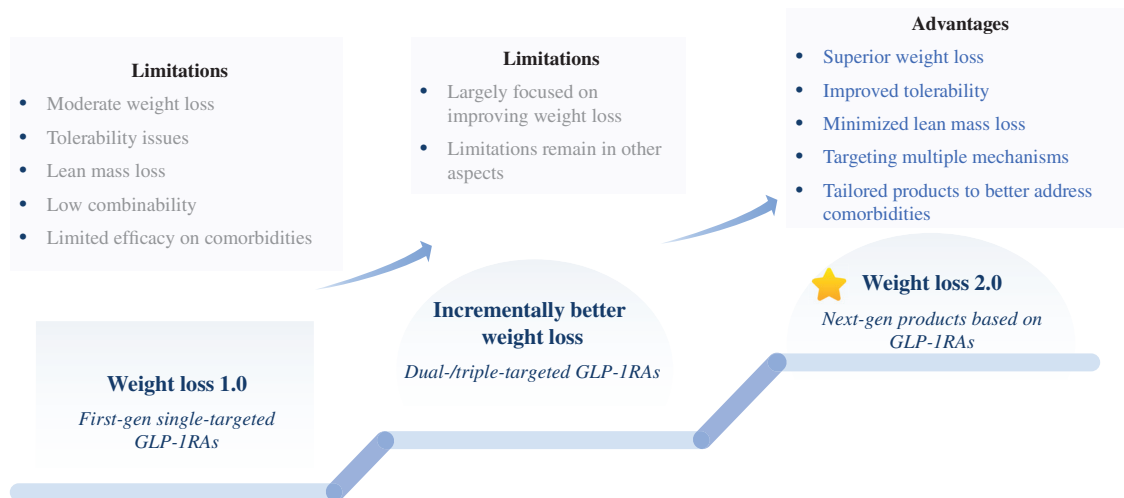
*There are risks associated with any [REDACTED]. Some of the particular risks in [REDACTED] in the [REDACTED] are set out in the section headed “Risk Factors” in this document. You should read that section carefully before you decide to [REDACTED] in the [REDACTED]. **In particular, we are a biotechnology company seeking a [REDACTED] on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules on the basis that we are unable to meet the requirements under Rule 8.05 (1), (2) or (3) of the Listing Rules.** There are unique challenges, risks and uncertainties associated with [REDACTED] in companies such as ours. Our Core Product (ECC4703) is in the early stage of clinical development and is the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Listing Guide, and we may continue to incur substantial costs and expenses in relation to R&D activities for the Core Product, and the Core Product may not be successfully developed or marketed. Your [REDACTED] decision should be made in light of these considerations.*

OVERVIEW

We are a global clinical-stage biotechnology company and an industry trailblazer dedicated to discovering and developing next-generation oral small molecule medicines to address significant unmet medical needs in cardiometabolic diseases and inflammatory disorders worldwide. Founded by industry veterans with deep expertise in disease biology, drug discovery and translational medicine in 2018, our mission is to improve patient care and expand patients’ access to innovative, effective and affordable oral small molecule therapies.

We leverage our proprietary translation research-aided drug discovery and development (“**TRANDD**”) platform, which integrates target selection, scaffold design, translational biomarker selection and data-driven clinical trial design into an iterative workflow to efficiently identify and advance differentiated oral small molecule therapeutics, with the potential to deliver meaningful clinical benefits across diverse patient populations. Our approach to addressing the complex and evolving needs is centered on “weight loss 2.0 solutions” designed to achieve superior weight loss, improved tolerability, minimized lean mass loss and tailored profile targeting distinct comorbidities. Specifically, we have developed an oral small molecule GLP-1 receptor agonist (“**GLP-1RA**”), ECC5004, which serves as a monotherapy and a backbone therapy that can be combined with other oral therapeutic agents. In addition, we offer a diversified pipeline of oral small molecules with complementary mechanisms, such as an oral, liver targeting thyroid hormone receptor beta (“**THR-β**”) full agonist, ECC4703, and an oral small molecule inhibitor of semicarbazide-sensitive amine oxidase (“**SSAO**”) (also known as vascular adhesion protein-1 (“**VAP-1**”), ECC0509, which can be combined with GLP-1RA to unlock its full potential.

SUMMARY



Source: Company

THERE IS NO ASSURANCE THAT WE WILL ULTIMATELY BE ABLE TO DEVELOP AND MARKET OUR CORE PRODUCT OR ANY OF OUR PIPELINE PRODUCTS SUCCESSFULLY.

OUR PIPELINE

Our pipeline is purpose-built for both monotherapy and combination therapy, aiming to deliver meaningful outcomes across weight management (obesity/overweight), metabolic dysfunction-associated steatohepatitis (“**MASH**”), osteoarthritis (“**OA**”) pain and other cardiometabolic diseases. With the TRANDD platform as our engine, we are positioned as an industry trailblazer in oral small molecule solutions for cardiometabolic disease and inflammatory disorders. Our current pipeline is summarized below:

SUMMARY

Program	Modality	Target	Indications	Mono/ Combo	Preclinical	Phase I / Ib	Phase II / IIb	Phase III	Trial Sponsor	Trial Location	Expected Milestones	Commercial Rights	Partner
Clinical-stage programs													
★ ECC5004	Oral small molecule	GLP-1R	T2D	Mono					AstraZeneca	Global	Trial completion: Q4 2025	Co-commercialize in Greater China	AstraZeneca ⁽²⁾
			Weight Management	Mono					AstraZeneca	Global	Trial completion: Q4 2025		
				Mono			⁽¹⁾		ECCOGENE	China	Trial completion: Q4 2025		
★ ECC4703	Oral small molecule	THRβ	MASH	Mono / + ECC0509					ECCOGENE	Global	Phase II First Patient In: Q4 2025	Global	
			Weight Management	+ GLP-1RA			⁽³⁾		ECCOGENE	Global	IND submission: 2026		
			OA Pain	Mono					ECCOGENE	Global	Phase II initiation: 2027		
★ ECC0509	Oral small molecule	SSAO (VAP1)	MASH	Mono / + ECC4703					ECCOGENE	Global	Phase II First Patient In: Q4 2025	Global	
Preclinical programs													
GIP Program	Oral small molecule	GIPR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
Amylin Program	Oral small molecule	AmylinR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
										★ Core Product ☆ Key Product			

Notes:

- (1) This is a Phase Ib bridging trial that is expected to be completed in the fourth quarter of 2025, and lead to Phase III trial in China.
- (2) ECC5004 may be developed with AstraZeneca’s sodium-glucose co-transporter 2 (“SGLT2”) inhibitor and oral proprotein convertase subtilisin/kexin type 9 (“PCSK9”) inhibitor.
- (3) We plan to initiate a Phase II trial for combination therapies of ECC4703 with GLP-1RA.

SUMMARY

Our Key Product — ECC5004, an Oral Small Molecule GLP-1RA with Best-in-Class and Second to Global Market Potential

ECC5004 is an once-daily, oral small molecule GLP-1RA designed to transform the treatment landscape for weight management and type 2 diabetes (“**T2D**”). As a highly differentiated GLP-1RA, ECC5004 selectively activates the cyclic adenosine monophosphate (“**cAMP**”) pathway while minimizing β -arrestin recruitment and receptor internalization, a mechanism associated with sustained efficacy. According to Frost & Sullivan, ECC5004 has the potential to be the best-in-class and second oral small molecule GLP-1RA to enter the global market, representing a significant advancement over both injectable and oral peptide-based GLP-1RA therapies.

ECC5004’s molecular design overcomes key limitations of current GLP-1RA therapies. Unlike oral peptide GLP-1RAs, which require strict fasting and complex administration regimens, ECC5004 achieves high oral bioavailability (approximately 90% in preclinical model), food-independent dosing, and favorable pharmacokinetics suitable for real-world use. In the completed Phase I clinical trials, ECC5004 demonstrated a favorable safety and tolerability profile, with most adverse events being mild to moderate and consistent with the GLP-1RA class. Notably, ECC5004 can be administered without regard to meals, supporting patient convenience and adherence.

In the single ascending dose (“**SAD**”) portion of the completed first-in-human trial in the United States, ECC5004 has shown strong, dose-dependent reductions in plasma glucose upon glucose challenge in healthy participants. In the completed multiple-ascending dose (“**MAD**”) portion of the Phase I trial in the United States, patients with T2D in the 50 mg cohort who underwent a titration regimen experienced clinically meaningful weight loss of 5.76% at Day 28, with a least square (“**LS**”) mean change from baseline in fasting plasma glucose level of 76.6 mg/dL and a 51.7% decrease from the baseline in glucose area under the curve (“**AUC**”). These results were achieved with a low peak-to-trough ratio pharmacokinetic profile, supporting stable plasma concentrations and potentially reducing peak-related gastrointestinal side effects.

ECC5004’s unique small molecule modality enables flexible co-formulation and combination with other oral therapeutic agents, such as SGLT2 inhibitors and PCSK9 inhibitors, supporting potentially individualized, multi-target treatment strategies for patients with weight management issues, T2D and related cardiometabolic comorbidities. Its oral administration eliminates the need for injection and cold-chain storage, broadening access and improving patient adherence.

ECC5004 has completed the Phase I first-in-human trial as a monotherapy in healthy participants and in patients with T2D in the United States with clinical study report in March 2024. ECC5004 has also completed Phase I trials in healthy participants under fasted and fed conditions in the United States in March 2024. ECC5004 is currently undergoing two global Phase IIb trials for obesity/overweight (VISTA) and T2D (SOLSTICE), and a bridging Phase Ib trial in China. These Phase IIb trials and Phase Ib trial in China are all expected to be completed in the fourth quarter of 2025. The program is supported by a strategic global partnership with AstraZeneca. See “Business — Our Collaboration and Licensing Agreement” for more details.

SUMMARY

Our Core Product — ECC4703, a Liver Targeting, Selective THR- β Full Agonist with Best-in-Class, Second to Global Market for MASH and First-in-Class for Weight Management Potential

ECC4703 is an oral, liver targeting THR- β full agonist, representing a new generation of disease-modifying therapies for MASH and obesity/overweight with the potential for best-in-class, second to global market for MASH and first-in-class for weight management, according to Frost & Sullivan. As a liver targeting, selective THR- β full agonist, ECC4703 is designed to deliver more consistent and pronounced reductions in hepatic fat, circulating atherogenic lipids, and liver fibrosis than partial agonists, while minimizing the cardiac and skeletal safety risks associated with THR- α activation. According to Frost & Sullivan, THR- β is one of the few mechanisms with strong human validation in MASH, and ECC4703’s liver-targeting, full-agonist profile positions it at the forefront of next-generation therapies for liver disease and weight management.

In the completed first-in-human Phase I trial, ECC4703 has demonstrated robust pharmacological activity and a favorable safety profile. Notably, in the completed first-in-human Phase I trial, ECC4703 achieved placebo-adjusted reductions in low-density lipoprotein cholesterol (“**LDL-C**”) of approximately 30% to 45% after 14 days of once-daily dosing, with additional improvements in total cholesterol, and triglycerides, and marked increases in sex hormone binding globulin (“**SHBG**”), confirming strong hepatic THR engagement. These lipid-lowering effects are among the most pronounced reported for THR- β agonists in early clinical development according to Frost & Sullivan.

ECC4703’s safety and tolerability profile further differentiates it from earlier agents. In the completed first-in-human Phase I trial, all treatment-emergent adverse events (“**TEAEs**”) were mild, with no Grade 3 or above events, and no clinically meaningful changes in thyroid function with minimal gastrointestinal side effects. Mild, alanine aminotransferase (“**ALT**”) elevations were observed in a small number of subjects, consistent with the class. No serious adverse events due to drug-related toxicity were reported.

Beyond monotherapy, ECC4703 is uniquely positioned for combination regimens. Preclinical studies have shown that combining ECC4703 with the SSAO inhibitor ECC0509 further improves liver fibrosis, while combination with GLP-1RAs in obese animal models results in greater weight loss and minimized lean mass loss compared to GLP-1RA monotherapies. These findings support ECC4703 as a key component for future combination therapies for MASH and weight management.

We completed the Phase I trial of ECC4703 as a monotherapy in healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL in the United States in October 2023. As the first-in-human study, the results from this trial demonstrated that ECC4703 was safe and well tolerated following single and repeated daily dosing. In China, we completed the Phase I trial of ECC4703 in healthy participants as a monotherapy in November 2023. We received the IND approval for the Phase IIa trial of ECC4703 as a monotherapy and

SUMMARY

in combination with ECC0509 for MASH in October 2025, and expect to initiate the trial in the fourth quarter of 2025. We also plan to conduct a Phase IIa trial of ECC4703 in combination with a GLP-1RA for weight management in 2026.

Our Key Product — ECC0509, an Oral SSAO Inhibitor with First-in-Class Potential

ECC0509 is a novel, once-daily, oral small molecule inhibitor of SSAO, purposefully engineered for high potency and peripheral selectivity. ECC0509 is being developed for the treatment of OA pain as a monotherapy and for the treatment of MASH as a combination therapy with ECC4703. ECC0509 aims to offer a differentiated, non-opioid, non-steroidal approach to OA pain management, and also address inflammatory conditions implicated by MASH. According to Frost & Sullivan, ECC0509 exhibits first-in-class potential for the treatment of OA pain.

In the completed Phase I clinical trial in healthy participants, ECC0509 demonstrated rapid, near-complete, and sustained inhibition of plasma SSAO activity at low doses, with a favorable safety and tolerability profile. Most adverse events were mild. Preclinical studies have shown that ECC0509 provides dose-dependent pain relief in OA models and, when combined with ECC4703, delivers additive antifibrotic effects in MASH model. The peripherally selective profile of ECC0509 minimizes central nervous system drug-drug interaction risks, supporting its use in broad patient populations and in combination regimens.

We have completed the Phase I trial of ECC0509 as a monotherapy in healthy participants in Australia in July 2023. We received the IND approval for the Phase IIa trial of ECC0509 as a monotherapy and in combination with ECC4703 for MASH in October 2025, and expect to initiate the trial in the fourth quarter of 2025. We also received the IND approval for Phase IIa trial of ECC0509 as a monotherapy for OA pain in April 2025.

Our Preclinical Pipeline of Oral Small Molecules with First-in-Class Potential

Our glucose-dependent insulinotropic polypeptide receptor (“GIPR”) modulator program is focused on developing orally available, non-peptide small molecule modulators for the treatment of metabolic diseases, including weight management, T2D and related cardiometabolic comorbidities. Building on strong human validation of the GIP pathway, our GIPR modulators are designed to be combined with oral weight loss agents to achieve greater weight loss and metabolic benefits than GLP-1RA monotherapy, while maintaining the convenience and scalability of oral administration. The program is currently in preclinical development, with plans to advance to clinical trials.

Our Amylin receptor program aims to deliver orally available, small molecule Amylin receptor agonists for cardiometabolic diseases. Recent clinical data have highlighted the value of Amylin receptor agonist, especially in combination with GLP-1RAs. The program is currently in preclinical stage, with plans to advance to clinical trials.

SUMMARY

OUR PLATFORM

We have developed our TRANDD platform to support an integrated workflow across discovery and development, which has enabled us to advance three distinct drug candidates into clinical development in just four years from the start of the programs. The platform’s core capabilities include: (i) Targeting selection and validation, (ii) Refinement and development target product profile (“TPP”), (iii) Analysis and prioritization of chemical scaffold, (iv) Novel indication selection, (v) Design of early clinical trials, and (vi) Determination of biomarkers and patient stratification. For more details, see “Business — Our Platform.”

OUR COMPETITIVE STRENGTHS

We believe the following strengths have contributed to our success and differentiated us from our competitors:

- An industry trailblazer advancing the next-generation oral small molecule solutions for cardiometabolic diseases and inflammatory disorders;
- A globally competitive pipeline for combination therapies to unlock the full potential of GLP-1 based therapy;
- An innovative R&D powerhouse anchored by deep expertise in translational research and proven execution capabilities;
- Strategic global partnership to advance development and commercialization efforts; and
- Visionary management with deep scientific expertise and industry insight.

OUR STRATEGIES

We intend to capitalize on our competitive strengths by pursuing the following strategies:

- Strategically advance our pipeline programs and unlock their full potential via indication expansion and combination therapies;
- Continue to strengthen our proprietary TRANDD platform and enhance our R&D capabilities;
- Maximize the value of our assets through accretive partnerships; and
- Attract, train and retain talents across regions to drive global innovation.

SUMMARY

RESEARCH AND DEVELOPMENT

We adopt a science-driven research and development (“**R&D**”) approach that leverages decades of experience of our co-founders and management team in disease biology, drug discovery and translational medicine. Our R&D philosophy is underscored by a culture of rigorous, data-driven decision-making and cross-functional collaboration, which has been instrumental in our ability to rapidly advance differentiated oral therapeutics from concept to clinical stage. In addition to our TRANDD platform, our R&D organization is structured to support end-to-end innovation, from early discovery through late-stage clinical development. As of June 30, 2025, our in-house R&D team consisted of 41 members, including 15 Ph.D. and M.D. holders. Our team brings extensive experience from leading multinational pharmaceutical companies and is led by industry veterans with proven track records in advancing small molecule therapeutics for cardiometabolic and inflammatory diseases. The R&D team is organized into specialized groups covering discovery biology, medicinal chemistry, translational research, clinical development, and regulatory affairs, ensuring seamless integration across all stages of the drug development process. For more details of our R&D capabilities and processes, see “Business — Research and Development — In-house R&D Team” and “Business — Research and Development — R&D Process.”

Our research and development expenses amounted to US\$22.5 million, US\$16.2 million, US\$5.8 million and US\$15.7 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively. For details, see “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Research and Development Expenses.”

COLLABORATION AND LICENSING AGREEMENT WITH ASTRAZENECA

In November 2023, we entered into an exclusive collaboration and license agreement with AstraZeneca, a leading global pharmaceutical company, for the development, manufacturing, and commercialization of our oral small molecule GLP-1RA, ECC5004. Under the agreement, we granted AstraZeneca exclusive global rights (excluding mainland China, Hong Kong, Macau, and Taiwan, and collectively, the “**Greater China**”) to develop, manufacture, and commercialize ECC5004. In the Greater China region, we retained the co-development and co-commercialization rights.

Pursuant to the agreement, we received a US\$185 million upfront payment in November 2023, and are eligible for up to US\$1.825 billion in development, regulatory, and commercial milestone payments (of which US\$60 million were paid to us in October 2024 for successfully achieving milestones related to the development of ECC5004 including the first patient dosed in the Phase IIb program), as well as tiered royalties of high-single to mid-teen percentage of annual net sales outside of Greater China. The agreement also provides for cost and profit sharing in Greater China and establishes a joint steering committee to oversee collaboration activities. For further details, see “Business — Our Collaboration and Licensing Agreement.”

SUMMARY

COMPETITION

While we believe that the strength of our pipeline, proprietary TRANDD platform, and R&D capabilities provide us with important competitive advantages, we face potential competition in the field of oral small molecule therapeutics from major multinational pharmaceutical companies, other biotechnology or specialty pharmaceutical companies. Many of these companies are actively developing and certain of these companies have commercialized, therapies of same targets or indications, including GLP-1RAs, THR- β agonists, and other therapeutic agents for weight management, T2D, MASH, and related conditions.

Any product candidates that we successfully develop and commercialize will compete with both approved drugs and new therapies that may become available in the future. For example, one of our Key Products, ECC5004, a oral small molecule GLP-1RA, will face competition from both injectable and oral GLP-1RAs, including peptide-based and small molecule agents, as well as emerging multi-target therapies. Our Core Product, ECC4703, a liver targeting THR- β full agonist, and one of our Key Products, ECC0509, a SSAO inhibitor, may also compete with other therapeutic agents in development or approved therapeutic agents on the market.

INTELLECTUAL PROPERTY

Intellectual property rights are critical to the success of our business, and we are committed to the ongoing development, protection, and enforcement of our intellectual property portfolio. As of the Latest Practicable Date, we owned (i) five issued patents in China, (ii) six issued patents in the United States, (iii) 10 issued patents in other jurisdictions, including Japan, Saudi Arabia, Macau, South Africa, Israel and the jurisdictions covered by the Eurasian Patent Organization, and (iv) 68 pending patent applications, including two in China, three in the United States, five under the Patent Cooperation Treaty (“PCT”) which have not entered into national phases, six under the PCT which may serve as the basis for claiming priority, and 52 in other jurisdictions.

We also maintain a portfolio of registered trademarks and trademark applications in China and other jurisdictions, and are the registered owner of two domain name(s). We may enter into license and collaboration agreements with biopharmaceutical companies and other organizations, through which we may grant access to our own intellectual property or gain access to the intellectual property of others.

During the Track Record Period and up to the Latest Practicable Date, we were not involved in any legal, arbitral, or administrative proceedings in respect of, and had not received notice of any material claims of infringement, misappropriation, or other violations of third-party intellectual property. For further details, see “Appendix VI — Statutory and General Information — B. Further Information about Our Business.”

SUMMARY

MANUFACTURING

As of the Latest Practicable Date, we did not have any in-house manufacturing facility. To date, all of our manufacturing activities have been conducted through our partners (including but not limited to contract development and manufacturing organizations (“CDMOs”)) to support our drug development programs. We currently outsource our manufacturing activities to our partners (including but not limited to several globally recognized CDMOs) with extensive expertise in research, development, and production. For details, see “Business — Manufacturing.”

OUR CUSTOMER AND SUPPLIERS

Customer

During the Track Record Period, we had only one customer, AstraZeneca, which was also one of our shareholders as of the Latest Practicable Date. For the year ended December 31, 2023, 2024, and the six months ended June 30, 2025, the revenue generated from the customer amounted to US\$36.1 million, US\$221.3 million and US\$0.6 million, respectively. See “Business — Customer” for more details.

Suppliers

During the Track Record Period, our suppliers primarily included reputable contract research organizations (“CROs”), CDMOs, and suppliers of R&D materials. Purchases from our five largest suppliers for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 were US\$13.4 million, US\$15.2 million and US\$10.2 million, respectively, representing 70.5%, 79.6% and 82.9% of our total purchases for the same periods. Purchases from our single largest supplier for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 were US\$5.7 million, US\$5.9 million, US\$6.4 million, respectively, representing 29.9%, 30.6% and 52.1% of our total purchases for the same periods. All of our five largest suppliers during the Track Record Period were Independent Third Parties. See “Business — Suppliers and Procurement.”

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

This summary historical data of financial information set forth below have been derived from, and should be read in conjunction with our consolidated audited financial statements, including the accompanying notes, set forth in the Accountant’s Report set out in Appendix I to this document, as well as the information set forth in the section headed “Financial Information.” Our historical financial information was prepared in accordance with IFRSs.

SUMMARY

Summary Data of Consolidated Statements of Comprehensive Income

The following table sets forth summary data from our consolidated statements of comprehensive income for the periods indicated:

	For the Year Ended December 31,		For the Six Months Ended June 30,	
	2023	2024	2024	2025
	(US\$ in thousands)			
	(unaudited)			
Revenue	36,059	221,291	135,641	557
Cost of revenue	(1,960)	(8,774)	(7,375)	(16)
Research and development expenses	(22,474)	(16,224)	(5,831)	(15,734)
General and administrative expenses	(13,685)	(10,605)	(2,850)	(6,129)
Operating (loss)/profit	(2,060)	185,688	119,585	(21,322)
Finance income	634	5,977	3,341	3,501
Finance costs	(136)	(28)	(18)	(68)
Change in fair value of convertible redeemable preferred shares	(41,688)	(6,061)	(106)	(1,024)
Other losses, net	(418)	648	364	(808)
(Loss)/profit before tax	(43,668)	186,224	123,166	(19,721)
Income tax expense	(8,559)	(47,382)	(36,637)	(392)
(Loss)/profit for the year/period	(52,227)	138,842	86,529	(20,113)
Other comprehensive (loss)/ income				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Currency translation differences	638	(1,026)	(419)	957
Changes in fair value of financial liabilities from our credit risk	(1,167)	(3,235)	(1,829)	(1,401)
Other comprehensive (loss)/ income for the year/period, net of tax	(529)	(4,261)	(2,248)	(444)
Total comprehensive (loss)/ income for the year/period	(52,756)	134,581	84,281	(20,557)

SUMMARY

Our revenue increased from US\$36.1 million in 2023 to US\$221.3 million in 2024, primarily because we recognized the majority of the upfront payment received from AstraZeneca as revenue in 2024, as well as milestone payments received from AstraZeneca in October 2024 relating to the development of ECC5004 including the first patient dosed in the Phase IIb program. Our revenue decreased from US\$135.6 million in the six months ended June 30, 2024 to US\$0.6 million in the six months ended June 30, 2025, primarily as we recognized a large portion of the upfront payments received from AstraZeneca as revenue in the first half of 2024, upon fulfillment of the related performance obligation in accordance with the AstraZeneca Agreement.

Our cost of revenue increased from US\$2.0 million in 2023 to US\$8.8 million in 2024, and decreased from US\$7.4 million in the six months ended June 30, 2024 to US\$16 thousand in the six months ended June 30, 2025, as we fulfilled most of our performance obligation under the AstraZeneca Agreement in 2024.

Our research and development expenses decreased from US\$22.5 million in 2023 to US\$16.2 million in 2024, primarily because we were responsible for all preclinical and clinical costs for ECC5004 prior to entering into the AstraZeneca Agreement in 2023. Our research and development expenses increased from US\$5.8 million in the six months ended June 30, 2024 to US\$15.7 million in the six months ended June 30, 2025, mainly driven by the advancements of our clinical trials.

Our general and administrative expenses decreased from US\$13.7 million in 2023 to US\$10.6 million in 2024, primarily due to a decrease in our professional service fees. Our general and administrative expenses increased from US\$2.9 million in the six months ended June 30, 2024 to US\$6.1 million in the six months ended June 30, 2025, primarily due to (i) an increase in staff costs, mainly driven by the increased headcounts, and (ii) an increase in professional service fees, mainly due to the increased advisory services.

For details of our income statements, see “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income.”

SUMMARY

Summary Data from Consolidated Statements of Financial Position

The following table sets forth summary data from our consolidated statements of financial position as of the dates indicated.

	As of December 31,		As of June 30,
	2023	2024	2025
	<i>(US\$ in thousands)</i>		
Total non-current assets	552	38,063	19,303
Total current assets	206,835	163,708	166,654
Total current liabilities	284,811	141,381	145,500
Net current (liabilities)/assets	(77,976)	22,327	21,154
Total non-current liabilities	281	1,931	1,612
Net (liabilities)/assets	(77,705)	58,459	38,845
Total (deficit)/equity	(77,705)	58,459	38,845

We recorded net current assets of US\$22.3 million as of December 31, 2024, compared to net current liabilities of US\$78.0 million as of December 31, 2023, primarily attributable to (i) a decrease of US\$149.2 million in contract liabilities, and (ii) an increase of US\$22.8 million in other financial assets at amortized cost, which was partially offset by a decrease of US\$70.8 million in cash and cash equivalents. Our net current assets slightly decreased from US\$22.3 million as of December 31, 2024 to US\$21.2 million as of June 30, 2025, primarily attributable to (i) a decrease of US\$39.6 million in cash and cash equivalents, (ii) a decrease of US\$5.1 million in trade receivables, (iii) an increase of US\$2.4 million in convertible redeemable preferred shares, and (iv) an increase of US\$4.7 million in trade and other payables. These increases was partially offset by an increase of US\$44.1 million in other financial assets at amortized cost.

We recorded net assets of US\$58.5 million as of December 31, 2024, compared to net liabilities of US\$77.7 million as of December 31, 2023, primarily attributable to our profit for 2024 of US\$138.8 million. Our net assets decreased from US\$58.5 million as of December 31, 2024 to US\$38.8 million as of June 30, 2025, primarily attributable to our loss for the six months ended June 30, 2025 of US\$20.1 million.

For details of our financial position, see “Financial Information — Discussion of Certain Selected Items from the Consolidated Statements of Financial Position.”

SUMMARY

Summary Data from Consolidated Statements of Cash Flows

The following table sets forth summary data from our consolidated statements of cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2023	2024	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
			(unaudited)	
Operating cash flows before movement in working capital	(1,103)	188,041	120,335	(19,927)
Changes in working capital . .	154,941	(150,268)	(128,592)	11,240
Income tax paid	(8,561)	(53,200)	(41,600)	(8,134)
Net cash (used in)/generated from operating activities . .	145,277	(15,427)	(49,857)	(16,821)
Net cash used in from investing activities	(34,628)	(52,845)	(71,467)	(22,588)
Net cash generated from/(used in) financing activities	49,491	(1,804)	(1,547)	(324)
Net increase/(decrease) in cash and cash equivalents	160,140	(70,076)	(122,871)	(39,733)
Cash and cash equivalents at beginning of the year/period	6,672	166,858	166,858	96,022
Effect of foreign exchange rate changes, net	46	(760)	(158)	139
Cash and cash equivalents at end of the year/period .	166,858	96,022	43,829	56,428

We had net cash generated from operating activities of US\$145.3 million in 2023, and net cash used in operating activities of US\$15.4 million, US\$50.0 million and US\$16.8 million in 2024, the six months ended June 30, 2024 and 2025, respectively. The cash outflows during the Track Record Period were primarily due to the significant research and development expenses and general and administrative expenses we incurred during the Track Record Period without generating any revenue from sales of our drug candidates. Going forward, we believe our liquidity requirements will be satisfied by a combination of [REDACTED] from the [REDACTED], equity [REDACTED], debt financing, funds to be received from potential collaboration arrangements and cash to be generated from our operations after the commercialization of our drug candidates. For details of our cash flows, see “Financial Information — Liquidity and Capital Resources — Cash Flows.”

SUMMARY

Our Directors are of the opinion that, taking into account the financial resources available to us, including cash and bank balances, financial assets held by us, and the estimated [REDACTED] from the [REDACTED], and considering our cash burn rate, we have available sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses, for at least the next 12 months from the date of this document.

Our [REDACTED] rate refers to the average monthly amount of cash used in operations, purchase of property, plant and equipment, and payment for lease liabilities. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million in the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the low end of the [REDACTED] stated in this document. Assuming an average cash burn rate going forward of 1.5 times the level in the six months ended June 30, 2025, we estimate that (i) our financial resources available to us, including cash and cash equivalents and current other financial assets at amortized cost as of June 30, 2025 will be able to maintain our financial viability for [REDACTED] months, (ii) if we take into account 10.0% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), [REDACTED] months, or, (iii) if we take into account all estimated [REDACTED] from the [REDACTED], [REDACTED] months. We will continue to monitor our cash flows used in operations closely and expect to raise our next round of financing no earlier than six months after the completion of the [REDACTED].

Key Financial Ratios

The table below sets forth our key financial ratio as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Current ratio ⁽¹⁾	0.7	1.2	1.1

Note:

(1) Current ratio equals to current assets divided by current liabilities.

For details, see “Financial Information — Key Financial Ratio.”

RISK FACTORS

Our business and the [REDACTED] involve certain risks including those set out in the section headed “Risk Factors” in this document. As different [REDACTED] may have different interpretations and criteria when determining the significance of a risk, you should read the “Risk Factors” section in its entirety before you decide to [REDACTED] in our [REDACTED]. Some of the major risks that we face include:

- We depend substantially on the success of our drug candidates. If we are unable to successfully complete research and development, obtain regulatory approvals and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

SUMMARY

- We face substantial competition and rapid technological change, and our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.
- Adverse events caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.
- We may not be able to discover or identify new drug candidates, or to expand the therapeutic opportunities for our drug candidates.
- We have entered into a collaboration and licensing agreement with certain third party in the development, manufacturing and commercialization of one of our drug candidates, which is subject to various risks. We may form or seek additional collaborations or strategic partnerships or enter into additional licensing arrangements in the future. We may fail to identify suitable business partners or may not realize the benefits of such partnerships as expected.
- Except for 2024, we have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability.
- If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates and TRANDD platform in relevant jurisdictions across the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.
- We are subject to the risks of doing business globally, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.
- We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.
- We may not be able to protect our intellectual property rights, or prevent unfair competition by third parties, throughout the world.

SUMMARY

- We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.
- We are a global clinical-stage biotechnology company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.
- All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with current and evolving regulations and industry standards or any adverse actions by the regulatory authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.
- The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result to a material and adverse effect on our business and results of operations.

OUR SHAREHOLDING STRUCTURE

Our Single Largest Group of Shareholders

Our single largest group of Shareholders comprises Dr. Zhou, Zeccogene, Dr. Xu and JFSE. Pursuant to an acting-in-concert agreement dated December 16, 2021 (the “**AIC Agreement**”) entered into among Dr. Zhou, Zeccogene, Dr. Xu, and JFSE, Dr. Xu (including JFSE) (i) agreed to act in concert with Dr. Zhou (including Zeccogene) in relation to the exercise of their voting rights on matters in Shareholders’ meeting of the Company; and (ii) acknowledged and confirmed that Dr. Zhou and Zeccogene’s decision on such matters shall prevail. The AIC Agreement shall be effective from the date of its execution and shall remain in force until the earlier of Dr. Xu or JFSE ceasing to hold be a Shareholder.

As of the Latest Practicable Date, Dr. Zhou controlled the voting rights of 45,307,674 Shares, representing approximately 38.76% of our issued Shares, directly or indirectly through (i) 23,121,065 Shares held by Zeccogene; (ii) 1,905,930 Shares held by JFSE; (iii) 1,361,215 Shares held by Yansun; and (iv) 18,919,464 Shares held by Eccoforest. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will be entitled to exercise an aggregate of approximately [REDACTED]% of the voting rights in our Company, directly or indirectly through: (i) 23,121,065 Shares held by Zeccogene; and (ii) 1,905,930 Shares held by JFSE. Accordingly, our single largest group of Shareholders comprises Dr. Zhou, Zeccogene, Dr. Xu and JFSE upon [REDACTED]. For details, see “History, Reorganization and Corporate Structure — Acting-in-concert Arrangement” and “Substantial Shareholders” in this document.

SUMMARY

Pre-[REDACTED] Investors

Since the establishment of our Company, we have received equity financings totaling approximately US\$82.70 million from the Pre-[REDACTED] Investors. The Pre-[REDACTED] Investors include certain Sophisticated Investors, namely Jianyi Capital and Med-Fine Capital. Each of Jianyi Capital and Med-Fine Capital has made meaningful investment in our Company at least six months before the [REDACTED], holding approximately [REDACTED]% and [REDACTED]% of our total issued Shares, respectively, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). We utilized the proceeds to finance R&D activities for our pipeline products and to support the working capital needs of our Group. As of the Latest Practicable Date, all of the net proceeds from the Pre-[REDACTED] Investments have been utilized for the aforementioned purposes. For further details of the identity and background of the Pre-[REDACTED] Investors, and the principal terms of the Pre-[REDACTED] Investments, see “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments” in this document.

[REDACTED]

SUMMARY

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] million (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED]-related expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), including (a) the legal advisors and the reporting accountant’s expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), and (b) other fees and expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million). During the Track Record Period, we did not incur any [REDACTED]. We expect to incur [REDACTED] after the Track Record Period, approximately HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million) of which is expected to be charged to our consolidated statements of comprehensive income, and approximately HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million) of which is attributable to the issue of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

DIVIDENDS

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

SUMMARY

USE OF [REDACTED]

We estimate that we will receive [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] in this document, and assuming the [REDACTED] is not exercised. We currently intend to apply these [REDACTED] for the following purposes:

- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the research and development of our Core Product, ECC4703;
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the research and development of our Key Products, ECC5004 and ECC0509;
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund our preclinical stage programs and continued development of our TRANDD platform; and
- Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

For more details, see “Future Plans and Use of [REDACTED].”

RECENT DEVELOPMENTS

We commenced a Phase Ib bridging trial in China to evaluate ECC5004 in Chinese participants with obesity/overweight, and with or without T2D, in June 2025.

We obtained the IND approval from the FDA for the Phase IIa trial to evaluate the efficacy and safety of ECC4703, ECC0509, and the combination of ECC4703 and ECC0509 in adults with presumed MASH in October 2025.

We expect that we will continue to record net losses for the year ending on December 31, 2025, primarily because we expect to incur significant research and development expenses as we continue to advance and expand our pipeline and enhance our TRANDD platform.

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial position or prospects since June 30, 2025, the end of the period reported in the Accountant’s Report set out in Appendix I to this document, and there has been no event since June 30, 2025 that would materially affect the information contained in the Accountant’s Report set out in Appendix I to this document.

DEFINITIONS

In this document, unless the context otherwise requires, the following terms and expressions shall have the meanings set out below. Certain other terms are explained in “Glossary of Technical Terms.”

“Accountant’s Report”	the accountant’s report of our Group set out in Appendix I to this document
“AstraZeneca”	AstraZeneca PLC, a leading global pharmaceutical company, and/or any of its direct or indirect subsidiaries
“AstraZeneca Agreement”	the exclusive collaboration and licensing agreement with AstraZeneca dated November 8, 2023 as amended on August 12, 2025
“affiliate(s)”	with respect to any specified person, means any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“AFRC”	Accounting and Financial Reporting Council of Hong Kong
“Articles of Association” or “Articles”	the [fifth] amended and restated articles of association of our Company adopted by special resolution on [●] with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Laws”
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audit Committee”	audit committee of our Board
“Board” or “Board of Directors”	board of Directors of our Company
“Business Day”	a day on which banks in Hong Kong are generally open for normal business to the public and which is not a Saturday, Sunday or public holiday in Hong Kong
“BVI”	British Virgin Islands

[REDACTED]

DEFINITIONS

“Cayman Companies Act”	the Companies Act (Revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
	[REDACTED]
“CEO”	the chief executive officer of our Group
“CFO”	the chief financial officer of our Group
“China” or “PRC”	the People’s Republic of China and for the purpose of this document and for geographical reference only, excludes Hong Kong, Macau and Taiwan
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“CMO”	the chief medical officer of our Group
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	Eccogene Inc. (誠益生物開曼有限公司*), an exempted company incorporated in the Cayman Islands with limited liability on February 8, 2018
“Compliance Advisor”	Rainbow Capital (HK) Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Core Product”	has the meaning ascribed to it under the Listing Rules, and for the purpose of this document, refers to ECC4703 (THR-β agonist), the product for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Listing Guide

DEFINITIONS

“Corporate Governance Code”	Corporate Governance Code set out in Appendix C1 to the Listing Rules
“CSO”	the chief scientific officer of our Group
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Director(s)”	director(s) of our Company
“Dr. Xu”	Dr. Jianfeng Xu (徐劍鋒), our co-founder, executive Director and CSO
“Dr. Zhou”	Dr. Jingye Zhou, our co-founder, chairman of our Board, executive Director and CEO
“Eccoforest” or “ESOP Platform”	Eccoforest Holdings Limited, a BVI business company incorporated on October 11, 2019 holding the underlying incentive Shares under the Equity Incentive Plan, which is wholly owned by Dr. Zhou
“Eccogene HK”	Eccogene HK Limited, a company incorporated in Hong Kong with limited liability on March 5, 2018 and a wholly owned subsidiary of our Company
“Eccogene Shanghai”	Eccogene (Shanghai) Co., Ltd. (上海誠益生物科技有限公司), a limited liability company established in the PRC on April 25, 2018 and an indirectly wholly-owned subsidiary of our Company
“Eccogene USA”	Eccogene Inc., a company incorporated in Delaware, the United States with limited liability on January 19, 2022 and an indirectly wholly-owned subsidiary of our Company
“EIT Law”	Enterprise Income Tax Law of the People’s Republic of China (《中華人民共和國企業所得稅法》), as amended, supplemented or otherwise modified from time to time
“Equity Incentive Plan”	the equity incentive plan as adopted by our Company on July 22, 2021 and amended from time to time, a summary of the principal terms of which is set out in “Appendix IV — Statutory and General Information — D. Equity Incentive Plan”

DEFINITIONS

“Extreme Conditions” the occurrence of “extreme conditions” as announced by any government authority of Hong Kong due to serious disruption of public transport services, extensive flooding, major landslides, large-scale power outage or any other adverse conditions before Typhoon Signal No. 8 or above is replaced with Typhoon Signal No. 3 or below

[REDACTED]

“Frost & Sullivan” or “Industry Consultant” Frost & Sullivan Limited, our industry consultant, an independent market research and consulting company

[REDACTED]

“Greater China” the People’s Republic of China and for the purpose of this document and for geographical reference only, includes Hong Kong, Macau and Taiwan

“Group,” “we” or “us” our Company and our subsidiaries from time to time, and where the context requires, in respect of the period prior to our Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of our Company at the relevant time

“Guide” Guide for New Listing Applications issued by the Stock Exchange, as amended, supplemented or otherwise modified from time to time

“HK\$” or “HK dollar” Hong Kong dollar, the lawful currency of Hong Kong

DEFINITIONS

[REDACTED]

“Hong Kong”

the Hong Kong Special Administrative Region of the PRC

[REDACTED]

DEFINITIONS

[REDACTED]

“IFRS”	IFRS Accounting Standards which include standards, amendments and interpretations promulgated by the International Accounting Standards Board and the International Accounting Standards and interpretations as issued by the International Accounting Standards Committee
“Independent Third Party(ies)”	entity(ies) or person(s) who is/are not connected person(s) of our Company or our subsidiaries within the meaning of the Listing Rules

[REDACTED]

DEFINITIONS

[REDACTED]

“JFSE”	JFSE Holdings Limited, a company incorporated in the BVI with limited liability on February 1, 2018, and wholly-owned by Dr. Xu

[REDACTED]

“Joint Sponsors”	the joint sponsors named in “Directors and Parties Involved in the [REDACTED]”

“Key Product(s)”	for the purpose of this prospectus, refers to ECC5004 and/or ECC0509

“Latest Practicable Date”	September 30, 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this document prior to its publication

[REDACTED]

DEFINITIONS

[REDACTED]

“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“LSE”	London Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with the Growth Enterprise Market of the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Memorandum of Association”	the fifth amended and restated memorandum of association of our Company adopted by special resolution on [●] with effect from the [REDACTED], as amended, supplemented or otherwise modified from time to time, a summary of which is set out in “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Laws”
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“MOF”	Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	Ministry of Commerce of the PRC (中華人民共和國商務部)
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	nomination committee of our Board
“NYSE”	New York Stock Exchange

DEFINITIONS

[REDACTED]

“Overseas Listing Trial Measures”	Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), as amended, supplemented or otherwise modified from time to time
“PRC Legal Advisor”	Jingtian & Gongcheng, our legal advisor as to PRC laws
“Preferred Share(s)”	convertible preferred share(s) in the share capital of our Company, including Series A Preferred Shares, Series A-1 Preferred Shares, Series B Preferred Shares and Series C Preferred Shares

DEFINITIONS

“Pre-[REDACTED] Investment(s)”	the investment(s) in our Company by the Pre-[REDACTED] Investor(s) pursuant to the relevant investment agreement(s), the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”
“Pre-[REDACTED] Investor(s)”	the investor(s) from whom our Company obtained investment(s), the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments — Information of the Pre-[REDACTED] Investors”
	[REDACTED]
“document”	this document being issued in connection with the [REDACTED]
	[REDACTED]
“R&D”	research and development
“Regulation S”	Regulation S under the U.S. Securities Act
“Remuneration Committee”	remuneration committee of our Board
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Rule 144A”	Rule 144A under the U.S. Securities Act
“SAFE”	State Administration of Foreign Exchange of the PRC (中華人民共和國國家外匯管理局)
“SAMR” (formerly known as “SAIC”)	State Administration for Market Regulation of the PRC (中華人民共和國國家市場監督管理局) (formerly known as State Administration for Industry and Commerce of the PRC (中華人民共和國工商行政管理局))
“Series A Financing”	the investment in our Group by the Series A Investors, the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”

DEFINITIONS

“Series A Investor(s)”	the investor(s) of the Series A Financing
“Series A Preferred Share(s)”	series A convertible preferred share(s) in the share capital of our Company with a nominal value of US\$0.0001 each
“Series A-1 Financing”	the investment in our Group by the Series A-1 Investors, the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”
“Series A-1 Investor(s)”	the investor(s) of the Series A-1 Financing
“Series A-1 Preferred Share(s)”	series A-1 convertible preferred share(s) in the share capital of our Company with a nominal value of US\$0.0001 each
“Series B Financing”	the investment in our Group by the Series B Investors, the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”
“Series B Investor(s)”	the investor(s) of the Series B Financing
“Series B Preferred Share(s)”	series B convertible preferred share(s) in the share capital of our Company with a nominal value of US\$0.0001 each
“Series C Financing”	the investment in our Group by the Series C Investors, the details of which are set out in “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investments”
“Series C Investor(s)”	the investor(s) of the Series C Financing
“Series C Preferred Share(s)”	series C convertible preferred share(s) in the share capital of our Company with a nominal value of US\$0.0001 each
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)” or “Ordinary Shares(s)”	ordinary share(s) in the share capital of our Company with a nominal value of US\$0.0001 each
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Sophisticated Investor(s)”	has the meaning ascribed to it under Chapter 2.3 of the Guide
“SSE”	Shanghai Stock Exchange
“STA”	State Taxation Administration of the PRC (中華人民共和國國家稅務總局)
[REDACTED]	
“State Council”	State Council of the PRC (中華人民共和國國務院)
“STO”	Stockholm Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“SZSE”	Shenzhen Stock Exchange
“Takeovers Code”	Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	the period comprising the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025
“treasury share(s)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America, its territories, possessions and all areas subject to its jurisdiction
“U.S. dollar” or “US\$”	United States dollar, the lawful currency of the United States
“U.S. Securities Act”	United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder

DEFINITIONS

[REDACTED]

“Zeccogene”	Zeccogene Holdings Limited, a company incorporated in the BVI with limited liability on February 8, 2018, and wholly-owned by Dr. Zhou

“%”	per cent

GLOSSARY OF TECHNICAL TERMS

The following is a glossary of certain terms used in this document in connection with us and/or our business. As such, these terms and their meanings may not correspond to standard industry meanings or usage of these terms.

“ADME”	with respect to pharmacokinetics and pharmacology, ADME (absorption, distribution, metabolism, and excretion) describes the disposition of a pharmaceutical compound within an organism. The principal aim of preclinical ADME studies is to eliminate drug candidates that have suboptimal pharmaceutical properties in the early stages of drug development which allow resources to be focused on higher priority drug candidates
“AE”	adverse event, any untoward medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product and which does not necessarily have a causal relationship with this treatment. An AE can therefore be any unfavourable and unintended sign (including an abnormal laboratory finding), symptom, or disease temporally associated with the use of a medicinal (investigational) product, whether or not related to the medicinal (investigational) product
“ALT”	alanine aminotransferase, an enzyme found in the liver that helps convert proteins into energy for the liver cells, the level of which indicates liver damage, making it a biomarker commonly associated with injury or apoptosis of liver cells
“apoB”	apolipoprotein B, a protein that encoded by the APOB gene with its measurement commonly used to detect the risk of atherosclerotic cardiovascular disease
“AST”	aspartate aminotransferase, an enzyme found in the liver, heart, muscles and kidneys, high levels of which in the blood indicate hepatitis, cirrhosis, or other liver diseases
“ASCVD”	atherosclerotic cardiovascular disease, a heart disease caused by plaque buildup in arterial walls
“β-cell” or “pancreatic β-cell”	a type of endocrine cell in the pancreas that produces insulin

GLOSSARY OF TECHNICAL TERMS

“BMI”	body mass index, a numerical value calculated from height and weight, providing a standardized measure to classify underweight, healthy weight, being overweight, and obesity
“cardiometabolic diseases”	a group of interconnected disorders including metabolic diseases, like obesity and T2D coupled with cardiovascular complications such as ischemic heart disease and heart failure
“CDE”	the Center for Drug Evaluation of the NMPA
“CDMOs”	contract development and manufacturing organizations, companies that serves other companies in the pharmaceutical industry on a contract basis, providing drug development and drug manufacturing services
“cGMP”	current Good Manufacturing Practice, guidelines that assure proper design, monitoring, and control of drug manufacturing process
“C _{max} ”	highest or peak blood/plasma concentration
“CNS”	central nervous system, the part of the nervous system consisting primarily of the brain, spinal cord and retina
“combination therapy”	a treatment approach that uses multiple methods or drugs simultaneously
“comorbidity”	an additional medical condition or disease that coexists with a primary condition in a patient
“CPT1”	carnitine palmitoyl-transferase 1, a mitochondrial enzyme responsible for the formation of acyl carnitines by catalyzing the transfer of the acyl group of a long-chain fatty acyl-CoA from coenzyme A to l-carnitine
“CRO”	contract research organization, a company that provides research services to pharmaceutical and biotechnology companies on a contract basis

GLOSSARY OF TECHNICAL TERMS

“double-blind”	a type of clinical trial in which neither the participants nor the researcher knows which treatment or intervention participants are receiving until the clinical trial is completed
“DPP-4”	dipeptidyl peptidase-4, also known as adenosine deaminase complexing protein 2 or CD26 (cluster of differentiation 26), an enzyme expressed on the surface of most cell types and associated with immune regulation, signal transduction, and apoptosis
“ECC0509”	an oral SSAO/VAP inhibitor developed by us
“ECC4703”	a liver-targeting, selective THR- β full agonist developed by us
“ECC5004”	an oral small molecule GLP-1RA developed by us and licensed to AstraZeneca under the AstraZeneca Agreement, also known as AZD5004
“ECG”	electrocardiogram; a test that records the electrical activity of your heart, including the rate and rhythm
“Emax”	the maximum obtainable drug effect from dose — response data using a simplified Emax model. It approximates the asymptotic efficacy plateau without full nonlinear fitting, enabling quick comparisons of compounds’ potency and efficacy. Commonly used in early pharmacology to prioritize candidates when data remain sparse
“FDA”	the United States Food and Drug Administration, a federal agency of the Department of Health and Human Services
“FTO Analysis”	freedom-to-operate searches and analyses, a proactive evaluation of whether a particular product or technology can be commercialized without infringing on existing patents
“full agonist”	a type of drug or compound that binds to a specific receptor and, upon binding, fully activates the receptor to produce the maximum biological or pharmacological response

GLOSSARY OF TECHNICAL TERMS

“GI”	gastrointestinal, the digestive system that includes the mouth, throat, esophagus, stomach, small intestine, large intestine and rectum
“GIP”	glucose-dependent insulintropic polypeptide, an inhibiting hormone of the secretin family of hormones
“GIPR”	glucose-dependent insulintropic polypeptide receptor, or gastric inhibitory polypeptide receptor, found on beta-cells in the pancreas; its activation stimulates insulin secretion
“GLP-1”	glucagon-like peptide-1, a peptide hormone that exerts biological function through activation of GLP-1 receptors, which are expressing in various organs and tissues in the body, including adipose tissue, the liver, the cardiovascular system, and the central nervous system. In pancreatic islets, GLP-1 stimulates insulin secretion and suppresses glucagon release. Importantly, GLP-1 can increase cell regeneration. Furthermore, GLP-1 based therapy can also suppress appetite, delay gastric emptying, regulate blood lipid metabolism and reduce fat deposition
“GLP-1 based therapy”	for the purpose of this document, a therapy that leverages GLP-1RA as a monotherapy or as the backbone in combination regimens involving other mechanisms, such as SGLT2 inhibitors, oral PCSK9 inhibitors, THR- β agonists, SSAO inhibitors, GIPR modulators and Amylin receptor agonists
“GLP-1R”	glucagon-like peptide-1 receptor
“GLP-1 receptor agonist” or “GLP-1RA”	a class of drug that activates the GLP-1 receptor for the treatment of diabetes, obesity and being overweight, metabolic dysfunction-associated steatohepatitis, other metabolic diseases
“glucagon”	a hormone that raises blood sugar levels by signaling the liver to release stored glucose
“glucagon receptor” or “GCGR”	a protein that is activated by glucagon that is a target of interest for developing innovative drugs for the treatment of diabetes

GLOSSARY OF TECHNICAL TERMS

“GMP”	good manufacturing practice, the practices required in order to conform to the guidelines recommended by agencies that control the authorization and licensing of the manufacture and sale of products
“GPCR”	G-protein coupled receptors, a type of receptors involved in most cellular responses to hormones and neurotransmitters and essential for intracellular communication, which are important targets in drug discovery
“GxP”	Good Practices regulations, a collection of guidelines to ensure quality and compliance in the life sciences
“half-life”	the time required for a quantity of substance to reduce to half of its initial quantity
“HbA1c”	Hemoglobin A1c, a measure of blood sugar level
“HDL-C”	high-density lipoprotein cholesterol, a key component measured in a blood test
“hyperglycemia”	a condition in which an excessive amount of glucose circulates in the blood plasma
“LDL-C”	low-density lipoprotein cholesterol, a key marker for assessing heart disease risk in blood tests
“lipotoxicity”	a metabolic syndrome that results from the accumulation of lipid intermediates in non-adipose tissue, leading to cellular dysfunction and death
“IND”	investigational new drug, an application in the drug review process required by a regulatory authority to decide whether a new drug is permitted to initiate clinical trials
“insulin”	a hormone that regulates blood glucose levels by facilitating the uptake of glucose from blood into cells and inhibiting the liver from producing more glucose
“ <i>in vitro</i> ”	Latin for “within the glass”, referring to studies that are performed with biological molecules outside their normal biological context

GLOSSARY OF TECHNICAL TERMS

“ <i>in vivo</i> ”	Latin for “within the living”, referring to studies in which the effects of various biological molecules are tested on whole, living organisms or cells, usually animals, including humans, and plants, as opposed to a tissue extract or dead organism
“MASH”	the liver manifestation of a metabolic disorder, and the most severe form of non-alcoholic fatty liver disease, previously known as non-alcoholic steatohepatitis (NASH)
“MASLD”	metabolic dysfunction-associated steatotic liver disease, a liver condition characterized by the accumulation of fat in the liver. It is closely associated with obesity, type 2 diabetes, high cholesterol, and high blood pressure
“metformin”	the main first-line medication for the treatment of T2D
“metabolic disease”	a kind of disorder that disrupts normal metabolism, the body’s natural process of converting food into nutrients on a cellular level
“MNC”	multinational companies
“monotherapy”	the use of a single therapy
“NMPA”	the National Medical Products Administration of the PRC (國家藥品監督管理局)
“NRDL”	the National Reimbursement Drug List, a list that names all the drugs covered by the medical insurance program in full or partially in China
“NSAIDs”	non-steroidal anti-inflammatory drugs, medications that relieve pain, reduce fever, and decrease inflammation
“MRT”	mean residence time
“LDL”	low-density lipoprotein, one of the five major groups of lipoprotein that transport all fat molecules around the body in extracellular water

GLOSSARY OF TECHNICAL TERMS

“Lipoprotein(a)”	a particle that carries cholesterol in the blood. High levels of Lp(a) have been shown to be a significant risk factor for atherosclerotic cardiovascular disease
“obesity”	a condition that refers to the abnormal or excessive fat accumulation in the body
“onset”	the amount of time it takes for a drug to start producing its therapeutic effects after administration
“overweight”	a condition that refers to an excess body weight relative to height
“partial agonist”	a type of drug or compound that binds to and activates a specific receptor but produces only submaximal biological or pharmacological response
“PCT”	the Patent Cooperation Treaty, an international patent law treaty, concluded in 1970, which provides a unified procedure for filing patent applications to protect inventions in each of its contracting states
“Phase I clinical trial”	a study in which a drug is introduced into healthy human subjects or patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion, and if possible, to gain an early indication of its efficacy
“Phase II clinical trial”	a study in which a drug is administered to a limited patient population to preliminarily evaluate the efficacy of the product for specific targeted diseases, to identify possible adverse effects and safety risks, and to determine optimal dosage
“Phase III clinical trial”	a study in which a drug is administered to an expanded patient population generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to statistically evaluate the efficacy and safety of the product for approval, to provide adequate information for the labeling of the product

GLOSSARY OF TECHNICAL TERMS

“PK/PD”	pharmacokinetics, the study of the bodily absorption, distribution, metabolism, and excretion of drugs, which, together with pharmacodynamics, influences dosing, benefit, and adverse effects of the drug/pharmacodynamics, the study of how a drug affects an organism, which, together with pharmacokinetics, influences dosing, benefit, and adverse effects of the drug
“placebo”	an inactive substance, treatment, or procedure designed to look and be administered exactly like the active experimental treatment but without any therapeutic value
“PoC”	proof-of-concept, the initial exploration phase where the feasibility and viability of an innovative medicine or medical device concept are evaluated
“QTc”	corrected QT interval, a measurement made on an electrocardiogram used to assess some of the electrical properties of the heart
“SAD”	single ascending dose, small groups of subjects are given a single dose of the drug while they are observed and tested for a period of time to confirm safety
“SAE”	the adverse medical event that results in death, is life-threatening, causes permanent or significant disability, requires hospitalization or extends hospital stays
“SGLT-2”	sodium-glucose cotransporter-2 inhibitors, a class of medications used primarily in the treatment of type 2 diabetes that work by inhibiting the sodium-glucose cotransporter-2 protein in the kidneys, resulting in the reduction of blood glucose levels by promoting the excretion of excess glucose in the urine
“SSAO” or “SSAO/VAP-1”	semicarbazide-sensitive amine oxidase/vascular adhesion protein-1, a dual-function endothelial protein that mediates leukocyte adhesion and catalyses the oxidative deamination of primary amines, contributing to inflammatory processes

GLOSSARY OF TECHNICAL TERMS

“t _{1/2} ”	terminal half-life, an estimate of the time it takes for the concentration or amount in the body of that drug to be reduced by exactly one-half
“T1D”	type 1 diabetes mellitus, an autoimmune disease that originates when cells that make insulin are destroyed by the immune system
“T2D”	type 2 diabetes mellitus, a form of diabetes characterized by high blood sugar, insulin resistance and relative lack of insulin; the pancreas in T2D patient makes less insulin, and the body becomes resistant to insulin
“TEAE”	the adverse medical event occurring during the treatment period
“TG”	triglycerides, fatty compounds synthesized from carbohydrates during the process of digestion and stored in the body’s adipose tissues. High levels of triglycerides in the blood are associated with insulin resistance
“TGA”	Therapeutic Goods Administration, the medicine and therapeutic regulatory agency of the Australian Government
“THR-β”	Thyroid Hormone Receptor-beta, a nuclear receptor protein that in humans is encoded by the THR-β gene
“T _{max} ”	the amount of time that a drug is present at the maximum concentration in serum
“TRANDD”	Translational Research-Aided Drug Discovery and Development Platform, a proprietary integrated workflow developed by Eccogene
“weight management”	for the purpose of this document, the treatment of obesity and/or overweight

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that relate to our current expectations and views of future events. These forward-looking statements are contained principally in “Summary,” “Risk Factors,” “Industry Overview,” “Business,” “Financial Information” and “Future Plans and Use of [REDACTED].” These statements relate to events that involve known and unknown risks, uncertainties and other factors, including those listed in “Risk Factors,” which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, these forward-looking statements can be identified by words or phrases such as “may,” “will,” “expect,” “anticipate,” “aim,” “estimate,” “intend,” “plan,” “believe,” “potential,” “continue,” “is/are likely to” or other similar expressions. These forward-looking statements include, among other things, statements relating to:

- our operations and business prospects;
- our ability to complete the development and obtain the requisite regulatory approvals of our products;
- our future debt levels and capital needs;
- our ability to maintain relationship with, and the actions and developments affecting, our major customers and suppliers;
- future developments, trends and conditions in the industries and markets in which we operate or plan to operate;
- changes to the regulatory environment in the industries and markets in which we operate;
- the actions and developments of our competitors;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- our ability to retain senior management and key personnel and recruit qualified staff;
- our business strategies and plans to achieve these strategies;
- our ability to defend our intellectual rights and protect confidentiality; and
- capital market developments.

FORWARD-LOOKING STATEMENTS

These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual outcomes may differ materially from the information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set out in “Risk Factors.”

The forward-looking statements contained in this document relate only to events or information as of the date on which the statements are made. Except as required by law, we undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events. You should read this document completely and with the understanding that our actual future results or performance may be materially different from what we expect.

In this document, statements of, or references to, our intentions or those of any of our Directors are made as of the date of this document. Any of these intentions may change in light of future development.

RISK FACTORS

An [REDACTED] in our Shares involves various risks. You should carefully consider all of the information in this document, including the risks and uncertainties described below, before making an [REDACTED] in our Shares.

The occurrence of any of the following events could materially and adversely affect our business, financial condition, results of operations or prospects. If any of these events occurs, the [REDACTED] price of our Shares could decline, and you may lose all or part of your [REDACTED]. You should seek professional advice from your relevant advisers regarding your prospective [REDACTED] in the context of your particular circumstances.

KEY RISKS RELATING TO OUR BUSINESS

We depend substantially on the success of our drug candidates. If we are unable to successfully complete research and development, obtain regulatory approval and commercialize our drug candidates, or if we experience significant delays in doing any of the foregoing, our business, financial condition, results of operations and prospects will be materially harmed.

Our revenue and profitability are substantially dependent on our ability to complete the development of our drug candidates, obtain requisite regulatory approvals and successfully commercialize our drug candidates. We have invested a significant portion of our efforts and capital resources in the development of our existing drug candidates, and we expect to incur substantial and increasing expenditures for the development and commercialization of our drug candidates in the future.

The success of our drug candidates will depend on a number of factors, including:

- favorable safety and efficacy data from preclinical studies and clinical trials;
- sufficient resources to discover or acquire additional drug candidates and successful identification of potential drug candidates based on our research or business development efforts;
- successful enrollment of patients in, and completion of, clinical trials;
- sufficient supplies of drug products that are used in our clinical trials;
- modifications to the protocols, which may delay the clinical program, regulatory approvals or commercialization, and require us to supplement, modify, or withdraw and refile our applications for regulatory approvals;

RISK FACTORS

- the performance by CROs, CDMOs, or other third parties we engage to conduct clinical trials and preclinical studies and their compliance with our protocols and applicable laws without damaging or compromising the integrity of the resulting data;
- the capabilities and competence of our collaborators;
- the success of clinical trials conducted by, or jointly with, our collaborators;
- receipt of regulatory approvals for planned clinical trials or drug registrations, manufacturing and commercialization;
- commercial manufacturing capabilities, including through our partners (such as CDMOs we engage);
- successful launch of commercial sales of our drug candidates, if and when approved;
- the obtaining and maintenance of favorable reimbursement from third-party payers for drugs, if and when approved;
- competition with other drug products;
- the obtaining, maintenance and enforcement of patents, trademarks, trade secrets and other intellectual property protections and regulatory exclusivity for our drug candidates;
- successful defense against any claims brought by third parties that we have infringed, misappropriated or otherwise violated any intellectual property of any such third party; and
- the continued acceptable safety profile of our drug candidates following regulatory approval.

Some of our drug candidates represent a novel approach to achieve therapeutic needs. For example, we have built a highly differentiated portfolio of novel oral small molecule assets, including ECC5004 for weight management and T2D with vast market potential. Our clinical and preclinical assets, given their novelty and differentiated features, may carry inherent development risks that could result in delays and cost overruns in clinical development, regulatory approvals or commercialization. Furthermore, a substantial amount of education and training may need to be provided to patients and medical personnel in connection with our drug candidates, which potentially increases our sales and marketing expenses. This may have a material and adverse effect on future profits generated from our drug candidates. We may not be able to generate additional meaningful economic value, taking into consideration the potentially significant efforts to develop our drug candidates, which in turn may materially and adversely affect our competitive position, business, financial condition and results of operations.

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As of the Latest Practicable Date, all of our drug candidates were in various phases of preclinical and clinical development. If we fail to achieve drug development milestones or plans as disclosed in this document, our business prospects could be adversely affected. Our costs will also increase if we experience delays in the development of drug candidates or in obtaining regulatory approvals, which could result in us having to delay or suspend the trial until sufficient funding is procured, or we would have to abandon developing of the drug candidate completely. Significant preclinical study or clinical trial delays also could allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our drug candidates. Any of the above negative developments could have a material and adverse effect on our business, financial condition and results of operation.

We face substantial competition and rapid technological change, and our competitors may develop therapies that are similar, more advanced, or more effective than ours, which may adversely affect our financial condition and our ability to successfully commercialize our drug candidates.

The biotech industry in which we operate is intensely competitive and subject to rapid and significant technological changes. While we focus on developing drug candidates with the potential to become novel or highly differentiated drugs, we continue to face competition with respect to our current drug candidates, and any drug candidates that we may seek to develop or commercialize in the future. For instance, our Key Products, ECC5004 and ECC0509, and Core Product, ECC4703, and other pipeline products may face competition from other therapies directed against the same targets and indications and approved for the same target indications upon potential marketing approval in the future.

Our competitors may include multinational pharmaceutical companies, biotech companies, and research institutions worldwide. For example, in recent years, an increasing number of biotech or biopharmaceutical companies have joined the competition in the research and development of oral small molecule drug products. Some of these competitive drugs are based on scientific approaches that are similar to our approach. For more details, see “Business — Our Pipeline.” Other potential competitors also include academic institutions, governmental authorities and other public and private research organizations that invest in the development, manufacturing and commercialization of innovative drugs.

Many of our competitors have substantially greater financial, technical, and other resources than we do, such as those with larger research and development staff and established marketing and manufacturing infrastructure. Collaborations, mergers and acquisitions in the biotech industry may result in even more resources being concentrated in our competitors. As a result, these companies may be able to advance their drug candidates and obtain regulatory approval from the regulatory authorities more rapidly than we do and become more effective in selling and marketing their products. Even if successfully developed and subsequently approved by the NMPA, the FDA or other comparable regulatory authorities, our drug candidates may still face competition in various aspects, including safety and efficacy, the

RISK FACTORS

timing and scope of the regulatory approvals, the availability and cost of supply, sales and marketing capabilities, price and patent status. Smaller or early-stage companies may also be significant competitors, particularly through collaborative arrangements with large, established companies.

Adverse events caused by our drug candidates could interrupt, delay or halt clinical trials, delay or prevent regulatory approval, limit the commercial profile of an approved drug, or result in significant negative consequences following any regulatory approval.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects to participate in these trials, or if there are delays in the enrollment of eligible subjects as a result of the competitive clinical enrollment environment. The inability to enroll a sufficient number of subjects who meet the applicable criteria set out in the protocol could result in significant delays in our clinical trials. In addition, some of our competitors may have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and subjects who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors’ drug candidates, which may further delay our clinical trial enrollments.

Subject enrollment for our clinical trials may be affected by a variety of factors, including but not limited to the following:

- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical trial in question;
- perceived risks and benefits of the drug candidate under study;
- severity of the disease under investigation;
- our resources to facilitate timely subject enrollment in clinical trials;
- patient referral practices of physicians;
- availability of competing therapies also undergoing clinical trials;
- our ability to obtain and maintain subject consents;
- our investigators’ or clinical trial sites’ efforts to screen and recruit eligible patients;
- proximity and availability of clinical trial sites for prospective patients; and
- occurrence of natural disasters, health epidemics, acts of war or other public events.

RISK FACTORS

Even if we are able to enroll a sufficient number of subjects in our clinical trials, delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

If the results of clinical trials of our drug candidates are not positive or only modestly positive for proposed targets or if they raise safety concerns, we may (i) be subject to substantial liabilities, (ii) be delayed in or even prevented from obtaining regulatory approval for our drug candidates, (iii) obtain approval for indications that are not as broad as intended, (iv) have the product removed from the market after obtaining regulatory approval, (v) be subject to additional post-marketing testing requirements, (vi) be subject to restrictions on how the product is distributed or used, or (vii) be unable to obtain reimbursement for use of the product. Any of such events could materially and adversely affect our ability to commercialize the subject products and generate revenue.

A major risk we face is the possibility that we may be prevented or delayed in obtaining marketing approval for such drug candidates if the results of our ongoing or future preclinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our drug candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our drug candidates. In some instances, there can be significant variability in safety or efficacy results between different preclinical studies and clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

While we are still in early stages of clinical trials with our drug candidates, it is likely that there may be side effects associated with their use. If the results of our trials reveal a high and unacceptable severity and prevalence of these or other side effects associated with our drug candidates, our trials could be suspended or terminated and applicable authorities could order us to cease further development of or deny approval of our drug candidates for any or all targeted indications, and we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

RISK FACTORS

We may not be able to discover or identify new drug candidates, or to expand the therapeutic opportunities for our drug candidates.

Besides the continued clinical testing, potential approvals and commercialization of our existing drug candidates, the success of our business depends in part upon our ability to discover or identify additional drug candidates. There can be no assurance that we will be successful in identifying new drug candidates in the future. For example, although we have developed our proprietary TRANDD platform, which we believe enables us to discover, evaluate and select drug candidates and continue to enrich our pipeline, we cannot guarantee that we will successfully identify potential drug candidates as expected. Some drug candidates may be technically challenging to develop and manufacture. Drug candidates that we identify may later show side effects or other characteristics that make them unmarketable or unlikely to receive regulatory approvals. We have also pursued, and may continue to pursue, collaboration with third parties in the discovery and development of potential drug candidates. However, there can be no assurance that such license and collaboration will deliver the expected results. See “— We have entered into a collaboration and licensing agreement with certain third party in the development, manufacturing and commercialization of one of our drug candidates, which is subject to various risks. We may form or seek additional collaborations or strategic partnerships or enter into additional licensing arrangements in the future. We may fail to identify suitable business partners or may not realize the benefits of such partnerships as expected.” for more details.

Research programs to identify new drug candidates and to develop our drug candidates for additional indications require substantial technical, financial, and human resources. We may invest efforts and resources in potential drug candidates or indication expansions that ultimately prove to be unsuccessful. Any of the foregoing events will have a material and adverse effect on our business, results of operations and prospects.

We have entered into a collaboration and licensing agreement with certain third party in the development, manufacturing and commercialization of one of our drug candidates, which is subject to various risks. We may form or seek additional collaborations or strategic partnerships or enter into additional licensing arrangements in the future. We may fail to identify suitable business partners or may not realize the benefits of such partnerships as expected.

We have entered into the AstraZeneca Agreement in November 2023, which we believe is complement to our drug development, manufacturing and commercialization efforts with respect to one of our Key Products, ECC5004. See “Business — Our Collaboration and Licensing Agreement” for more details. We may form or seek additional collaboration or strategic partnerships with other companies. See “Business — Our Strategies — Maximize the Value of Our Assets Through Accretive Partnerships” for more details.

RISK FACTORS

Our results of operations have been, and may continue to be, affected by our collaboration and licensing arrangements. We are subject to various risks under our existing collaboration agreement with AstraZeneca, and similar risks may apply to future collaboration or licensing arrangements we may enter into. These risks may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- the AstraZeneca Agreement may be terminated for various reasons, including at AstraZeneca’s sole discretion;
- failure to fulfill our payment obligations or comply with other terms under the AstraZeneca Agreement could result in materially adverse consequences for our business;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial, discontinue a clinical trial, repeat or conduct new clinical trials, or require a new formulation of a drug candidate for clinical testing;
- the milestone payments and royalties under the agreements are conditioned upon the achievements of certain regulatory, development and commercialization targets. We cannot guarantee that we will be able to receive the aggregate amount as set out in the relevant collaboration and licensing agreements;
- collaborators may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liability;
- disputes may arise between us and a collaborator that cause a delay or termination of the research, development or commercialization of our drug candidates, or that result in costly litigation or arbitration that diverts management attention and resources;
- collaborators could independently develop, or develop with third parties, drugs that compete with our drug candidates or future drugs;
- collaborators may own or co-own intellectual property covering our drug candidates or future drugs that results from our collaborating with them, and in such cases, we would not have the exclusive right over such intellectual property; and
- the collaboration and licensing relationships may be affected by cross-border data transmission restrictions and geopolitical tensions, including trade policies and export controls.

RISK FACTORS

In addition, disputes may arise between us and any collaboration partner. Such disputes may cause delay or termination of the agreements or may result in costly litigation or arbitration that diverts management attention and resources.

For the above and other reasons, some of which may be beyond our control, we may not achieve the outcomes and synergies expected from our collaboration and licensing arrangements. See “— Risks Relating to Our Reliance on Third Parties — Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by others” for additional risks relating to our contractual obligations under the AstraZeneca Agreement. The arrangements are subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and are beyond our control. We may face operational and financial risks including an increase in near- and long-term expenditures, exposure to unknown liabilities, disruption in our business and diversion of our management’s time and attention. Even if we achieve the expected benefits, we may not be able to do so within the anticipated time frame. In addition, any material and adverse changes to our relationship with our collaboration partners, including AstraZeneca, may have an impact on technological and financial resources available to us under the arrangements, which may in turn affect our research and development activities and business operations.

Moreover, we rely on our partner for the conduct of certain clinical trials and related activities in connection with our drug candidate, ECC5004. In the event that negative or unfavorable data readouts are produced from such trials or studies, or in collaboration with our partner, including but not limited to unfavorable safety and tolerability profiles, lack of efficacy or failure to meet clinical endpoints, the development prospects of the same drug candidate or related potential combination therapies could be materially and adversely affected. Such negative outcomes may lead to increased scrutiny from regulatory authorities, loss of investor confidence, delays in ongoing or planned clinical trials, or necessitate additional studies to address concerns raised by the data. Even if we elect to continue the development of such drug candidate, the negative data may result in more stringent regulatory requirements, higher development costs, longer development timelines, or limitations on the proposed indications. Furthermore, negative data could impair our ability to secure future partnerships, financing, or regulatory approvals, and may materially harm our business, financial condition, results of operations, and prospects.

We face significant competition in seeking appropriate strategic partners and the negotiation process can be time-consuming and complex. We may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for our drug candidates because they may be deemed to be in too early of a stage of development for collaborative effort, and third parties may not view our drug candidates as having the requisite potential to demonstrate safety and efficacy or commercial viability. If and when we collaborate with a third party for development and commercialization of a drug candidate, we may be required to relinquish some or all of the control over the future success of that drug candidate to the third party. The collaborators may also consider alternative drug candidates or technologies that may be available.

RISK FACTORS

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms, or at all, we may have to curtail the development of a drug candidate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development, manufacturing or commercialization activities at our own expenses. If we elect to fund and undertake development, manufacturing or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. Even with existing collaboration agreements in place, we may not receive sufficient or timely reimbursement from our collaborators for development costs, or our collaborators may delay or withhold payments due to disputes over compliance with agreement terms or other factors.

Except for 2024, we have incurred net losses since our inception and anticipate that we will continue to incur net losses for the foreseeable future and may not be able to achieve or maintain profitability.

Investment in the development of biotech products is highly uncertain as it entails substantial upfront expenditures and significant risks that a drug candidate may fail to demonstrate efficacy and safety to gain regulatory or marketing approvals or become commercially viable. We have not generated any revenue from commercial product sales to date, and we continue to incur significant research and development costs, and other expenses related to our ongoing operations. As a result, we have incurred net losses in 2023 and the first half of 2025 of US\$52.2 million and US\$20.1 million, respectively.

Our net losses during the Track Record Period were primarily attributable to expenses incurred by our research and development activities, including those in relation to our preclinical studies and clinical trials, as well as change in fair value of convertible redeemable preferred shares. In 2023, 2024 and the first half of 2024 and 2025, our costs and expenses in relation to R&D activities, which represented our cost of revenue and research and development expenses, were US\$24.4 million, US\$25.0 million, US\$13.2 million and US\$15.8 million, respectively. During the same periods, we recorded change in fair value of convertible redeemable preferred shares of US\$41.7 million, US\$6.1 million, US\$0.1 million and US\$1.0 million, respectively. See “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income” for details. Our ability to generate revenue and achieve profitability depends significantly on our success in advancing these drug candidates into later stages of clinical development, and obtaining regulatory approvals for each drug candidate, which we may not be able to do in a timely manner or at all.

RISK FACTORS

We expect to continue to incur net losses in the foreseeable future, and that these net losses may increase as we carry out certain activities relating to our development, including, but not limited to, the following:

- continue our ongoing and planned research and development activities;
- seek to discover, identify or develop additional drug candidates and further expand our product pipeline;
- continue to scale up our business to meet the requirements for our R&D activities, clinical trials and potential commercialization;
- hire additional drug discovery, clinical, quality control and administrative personnel;
- develop, maintain, expand and protect our intellectual property portfolio;
- seek regulatory approvals for any drug candidates that successfully complete clinical trials;
- establish sales, marketing and distribution infrastructure to commercialize any drug candidate for which we may obtain regulatory approval;
- expand our operations globally; and
- incur additional legal, accounting, [REDACTED] relations, insurance and other expenses associated with operating as a public company following the completion of this [REDACTED].

The size of our future net losses will depend, among other factors, on the rate of the future growth of our expenses, our ability to generate revenues and the timing and amount of milestone payments and other payments that we receive from or pay to third parties. If any of our drug candidates fails during clinical trials or does not gain regulatory approval, or, even if approved, fails to achieve market acceptance, our business may not become profitable. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods thereafter. Our prior losses and expected future losses have had, and will continue to have, an adverse effect on our business, financial condition and results of operation.

RISK FACTORS

If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates and TRANDD platform in relevant jurisdictions across the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected.

Our commercial success depends, to a certain extent, on our ability to protect our proprietary TRANDD platform and drug candidates from competition by obtaining, maintaining, defending and enforcing our intellectual property rights, including patent and trademark rights. We seek to protect the drug candidates and technology that we consider commercially important primarily by filing patent applications in China, the U.S. and other countries or regions, relying on trade secrets or biotech regulatory protection or employing a combination of these methods. As of the Latest Practicable Date, we owned (i) five issued patents in China, (ii) six issued patents in the U.S., (iii) ten issued patents in other jurisdictions, and (iv) 68 patent applications, including two in China, three in the U.S., five under the PCT which has not entered into national phase, six under the PCT which may serve as the basis for claiming priority, three in Europe, and 52 in other jurisdictions. See “Business — Intellectual Property” for more details. This process is expensive and time-consuming, and we or our business partners may not be able to file and prosecute all necessary or desirable patent applications and secure other intellectual property protection in all jurisdictions in a timely manner. It is also possible that we or our business partners will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we or our business partners may fail to timely identify third-party infringement of our intellectual property rights and take necessary actions to defend and enforce our rights, or at all.

The patent position of biotech companies generally involves complex legal and factual questions, and can be frequently litigated. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our current and future patent applications may not be granted with approvals that effectively prevent third parties from commercializing competitive technologies and drug candidates. The patent examination process may require us or our business partners to narrow the scope of our or our business partners’ current and future patent applications, which may then limit the scope of patent protection that could be obtained. There can be no assurance that all of the potentially relevant prior art relating to our patents and patent applications has been found. If such prior art exists, it can invalidate a patent or prevent a patent application from being issued as a patent. Moreover, if there are material defects in the form or preparation of our patents or patent applications, such patents or patent applications may be invalid and unenforceable or may not be issued as patents.

Even if patents are issued on these applications, there can be no assurance that a third party will not challenge their validity, enforceability, or scope, which may result in the patent claims being narrowed or invalidated, or that we will obtain sufficient claim scope in those

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patents to prevent a third party from competing successfully with our drug candidates, or that we may not be successful in preventing unfair competition by third parties throughout the world. We or our business partners may become involved in interference, inter partes review, post-grant review, *ex parte* reexamination, derivation, opposition or similar other proceedings challenging our patent rights or the patent rights of others. An adverse determination in any such proceeding could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our technology or drug candidates and compete directly with us, or result in our inability to manufacture or commercialize drug candidates without infringing third-party patent rights. Thus, even if our patent applications are issued as patents, they may not be issued in a form that will provide us with any meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage.

The issuance of a patent is not conclusive as to its scope, validity or enforceability, and our owned and licensed patents may be challenged in the courts or patent offices in any jurisdictions. Such challenges may result in patent claims being narrowed, invalidated or held unenforceable, which could limit our ability to stop or prevent others from using or commercializing similar or identical technology and drug candidates, or limit the duration of the patent protection of our technology and drug candidates. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing drug candidates similar or identical to ours. Our competitors may also be able to circumvent our patent issuance by developing similar or alternative technologies or drug candidates in a non-infringing manner.

Filing, prosecuting, maintaining and defending patents on drug candidates in all countries throughout the world could be prohibitively expensive for us, and our intellectual property rights in some countries can have a different scope and strength than those in some other countries. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of certain other countries. Proceedings to enforce our intellectual property and proprietary rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not being issued and could provoke third parties to assert claims against us.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries, or from selling or importing drugs made using our inventions in or into certain jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to certain jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in certain other countries. These drugs may compete with our drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

RISK FACTORS

We are subject to the risks of doing business globally, including risks relating to political and economic instability and changes in diplomatic and trade relationships, which may materially and adversely affect our business and results of operations.

Our operations are primarily located in the United States and China, coupled with the conduct of clinical trials in various jurisdictions, our business is subject to risks associated with doing business globally. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including:

- changes in a specific country’s or region’s political and cultural climate or economic condition;
- unexpected changes in laws and regulatory requirements in local jurisdictions;
- differences between national and local practice with respect to laws and regulatory requirements in a specific jurisdiction;
- difficulty of effective enforcement of contractual provisions in certain jurisdictions;
- efforts to develop an international sales, marketing and distribution organization may increase our expenses, divert our management’s attention from the acquisition or development of drug candidates or cause us to forgo profitable licensing opportunities in these geographies;
- the occurrence of economic weakness, including inflation or political instability;
- inadequate intellectual property protection in certain jurisdictions;
- difficulty of ensuring that third-party partners do not infringe, misappropriate, or otherwise violate the patent, trade secret, or other intellectual property rights of others;
- enforcement of anti-corruption and anti-bribery laws;
- trade protection measures, import or export licensing requirements and fines, penalties or suspension or revocation of export privileges;
- delays resulting from difficulty in obtaining export licenses, tariffs and other barriers and restrictions, potentially longer payment cycles, and greater difficulty in accounts receivable collection;
- compliance with tax, employment, immigration and labor;
- the effects of applicable local tax regimes and potentially adverse tax consequences;

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- significant adverse changes in local currency exchange rates; and
- business interruptions resulting from geopolitical actions and cultural climate or economic condition, including war and acts of terrorism, natural disasters, including earthquakes, volcanoes, typhoons, floods, hurricanes and fires, or the impact of public health pandemics or epidemics, including, for example, the outbreak of COVID-19.

The occurrence of any one or more of these risks of doing business internationally, alone or in the aggregate, could materially adversely affect our business and results of operations.

We may need to obtain additional financing to fund our operations. If we are unable to obtain sufficient financing on terms acceptable to us or at all, we may be unable to complete the development and commercialization of our drug candidates.

Our drug candidates require substantial investments for the completion of clinical development, regulatory review, drug manufacturing, marketing and launch before they can generate product sales revenue. Our operations have consumed substantial amounts of cash since our inception. We will need to expend substantial resources on the research and development and commercialization of our product pipelines. Our future funding requirements will depend on many factors, including but not limited to:

- the progress, timing, scope and costs of our clinical trials, including the ability to timely identify and enroll patients in our planned and potential future clinical trials;
- the outcome, timing and cost of regulatory approvals of our drug candidates;
- the progress, timing, scope and costs related to discovery and early development of additional drug candidates;
- the preparation required for anticipated commercialization of our drug candidates, and if regulatory approvals are obtained, to fund the product launch;
- the manufacturing requirements and capabilities related to clinical development and future commercialization for any approved drug candidates;
- the level of market interest in our drug candidates and the therapeutic targets we are pursuing;
- selling and marketing costs associated with any future drug candidates that may be approved, including the cost and timing of expanding our marketing and sales capabilities;
- the amount and timing of any profit sharing, milestone and royalty payments we receive from our current or future collaborators;

RISK FACTORS

- cash requirements of any future development of our pipeline drug candidates; and
- our headcount growth and associated costs.

To date, we have funded our operations primarily through equity financing, payments received under our collaboration and licensing arrangements and debt financing. We expect to continue to spend substantial amounts on drug discovery, advancing the clinical development of our drug candidates, and launching and commercializing any approved drug candidates for which we receive regulatory approvals. However, if the commercialization of our drug candidates is delayed or terminated, or if the expenses associated with drug development and commercialization increase substantially, we may need to obtain additional financing to fund our operations. Additional funds may not be available when we need them on terms that are acceptable to us, or at all. Our ability to raise funds will depend on financial, economic and market conditions and other factors, many of which are beyond our control. If adequate funds are not available to us on a timely basis, we may be required to delay, limit, reduce or terminate pre-clinical studies, clinical trials or other research and development activities or commercialization for one or more of our drug candidates, and in turn will adversely affect our business prospects.

RISKS RELATING TO THE DEVELOPMENT OF OUR DRUG CANDIDATES

We may allocate our limited resources to pursue a particular drug candidate or indication and fail to capitalize on drug candidates or indications that may later prove to be more profitable or for which there is a greater likelihood of success.

As we have limited financial and managerial resources, we focus on research programs and drug candidates for specific indications. As a result, we may forgo or delay pursuit of opportunities with other drug candidates or for other indications that later may prove to have greater commercial potential or a greater likelihood of success. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Furthermore, if we do not accurately evaluate the commercial potential or target market for a particular drug candidate, we may relinquish valuable rights to that drug candidate through licensing, collaboration or royalty arrangements in cases where it would have been more advantageous for us to retain sole development and commercialization rights to such drug candidate, or we may allocate internal resources to a drug candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement, which could materially adversely affect our future growth and prospects.

RISK FACTORS

If we encounter difficulties in enrolling subjects in our clinical trials, our clinical development activities could be delayed or otherwise adversely affected.

We may not be able to initiate or continue clinical trials for our drug candidates if we are unable to locate and enroll a sufficient number of eligible subjects to participate in these trials, or if there are delays in the enrollment of eligible subjects as a result of the competitive clinical enrollment environment. The inability to enroll a sufficient number of subjects who meet the applicable criteria set out in the protocol could result in significant delays in our clinical trials. In addition, some of our competitors may have ongoing clinical trials for drug candidates that treat the same indications as our drug candidates, and subjects who would otherwise be eligible for our clinical trials may instead enroll in the clinical trials of our competitors’ drug candidates, which may further delay our clinical trial enrollments.

Subject enrollment for our clinical trials may be affected by a variety of factors, including but not limited to the following:

- total size and nature of the relevant patient population;
- design and eligibility criteria for the clinical trial in question;
- perceived risks and benefits of the drug candidate under study;
- severity of the disease under investigation;
- our resources to facilitate timely subject enrollment in clinical trials;
- patient referral practices of physicians;
- availability of competing therapies also undergoing clinical trials;
- our ability to obtain and maintain subject consents;
- our investigators’ or clinical trial sites’ efforts to screen and recruit eligible patients;
- proximity and availability of clinical trial sites for prospective patients; and
- occurrence of natural disasters, health epidemics, acts of war or other public events.

Even if we are able to enroll a sufficient number of subjects in our clinical trials, delays in subject enrollment may result in increased costs or may affect the timing or outcome of the planned clinical trials, which could delay or prevent the completion of these trials and adversely affect our ability to advance the development of our drug candidates.

RISK FACTORS

Clinical development involves a lengthy and expensive process with an uncertain outcome, and results of preclinical studies and early phases of clinical trials may not be predictive of future trial results.

To obtain regulatory approval for the sale of our drug candidates, we are required to conduct extensive clinical trials to demonstrate the safety and efficacy of our drug candidates in humans. Clinical trials are expensive, difficult to design and implement, and can take years to complete, with uncertainty as to the outcomes. Our current drug candidates and any future drug candidates are susceptible to the risks of failure inherent at any stage of drug development, including the occurrence of unexpected or unacceptable adverse events or the failure to demonstrate efficacy in clinical trials. While we believe some of our drug candidates have the potential to be differentiated globally, we cannot guarantee that we will be able to realize such potential for any of our drug candidates. Failure can occur at any time during the clinical development process.

The results of earlier studies and trials and non-head-to-head analyses of our drug candidates may not be predictive of the results of later-stage clinical trials. Drug candidates during later stages of clinical trials may fail to show the desired results in safety and efficacy despite having progressed through preclinical studies and initial clinical trials, and despite the level of scientific rigor in the design of such studies and trials and the adequacy of their execution. A number of companies in the biotech industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials. In some instances, there can be significant variability in safety and/or efficacy results among different trials of the same drug candidate due to numerous factors, including, but not limited to, differences in individual patient conditions, genetic differences, other medications or pre-existing medical conditions, patient adherence to the dosing regimen, other trial protocol elements and the rate of dropout among clinical trial participants. Furthermore, as our drug candidates are developed through preclinical and clinical trials towards approval and commercialization, it is customary that various aspects of the development programs, such as manufacturing and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the inherent risks that they may not necessarily achieve the intended objectives. Also, for non-head-to-head analyses, the results from clinical trials of one drug cannot be directly compared to those of another. Consequently, such findings may not accurately reflect the overall data.

Any disruptions, changes and delays in completing our clinical trials may increase our costs, slow down our drug candidate development and approval process, and jeopardize our ability to commence product sales and generate revenue for that drug candidate. Any of these occurrences may harm our business, financial condition and prospects significantly. We may adjust our clinical development strategy from time to time based on our evaluation of emerging data to maximize the value of our entire product portfolio. Although we believe that our strategically planned clinical development approach is designed to optimize the clinical and commercial potential of our drug candidates, we cannot guarantee that our specific plans will always efficiently anticipate regulatory and market trend shifts or be successfully implemented.

RISK FACTORS

If clinical trials of our drug candidates fail to demonstrate safety and efficacy to the satisfaction of regulatory authorities or do not otherwise produce positive results, we may incur additional costs or experience delays in completing, or may ultimately be unable to complete, the development and commercialization of our drug candidates.

If the results of clinical trials of our drug candidates are not positive or only modestly positive for proposed indications or if they raise safety concerns, we may (i) be subject to substantial liabilities, (ii) be delayed in or even prevented from obtaining regulatory approval for our drug candidates, (iii) obtain approval for indications that are not as broad as intended, (iv) have the product removed from the market after obtaining regulatory approval, (v) be subject to additional post-marketing testing requirements, (vi) be subject to restrictions on how the product is distributed or used, or (vii) be unable to obtain reimbursement for use of the product. Any of such events could materially and adversely affect our ability to commercialize the subject products and generate revenue.

A major risk we face is the possibility that we may be prevented or delayed in obtaining marketing approval for such drug candidates if the results of our ongoing or future preclinical studies and clinical trials are inconclusive with respect to the safety and efficacy of our drug candidates, if we do not meet the clinical endpoints with statistical and clinically meaningful significance, or if there are safety concerns associated with our drug candidates. In some instances, there can be significant variability in safety or efficacy results between different preclinical studies and clinical trials of the same drug candidate due to numerous factors, including changes in trial procedures set forth in protocols, differences in the size and type of the patient populations, changes in and adherence to the clinical trial protocols and the rate of dropout among clinical trial participants.

While we are in the early stages of clinical trials with our drug candidates, it is likely that there may be side effects associated with their use. If the results of our trials reveal a high and unacceptable severity and prevalence of these or other side effects associated with our drug candidates, our trials could be suspended or terminated and applicable authorities could order us to cease further development of or deny approval of our drug candidates for any or all targeted indications, and we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. Any of these occurrences may harm our business, financial condition and prospects significantly.

RISK FACTORS

The data and information we gather or otherwise rely on in our research and development process could be inaccurate or incomplete, which could harm our trial results, reputation and prospect.

We collect, aggregate, process, and analyze data and information from preclinical studies, clinical trials and other research and development programs. We also engage in substantial information gathering following the identification of a potential drug candidate. Because data in the healthcare industry is fragmented in origin, inconsistent in format, and incomplete, the overall quality of data collected or accessed is often subject to challenge, the degree or amount of data which is knowingly or unknowingly absent or omitted can be material, and data issues and errors are frequently discovered. If mistakes are made in the capture, input, or analysis of these data, our ability to advance the development of our drug candidates may be materially harmed and our business, prospects and reputation may suffer. We also engage in the procurement of regulatory approvals necessary for the development and commercialization of our products under development, for which we manage and submit data to governmental entities. These processes and submissions are governed by complex data processing and validation policies and regulations. We may be exposed to liability if it is concluded that our storage, handling, submission, delivery, or display of health information or other data was wrongful or erroneous.

In addition, we rely on third parties, including our collaborators, to collect, monitor and manage data for some of the ongoing preclinical and clinical programs for our drug candidates and have limited control over their activities. For instance, data from clinical trials conducted or to be conducted by AstraZeneca, our collaboration partner, for ECC5004 outside the Greater China may affect our clinical development of these drug candidates in the Greater China. If there are any inaccuracies, mistakes or incompleteness in the preclinical and clinical data of any of our collaborators, our clinical development activities may be negatively impacted as a result.

We may not be successful in developing, enhancing or adapting to new technologies and methodologies.

We must keep pace with new technologies and methodologies to maintain our competitive position. We must continue to invest significant amounts of human and capital resources to develop or acquire technologies that will allow us to enhance the scope and quality of our clinical trials. We intend to continue to enhance our technical capabilities in drug discovery, development and manufacturing, which are capital-and-time-intensive. We cannot assure you that we will be able to develop, enhance or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, obtain sufficient or any patent or other intellectual property protection for such new or enhanced products, or obtain the necessary regulatory approvals in a timely and cost-effective manner, or, if such products are introduced, that those products will achieve market acceptance. Any failure to do so may make our techniques obsolete, which could materially and adversely affect our business and prospects.

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We may be unable to successfully develop or market our drug candidates or may experience significant regulatory delays, if safety, efficacy or other issues arise from any of our drug candidates or from any drugs or medical treatment used, or intended to be used, in combination with our drug candidates.

We plan to develop certain of our drug candidates for use as a combination therapy. For instance, together with AstraZeneca, we are actively exploring the combination potential of our key clinical assets, including our Key Products, ECC5004 and ECC0509, and Core Product, ECC4703. For details, see “Business — Our Pipeline.” We may also seek to develop our drug candidates in combination with other drugs in the future. If the NMPA, the FDA or another comparable regulatory authority revokes its approval of such treatments or drugs we intend to use in combination with our drug candidates, we may not be able to develop or market our drug candidates as a combination therapy as planned. If safety or efficacy issues arise with such treatments or drugs that we seek to combine with our drug candidates in the future, we may experience significant regulatory delays, and we may be required to redesign or terminate the applicable clinical trials. In addition, if manufacturing or other issues result in a supply shortage of any drugs we use in combination with, we may not be able to complete clinical development of our drug candidates as a combination therapy on our current timeline or within our current budget, or at all.

In addition, we generally have no influence over the availability and pricing of such drugs. If other biotech companies discontinue these combination drugs, or if these drugs become prohibitively expensive, regimens that use these combination drugs may no longer be prescribed, and we may not be able to introduce or find an alternative drug to be used in combination with our drugs in a timely manner and on commercially reasonable terms, or at all. As a result, clinical development of our drug candidates may be affected or future demands for our drugs may be lowered, which would in turn materially and adversely affect our business, financial condition, results of operations and prospects.

We invest substantial human and capital resources in research and development in order to develop our drug candidates and enhance our technologies, but we cannot guarantee that such efforts will lead to successful outcomes.

The global biotech market is constantly evolving, and we must keep pace with new technologies and methodologies to maintain our competitive position. For example, we have made significant efforts to develop our core technology platforms, including our proprietary TRANDD platform which allows us to continuously develop a robust pipeline of drug candidates. For more details, see “Business — Our Platform.” In 2023, 2024 and the six month ended June 2024 and 2025, our costs and expenses in relation to R&D activities, which represented our cost of revenue and research and development expenses, were US\$24.4 million, US\$25.0 million, US\$13.2 million and US\$15.8 million, respectively. We intend to continue to strengthen our technical capabilities in the development of our drug candidates, which requires substantial capital and time. We cannot assure you that we will be able to develop, improve or adapt to new technologies and methodologies, successfully identify new technological opportunities, develop and bring new or enhanced products to market, or obtain

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sufficient or any patent or other intellectual property protection for such new or enhanced products in a timely and cost-effective manner. Any failure to do so may render our previous efforts obsolete, which could significantly reduce the competitiveness of our TRANDD platform and drug candidates, and harm our business and prospects.

RISKS RELATING TO OUR INTELLECTUAL PROPERTY RIGHTS

We may not be able to protect our intellectual property rights, or prevent unfair competition by third parties, throughout the world.

We are primarily focused on protecting our intellectual property rights in our target markets, being Greater China and the United States. See “— Key Risks Relating to Our Business — If we are unable to obtain and maintain adequate intellectual property protection for our drug candidates and TRANDD platform in relevant jurisdictions across the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize drug candidates and technologies similar or identical to ours and compete directly against us, and our ability to successfully develop and commercialize any of our drug candidates or technologies would be materially and adversely affected” for more details. Filing, prosecuting, maintaining and defending patents on drug candidates in all other countries throughout the world could be prohibitively expensive for us. Our intellectual property rights in other countries can have a different scope and strength compared to those in our target markets. In addition, the laws of certain countries do not protect intellectual property rights to the same extent as the laws of our target markets. Consequently, we may not be able to prevent third parties from using our inventions in all countries outside our target markets, or from selling or importing drugs made using our inventions in or into our target markets or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own drugs and further, may export otherwise infringing drugs to jurisdictions where we have patent protection, but where enforcement rights are not as strong as those in markets such as the United States. These drugs may compete with our drug candidates and our patent rights or other intellectual property rights may not be effective or adequate to prevent them from competing.

Proceedings to enforce our intellectual property and proprietary rights could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly, could put our patent applications at risk of not being issued, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

China, the United States, and other countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, countries such as the United States limit the enforceability of patents against government agencies or government contractors. In China and the United States, the patent owner may have limited

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remedies, which could materially diminish the value of such patent. If we, co-owners of our patents and patent applications, or licensors are forced to grant a license to third parties with respect to any patents relevant to our business, our competitive position may be impaired, and our business, financial condition, results of operations, and prospects may be adversely affected.

As a result, we may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time-consuming and unsuccessful. Patent rights relating to our drug candidates could be found invalid or unenforceable if challenged in court or before the USPTO, or CNIPA, or another comparable authority.

Issued patents covering one or more of our drug candidates or technologies could be found invalid or unenforceable if challenged in court or administrative proceedings, potentially harming our competitive position.

Competitors may infringe our patent rights or misappropriate or otherwise violate our intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend our intellectual property rights, to protect our trade secrets or to determine the validity and scope of our own intellectual property rights or the proprietary rights of others. This can be expensive and time-consuming. Any claims that we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe their intellectual property rights. Many of our current and potential competitors have the ability to dedicate substantially greater resources to enforce and/or defend their intellectual property rights than we can. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property. An adverse result in any litigation proceeding could put our patents, as well as any patents that may be issued in the future from our pending patent applications, at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

Defendant counterclaims alleging invalidity or unenforceability are commonplace; a third party can assert invalidity or unenforceability of a patent on numerous grounds. Third parties may also raise similar claims before administrative bodies in China or abroad, even outside the context of litigation. Such proceedings could result in revocation or amendment to our patents in such a way that they no longer cover and protect our drugs or drug candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity of our patents, for example, we, our patent counsel, and the patent examiner could be unaware of invalidating prior art during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our drugs or drug candidates. Such a loss of patent protection could have a material adverse impact on our business.

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Obtaining and maintaining our patent protection depends on compliance with various procedural, documents submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

The China National Intellectual Property Administration (the “CNIPA”) and various governmental patent agencies require compliance with a number of procedural, documentary, fee payment, and other similar provisions during the patent application process. For instance, periodic maintenance fees on any issued patent are due to be paid to the CNIPA and other patent agencies in several stages over the lifetime of the patent. Although an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Such non-compliance events may include failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. In addition, under the PRC patent law, any organization or individual that applies for a patent in a foreign country for an invention or utility model accomplished in China is required to report to the CNIPA for confidentiality examination; otherwise the patent right will not be granted, if an application is later filed in China.

If our patent terms expire before or soon after our drug candidates are approved, or if competitors successfully challenge our patents, our business may be materially harmed. Lack of protection under the applicable patent linkage and patent term extension laws and regulations could increase the risk of early generic competition.

Patents are of critical importance in the biotech industry. We rely upon patents and other intellectual property rights to protect our drug candidates and technologies. We seek to protect our proprietary position by, among other things, filing patent applications in the PRC, the United States and certain other jurisdictions related to our proprietary technologies, inventions and improvements that are important to the development and implementation of our business. The patent positions of biotech companies like ours are generally uncertain and involve complex legal, scientific and factual issues. The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. The scope of patent protection we obtain, if any, may not exclude others from commercializing products that are similar or the same as our products. The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. For example, in the PRC, the term of an invention patent is generally 20 years from the date of filing, and in the United States, the term of a patent is generally 20 years from the earliest non-provisional patent application filing date. Even if patents that cover our drug candidates, their manufacture or use are obtained, once the patent term expires, we may be subject to competition from competitive drugs, including biosimilars.

Because of the amount of time required to develop new drug candidates, test them in clinical trials and conduct regulatory review of any marketing application we submit, the period of commercial exclusivity for any approved drug candidate may be substantially shorter than the patent life. As a result, our patents and patent applications may not provide sufficient

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rights to exclude others from commercializing products that are similar or the same as our products. Even if patents are issued in respect of our patent applications, we may not have the right to exclude others from making, using, selling, offering for sale or importing products that are the same as or similar to our products, if we do not obtain an exclusive license from any such third-party co-owners of these patents or patent applications. These co-owners may license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. We may need the cooperation of any such co-owners of our patents and patent applications in order to enforce these patents against third parties, and any such co-owners may not cooperate with us. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

Even if we are eligible to seek certain patent term extensions, we cannot guarantee that the applicable authorities, including the FDA and the United States Patent and Trademark Office (“USPTO”) in the United States, and any equivalent regulatory authorities in other countries, will agree with our assessment of whether such extensions should be granted, and they may refuse to grant extensions or grant more limited extensions than we request. For example, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, which is the Hatch-Waxman Amendments, depending upon the timing, duration and specific details of any FDA marketing approval we may obtain. The Hatch-Waxman Amendments permit a patent restoration term of up to five years as compensation for time lost during FDA regulatory review. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent covering the approved drug, a method of using it, or a method of manufacturing it may be extended and only those claims covering the approved drug, a method of using it, or a method of manufacturing it may be extended. Similarly, the Patent Law amendments promulgated in October 2020 in China introduced patent term extension for new drug patents launched in China, which may allow patent owners to file an application for patent term extension of up to five years, but the total effective patent term after the new drug receives marketing approval shall not exceed 14 years. However, we may not be granted an extension because we failed to exercise due care during the testing phase or regulatory review process, failed to apply within the applicable periods, failed to apply prior to expiration of the relevant patents or failed to otherwise satisfy applicable requirements.

Moreover, the length of the extension may be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights with respect to such product would be shortened and our competitors might obtain approval to sell competing products sooner than anticipated. Furthermore, during any patent term extension period, the scope of our exclusionary rights may be limited or may not cover competing products or uses of such products. Therefore, if granted, our revenues from the applicable drug candidates may be reduced, possibly materially.

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Manufacturers of generic drugs or biosimilars may challenge the scope, validity or enforceability of our patents in court or at the patent offices, and we may not be successful in enforcing or defending these intellectual property rights, and as a result may not be able to exclusively develop or market the relevant products, which would have a material adverse impact on any potential sales. After our issued patents or patents that may be issued from our pending patent applications expire, we will not be able to assert such patents against potential competitors and our business and results of operations may be adversely affected. On the other hand, if we launch a drug candidate prior to the expiration of any competitive product patents, we may face potential patent infringement claims.

Changes in patent and other intellectual property laws and regulations of China, the United States or other jurisdictions could diminish the value of our intellectual property in general, thereby impairing our ability to protect our current drug candidates and future drugs.

Obtaining and enforcing patents in the biotech industry involve a high degree of technological and legal complexity. Therefore, obtaining and enforcing patents is costly, time-consuming and inherently uncertain. Changes in either the patent laws and regulations or in the interpretations of patent laws and regulations in China, the United States and other countries may diminish the value of our intellectual property and may increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. We cannot predict the breadth of claims that may be allowed or enforced in our future patents or in third-party patents. In addition, there are periodic proposals for changes to the patent laws in China, the United States and other countries that, if adopted, could impact our ability to enforce our proprietary technology.

In China, intellectual property laws are constantly evolving, with efforts being made to improve intellectual property protection in the PRC. For example, on October 17, 2020, the Standing Committee of the National People’s Congress of the PRC (“SCNPC”) promulgated the Amendment to the PRC Patent Law effective from June 1, 2021, which provides that, among others, the patentee of an invention patent relating to an innovative new drug that has been granted the marketing authorization in the PRC is entitled to request the patent administration department under the State Council to grant a patent term extension of up to five years, in order to compensate the time required for the regulatory evaluation and approval for the commercialization of such new drug; provided that, the total remaining patent term of such new drug approved for commercialization shall not exceed 14 years after such approval. As a result, the terms of our PRC patents may be eligible for extension and allow us to extend patent protection of our products, and the terms of the patents owned by third parties may also be extended, which may in turn affect our ability to commercialize our products candidates, if and when approved, without facing infringement risks. The length of any such patent term extension is uncertain. If we are required to delay commercialization for an extended period of time, technological advances may develop and new competitor products may be launched, which may render our product non-competitive. We also cannot guarantee that other changes to PRC intellectual property laws would not have a negative impact on our intellectual property protection.

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Evolving judicial interpretation of patent law could also adversely affect our business. The U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit have issued numerous precedential opinions in recent years narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on future actions by the U.S. Congress, the U.S. federal courts, the USPTO or similar authorities in foreign jurisdictions, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce or defend patents that we have licensed or that we might own or license in the future.

Similarly, changes in patent law and regulations in other countries or jurisdictions or changes in the governmental bodies that enforce them or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce our current and future owned and licensed patents.

If we are unable to protect the confidentiality of our trade secrets and confidential information, our business and competitive position would be harmed. We may be subject to claims that our employees, consultants or advisers have wrongfully used or disclosed alleged trade secrets of their former employers, and we may be subject to claims asserting ownership of what we regard as our own intellectual property.

In addition to our issued patent and pending patent applications, we rely on trade secrets, including unpatented know-how, technology and other proprietary information, to maintain our competitive position and to protect our drug candidates. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements or including such undertakings in agreements with parties that have access to them, such as our employees, corporate partners, outside scientific partners, sponsored researchers, contract manufacturers, consultants, advisors and other third parties. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes. Despite our efforts, any of these parties may breach such agreements and disclose our proprietary information, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. If any of our trade secrets were lawfully obtained or independently developed by a competitor, we would have no right to prevent them from using that technology or information to compete with us and our competitive position would be harmed.

Furthermore, certain of our employees were previously employed at other biotech companies, including our competitors or potential competitors. Some of these employees might have executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although we try to ensure that our employees do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these employees or consultants have used or disclosed intellectual

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property, including trade secrets or other proprietary information, of any such individuals' former employer. We are not aware of any material threatened or pending claims related to these matters or concerning our senior management, but in the future litigation may be necessary to defend against such claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, while we typically require our employees involved in the development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, which may result in claims by or against us related to the ownership of such intellectual property. If we fail in prosecuting or defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. Even if we are successful in prosecuting or defending against such claims, litigation could result in substantial costs and be a distraction to our management and scientific personnel.

If our trademarks are not adequately protected, then we may not be able to build brand recognition in our markets of interest and our business may be adversely affected.

We currently own issued trademark registrations and have trademark applications pending, any of which may be the subject of a governmental or third-party objection, which could prevent the registration or maintenance of the same. We cannot assure you that any currently pending trademark applications or any trademark applications we may file in the future will be approved. During trademark registration proceedings, we may receive rejections and although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceeding may be filed against our trademarks and our trademarks may not survive such proceedings. If we are unsuccessful in obtaining trademark protection for our primary brands, we may be required to change our brand names, which could materially adversely affect our business. Moreover, as our drug candidates mature in the future, upon regulatory approval, our reliance on our trademarks to differentiate us from our competitors will increase, and as a result, if we are unable to prevent third parties from adopting, registering or using trademarks and trade dress that infringe, dilute or otherwise violate our trademark rights, or engaging in conduct that constitutes unfair competition, defamation or other violation of our rights, our business could be materially adversely affected.

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Our trademarks may be challenged, infringed, circumvented or declared generic or determined to be infringing on other marks. We may be unsuccessful to protect our rights to these trademarks, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors or other third parties may adopt trademarks similar to ours, and impede our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks. Over the long term, if we are unable to establish name recognition based on our trademarks, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

If we are sued for infringing, misappropriating or otherwise violating intellectual property rights of third parties or engaging in unfair competition, such litigation could be costly and time-consuming and could prevent or delay us from developing or commercializing our drug candidates.

Our future commercial success depends in part on our ability to avoid infringing, misappropriating, or otherwise violating intellectual property rights of third parties. However, our efforts to identify and avoid infringing on third parties’ intellectual property rights may not always be successful. Defending ourselves against third parties’ intellectual right infringement allegations, meritorious or not, would be expensive and time consuming, and would be a substantial diversion of our resources and our management team’s attention. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, some of our confidential information could be compromised by disclosure during this type of litigation.

In the event that third parties assert infringement claims against us, there is no assurance that the outcome would be in our favor, as whether a drug candidate or technology infringes on third parties’ intellectual property rights involves an analysis of complex legal and factual issues, the determination of which is often uncertain, and the burden of proof required to successfully challenge a third-party intellectual property right may be high. If we were found by courts or other competent authorities to have infringed on the patent or other intellectual property rights of third parties, we may be subject to injunctive or other equitable relief, which could prevent us from developing and commercializing our drug candidates, or at least delay the development or commercialization process. Even if the litigations or other proceedings are resolved in our favor, our involvement in such proceedings may attract publicity, thereby having a substantial adverse effect on our reputation and brand name.

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Intellectual property rights do not necessarily protect us from all potential threats to our competitive advantages.

As intellectual property rights have limitations, they do not necessarily protect us from all potential threats in our competition with other biotech companies. Some of such limitations include:

- others may be able to manufacture drugs that are similar to our drug candidates or apply similar technology that is not covered by the patents we own or in-license, now or in the future;
- others may independently develop similar drugs through methods or means that do not technically infringe, misappropriate or otherwise violate our intellectual property rights, particularly if the scope of protection afforded by our intellectual property rights is limited by the laws and regulations of certain jurisdictions or pursuant to court judgments or other legal proceedings;
- we might not have been the first to file patent applications covering certain of our inventions;
- it is possible that our pending in-licensed patent applications or those that we may own in the future will not lead to issued patents;
- we may not develop additional proprietary technologies that are patentable;
- we may choose not to file a patent application for certain trade secrets or know-how, and a third party may subsequently file a patent application covering such intellectual property;
- our patents may be rendered invalid or unenforceable as a result of legal challenges by our competitors; and
- our competitors might conduct research and development activities in countries where we do not have patent rights and use the information learned to develop competitive drugs for sale in our major markets.

RISKS RELATING TO THE MANUFACTURING AND COMMERCIALIZATION OF OUR DRUG CANDIDATES

The manufacturing of drugs is a complex process, and we have limited experience in manufacturing drug products on a large commercial scale.

As of the Latest Practicable Date, we had not commercialized any drug candidates. Accordingly, we have limited experience in manufacturing drugs on a commercial scale, which is a complex process, in part due to strict regulatory requirements. We cannot assure you that issues relating to the manufacturing of our drug candidates will not occur in the future. We also face certain risks in relation to the CDMOs that we or our partners engage for manufacturing activities.

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Issues may arise during the manufacturing process for reasons including: (i) equipment malfunction, (ii) failure to follow specific protocols and procedures, (iii) problems with raw materials, (iv) changes in manufacturing production sites or limits to manufacturing capacity due to regulatory requirements, (v) changes in the type of products produced, (vi) advances in manufacturing techniques, (vii) physical limitations that could inhibit continuous supply, and (viii) the occurrence of natural disasters.

If problems arise during the production process of certain future products, a batch or several related batches of such product may have to be discarded and cause production delays, cost increases, lost revenue and damage to customer relationships and our reputation. If problems are not discovered before the relevant products are released to the market, we may incur additional costs in connection with product recalls and product liability.

We may not be able to maintain effective quality control over our drug products.

The quality of our products, including drug candidates we used for research and development purposes, will depend significantly on the effectiveness of our quality control and quality assurance, which in turn depends on factors such as the production processes, the quality and reliability of equipment used, the capabilities of the CDMOs we engage and our ability to ensure that they adhere to our quality control and quality assurance protocol. We operate a comprehensive quality control system, which is established and refined in accordance with the rigorous regulations and guidelines. See “Business — Quality Control” for more details. However, we cannot assure you that our quality control and quality assurance procedures will be effective in consistently preventing and resolving deviations from our quality standards or that our standard operating procedures will be complete or updated at all times. Any significant failure or deterioration of our quality control and quality assurance protocol or standard operating procedures could render our products unsuitable for use, result in gaps in the audit of our processes, and/or harm our market reputation and relationship with business partners. Any such developments may have a material and adverse effect on our business, financial condition and results of operations.

We have no track record with limited experience in launching and marketing approved drugs, and we may not be able to successfully create or increase market awareness of our drugs or sell our products, which will materially affect our ability to generate sales revenue.

We have not yet demonstrated an ability to launch and commercialize any of our drug candidates. Our ability to successfully commercialize our drug candidates may involve more inherent risk, take longer, and cost more than it would if we were a company with experience launching and marketing drug candidates.

We will have to compete with other biotech companies to recruit, hire, train and retain marketing and sales personnel, but may be unable to, or decide not to, further develop internal sales, marketing and commercial distribution capabilities for any or all of our drug candidates. We may also pursue collaborative arrangements regarding the sales and marketing of our drug

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candidates. However, there can be no assurance that we will be able to establish or maintain such collaborative arrangements, or if we are able to do so, that they will have effective sales forces. Any revenue we receive will depend upon the efforts of such third parties. We would have little or no control over the marketing and sales efforts of such third parties, and our revenue from product sales may be lower than if we had commercialized our drug candidates ourselves. We also face competition in our search for third parties to assist us with the sales and marketing efforts for our drug candidates. This competition arises from numerous companies vying for the resources of third-party entities, including distribution networks. Faced with constraints such as limited capacity and strategic priorities, these third parties may carefully evaluate potential partnerships. There can be no assurance that we will be able to further develop and successfully maintain in-house sales and commercial distribution capabilities or establish or maintain relationships with third-party collaborators to successfully commercialize any product, and as a result, we may not be able to generate product sales revenue.

Our drug candidates, once approved, may fail to achieve the degree of market acceptance by physicians, hospitals, patients, third-party payers and others in the medical community that would be necessary for their commercial success, and the actual market size of our drug candidates might be smaller than expected.

The commercial success of our drug candidates, upon regulatory approval, depends upon the degree of market acceptance each of such products achieves. Our drug candidates, once approved, may fail to gain sufficient market acceptance by physicians, patients, third-party payers and others in the medical community. In addition, physicians, patients and third-party payers may prefer other products to ours. If our drug candidates (once approved and upon commercialization) do not achieve an adequate level of acceptance, the sales of our future drug products will be adversely affected, and we may fail to effectively market our drug candidates (once approved and upon commercialization). The degree of market acceptance of our drug candidates, if approved for commercial sale, will depend on a number of factors, including, but not limited to:

- the clinical indications for which our drug candidates are approved;
- physicians, hospitals, medical treatment centers and patients considering our drug;
- efficacy and safety of our drug candidates;
- the potential and perceived advantages of our drug candidates over alternative treatments;
- the prevalence and severity of any side effects;
- product labelling or product insert requirements of regulatory authorities;

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- limitations or warnings contained in the labelling approved by regulatory authorities;
- the timing of market introduction of our drug candidates as well as competitive drugs;
- the cost of treatment in relation to alternative treatments;
- the availability of adequate coverage, reimbursement and pricing by third-party payers and government authorities;
- the willingness of patients to pay out-of-pocket in the absence of coverage and reimbursement by third-party payers and government authorities; and
- the effectiveness of our sales and marketing efforts.

Once approved, if any drug candidates that we commercialize fail to achieve market acceptance among physicians, patients, hospitals, medical treatment centers or others in the medical community, we will not be able to generate significant revenue. Even if our future approved drug candidates achieve market acceptance, we may not be able to maintain such market acceptance over time if new products or technologies are introduced that are more favorably received than our drug candidates, are more cost-effective or render our drug candidates obsolete. Our failure to achieve or maintain market acceptance for our future approved drug candidates would materially adversely affect our business, financial condition, results of operations and prospects.

The size of the potential market for our current or future drug candidates is difficult to estimate and, if any of our assumptions are inaccurate, the actual markets for our current or future drug candidates may be smaller than our estimates.

Our projections of the number of patients who have the potential to benefit from treatment with our drug candidates are based on our beliefs and estimates. These estimates have been derived from a variety of sources, including scientific literature, surveys of clinics, patient foundations, or market research and may prove to be incorrect. Further, new studies may change the estimated incidence or prevalence of these diseases. The number of patients may turn out to be fewer than expected. As a result, the potentially addressable patient population and market size for our drug candidates may be smaller than our estimates. Furthermore, there is no guarantee that any of our drug candidates, even if approved, would be approved for the line of therapy we are aiming for. For indications with well-established standard of care therapies, the NMPA, the FDA and other comparable regulatory authorities may approve new therapies initially only for later lines of therapy. While we may seek approval for our drug candidates as an early-line therapy for certain indications, there is no guarantee that they will be approved as such. As a result, even if we obtain market approval for our drug candidates, we may not achieve the anticipated market size and revenue unless such market approval is for the intended lines of therapy or for additional indications.

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Counterfeit drugs and the illegal and/or parallel imports, compounding pharmacies and direct-to-consumer approaches with competing drugs may reduce demand for our drug candidates and compromise reputation, which could adversely affect our business.

The illegal importation of similar or competing products from countries where government price controls or other market dynamics result in lower prices may adversely affect the demand for our future approved drug candidates and, in turn, may adversely affect our sales and profitability in the PRC and other countries where we commercialize our products. In certain therapeutic areas such as weight management, market dynamics are further complicated by the growing presence of the compounding pharmacies and/or direct-to-consumer distribution channels in certain parts of the world, which may offer alternative formulations or unapproved therapies that potentially reduce demand for our approved drugs and creating challenges related to patient acquisition, pricing, and market share, particularly if they offer lower-cost or more accessible options that appeal to consumers. These could contribute to price erosion, fragmentation of the patient base and increased difficulty in establishing brand loyalty, all of which could negatively impact our commercial performance of any approved drugs, market share and long-term financial condition.

Furthermore, cross-border imports from lower-priced markets into higher-priced markets, which are known as parallel imports, could harm sales of our future drug products and exert commercial pressure on pricing within one or more markets. In addition, competent government authorities may expand consumers’ ability to import lower-priced biosimilar products of our future approved products or competing products from outside the jurisdictions in which we operate, conduct our clinical trials and perform our contractual obligations. Any future legislation or regulations that increase consumer access to lower priced drugs from outside the jurisdictions in which we operate, conduct our clinical trials and perform our contractual obligations could have a material adverse effect on our business.

Certain drug products distributed or sold may be manufactured without proper licenses or approvals or be fraudulently mislabeled with respect to their contents or manufacturers. These products are generally referred to as counterfeit drugs. Relevant governmental authorities may be unable to timely prevent counterfeit drugs imitating our drugs. As counterfeit drugs or products in many cases resemble the authentic drugs, yet are generally sold at lower prices, any counterfeiting of our products could reduce the demand for our future approved drug candidates. Counterfeit drugs are unlikely to meet our or our collaborators’ rigorous manufacturing and testing standards, and may even cause health damage to patients. Our reputation and business could suffer harm as a result of counterfeit drugs.

Negative results from off-label prescribing in metabolic therapies could damage the reputation of our drug candidates.

Off-label drug use is the prescription of a product for an indication, dosage or in a dosage form that is not in accordance with regulatory approved usage and labeling. While regulatory authorities including the FDA, NMPA, and other comparable agencies strictly enforce regulations against the promotion of off-label use, physicians may legally prescribe drugs for

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unapproved uses under certain circumstances. Though a recognized aspect of medical practice, the prescription of our drug products outside their approved indications, patient populations, or dosing parameters could lead to potential risks arising from insufficient safety/efficacy data, regulatory compliance challenges, reimbursement issues, and the need for enhanced monitoring and documentation. Off-label use could also render our products less effective or entirely ineffective and may cause unexpected adverse drug reactions or other events. Any of these occurrences can create negative publicity and materially and adversely affect our business reputation, product brand, business operations and financial conditions. These occurrences may also expose us to liability and cause a delay in the progress of our clinical trials and may ultimately result in failure to obtain regulatory approval for our drug candidates.

Even if we or our partners are able to commercialize our drug candidates, we may face uncertainties from international, national, provincial or other third-party drug reimbursement practices, unfavorable drug pricing policies or regulations, or pricing reductions due to market conditions, which could harm our business.

The regulations that govern regulatory approvals, pricing and reimbursement for new therapeutic products vary widely from country to country. We intend to seek approval to market our drug candidates in China, the U.S., and other jurisdictions, such as the EU. The pricing of drugs and biologics in the relevant jurisdiction is subject to governmental regulations, which can take considerable time even after obtaining regulatory approval. Our ability to commercialize any approved drug candidates successfully also will depend in part on the extent to which reimbursement for these drugs and related treatments will be available from government health administration authorities, private health insurers and other organizations.

A primary trend in the global healthcare industry is cost containment. Government authorities and these third-party payers have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications.

In China, the National Healthcare Security Administration of China, the Ministry of Human Resources and Social Security of China or provincial or local human resources and social security authorities, together with other government authorities, review the inclusion or removal of drugs from the China’s National Drug Catalog for Basic Medical Insurance, Work-related Injury Insurance and Maternity Insurance (《國家基本醫療保險、工傷保險和生育保險藥品目錄》), or the National Reimbursement Drug List (the “NRDL”), or provincial or local medical insurance catalogues for the National Medical Insurance Program (the “PRDL”) regularly, and the tier under which a drug will be classified, both of which affect the amounts reimbursable to program participants for their purchases of those drugs. There can be no assurance that any of our future approved drug candidates will be included in the NRDL or the PRDL. Products included in the NRDL or the PRDL are typically generic and essential drugs. Innovative drugs similar to our drug candidates have historically been more limited on their inclusion in the NRDL or the PRDL due to the affordability of the government’s Basis Medical Insurance.

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In the U.S., there is no uniform policy of medical insurance coverage and reimbursement for drugs. In China, the average period for innovative drugs to be included in the NRDL or the PRDL has shortened from five to two years. Nevertheless, obtaining coverage and reimbursement approval of a drug from a government or other third-party payer is a time-consuming and costly process that could require us to provide to each payer supporting scientific, clinical and cost-effectiveness data for the use of our future approved drugs on a payer-by-payer basis, with no assurance that coverage and adequate reimbursement will be obtained. Even if we obtain coverage for a given drug, the resulting reimbursement rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payers may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of our future approved drug candidates. Patients are unlikely to use any of our future approved drug candidates unless coverage is provided and reimbursement is adequate to cover a significant portion of the cost of the drugs. Our drug candidates, as biologics, generally have a higher cost of goods than conventional therapies such as small molecule drugs, due to various factors including complex manufacturing processes, quality control requirements, and supply chain management. These innovative biologic products may also require follow-up evaluations with longer term to continuously monitor their safety and efficacy. Thus, the risk that coverage and reimbursement rates may be inadequate for us to achieve profitability may be greater.

There may be significant delays in obtaining reimbursement for approved drug candidates, and coverage may be more limited than the purposes for which the drug candidates are approved by the NMPA, FDA or other comparable regulatory authorities. Moreover, eligibility for reimbursement does not imply that any drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution. Interim payments for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Payment rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on payments allowed for lower cost drugs that are already reimbursed, and may be incorporated into existing payments for other services. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payers and by any future weakening of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the U.S. Our inability to promptly obtain coverage and profitable payment rates from both government-funded and private payers for any future approved drug candidates and any new drugs that we develop could have a material adverse effect on our business, our operating results, and our overall financial condition.

Guidelines, recommendations and studies published by various organizations could disfavor our drug candidates.

Government agencies, professional societies, practice management groups, private health and science foundations and organizations focused on various diseases may publish guidelines, recommendations or studies that affect our or our competitors' drugs and drug candidates. Any such guidelines, recommendations or studies that reflect negatively on our drug products, either directly or indirectly relative to our competitive drug products, could result in current

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or potential decreased use of, sales of, and revenue from one or more of our drug products. Furthermore, our success depends in part on our ability to educate healthcare providers and patients about our drug products, and these education efforts could be rendered ineffective by, among other things, third-parties’ guidelines, recommendations or studies. As a result, our business, reputation, financial condition and results of operations could be adversely affected.

RISKS RELATING TO OUR RELIANCE ON THIRD PARTIES

We work with various third parties to develop our drug candidates, such as those who help us conduct our preclinical studies and clinical trials. If these third parties do not successfully carry out their contractual duties or meet expected timelines, we may not be able to obtain regulatory approval for, or commercialize, our drug candidates, and our business could be materially harmed.

We have relied on and plan to continue to rely on third-party CROs and other third parties to monitor and manage data for some of our ongoing preclinical and clinical programs. We rely on these parties for the execution of our preclinical and clinical trials, and control only certain aspects of their activities. Nevertheless, we are responsible for ensuring that each of our studies is conducted in accordance with the applicable protocol and legal, regulatory and scientific standards, and our reliance on the CROs and other third parties does not relieve us of our regulatory responsibilities.

We and our CROs are required to comply with the applicable good clinical practice (“GCP”), good laboratory practice (“GLP”) and other regulatory regulations and guidelines enforced by the NMPA, the FDA and other comparable regulatory authorities for all of our drug candidates in clinical development. Regulatory authorities may enforce these GCP, GLP or other regulatory requirements through periodic inspections of trial sponsors, investigators and trial sites. In addition, our clinical trials must be conducted with drug candidates or products manufactured under current good manufacturing practice (“cGMP”) requirements.

The CROs we engage may not always perform to our standards, may not produce results in a timely manner or may fail to perform at all. Notwithstanding the remedies available to us under our agreements with our CROs, we cannot control whether or not such CROs will devote sufficient time and resources to our ongoing clinical, nonclinical and preclinical programs. If we or any of our CROs fail to comply with the applicable GCP, GLP, cGMP or other regulatory requirements, the relevant data generated in our clinical trials may be deemed unreliable and the NMPA, the FDA or other comparable regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. There can be no assurance the regulatory authorities will determine that our clinical trials comply with all the applicable requirements. Failure to comply with these regulations may lead us to repeat preclinical studies and clinical trials, which would delay the regulatory approval process.

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Similarly, if other third parties fail to meet expected deadlines, timely transfer to us any requisite information, adhere to protocols or act in accordance with regulatory requirements or our agreements with them, or if they otherwise perform in a sub-standard manner or in a way that compromises the quality or accuracy of their activities or the data they obtain, the clinical trials of our drug candidates may be compromised, delayed, prolonged, suspended or terminated, or our data may be rejected by the NMPA, the FDA, or other comparable regulatory authorities.

Because we rely on third parties, our internal capacity to perform these functions is limited. To the extent we are unable to identify and successfully manage the performance of third-party service providers in the future, our business may be adversely affected. In addition, the use of third-party service providers requires us to disclose our proprietary information or confidential information concerning the subjects enrolled in our clinical trials to these third parties, which could increase the risk that such information will be misappropriated. Though we carefully manage our relationships with our CROs and other third-party service providers, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a material and adverse impact on our business, financial condition, results of operations and prospects.

In addition, we may not be able to enter into arrangements with alternative CROs and other third parties in a timely manner or do so on commercially reasonable terms, if our existing relationships with these third parties terminate. Switching or adding CROs and other third parties involves additional cost and delays, which can materially affect our ability to meet our desired clinical development timelines. There can be no assurance that we will not encounter similar challenges or delays in the future or that these delays or challenges will not have a material adverse effect on our business, financial condition and prospects.

Our rights to develop and commercialize our drug candidates are subject, in part, to the terms and conditions of licenses granted to us by others.

We have entered into the AstraZeneca Agreement in November 2023, under which we granted AstraZeneca exclusive global rights for the development and commercialization of our ECC5004 oral small molecule GLP-1RA for any indication in all territories except the Greater China, where we retained the right to co-develop and co-commercialize in China. In return, AstraZeneca also granted us a co-exclusive, royalty-free, sublicensable and transferable license for certain of their know-how, patents, product-specific technology and their interest in jointly developed technology, as well as other relevant intellectual property license to enable us to fulfill our obligations under the agreement. See “Business — Our Collaboration and Licensing Agreement” for more details. The licenses granted to us may not provide exclusive rights to use such intellectual property in all relevant fields of use or in all territories in which we may wish to develop or commercialize our future approved drugs. As a result, we may not be able to develop, export or sell our drug products outside of the fields or territories as stipulated by the

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license and collaboration agreements or prevent competitors from developing and commercializing competitive drug products in territories included in all of our licenses. Our existing or future collaboration partners may rely on third-party collaborators or on upstream licenses from third parties.

In addition, we may not have the right to control the preparation, filing, prosecution, maintenance, enforcement or defense of patents and patent applications covering the drug candidates and components we license from third parties, or the technology underlying such drug candidates and components. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained, enforced and defended in a manner consistent with the best interests of our business. If our existing or future collaboration partners fail to prosecute, maintain, enforce or defend such patents, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to research, develop and commercialize any of our drugs that are subject to such licensed rights could be adversely affected.

Such license agreements set out various procedures and timelines with respect to, among other matters, clinical development, commercialization, and financial obligations such as milestone payments and royalties. The terms of these agreements are complex and can be subject to multiple interpretations. The resolution of any disagreements arising from these agreements could, for example, eliminate or narrow what we believe to be the scope of our rights to the relevant intellectual properties or technologies, or increase what we believe to be our financial or other obligations under the relevant agreements. If we fail to comply with our obligations under our current or future license agreements, our counterparties may have the right to terminate such agreements, in which event we might lose the ability to develop, manufacture or market certain drugs, or face claims for monetary damages or other penalties under the respective agreements. Reduction or elimination of our rights under such agreements may force us to negotiate new or restated agreements with less favorable terms, or cause disruptions to our ongoing activities carried out in reliance of such rights, including our rights to important intellectual properties and technologies.

Moreover, if our existing or any future collaboration and licensing partners encounter financial problems, enter into liquidation, dissolution, bankruptcy, or similar insolvency proceedings, or experience changes in business focus, some or all of our rights under the license agreements may be affected. Any of these events could have a material and adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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We engage third parties and may rely on those to manufacture our drug products for clinical development and future commercial sales. Our business could be harmed if these third parties suffer substantial disruption to supply chain and production facilities, encounter problems in manufacturing or fail to deliver sufficient quantities of product or at acceptable quality or price levels.

We expect to rely on third parties to manufacture most of our drug candidates. Our anticipated reliance on contract manufacturers or other third parties exposes us to certain risks, such as:

- we or our licensees or third parties may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the NMPA, FDA or other comparable regulatory authorities must approve any manufacturers as part of their regulatory oversight of our drug candidates. This approval would require new testing and GMP-compliance inspections by the NMPA, FDA or other comparable regulatory authorities. In addition, a new manufacturer would have to be educated in, or develop substantially equivalent processes for, production of our drugs;
- the contract manufacturers or third parties may have little or no experience with manufacturing our drug candidates, and therefore may require a significant amount of support from us or our licensees in order to implement and maintain the infrastructure and processes required to manufacture our drug candidates;
- the contract manufacturers or third parties may have limited capacity or limited manufacturing slots, which may affect the timeline for the production of our drugs;
- the contract manufacturers or third parties might be unable to timely manufacture our drug candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;
- the contract manufacturers or third parties may not be able to execute our or the relevant manufacturing procedures and other logistical support requirements appropriately;
- our or our licensees’ or third parties’ future contract manufacturers may not perform as agreed, may not devote sufficient resources to our drugs, or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store and distribute our drugs;
- the contract manufacturers or third parties are subject to ongoing periodic unannounced inspections by the NMPA and the FDA to ensure strict compliance with GMP and other government regulations in the PRC and the United States,

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respectively, and by other comparable regulatory authorities for corresponding regulatory requirements. We or our licensees or third parties do not have control over contract manufacturers’ compliance with these regulations and requirements;

- we may not own, or may have to share, the intellectual property rights to any improvements made by contract manufacturers or third parties in the manufacturing process for our drugs;
- the contract manufacturers or third parties could breach or terminate their agreements with us or our licensees;
- the contract manufacturers or third parties may be unable to sustain their business and become bankrupt as a result;
- raw materials and components used in the manufacturing process, particularly those for which we or licensees or third parties have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects;
- products and components from our or our licensees’ or third parties’ contract manufacturers may be subject to additional customs and import charges, which may cause us to incur delays or additional costs as a result;
- the contract manufacturers or third parties and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters; and
- the contract manufacturers or third parties may have unacceptable or inconsistent product quality success rates and yields.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our drug candidates by the NMPA, FDA or other comparable regulatory authorities, result in higher costs or adversely impact the commercialization of our drug candidates.

If our business partners fail to maintain the necessary permissions, licenses or certificates, for the development, manufacturing and commercialization of our products, our business could be materially affected.

Our business partners, such as CROs, CDMOs, suppliers or licensing partner, on whom we may rely on to develop, manufacture, market, sell and distribute our drug candidates, may be subject to requirement of obtaining and maintaining necessary permits, licenses and certificates in their operations. Our business partners may also be subject to regular inspections, examinations, inquiries or audits by the regulatory authorities, and an adverse outcome of such inspections, examinations, inquiries or audits may result in the loss or non-renewal of the relevant permits, licenses and certificates. If our business partners fail to

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maintain or renew material permits, licenses and certificates, our ability to conduct our business could be materially impaired. Any changes in the standards used by governmental authorities in considering whether to renew or reassess our business partners’ licenses, permits and certifications, as well as enactment of any new regulations that may restrict the operation of our business partners’ operations, may also decrease our revenue and increase our costs, which in turn could materially and adversely affect our business, financial condition and results of operations.

If we cannot maintain or develop clinical collaborations and relationships with principal investigators, key opinion leaders (“KOLs”), physicians and other industry experts, our results of operations and prospects could be adversely affected.

Our relationships with principal investigators, KOLs, physicians and other industry experts play an important role in our research and development and marketing activities. We have established extensive interaction channels with principal investigators, KOLs, physicians and experts to gain first-hand knowledge of unmet clinical needs and clinical practice trends, which is critical to our ability to develop market-responsive drugs. However, we cannot assure you that we will be able to maintain or strengthen our clinical collaborations and relationships with principal investigators, KOLs, physicians and other industry experts, or that our efforts to maintain or strengthen such relationships will lead to the successful development and marketing of new products.

These industry participants may leave their roles, change their business or practice focus, choose to no longer cooperate with us or cooperate with our competitors instead. Even if they continue to cooperate with us, their market insights and perceptions, which we take into account in our research and development process, may be inaccurate and lead us to develop products that do not have significant market potential. Even if their insights and perceptions are correct, we may fail to develop commercially viable products. Industry participants may no longer want to collaborate with us or attend our conferences, and our marketing strategy may no longer be able to yield results that are commensurate to our efforts spent. If we are unable to develop and maintain our relationships with industry participants as anticipated, our business, financial condition and results of operations may be materially and adversely affected.

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RISKS RELATING TO OUR FINANCIAL POSITION AND NEED FOR ADDITIONAL CAPITAL

We are a global clinical-stage biotechnology company with a limited operating history, which may make it difficult to evaluate our current business and predict our future performance.

We are a clinical stage biotech company with a limited operating history. Our operations to date have focused on establishing our intellectual property portfolio, conducting drug discovery, preclinical studies and clinical trials of our drug candidates, organizing and staffing our operations, business planning and raising capital. We have not yet demonstrated an ability to successfully obtain marketing approvals for, or commercialize, our drug candidates. To date, we have no products approved for commercial sale and have not generated any revenue from product sales.

Our limited operating history, particularly in light of the rapidly evolving drug research and development industry in which we operate and the changing regulatory and market environments we encounter, may make it difficult to evaluate our prospects for future performance. Consequently, any predictions about our future success or viability may not be as accurate as they could be if we had a longer operating history. We will encounter risks and difficulties frequently experienced by early-stage companies in rapidly evolving fields as we seek to transition to a company capable of supporting commercial activities. If we do not address these risks and difficulties successfully, our business will suffer.

We incurred net liabilities and net current liabilities as of December 31, 2023. We may incur such liabilities in the foreseeable future, which may expose us to liquidity risk.

As of December 31, 2023, we had net liabilities and net current liabilities of US\$77.7 million and US\$78.0 million, primarily attributable to the contract liabilities of US\$149.9 million and convertible redeemable preferred shares of US\$119.5 million we recorded as of December 31, 2023. A net liabilities position and net current liabilities position can expose us to liquidity and financial risks. This in turn could require us to seek financing from external sources such as debt issuance and bank borrowings, which may not be available on terms favorably or commercially reasonable to us, or at all. See also “—Risks Relating to Our Financial Position and Need for Additional Capital — We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.”

We may experience net cash outflows from our operating activities from time to time. See also “Financial Information — Working Capital Confirmation.” Our forecast of the period of time through which our capital resources will be adequate to support our operations is a forward-looking statement and involves risks and uncertainties. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we currently expect.

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If we are unable to maintain adequate working capital or obtain sufficient financing to meet our capital needs, we may be unable to continue our operations according to our plan, default on our payment obligations and fail to meet our capital expenditure requirements, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.

During the Track Record Period, we funded our operations primarily through equity financing and revenue from the AstraZeneca Agreement. We expect our expenses to increase significantly in connection with our ongoing activities, particularly as we advance the clinical development of our clinical-stage drug candidates, continue the research and development of our preclinical stage drug candidates and initiate additional clinical trials of, and seek regulatory approval for, these and other future drug candidates. In addition, if we obtain regulatory approvals for any of our drug candidates, we expect to incur significant commercialization expenses relating to product manufacturing, marketing, sales and distribution and post-approval commitments to continue monitoring the efficacy and safety data of our future products on the market. We may also incur expenses as we create additional infrastructure to support our operations as a public company. Accordingly, we may need to secure substantial additional funding in connection with our continuing operations through public or private equity [REDACTED], debt financing, collaborations or licensing arrangements or other sources.

We expect to fund our future operations primarily with existing cash and cash equivalents, revenue from the AstraZeneca Agreement, and [REDACTED] from the [REDACTED] and any other future follow-on [REDACTED] as well as potential debt instruments. Upon the successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. Changes in our ability to fund our operations may affect our cash flow and results of operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

Our financial performance and results of operations may be adversely affected by fair value changes of our other financial assets at amortized cost.

As of December 31, 2023 and 2024, and June 30, 2025, we recorded other financial assets at amortized cost of US\$35.0 million, US\$92.4 million and US\$118.0 million, respectively. We measure assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest at amortized cost. These financial assets at amortised cost are subject to credit risks. We assess on a forward-looking basis the expected credit loss associated with our financial assets carried at amortized cost. There was no impairment losses for the years ended December 31, 2023 and 2024 and the six months ended

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June 30, 2025. For details, see Notes 4 and 22 to the Accountant’s Report in Appendix I to this document. Any failure or distress of banks or financial institutions with which we have a commercial relationship, or any events involving limited liquidity, defaults, non-performance or other adverse developments that affect the financial services industry in general (or any concerns or rumors about events of these kinds) may cause a substantial decrease in the value of our other financial assets at amortised cost, which may in turn adversely affect our results of operations and financial condition.

We have granted, and may continue to grant, certain awards under our Equity Incentive Plan, which may result in increased share-based payment expenses.

We have adopted our Equity Incentive Plan for the purpose of granting share-based compensation awards to employees, officers, or directors to incentivize their performance and align their interests with ours. In 2023, 2024 and the six months ended June 30, 2024 and 2025, we incurred US\$0.4 million, US\$1.6 million, US\$0.5 million and US\$1.0 million of share-based compensation expenses relating to share options granted under our Equity Incentive Plan, respectively. We believe the granting of share-based compensation is of significant importance to our ability to attract and retain key personnel and employees, and we may continue to grant share-based compensation awards to employees in the future. As a result, our expenses associated with share-based compensation may increase, which may affect our financial condition and results of operations. We may re-evaluate the vesting schedules, lock-up period, exercise price or other key terms applicable to the arrangements under our currently effective employee stock option plans from time to time. If we choose to do so, we may experience substantial change in our share-based compensation charges in the reporting periods following this [REDACTED].

Fluctuations in exchange rates could result in foreign currency exchange losses.

The Renminbi has fluctuated against the Hong Kong dollar and U.S. dollar, at times significantly and unpredictably. We recorded net foreign exchange losses of US\$0.5 million and US\$0.8 million in 2023 and the six months ended June 30, 2025, and net foreign exchange gains of US\$0.4 million in 2024. There is no assurance that we will continue to incur foreign exchange gains in the future or our foreign exchange losses will not incur in the future. The value of Renminbi against the U.S. dollar and other currencies is affected by changes in political and economic conditions and by foreign exchange policies, among other things. We cannot assure you that Renminbi will not appreciate or depreciate significantly in value against the Hong Kong dollar or U.S. dollar in the future. It is difficult to predict how market forces or PRC or U.S. government policy may impact the exchange rate between Renminbi and the Hong Kong dollar or U.S. dollar in the future.

The [REDACTED] from the [REDACTED] will be received in Hong Kong dollars. As a result, any appreciation of the Renminbi against the U.S. dollar, the Hong Kong dollar or any other foreign currencies may result in the decrease in the value of our [REDACTED] from the [REDACTED]. Conversely, any depreciation of the Renminbi may adversely affect the value of, and any dividends payable on, our Shares in foreign currency. In addition, there are limited

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instruments available for us to reduce our foreign currency risk exposure at reasonable costs. Furthermore, we are also currently required to complete filings with and obtain approvals from the State Administration of Foreign Exchange of the PRC (the “SAFE”) before converting significant sums of foreign currencies into Renminbi. All of these factors could materially and adversely affect our business, financial condition, results of operations and prospects, and could reduce the value of, and dividends payable on, our Shares in foreign currency terms.

RISKS RELATING TO OUR OPERATIONS

The loss of any key members of our senior management team or our inability to attract and retain highly skilled scientists, clinical and sales personnel could delay or prevent the successful development of our drug candidates and result to a material and adverse effect on our business and results of operations.

As a global clinical-stage biotechnology company, our success is highly dependent on the expertise, leadership and vision of a limited number of key research and development personnel that are expected to continue to play pivotal roles in shaping our research and development strategies, driving scientific innovation and overseeing the execution of our core business initiatives. Their deep industry knowledge, technical expertise and extensive experience have been instrumental to our achievements during the Track Record Period, and we expect their continued involvement to be critical to our future prospects. See “Business — Our Strengths — “Visionary Management with Deep Scientific Expertise and Industry Insight” for more details of our senior management.

Recruiting and retaining qualified scientific, technical, clinical, sales and marketing personnel in the future will also be critical to our success. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our discovery, clinical development and commercialization strategy. To retain valuable employees, in addition to salary and cash incentives, we have provided share incentives that vest over time. The value to employees of these equity grants that vest over time may be significantly affected by movements in the [REDACTED] of our Shares that are beyond our control and may, at any time, be insufficient to counteract more lucrative offers from other companies. The loss of the services of our executive officers or other key employees and consultants could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy.

Although we have not historically experienced unique difficulties attracting and retaining qualified employees, we could experience such problems in the future. Competition for qualified employees in the biotech industry is intense and the pool of qualified candidates is limited. We may not be able to retain the services of, or attract and retain, experienced senior management or key scientific and clinical personnel in the future. The departure of one or more of our senior management or key scientific and clinical personnel, regardless of whether or not they join a competitor or form a competing company, may subject us to risks relating to replacing them in a timely manner or at all, which may disrupt our drug development progress and have a material and adverse effect on our business and results of operations.

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Furthermore, replacing executive officers, key employees or consultants may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products like those we develop. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel or consultants on acceptable terms given the competition among numerous biotech companies for similar personnel. To compete effectively, we may need to offer higher compensation and other benefits, which could materially and adversely affect our financial condition and results of operations. In addition, we may not be successful in training our professionals to keep pace with technological and regulatory standards. Any inability to attract, motivate, train or retain qualified scientists or other technical personnel may have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.

We may be involved in claims, disputes, litigation, arbitration or other legal proceedings in the ordinary course of business, which could adversely affect our business, financial conditions, results of operations and reputation.

From time to time, we may be involved in inspections, claims, disputes and legal proceedings in our ordinary course of business. These may concern issues relating to, among others, product liability, privacy protection, environmental and safety matters, breach of contract, employment or labor disputes and intellectual property rights. Any inspections, claims, disputes or legal proceedings initiated by us or brought against us, our management or directors, with or without merit, may result in substantial costs and diversion of resources, and if we are unsuccessful, could materially harm our reputation. Furthermore, inspections, claims, disputes or legal proceedings against us, our management or directors may be due to actions taken by our counterparties, such as our suppliers, CROs and other service providers. Even if we are able to seek indemnity from them, they may not be able to indemnify us in a timely manner, or at all, for any costs that we incur as a result of such claims, disputes and legal proceedings.

We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties. If we or our third-party collaborators fail to comply with applicable anti-bribery laws, our reputation may be adversely affected and we could be subject to penalties and significant expenses.

We are subject to anti-bribery laws in the United States, China and other jurisdictions in which we conduct our business. For example, we are subject to the U.S. Foreign Corrupt Practices Act (the “FCPA”), which generally prohibits us from making improper payments to non-U.S. official for the purpose of obtaining or retaining business. We are also subject to anti-bribery laws in China that generally prohibit us and any of our intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing any other improper advantage. There is no assurance that policies or procedures to ensure compliance with anti-bribery laws will prevent our employees or third parties from engaging in bribery activities. We may be unable to prevent, detect or deter all such instances of

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misconduct by our employees or third parties. During the Track Record Period and up to the Latest Practicable Date, we were not aware of any instances of fraud, bribery or other misconduct involving employees and third parties that had any material adverse impact on our business and results of operations. However, we cannot assure you that there will not be any such instances in the future. We may be unable to prevent, detect or deter all such instances. Failure to comply with the applicable anti-bribery laws could disrupt our business and lead to severe criminal and/or civil penalties, including imprisonment, criminal and civil fines, loss of relevant licenses or permits, suspension of our ability to conduct our business operations and others. Other remedial measures could include further changes or enhancements to our procedures, policies and controls and potential personnel changes and/or disciplinary actions, any of which could have a material adverse effect on our business and financial condition. We could also be adversely affected by any allegation that we violated any applicable anti-bribery laws. Any such misconduct committed against our interests, which may include past acts that have gone undetected or future acts, may have a material adverse effect on our business, results of operations and reputation.

Product liability claims or lawsuits against us could result in expensive and time-consuming litigation, payment of substantial damages and increases in our insurance rates.

We face an inherent risk of product and professional liability as a result of the clinical testing and any future commercialization of our drug candidates inside and outside China. For example, we may be sued if our drug candidates cause or are perceived to cause injury or are found to be otherwise unsuitable during clinical testing, manufacturing, marketing or sale. Any such product liability claims may include allegations of defects in manufacturing, defects in design, a failure to warn of dangers inherent in the drug, negligence, strict liability or a breach of warranties. Claims could also be asserted under applicable consumer protection laws. If we cannot successfully defend ourselves against the claims, we may incur substantial liabilities or be required to limit commercialization of our drug candidates. Even successful defense would require significant financial and management resources. Regardless of the merits or eventual outcome, liability claims may result in:

- decreased demand for our drug candidates;
- injury to our reputation;
- withdrawal of clinical trial participants and inability to continue clinical trials;
- initiation of investigations by regulatory authorities;
- costs to defend the related litigation;
- a diversion of management’s time and our resources;
- substantial monetary awards to trial participants or patients;

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- product recalls, withdrawals or labelling, marketing or promotional restrictions;
- loss of revenue;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize any approved drug candidate; and
- a decline in the [REDACTED] of our Shares.

To cover such liability claims arising from clinical studies, we purchase clinical trial insurance to cover adverse events in our clinical trials. It is possible that our liabilities could exceed our insurance coverage or that our insurance will not cover all situations in which a claim against us could be made. We may not be able to maintain insurance coverage at a reasonable cost or obtain insurance coverage that will be adequate to satisfy any liability that may arise. If a successful product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired. Should any of these events occur, it could have a material adverse effect on our business, financial condition and results of operations. See “— We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations” for more details.

Our information technology systems, or those used by our CROs, CDMOs, partners, other independent contractors or consultants, may fail or suffer security breaches, which may require us to expend additional resources to protect our information technology systems and could materially and adversely affect our business, financial condition, results of operations and prospects.

Our internal computer systems and those of our current and any future third-party vendors, collaborators, consultants, and third parties performing services for us, as well as our clinical sites and regulatory authorities, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, and telecommunication and electrical failures.

Although we have not experienced any such material system failure, accident, or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a disruption of our drug candidate development and our business operations, whether due to a loss of our trade secrets or other proprietary information or other similar disruptions. For example, the loss of clinical trial data from our current or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in the theft or destruction of intellectual property, data, or other misappropriation of assets, financial

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loss, or otherwise compromise our confidential or proprietary information and disrupt our operations, our competitive position could be harmed, and the further development and commercialization of our drug candidates could be delayed.

We could be subject to risks caused by misappropriation, misuse, leakage, falsification, or intentional or accidental release or loss of information maintained in the information systems and networks of our company, our third-party vendors, and clinical sites, including personal information of our employees and, potentially, our clinical study patients, and company and vendor confidential data.

If we fail to maintain effective internal controls, we may not be able to accurately report our financial results or prevent fraud, and our business, financial condition, results of operations and reputation could be materially and adversely affected.

Prior to this [REDACTED], we were a private company with limited accounting and financial reporting personnel and other resources with which to address our internal controls and procedures. Our independent registered public accounting firm has not conducted an audit of our internal control over financial reporting. In preparation for the [REDACTED], we engaged an internal control consultant to perform the internal control review, and the review scope covers certain areas including financial closing and reporting. We have implemented a number of measures and procedures to manage our risk exposure. However, we may not effectively monitor risks due to limited information resources or tools and other reasons. In addition, we cannot assure you that all of our employees will comply with our internal control systems and procedures. Although we regularly update our risk management systems and procedures, we may fail to predict risks arising from rapid changes in market conditions, regulatory measures and our entry into new markets. If we fail to effectively improve our risk management and internal control procedures and systems, or if we cannot achieve the intended results of such procedures or systems in a timely manner, our business, financial condition and results of operations may be materially adversely affected.

Increased labor costs could result in exceeding expenses, slow our growth and affect our profitability.

Our success depends in part upon our ability to attract, motivate and retain a sufficient number of qualified employees, including management, technical, research and development, sales and marketing, production, quality control and other personnel. We face intense competition in recruiting and retaining qualified personnel, as competitors are competing for the same pool of qualified personnel and our remuneration packages may not be as competitive as those of our competitors. Increasing market competition may cause market demand and competition for qualified employees to intensify. If we face labor shortages or significant increases in labor costs, higher employee turnover rates or changes to labor laws and regulations, our operating costs could increase significantly, which could materially adversely affect our results of operations. In addition, we could face labor disputes with our employees,

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which could lead to fines by governmental authorities and settlement costs to resolve the disputes. Labor disputes could also make it more difficult to recruit new employees due to the reputational damage caused by labor disputes.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, cause dilution to our Shareholders, cause us to incur debt or assume contingent liabilities and subject us to other risks.

From time to time, we may evaluate various acquisitions and strategic partnerships, including licensing or acquiring complementary products, intellectual property rights, technologies or businesses. See “Business — Our Strategies — Maximize the Value of Our Assets Through Accretive Partnerships” for more details. Any completed, in-process or potential acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of additional indebtedness or contingent or unforeseen liabilities;
- the issuance of our equity securities;
- assimilation of operations, intellectual property and products of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management’s attention from our existing product programs and initiatives in pursuing such a strategic merger or acquisition;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;
- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing drugs or drug candidates and regulatory approvals; and
- our inability to generate revenue from acquired technology or products sufficient to meet our objectives in undertaking the acquisition or even to offset the associated acquisition and maintenance costs.

In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses, and acquire intangible assets that could result in significant future amortization expense.

According to the Anti-Monopoly Law of the PRC (《中華人民共和國反壟斷法》) and the Provisions of the State Council on Thresholds for Prior Notification of Concentrations of Undertakings (《國務院關於經營者集中申報標準的規定》), issued by the State Council, the

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concentration of business undertakings by way of mergers, acquisitions or contractual arrangements that allow one market player to take control of or to exert decisive impact on another market player must also be filed in advance to the State Administration for Market Regulation of China when the threshold is crossed and such concentration shall not be implemented without the clearance of prior filing.

If we fail to effectively manage our anticipated growth or execute on our growth strategies, our business, financial condition, results of operations and prospects could suffer.

We are a relatively small company, operating in China and the U.S. and working on a rich and expanding pipeline of drug candidates. We had a total of 55 full-time employees as of June 30, 2025. Our future financial performance and our ability to commercialize our drug candidates will depend, in part, on our ability to effectively manage our recent growth and any future growth. We might not be able to effectively manage the expansion of our operations, which may result in weaknesses in our infrastructure, operational inefficiencies, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our management may also have to divert a disproportionate amount of its attention away from day-to-day activities in order to devote a substantial amount of time to managing these growth activities.

As our development and commercialization plans and strategies evolve, we must add a significant number of additional managerial, operational, manufacturing, sales, marketing, financial and other personnel. Our recent growth and any future growth will impose significant added responsibilities on our management, including but not limited to:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- continuing to innovate and develop advanced technology in the highly competitive biotech industry;
- managing our relationships with third parties, including suppliers and partners;
- managing our internal development efforts effectively, including the clinical and regulatory authority review process for our drug candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

If we are not able to effectively manage our growth and further expand our organization by hiring new employees and expanding our groups of consultants and contractors as needed, we may not be able to successfully implement the tasks necessary to further develop and

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commercialize our drug candidates and, accordingly, may not achieve our research, development and commercialization goals. Our failure to do so could materially adversely affect our business, financial condition, results of operations and prospects.

We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations.

We maintain industry-standard benefit plans in accordance with relevant laws and regulations, based on our assessment of our operational needs and industry practice. Although we maintain insurance coverage for adverse events in clinical trials, this coverage may prove to be inadequate or could cease to be available to us on acceptable terms, if at all. A claim brought against us that is uninsured or under-insured could harm our business, financial condition and results of operations.

In line with general market practice, we have elected not to maintain certain types of insurances, such as business interruption insurance or key man insurance. Our insurance coverage may be insufficient to cover any claim for product liability, damage to our fixed assets or employee injuries. Any liability or damage to, or caused by, our facilities or our personnel beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources.

Negative publicity and allegations involving us, our Shareholders, Directors, officers, employees and business partners may affect our reputation and may, as a result, negatively affect our business, financial condition and results of operations.

Any negative publicity concerning us, our affiliates, our Shareholders, Directors, officers, employees and business partners, management, even if untrue, could adversely affect our reputation and business prospects. Such negative coverage in the media and publicity could threaten the perception of our reputation. In addition, to the extent our Shareholders, Directors, officers, employees and business partners were non-compliant with any laws or regulations or became involved in lawsuits, disputes, or other legal proceedings or became subject to administrative measures, penalties or investigations by regulatory authorities, we may also suffer negative publicity or harm to our reputation. As a result, we may be required to spend significant time and incur substantial costs in response to allegations and negative publicity. In addition, any negative publicity about us could adversely affect our ability to maintain our existing collaboration arrangements or attract new collaboration partners, and we may not be able to diffuse such negative publicity to the satisfaction of our [REDACTED].

Negative publicity about us, our business and our management could threaten the perception of our brands. Our reputation could be adversely affected by negative publicity regarding our clinical trials, study results, regulatory interactions, drug candidates, or relationships with clinical research organizations, contract manufacturing organizations, or other business partners. For example, we may face criticism about our clinical trial designs, patient enrollment criteria, safety signals, or the interpretation of our clinical data.

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Additionally, any misconduct by our clinical investigators, business partners, or other third parties involved in our development programs could result in negative media coverage. We may also receive negative publicity if our employees or business partners are involved in scientific misconduct, data integrity issues, or compliance violations. During the Track Record Period, we had not received material negative publicity, including negative internet and blog postings, in relation to us, our business and our management team. Any such negative publicity, regardless of veracity, could damage our reputation, subject us to government or regulatory investigations, divert our management’s attention, or cause us to incur additional other resources. We may not be able to conclusively refute each of the allegations within a reasonable period of time, or at all. Our reputation may also be damaged for many other reasons, including misconduct of our employees or any third parties we conduct business with. As a result of any aforementioned circumstance, our ability to advance our clinical programs, attract partners, retain talent, and raise capital may be adversely affected, and the price of our Shares may decline.

We are subject to risks associated with leasing space.

We lease our offices and facilities in China and the United States. The lessors of the PRC leased properties may have valid title or the legal rights to such leased properties but may not have complied with all the necessary property leasing procedures. In addition, as our PRC leases expire, we may fail to obtain renewals, either on commercially acceptable terms or at all, which could compel us to close such offices or manufacturing facilities. Our inability to enter into new leases or renew existing leases with respect to the properties in the PRC on terms acceptable to us could materially and adversely affect our business, results of operations or financial condition.

Pursuant to PRC laws, both lessors and lessees are required to register and file the lease agreements with relevant authorities for record. The failure to register and file the lease agreements will not affect the validity of these lease agreements, but the competent housing authorities may order us to register the lease agreements in a prescribed period of time and impose a fine ranging from RMB1,000 to RMB10,000 for each non-registered lease if we fail to complete the registration within the prescribed time frame within the prescribed timeframe.

In addition, certain of our leased properties in the PRC have been mortgaged by the property owners to secure third-party obligations. Under the Civil Code of the PRC, if the mortgagor defaults on its obligations, the mortgagee has the right to request a court-ordered auction or sale of the mortgaged property and to receive repayment from the proceeds with priority. If the mortgagee exercised its rights and the mortgaged property is sold or otherwise disposed of, our right to continue using such leased property may be adversely affected, and we may be required to vacate the premises. Although the property owner has provided a written undertaking to indemnify us for any losses arising from such circumstances, there can be no assurance that we will be able to recover all losses or that such indemnity will be honored in a timely manner, if at all. As of the Latest Practicable Date, no mortgagee has exercised its rights with respect to our leased properties, and there are no ownership disputes regarding such properties. However, if we are required to relocate due to enforcement of a mortgage, although

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we believe suitable alternative properties are available, any relocation could result in disruption to our operations and could have a negative impact on our business, results of operations or financial condition.

We may be subject to natural disasters, acts of war or terrorism or other factors beyond our control, which may have a material adverse effect on our business, financial condition and results of operations.

Natural disasters, health epidemics, acts of war or terrorism or other factors beyond our control may adversely affect the economy, infrastructure and livelihood of the people in the regions where we conduct our business. Our operations may be under the threat of natural disasters, such as floods, earthquakes, sandstorms, snowstorms, fire or drought, the outbreak of a widespread health epidemic, such as swine flu, avian influenza, severe acute respiratory syndrome, or SARS, Ebola, Zika, COVID-19, other factors beyond our control, such as power, water or fuel shortages, failures, malfunction and breakdown of information management systems, unexpected maintenance or technical problems, or are susceptible to potential wars or terrorist attacks.

The occurrence of a disaster or a prolonged outbreak of an epidemic illness, or other adverse public health developments in which we operate our business could materially disrupt our business and operations. These uncertain and unpredictable factors include, but are not limited to, adverse effects on the economy, potential delays of our ongoing and future clinical trials, and disruptions to the operations of our business partners and CROs.

Acts of war or terrorism may also injure our employees, cause loss of lives, disrupt our business network and destroy our markets. Any of the foregoing events and other events beyond our control could have an adverse effect on the overall business sentiment and environment, cause uncertainties in the regions where we conduct business, cause our business to suffer in ways that we cannot predict and materially and adversely impact our business, financial condition and results of operations.

Disruptions in the global financial markets and economic conditions could affect our ability to raise capital.

Global economies could suffer dramatic downturns as the result of a deterioration in the credit markets and related financial crisis as well as a variety of other factors including, extreme volatility in security prices, severely diminished liquidity and credit availability, ratings downgrades of certain investments and declining valuations of others. In the past, governments have taken unprecedented actions in an attempt to address and rectify these extreme market and economic conditions by providing liquidity and stability to the financial markets. If these actions are not successful, the return of adverse economic conditions may cause a significant impact on our ability to raise capital, if needed, on a timely basis and on acceptable terms.

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In addition, concerns over the conflicts between Russia and Ukraine, unrest and terrorist threats in the Middle East and other territories, among others, add uncertainties to the financial markets worldwide. It is unclear whether these challenges and uncertainties will be contained or resolved, and what effects they may have on the global political and economic conditions in the long term.

RISKS RELATING TO GOVERNMENT REGULATIONS

All material aspects of the research, development, manufacturing and commercialization of our drug candidates are heavily regulated and are subject to change. Any failure to comply with current and evolving regulations and industry standards or any adverse actions by the regulatory authorities against us could negatively impact our reputation and our business, financial condition, results of operations and prospects.

All jurisdictions in which we intend to develop and commercialize our drug candidates regulate these activities in great depth and detail. The biotech industry is subject to comprehensive government regulation and supervision, encompassing regulation of the development, approval, manufacturing, marketing, sales and distribution of products. However, there are differences in the regulatory regimes that make for a more complex and costly regulatory compliance burden for a company like us that plans to operate in these regions.

The process of obtaining regulatory approvals and maintaining compliance with appropriate laws and regulations requires the expenditure of substantial time and financial resources. Any recently enacted and future legislations may increase the difficulty and cost of us to obtain regulatory approval of, and commercialize, our drug candidates, and affect the prices we may obtain. Changes in government regulations, policies or in practices relating to the biotech industry, such as a relaxation in regulatory requirements, or the introduction of simplified approval procedures, which would lower the entry barrier for potential competitors, or an increase in regulatory requirements, which may increase the difficulty for us to satisfy such requirements, may have a material adverse impact on our business, financial condition, results of operations, and prospects.

In many countries or regions where a drug is intended to be ultimately sold, such as China and the U.S., the relevant government agencies and industry regulatory bodies impose high standards on the efficacy of such drug, as well as strict rules, regulations and industry standards on how we develop such drug. For example, we may need to obtain clearance from the FDA, or other regulatory authorities as part of an IND application to seek authorization to begin clinical trials, or their clinical trials are filed as part of an NDA, BLA or other filings to seek marketing approval. These regulatory authorities may conduct scheduled or unscheduled periodic inspections of our facilities to monitor our regulatory compliance. We cannot assure you that we will be able to do so going forward. Any failure to comply with existing regulations and industry standards could result in fines or other punitive actions against us, and the disqualification of data for submission to regulatory authorities, each of which could have a material adverse impact on our reputation, business, financial condition, results of operations

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and prospects. In addition, any action against us for violation of the relevant regulations or industry standards, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management’s attention from the operation of our business, and adversely affect our reputation and financial results.

In addition, failure to comply with the applicable regulatory requirements in the jurisdictions we operate or target to operate in the future at any time during the drug development process or approval process, or after approval, may subject us to administrative or judicial sanctions. These sanctions could include but are not limited to a regulator’s refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, voluntary or mandatory product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement or civil or criminal penalties. Any occurrence of the foregoing could therefore materially adversely affect our reputation and our business, financial condition, results of operations and prospects.

The regulatory approval processes of the NMPA, FDA and other comparable regulatory authorities are subject to uncertainty and a number of other factors. If we are unable to obtain without undue delay any regulatory approval for our drug candidates in our targeted markets, our business may be materially and substantially affected.

The time required to obtain relevant regulatory approvals for our drug candidates from competent authorities is uncertain and depends on numerous factors, including the substantial discretion of the regulatory authorities. Generally, such approvals take years to be obtained following the commencement of preclinical studies and clinical trials. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a drug candidate’s clinical development and may vary among jurisdictions.

We cannot guarantee that we will be able to obtain regulatory approvals for our other existing drug candidates or any drug candidates we may discover, in-license or acquire and seek to develop in the future. Our drug candidates could fail to receive the regulatory approvals from competent authorities for many reasons, including but not limited to:

- disagreement with the design or implementation of our clinical trials;
- failure to demonstrate that a drug candidate is safe and effective and potent for its proposed indication;
- failure of our clinical trial results to meet the level of statistical significance required for approval;
- failure of our clinical trial process to pass relevant GCP inspections;

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- disagreement with our interpretation of data from preclinical studies or clinical trials;
- insufficient data collected from the clinical trials of our drug candidates to support the submission and filing of a BLA or other submissions or to obtain regulatory approval;
- failure of our drug candidates to pass current GMP inspections during the regulatory review process or across the production cycle of our drug candidates;
- failure of our clinical sites to pass audits carried out by the competent authorities, resulting in a potential invalidation of our research data;
- changes in approval policies or regulations that render our preclinical and clinical data insufficient for obtaining approvals; or
- failure of our clinical trial process to keep up with any scientific or technological advancements required by approval policies or regulations.

The applicable competent authorities may require more information, including additional preclinical or clinical data, to support approval, which may delay or prevent approval and our commercialization plans. Even if we were to obtain approval, regulatory authorities may approve any of our drug candidates for fewer or more limited indications than we request, grant approval contingent on the performance of costly post-marketing clinical trials, or approve a drug candidate with an indication that is not desirable for the successful commercialization of that drug candidate. Legislative and regulatory proposals may also, from time to time, be made to expand existing requirements. For example, increased scrutiny by the United States Congress of the FDA’s approval process may significantly delay or prevent marketing approval, and potentially introduce more stringent product labeling and post-marketing conditions. Any of the foregoing scenarios could materially harm the commercial prospects of our drug candidates.

Even if we receive regulatory approval for our drug candidates, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expenses. We may be subject to penalties and other negative consequences if we fail to comply with the applicable regulatory requirements.

If the NMPA, the FDA or other comparable regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive and ongoing regulatory requirements on pharmacovigilance. These requirements include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any the chemistry, manufacturing and controls (“CMC”) variations, continued compliance with cGMPs, and GCPs and potential post-approval studies for the purposes of license renewal.

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Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to other conditions of approval, including requirements for potentially costly post-marketing studies, such as studies for the surveillance and monitoring of the safety and efficacy of the drug.

In addition, once a drug is approved by the NMPA, the FDA or other comparable regulatory authorities for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug products, it may result in, among others:

- Restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory recalls;
- Fine, warning letters or holds on our clinical trials;
- Refusal by the NMPA, the FDA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals;
- Refusal by the NMPA, the FDA or comparable regulatory authorities to accept any of our other IND approvals and/or BLAs;
- Drug seizure or detention, or refusal to permit the import or export of drugs; and
- Injunctions or the imposition of civil, administrative or criminal penalties.

Moreover, regulations or policies may change or additional government regulations may be finalized that could prevent, limit or delay regulatory approval of our drug candidates. Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. If we are unable to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could materially and adversely harm our business, financial condition and results of operations.

Even if our drug candidates are approved for commercialization, failure to comply with regulatory requirements or unanticipated problems with our products may result in various adverse actions such as the suspension or withdrawal of one or more of our products, closure of a facility, enforcement of substantial penalties or fines or experienced unanticipated problems with our drug candidates.

If the NMPA, the FDA or other comparable regulatory authorities approve any of our drug candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion and record-keeping for the drug will be subject to extensive and ongoing regulatory requirements on pharmacovigilance. These requirements

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include submissions of safety and other post-marketing information and reports, registration, random quality control testing, adherence to any CMC, variations, continued compliance with current cGMPs, and GCPs and potential post-approval studies for the purposes of license renewal.

Any regulatory approvals that we receive for our drug candidates may also be subject to limitations on the approved indicated uses for which the drug may be marketed or to other conditions of approval, including requirements for potentially costly post-marketing studies, such as studies for the surveillance and monitoring of the safety and efficacy of the drug.

In addition, once a drug is approved by the NMPA, the FDA or other comparable regulatory authorities for marketing, it is possible that there could be a subsequent discovery of previously unknown problems with the drug, including problems with third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements. If any of the foregoing occurs with respect to our drug products, it may result in, among other things:

- restrictions on the marketing or manufacturing of the drug, withdrawal of the drug from the market, or voluntary or mandatory recalls;
- fines, warning letters or holds on our clinical trials;
- refusal by the NMPA, the FDA or comparable regulatory authorities to approve pending applications or supplements to approved applications filed by us, or suspension or revocation of drug license approvals;
- refusal by the NMPA, the FDA or comparable regulatory authorities to accept any of our other IND approvals and NDAs/BLAs;
- drug seizure or detention, or refusal to permit the import or export of drugs; and
- injunctions or the imposition of civil, administrative or criminal penalties.

Moreover, regulations or policies may change or additional government regulations may be finalized that could prevent, limit or delay regulatory approval of our drug candidates.

Any government investigation of alleged violations of law could require us to expend significant time and resources and could generate negative publicity. If we are not able to maintain regulatory compliance, we may lose the regulatory approvals that we have already obtained and may not achieve or sustain profitability, which in turn could significantly harm our business, financial condition and pipeline of drug products.

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We may be directly or indirectly subject to applicable anti-kickback, false claims laws, physician payment transparency laws, fraud and abuse laws or similar healthcare and security laws and regulations in relevant jurisdictions, which could, in the event of noncompliance, expose us to administrative sanctions, criminal sanctions, civil penalties, contractual damages, reputational harm and diminished profits and future earnings.

Healthcare providers, doctors and others play a primary role in the recommendation and prescription of any products for which we obtain regulatory approval. For example, if we obtain the approval for any of our drug candidates and begin commercializing our drugs in China in the future, our operations may become subject to various PRC fraud and abuse laws, including the PRC Anti-Unfair Competition Law (《中華人民共和國反不正當競爭法》) and PRC Criminal Law (《中華人民共和國刑法》). These laws may impact, among others, our proposed sales, marketing and education programs.

Law enforcement authorities are increasingly focusing on enforcing these laws. Efforts to ensure that our business arrangements with third parties are in compliance with applicable healthcare laws and regulations will involve substantial costs. Regulatory authorities could conclude that our business practices may not comply with current or future fraud, abuse or other healthcare laws or regulations. If any such actions are instituted against us, and if we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of civil, criminal and administrative penalties, damages, disgorgement, monetary fines, possible exclusion from participation in governmental healthcare programs, contractual damages, reputational damage, diminished profits and future earnings, and curtailment of our operations, any of which could adversely affect our ability to operate our business and have a material adverse effect on our business and results of operations.

Furthermore, we are subject to anti-bribery laws in all jurisdictions in which we conduct our business that generally prohibit companies and their intermediaries from making payments to government officials for the purpose of obtaining or retaining business or securing other improper advantages. For example, we are subject to the FCPA of the United States, which generally prohibits us from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business. Failure to comply with anti-bribery laws could disrupt our business and lead to severe criminal and civil penalties, including imprisonment, criminal and civil fines, loss of our export licenses, suspension of our ability to do business with the government, denial of government reimbursement for our products and/or exclusion from participation in government healthcare programs. See also “— Risks Relating to Our Operations — We may be unable to detect, deter and prevent all instances of bribery, fraud or other misconduct committed by our employees or third parties. If we or our third-party collaborators fail to comply with applicable anti-bribery laws, our reputation may be adversely affected and we could be subject to penalties and significant expenses.”

As we expand our operations globally, we may also become subject to similar laws and regulations from other jurisdictions. There are ambiguities as to what is required to comply with any of these laws and regulations, and if we fail to comply with such requirements, we could be subject to penalties and other negative consequences. If any of the physicians or other

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third parties with whom we do business are found to be not in compliance with the applicable laws and regulations, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs, which may also adversely affect our business.

We are subject to environmental protection, health and safety laws and regulations, and if we or our CROs, CDMOs and other business partners fail to comply with these laws and regulations, we could be subject to fines or penalties or incur costs that could have a material adverse effect on our business.

We and certain third parties we work with, such as our CROs, CDMOs and business partners, are subject to numerous environmental, health and safety laws and regulations, including those governing laboratory procedures and the handling, use, storage, treatment and disposal of hazardous materials and wastes. We generally contract with third parties for the disposal of these materials and wastes and we cannot guarantee our contractors could continuously maintain their qualifications with regard to such disposal. We cannot eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties. We do not maintain insurance for environmental liability or toxic tort claims that may be asserted against us in connection with our storage, use or disposal of biological, hazardous or radioactive materials. We may also incur liabilities due to injuries to our employees resulting from the use of or exposure to hazardous materials, and we do not maintain insurance covering such potential liabilities.

In addition, we may be required to incur substantial costs to comply with current or future environmental, health and safety laws and regulations. These current or future laws and regulations may impair our research, development or production efforts. Failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

We are subject to registration, review and other requirements of the regulatory authorities for cross-border sales or licensing of technology as well as operations related to data safety.

China has adopted management and administration measures of the import and export of technology and software products. Under the Regulations on Administration of Imports and Exports of Technologies (《技術進出口管理條例》) promulgated by the State Council, which were amended in November 2020, technology import and export is defined to include, among others, the transfer or licensing of patents and know-how, and the provision of services related to technology. Depending on the nature of the relevant technology, the import and export of technology require either approvals by or registration with the relevant PRC governmental authorities. The Measures for the Administration of Registration of Technology Import and Export Contracts (《技術進出口合同登記管理辦法》), issued by the MOFCOM in February 2009, specify registration requirements related to the import and export of technology. We have registered technology export contracts. In the future, we may also enter into agreements with

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CROs in the United States regarding technical support in relation to the development of drug candidates, which may be deemed to constitute the export of technology under applicable regulations. As a result, such transfers may be required to be registered with applicable PRC governmental authorities.

We are also subject to regulatory supervision over genetics and data-related operations. To carry out clinical trials, as a foreign-invested enterprise, we may be required, as applicable, to obtain approval from the relevant governmental authority who will conduct genetics and data safety review. There can be no assurance that we will be able to obtain such approval in a timely manner, or at all. In addition, we may also be subject to similar requirements of overseas regulatory authorities. On March 17, 2018, the General Office of the State Council promulgated the Measures for the Management of Scientific Data (《科學數據管理辦法》) (the “**Scientific Data Measures**”), which provide a broad definition of scientific data and relevant rules for the management of scientific data. According to the Scientific Data Measures, enterprises in China must seek governmental approval before any scientific data involving a state secret may be transferred abroad or to foreign parties. Further, any researcher conducting research funded at least in part by the Chinese government is required to submit relevant scientific data for management by the entity to which such researcher is affiliated before such data may be published in any foreign academic journal. If and to the extent our research and development of drug candidates will be subject to the Scientific Data Measures and any relevant laws as required by the relevant government authorities, we cannot assure you that we can always obtain relevant approvals for sending scientific data (such as the results of our pre-clinical studies or clinical trials conducted within China) abroad or to foreign parties. If we are unable to obtain necessary approvals or fail to obtain such approvals in a timely manner, our research and development of drug candidates may be hindered, which may materially and adversely affect our business, results of operations, financial condition and prospects. If the transmission of our scientific data is found to be in violation of the requirements under the Scientific Data Measures, we may be subject to fines and other administrative penalties imposed by those government authorities.

We are subject to stringent privacy laws, data protection laws, information security regulations and policies and contractual obligations related to data privacy and security and cross-border data transferring, and we may be exposed to risks related to our management of the medical data of subjects enrolled in our clinical trials and other personal or sensitive information.

We may routinely receive, collect, generate, store, process, transmit and maintain certain medical data treatment records and other personal details of subjects enrolled in our clinical trials, along with other personal or sensitive information along with other anonymized personal information. As such, we are subject to the relevant local, state, national and international data privacy and protection laws, directives, regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the jurisdictions in which we may operate and conduct our clinical trials, as well as contractual obligations. These data privacy and protection law regimes continue to evolve and may result in ever-increasing public scrutiny and escalating levels of enforcement and sanctions and

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increased costs of compliance. Failure to comply with any of these laws could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by customers and other affected individuals, damage to our reputation and loss of goodwill. While we have taken measures to maintain the confidentiality of the medical records and personal data of subjects enrolled in our clinical trials we collected, including setting internal rules requiring our employees and business partners to maintain the confidentiality of our subjects’ medical records, these measures may not be always effective.

Moreover, the landscape of cybersecurity and data privacy and security laws is constantly evolving. For example, on November 7, 2016, the SCNPC promulgated the Cybersecurity Law (《網絡安全法》), effective on June 1, 2017, which requires network operators to safeguard security of the network and follow the principles of legitimacy in collecting and using personal information. On June 10, 2021, the SCNPC promulgated the Data Security Law (《數據安全法》), effective on September 1, 2021, which imposes data security and privacy protection obligations on entities and individuals which carry out data activities, and introduces a data classification and hierarchical protection system. On August 20, 2021, the SCNPC promulgated the Personal Information Protection Law (《個人信息保護法》), effective on November 1, 2021, which further detailed the general rules and principles on personal information processing and further increased the potential liability of personal information processor. In addition, the regulatory framework on cross-border transfer of personal information and data worldwide is rapidly evolving and is likely to vary from time to time. For example, in recent years, China has promulgated several laws and regulations to cross-border data transfer, including but not limited to the Data Security Law, the Personal Information Protection Law, the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》), the Measures on the Standard Contract for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) and the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》). These regulations have provided that, amongst others, critical information infrastructure operator that provides any personal information or important data to an overseas recipient, and other data processors that provides any important data, sensitive personal information or certain amount of non-sensitive personal information to an overseas recipient shall be subject to security assessment, standard contract filing or personal information protection certification for outbound data transfer activities unless otherwise provided under the relevant laws and regulations. We cannot guarantee if these rules or regulations promulgated will impose additional compliance requirements, including any approval, filing and other administrative measures thereunder, and we cannot guarantee that the measures we have taken or will take in the future will always be effective or fully satisfy the relevant regulatory requirements under the relevant laws and regulations, including obtaining such approval, filing and other administrative measures in a timely manner, or at all. See “Regulatory Overview — Laws and Regulations on Information Security and Data Protection” for more details. Complying with new laws and regulations could increase the costs or require us to change our business practices in a manner materially adverse to our business. Additionally, to the extent we are found by the

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applicable regulators to be not in compliance with these laws and requirements, we may be subject to fines, regulatory orders to suspend our operations or other regulatory and disciplinary sanctions, which could adversely affect our business, operations and financial performance.

Changes in laws, regulations and policies relating to the biotech industry in all jurisdictions where we operate may result in additional compliance risks and costs.

In China, the United States and other jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes relating to the biotech industry and the healthcare system, including cost-containment measures that may reduce or limit coverage and reimbursement for newly approved drugs and affect our ability to profitably sell any drug candidates for which we obtain marketing approval.

Within China, the legal and regulatory architecture governing innovative drugs including oral small molecule drugs, has undergone, and continues to undergo, rapid and wide-ranging reform. The NMPA has revised the Drug Administration Law, implemented the Marketing Authorization Holder regime, and adopted numerous measures in recent years aimed at accelerating review while simultaneously heightening post-marketing surveillance and pharmacovigilance obligations. Guidance relating to the real-time inspection of clinical trial sites and cross-border transmission of clinical and genetic-resource data has expanded at a pace that increases the frequency of regulatory engagement.

In the United States, our development programs are subject to an equally comprehensive regulatory backdrop. The FDA has continued to refine its expectations with respect to oral small molecule drugs, which may include new expectations for real-world evidence, risk evaluation and others. Any failure to comply with the evolving requirements could result in clinical holds, delays in approval or post-marketing restrictions. In addition, the Inflation Reduction Act of 2022 introduced a Medicare drug price negotiation program that allows the federal government to directly negotiate prices for certain high-expenditure drugs covered under Medicare. Notably, oral small molecule drugs become eligible for price negotiation seven years after their initial FDA approval, compared to an 11-year window for biologic products. This shorter exclusivity period for small molecules may reduce the potential lifetime revenue for our drug candidates, particularly if they are selected for early negotiation. These regulatory and legislative development may materially and adversely affect the commercial prospects and profitability of our drug candidates. In addition, there may be other changes in international trade policies and increased political tension among the countries and regions, including between China and the United States, that could adversely affect our business. See “— Changes in international trade policies and political tensions may adversely impact our business and results of operations” below for additional risks relating to changes in international policies.

Although none of our drug candidates had been commercialized as of the Latest Practicable Date, these legislative trends and regulatory measures can potentially affect the sales, profitability and prospects of our drug candidates in the future. Moreover, because these

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laws and regulations are subject to varying interpretations, their application in practice may evolve over time as new guidance becomes available. This evolution may result in continuing uncertainty regarding compliance matters and additional costs necessitated by ongoing revisions to our disclosure and governance practices. If we fail to address and comply with these laws and regulations and any subsequent changes, we may be subject to penalty and our business may be harmed.

Changes in international trade policies and political tensions may adversely impact our business and results of operations.

We are susceptible to constantly changing international economic, regulatory, social and political conditions, and local conditions in foreign countries and regions. The uncertainties, tensions and political concerns among various countries and regions may adversely affect our business, financial condition, results of operations, cash flows and prospects. Such trade or political uncertainties and tension may negative affect our business or the business operations of our partners or third parties. There can be no assurance that our existing or potential service providers or collaboration partners will not alter their perception of us or their preferences as a result of adverse changes to the state of political relationships between relevant foreign countries or regions. Any uncertainties, tensions and political concerns between the relevant foreign countries or regions may cause a decline in the demand for our future products and adversely affect our business, financial condition, results of operations, cash flows and prospects. Rising trade and political tensions, as well as changes in relevant government policies could reduce levels of trades, investments, technological exchanges and other economic activities between relevant countries and regions. For example, on February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the “America First Investment Policy” (the “**America First Memo**”), outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as semiconductors, artificial intelligence, quantum biotechnology, hypersonics, aerospace, advanced manufacturing, and directed energy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. Such political tensions and policy changes would have an adverse effect on global economic conditions, the stability of global financial markets, and international trade policies.

While we have not started commercialization of our drug candidates, any rising trade and political uncertainties and tensions or unfavorable government policies on international trade, such as capital controls or tariffs, may affect the competitive position of our drug products. In addition, rising trade and political uncertainties and tensions, heightened government scrutiny or unfavorable government policies may also affect our existing and future relationships with shareholders and business partners, including our suppliers, CROs and CDMOs, the provision of research and development and other services, the supplies of materials and products, the hiring of scientists and other research and development personnel, and import or export of raw materials in relation to drug development, or prevent us from selling our drug products in certain countries. Any failure in confirming and continuing business relationships with our existing partners or any delay in identifying and entering into commercially reasonable

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business relationship with a new partner could harm our ability to develop, manufacture and distribute our drug candidates as planned or within budget, which could materially adversely affect our business, financial condition and results of operations. In particular, if any new tariffs, legislation and/or regulations, including the recently proposed BIOSECURE Act aiming at discouraging federal funding to, and contracting with, entities that use biotechnology equipment or services provided by certain Chinese biotechnology companies, are implemented, or if existing trade agreements are renegotiated, such changes could limit our ability to expand into certain markets and have an adverse effect on our business, financial condition and results of operations. In addition, our results of operations could be adversely affected if any such tensions or unfavorable government trade policies harm the Chinese economy or the global economy in general.

We may be classified as a “PRC resident enterprise” for PRC enterprise income tax purposes and our income may be subject to PRC tax under the relevant PRC laws.

Under the Corporate Income Tax Law of the PRC (the “**EIT Law**”), an enterprise established outside of China with “de facto management bodies” within China is considered a “resident enterprise,” meaning that it will be treated in a manner similar to a Chinese enterprise for PRC enterprise income tax purposes. Under the Circular of the State Taxation Administration (the “**STA**”) on Issues Concerning the Identification of Chinese-Controlled Enterprises Registered Overseas as Resident Enterprises on the Basis of Their De Facto Management Bodies (《國家稅務總局關於境外註冊中資控股企業依據實際管理機構標準認定為居民企業有關問題的通知》) issued by the STA on April 22, 2009 and partially abolished in December 2017, or Circular 82, provides certain specific criteria for determining whether the “de facto management body” of a PRC-controlled enterprise that is incorporated offshore. Although Circular 82 only applies to offshore enterprises controlled by PRC enterprises or PRC enterprise groups, not those controlled by foreigners like us as of the Latest Practicable Date, the criteria set forth in the Circular 82 may reflect the STA’s general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Under Circular 82, an offshore enterprise controlled by a PRC enterprise or a PRC enterprise group will be regarded as a PRC tax resident by virtue of having its “de facto management body” in China and will be subject to PRC enterprise income tax on its global income only if all of the following conditions are met: (i) the primary location of the day-to-day operational management and their work location is in the PRC; (ii) decisions relating to the enterprise’s financial and human resources matters are made or are subject to approval by organizations or personnel in the PRC; (iii) the enterprise’s primary assets, accounting books and records, company seals, and board and shareholder resolutions, are located or maintained in the PRC; and (iv) at least 50% of voting board members or senior executives habitually reside in the PRC. On July 27, 2011, the STA issued Administrative Measures of Enterprise Income Tax of Chinese-Controlled Offshore Incorporated Resident Enterprises (Trial) (《境外註冊中資控股居民企業所得稅管理辦法(試行)》), or Bulletin 45, which became effective on September 1, 2011 and as amended in 2015, 2016 and 2018, to provide further guidance on the implementation of Circular 82. Bulletin 45 clarifies certain

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issues related to determining PRC resident enterprise status, including which the competent tax authorities are responsible for determining offshore incorporated PRC resident enterprise status, as well as post-determination administration.

Despite the foregoing, the STA may take the view that the determining criteria set forth in Circular 82 and Bulletin 45 reflect the general position on how the “de facto management body” test should be applied in determining the tax resident status of all offshore enterprises. Additional implementing regulations or guidance may be issued determining that we or any of our subsidiaries incorporated out of the PRC is a “resident enterprise” for PRC enterprise income tax purposes. If the PRC tax authorities determine that we or any of our subsidiaries incorporated out of the PRC is a resident enterprise for PRC enterprise income tax purposes, a number of unfavorable PRC tax consequences could follow. First, we and our non-PRC subsidiaries may be subject to enterprise income tax at a rate of 25% on our worldwide taxable income, as well as to PRC enterprise income tax reporting obligations. Second, although under the EIT Law and its implementing rules, Circular 82 and Bulletin 45 dividends paid by a PRC tax resident enterprise to an offshore incorporated PRC tax resident enterprise controlled by PRC enterprise would qualify as tax-exempted income, we cannot assure that dividends paid by our PRC subsidiaries to us will not be subject to any withholding tax. Finally, the EIT Law and its implementing rules issued by PRC tax authorities provide that dividends paid by us to our non-PRC shareholders and, while less clear, capital gains recognized by them with respect to the sale of our Shares may be subject to tax of 10% for non-PRC resident enterprise shareholders and 20% for non-PRC resident individual shareholders. In the case of dividend payments, such PRC tax may be withheld at source.

Governmental regulations on currency exchange may affect us.

The convertibility of Renminbi into foreign currencies and, in certain cases, the remittance of currency into and out of China are subject to PRC foreign exchange regulations. Under existing PRC foreign exchange regulations, payments of current account items, such as profit distributions and trade and service-related foreign exchange transactions, can be made in foreign currencies without prior approval from SAFE by complying with certain procedural requirements. However, approval from or registration with appropriate governmental authorities is required where Renminbi is to be converted into foreign currency and remitted out of China to pay capital expenses such as the repayment of loans denominated in foreign currencies.

In July 2014, SAFE promulgated the Circular of the SAFE on Foreign Exchange Administration of Equity Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (“**Circular 37**”). Circular 37 requires PRC residents (including PRC individuals and PRC corporate entities as well as foreign individuals with a habitual residence in China due to economic interests) to register with SAFE or its local branches in connection with their direct or indirect offshore investment activities. Circular 37 further requires amendment to the SAFE registrations in the event of any changes with respect to the basic information of the offshore special purpose vehicle, such as changes of the offshore

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special purpose vehicle’s name and operational term, or any significant changes with respect to the PRC individual shareholder, such as the increase or decrease of capital contributions, share transfer or exchange, or mergers or divisions. Circular 37 is applicable to our shareholders who are PRC residents. In February 2015, SAFE promulgated a Notice on Further Simplifying and Improving Foreign Exchange Administration Policy on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“**Notice 13**”), effective from June 2015, and further amended by SAFE on December 30, 2019. Under Notice 13, applications for foreign exchange registration of inbound foreign direct investments and outbound overseas direct investments, including those required under Circular 37, will be filed with qualified banks instead of SAFE. The qualified banks will directly examine the applications and accept registrations under the supervision of SAFE. We cannot assure you that all our Shareholders will at all times comply with the registration procedures as required under these regulations. The failure or inability of the relevant shareholders to comply with the registration procedures set forth in these regulations may subject us to fines and legal sanctions. Moreover, failure to comply with the various foreign exchange registration requirements described above could result in liability under PRC law for circumventing applicable foreign exchange restrictions. As a result, our business operations and our ability to distribute profits to you could be materially and adversely affected.

PRC regulations of loans and direct investment by offshore holding companies to PRC entities may delay or prevent us from using the [REDACTED] of the [REDACTED] to make loans or additional capital contributions to our PRC subsidiaries.

Any loans provided by our offshore holding companies to our PRC subsidiaries are subject to PRC regulations and such loans must be registered with the local branch of the SAFE. Additionally, if we finance such subsidiary by means of additional capital contributions, these capital contributions must be registered, reported or filed with certain government authorities, including the MOFCOM, the SAMR and the SAFE or their local counterparts. We cannot assure you that we will be able to obtain government registrations or approvals or to complete registration or report procedures on a timely basis, if at all, with respect to future loans or capital contributions by us to our subsidiaries or any of their respective subsidiaries. If we fail to obtain such approvals or complete registrations or report procedures, our ability to make equity contributions or provide loans to our PRC subsidiaries or to fund their operations may be materially and adversely affected. This may materially and adversely affect our PRC subsidiaries’ liquidity, their ability to fund their working capital and expansion projects, and their ability to meet their obligations and commitments. As a result, this may have a material adverse effect on our business, financial condition and results of operations.

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We may rely on dividends and other distributions on equity paid by our PRC subsidiaries to fund any cash and financing requirements we may have. Any limitation on the ability of our PRC subsidiaries to make payments to us could have a material and adverse effect on our ability to conduct our business or financial condition.

We are a holding company incorporated in the Cayman Islands, and we may rely on dividends and other distributions on equity that may be paid by our subsidiaries for our cash and financing requirements, including the funds necessary to pay dividends and other cash distributions to the holders of our Shares and service any debt we may incur. If any of our subsidiaries incur debt on their own behalf in the future, the instruments governing the debt may restrict their ability to pay dividends or make other distributions to us. Under PRC laws and regulations, our PRC subsidiaries may pay dividends only out of their respective accumulated profits as determined in accordance with PRC accounting standards and regulations. In addition, our PRC subsidiaries are required to set aside at least 10% of their after-tax profits each year, after making up for previous years’ accumulated losses, if any, to fund certain statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Such reserve funds cannot be distributed to us as dividends.

Any limitation on the ability of our PRC subsidiaries to pay dividends or make other kinds of payments to us could materially and adversely limit our ability to grow, make investments or acquisitions that could be beneficial to our business, pay dividends to our [REDACTED] or other obligations to our suppliers, or otherwise fund and conduct our business.

Failure to comply with PRC regulations regarding the registration requirements for employee share ownership plans or share option plans may subject the PRC plan participants or us to fines and other legal or administrative sanctions.

In 2012, the SAFE promulgated the Circular on Issues Concerning the Foreign Exchange Administration for Domestic Individuals Participating in Stock Incentive Plan of Overseas Publicly Listed Company (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計畫外匯管理有關問題的通知》). Pursuant to these rules, PRC citizens and non-PRC citizens who reside in China for a continuous period of not less than one year and participate in any stock incentive plan of an overseas publicly listed company are required to register with SAFE through a domestic qualified agent, which could be the PRC subsidiaries of such overseas-listed company, and complete certain other procedures, unless certain exceptions are available. In addition, an overseas-entrusted institution must be retained to handle matters in connection with the exercise or sale of stock options and the purchase or sale of shares and interests. We and our executive officers and other employees who are PRC citizens or non-PRC citizens living in China for a continuous period of not less than one year and have been granted options will be subject to these regulations when our company becomes an overseas-[REDACTED] company upon the completion of the [REDACTED]. Failure to complete SAFE registrations may subject them or us to fines or supervision measures. Th regulatory changes from time to time and may affect our ability to adopt additional incentive plans for our directors, executive officers and employees.

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In addition, the STA has issued certain circulars concerning employee share options and restricted shares. Under these circulars, our employees working in China who exercise share options or are granted restricted shares will be subject to PRC individual income tax. Our PRC subsidiary has obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold individual income taxes for those employees who exercise their share options. If our employees fail to pay or we fail to withhold their income taxes according to relevant laws and regulations, we may face sanctions imposed by the tax authorities or other PRC government authorities.

There might be uncertainties in affecting service of legal process, enforcing foreign judgments against us or our Directors and senior management personnel in the PRC.

We are a holding company incorporated in the Cayman Islands. Certain of our Directors and senior management personnel reside in mainland China. Therefore, there are uncertainties for [REDACTED] to directly effect service of legal process upon us or our Directors and senior management personnel in the PRC.

On July 14, 2006, the Supreme People’s Court of the PRC and the government of Hong Kong Special Administrative Region entered into the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region pursuant to Choice of Court Agreements between Parties Concerned (《關於內地與香港特別行政區法院相互認可和執行當事人協議管轄的民商事案件判決的安排》), which was taken into effect on August 1, 2008.

Pursuant to the Arrangement, where any designated PRC court or any designated Hong Kong court has made an enforceable final judgment requiring payment of money in a civil or commercial case under a choice of court agreement in writing, any party concerned may apply to the relevant PRC court or Hong Kong court for recognition and enforcement of the judgment. A choice of court agreement in writing is defined as any agreement in writing entered into between parties after the effective date of the Arrangement in which a Hong Kong court or a mainland court is expressly selected as the court having sole jurisdiction for the dispute.

On January 18, 2019, the Supreme People’s Court and the Hong Kong SAR Government signed the Arrangement on Reciprocal Recognition and Enforcement of Judgments in Civil and Commercial Matters by the Courts of the Mainland and of the Hong Kong Special Administrative Region (《關於內地與香港特別行政區法院相互認可和執行民商事案件判決的安排》), which seeks to establish a mechanism with greater clarity and certainty for recognition and enforcement of judgments in wider range of civil and commercial matters between Hong Kong SAR and the mainland China. The new arrangement does not include the requirement for a choice of court agreement in writing by the parties. The new arrangement, which came into effect on January 29, 2024, supersedes the original arrangement. Under the new arrangement, judgments rendered by Hong Kong courts that comply with the provisions of the new arrangement can generally be recognized and enforced in the PRC even if the parties in the dispute have not entered into a written choice of court agreement. However, we cannot

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guarantee that all judgments from Hong Kong courts will be recognized and enforced in the PRC. The recognition and enforcement of a specific judgment are subject to a case-by-case examination by the relevant court in accordance with the New Arrangement.

We are subject to filings and other requirements from the CSRC or other PRC regulatory authorities for the [REDACTED] and [REDACTED] of our Shares on the Stock Exchange.

On February 17, 2023, the China Securities Regulatory Commission (“CSRC”) promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (“**Overseas Listing Trial Measures**”) and relevant supporting guidelines, which came into effect on March 31, 2023. The Overseas Listing Trial Measures have comprehensively improved and reformed the existing regulatory regime for overseas offering and listing of PRC domestic companies’ securities and regulate both direct and indirect overseas offering and listing of PRC domestic companies’ securities. Any such domestic company that is deemed to conduct overseas offering and listing activities, including both the [REDACTED] and any further capital raising, shall file with the CSRC in accordance with the Overseas Listing Trial Measures.

We will file with the CSRC within the specific time limit as required by the Overseas Listing Trial Measures. In addition, it is uncertain whether we can or how long it will take us to complete the CSRC filing. Any failure to file with the CSRC or complete the CSRC filing may impede the [REDACTED] and may subject us to sanctions by the CSRC. Furthermore, such failure may adversely affect our ability to finance and the development of our business and may have a material adverse effect on our business and financial condition.

We are a Cayman Islands exempted company and, because judicial precedent regarding the rights of shareholders is more limited under the laws of the Cayman Islands than other jurisdictions, you may have difficulties in protecting your shareholder rights.

Our company is incorporated as an exempted company under the laws of the Cayman Islands. The rights of shareholders and the responsibilities of our directors are governed by Cayman Islands law and our amended and restated memorandum and articles of association. The Cayman Islands has a less developed body of company case law compared to jurisdictions such as the United States or Hong Kong. As a result, there may be fewer judicial precedents to provide guidance on the interpretation of shareholder rights, fiduciary duties, and corporate governance matters. This could limit the ability of shareholders to obtain effective judicial remedies in the event of disputes, including those relating to minority shareholder protections, director misconduct, or enforcement of fiduciary duties. Additionally, Cayman Islands courts may not recognize or enforce judgments obtained in other jurisdictions, which could further complicate the enforcement of shareholder rights. Shareholders may therefore face greater challenges in protecting their interests compared to [REDACTED] in companies incorporated in jurisdictions with more established legal frameworks.

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RISKS RELATING TO THE [REDACTED]

No public market currently exists for our Shares; an active [REDACTED] market for our Shares may not develop and the [REDACTED] and [REDACTED] of our Shares may decline or become volatile, which could lead to substantial losses to [REDACTED].

No public market currently exists for our Shares. The initial [REDACTED] for our Shares to the public will be the result of our negotiations with the [REDACTED] (for themselves and on behalf of the [REDACTED]) and the [REDACTED] may differ significantly from the [REDACTED] of the Shares following the [REDACTED]. We have applied to the Stock Exchange for [REDACTED] of, and permission to [REDACTED], our [REDACTED]. A [REDACTED] on the Stock Exchange, however, does not guarantee that an active and liquid [REDACTED] market for our Shares will develop, or if it does develop, that it will be sustained following the [REDACTED], or that the [REDACTED] of the Shares will not decline following the [REDACTED].

In particular, certain part of the Shares in issue as of the date of this document will be subject to a lock-up period from the [REDACTED], which may significantly affect the liquidity and trade volume of our Shares in the short-term following the [REDACTED]. A [REDACTED] on the Stock Exchange does not guarantee that an active and liquid [REDACTED] market for our Shares will develop, especially during the period when certain portion of our Shares may be subjected to lock-up, or if it does develop, that it will sustained following the [REDACTED], or that [REDACTED] of the Shares will rise following the [REDACTED].

Future sales or perceived sales of our Shares in the public market by major Shareholders following the [REDACTED] could materially and adversely affect the price of our Shares.

Prior to the [REDACTED], there has not been a public market for our Shares. Future sales or perceived sales by our existing Shareholders of our Shares after the [REDACTED] could result in a significant decrease in the prevailing [REDACTED] of our Shares. Only a limited number of the Shares currently outstanding will be available for sale or issuance immediately after the [REDACTED] due to contractual and regulatory restrictions on disposal and new issuance. Nevertheless, after these restrictions lapse or if they are waived, future sales of significant amounts of our Shares in the public market or the perception that these sales may occur could significantly decrease the prevailing [REDACTED] of our Shares and our ability to raise equity capital in the future.

RISK FACTORS

You will incur immediate and significant dilution and may experience further dilution if we issue additional Shares or other equity securities in the future.

As the [REDACTED] of Shares is higher than the net tangible book value per share of our Shares immediately prior to the [REDACTED], purchasers of our Shares in the [REDACTED] will experience an immediate dilution. If we issue additional Shares in the future, purchasers of our Shares in the [REDACTED] may experience further dilution in their shareholding percentage.

We cannot assure you that we will declare and distribute any amount of dividends in the future.

We currently intend to retain most, if not all, of our available funds and any future earnings to fund the development and growth of our business. As a result, we have not yet adopted a dividend policy with respect to future dividends. Therefore, you should not rely on an [REDACTED] in our Shares as a source for any future dividend income.

Our Board has discretion as to whether to distribute dividends, subject to certain restrictions under Cayman Islands law, namely that our Company may pay dividends out of profits or share premium, provided always that in no circumstances may a dividend be paid out of share premium if this would result in our Company being unable to pay its debts as they fall due in the ordinary course of business. In addition, our Shareholders may by ordinary resolution declare a dividend, but no dividend may exceed the amount recommended by our Board. Even if our Board decides to declare and pay dividends, the timing, amount and form of future dividends, if any, will depend on, among other things, our future results of operations and cash flow, our capital requirements and surplus, the amount of distributions, if any, received by us from our subsidiary, our financial condition, contractual restrictions and other factors deemed relevant by our board of directors. Accordingly, the return on your [REDACTED] in our Shares will likely depend entirely upon any future price appreciation of our Shares. There is no guarantee that our Shares will appreciate in value or even maintain the price at which you purchased the Shares. You may not realize a return on your [REDACTED] in our Shares, and you may even lose your entire [REDACTED] in our Shares.

We may allocate the [REDACTED] from this [REDACTED] in ways that you and other Shareholders may not agree.

Our management will have broad discretion in the application of the [REDACTED] from this [REDACTED], including for any of the purposes described in the section headed “Future Plans and Use of [REDACTED]” for more details. Because of the number and variability of factors that will determine our use of the [REDACTED] from this [REDACTED], their ultimate use may vary substantially from their currently intended use. Our management might not apply the [REDACTED] in ways that ultimately increase the value of your [REDACTED], and the failure by our management to apply these funds effectively could harm our business. The failure by our management to apply these funds effectively could have a material adverse effect on our business, financial condition and results of operation. You will not have the

RISK FACTORS

opportunity, as part of your [REDACTED] decision, to assess whether [REDACTED] are being used appropriately. You must rely on the judgment of our management regarding the application of the [REDACTED] of this [REDACTED].

The industry facts, statistics and forecasts in this document that were obtained from various government publications and the industry report have not been independently verified.

The industry facts, forecasts and statistics in this document relating to the biotech industry in and outside China are obtained from various sources, comprising information provided or published by government agencies, and we can guarantee neither the quality nor reliability of such source materials. We believe that the information originated from appropriate sources and was extracted and reproduced after taking reasonable care. We have no reason to believe that such information is false or misleading or that any fact has been omitted that would render such information false or misleading. However, neither we, the Joint Sponsors, [REDACTED], [REDACTED] nor our or their respective affiliates or advisors have verified the facts, forecasts and statistics nor ascertained the underlying economic assumptions relied upon in those facts, forecasts and statistics obtained from official governmental sources. Therefore, we make no representation as to the accuracy of such facts, forecast and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and factual information and other problems, the statistics in this document relating to the biotech industry in and outside China may be inaccurate, and you should not place undue reliance on it. Moreover, these facts, forecasts and statistics involve risk and uncertainties and are subject to change based on various factors and should not be unduly relied upon.

You should read the entire document carefully and should not rely on any information contained in press articles or other media regarding us or the [REDACTED].

Subsequent to the date of this document but prior to the completion of the [REDACTED], there may be press and media coverage regarding us and the [REDACTED], which may contain, among other things, certain financial information, projections, valuations and other forward-looking information about us and the [REDACTED]. We have not authorized the disclosure of any such information in the press or media and do not accept responsibility for the accuracy or completeness of such press articles or other media coverage. We make no representation as to the appropriateness, accuracy, completeness or reliability of any of the projections, valuations or other forward-looking information about us. To the extent such statements are inconsistent with, or conflict with, the information contained in this document, we disclaim responsibility for them. Accordingly, prospective [REDACTED] are cautioned to make their [REDACTED] decisions on the basis of the information contained in this document only and should not rely on any other information.

WAIVERS AND EXEMPTIONS

In preparation for the [REDACTED], we have sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemptions from strict compliance with the relevant provisions of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, an issuer must have a sufficient management presence in Hong Kong. This normally means that at least two of its executive directors must be ordinarily resident in Hong Kong.

The headquarters, senior management and business operations of our Group are primarily based, managed and conducted outside Hong Kong. As our executive Directors and senior management play very important roles in our business operations, we consider that it is in the best interest of our Company for them to be based in the place where our Group has significant operations. As such, our Company does not, and will not for the foreseeable future, have a sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirement under Rule 8.12 of the Listing Rules. We will ensure that there is an effective channel of communication between us and the Stock Exchange by way of the following arrangements:

- (a) we have appointed Dr. Zhou and Ms. Ka Ying Pun (盤嘉盈) (“**Ms. Pun**”), our joint company secretary, as our authorized representatives pursuant to Rule 3.05 of the Listing Rules. Our authorized representatives will act as our principal channel of communication with the Stock Exchange. They will be readily contactable by phone, email, and/or facsimile to promptly deal with enquiries from the Stock Exchange, and will also be available to meet with the Stock Exchange to discuss any matter within a reasonable period of time upon request of the Stock Exchange;
- (b) when the Stock Exchange wishes to contact our Directors on any matter, our authorized representatives will have all necessary means to contact all of our Directors (including our independent non-executive Directors) promptly at all times. We have provided the Stock Exchange with contact details of all Directors to facilitate communication with the Stock Exchange. Furthermore, to the best of our knowledge and information, all Directors who do not ordinarily reside in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period upon request of the Stock Exchange; and

WAIVERS AND EXEMPTIONS

- (c) we have appointed Rainbow Capital (HK) Limited as our Compliance Advisor upon the [REDACTED] pursuant to Rule 3A.19 of the Listing Rules for a period commencing on the [REDACTED] and ending on the date on which we comply with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED]. The Compliance Advisor will have access at all times to our authorized representatives, Directors and senior management, and will act as an additional channel of communication with the Stock Exchange when our authorized representatives are not available.

APPOINTMENT OF JOINT COMPANY SECRETARY

Pursuant to Rules 3.28 and 8.17 of the Listing Rules, the company secretary of an issuer must be an individual who, by virtue of his or her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Note 1 to Rule 3.28 of the Listing Rules further provides that the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a member of The Hong Kong Chartered Governance Institute;
- (b) a solicitor or barrister as defined in the Legal Practitioners Ordinance (Chapter 159 of the Laws of Hong Kong); and
- (c) a certified public accountant as defined in the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong).

Note 2 to Rule 3.28 of the Listing Rules further sets out the factors that the Stock Exchange will consider in assessing an individual’s “relevant experience”:

- (a) length of employment with the issuer and other issuers and the roles he or she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and
- (d) professional qualifications in other jurisdictions.

WAIVERS AND EXEMPTIONS

All our Directors and senior management who are familiar with our activities and have extensive experience in board and corporate management matters presently do not possess any of the qualifications under Rule 3.28 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules.

We propose to appoint Mr. Ting Xiao (肖汀) (“**Mr. Xiao**”), our CFO, and Ms. Pun as our joint company secretaries. Although Mr. Xiao does not possess the qualifications under Rule 3.28 of the Listing Rules, we would like to appoint him as a joint company secretary due to his experience in financial management and business development, as well as his familiarity with our business operations and internal management.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has] granted us, a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Listing Rules in relation to the appointment of Mr. Xiao as our joint company secretary. Pursuant to Chapter 3.10 of the Guide, the waiver will be for a three-year period from the [REDACTED] (the “**Waiver Period**”) and on the following conditions: (i) the proposed company secretary must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules (the “**Qualified Person**”) and is appointed as a joint company secretary throughout the Waiver Period, and (ii) the waiver will be revoked immediately if there are material breaches of the Listing Rules by the issuer.

We have appointed Ms. Pun, an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom, who is a Qualified Person, as a joint company secretary to provide assistance to Mr. Xiao during the Waiver Period so as to enable Mr. Xiao to acquire the relevant experience as required under Note 2 to Rule 3.28 of the Listing Rules to duly discharge Mr. Xiao’s duties. Given Ms. Pun’s professional qualifications and experience, Ms. Pun will be able to explain to both Mr. Xiao and our Company the relevant requirements under the Listing Rules. Ms. Pun will also assist Mr. Xiao in organizing Board meetings and Shareholders’ meetings as well as other matters which are incidental to the duties of a company secretary. She is expected to work closely with Mr. Xiao, and will maintain regular contact with Mr. Xiao, our Directors and senior management. In addition, Mr. Xiao will comply with the annual professional training requirement under Rule 3.29 of the Listing Rules and will enhance his knowledge of the Listing Rules during the Waiver Period. Mr. Xiao will also be assisted by (i) the Compliance Advisor, particularly in relation to compliance with the Listing Rules, and (ii) the Hong Kong legal advisor of our Company on matters concerning our Company’s ongoing compliance with the Listing Rules and the applicable laws and regulations. The waiver will be revoked with immediate effect if Ms. Pun ceases to provide assistance to Mr. Xiao during the Waiver Period or there are material breaches of the Listing Rules by our Company. If Ms. Pun ceases to be a joint company secretary before the end of the Waiver Period, our Company will seek another waiver from the Stock Exchange in relation to appointing another Qualified Person as a replacement.

WAIVERS AND EXEMPTIONS

We will liaise with the Stock Exchange before the end of the Waiver Period to enable it to assess whether Mr. Xiao, having had the benefit of Ms. Pun’s and, if applicable, another Qualified Person’s assistance for three years, has acquired relevant experience within the meaning of Rule 3.28 of the Listing Rules so that a further waiver will not be necessary.

For further information regarding the qualifications and experience of Mr. Xiao and Ms. Pun, see “Directors and Senior Management.”

FINANCIAL STATEMENTS IN THIS DOCUMENT

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the document must state the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (the “**Third Schedule**”) and set out the reports specified in Part II of the Third Schedule.

Pursuant to paragraph 27 of Part I of the Third Schedule, the document must specify a statement as to the gross trading income or sales turnover (as may be appropriate) of the company during each of the three financial years immediately preceding the issue of the document including an explanation of the method used for the computation of such income or turnover, and a reasonable breakdown between the more important trading activities.

Pursuant to paragraph 31 of Part II of the Third Schedule, the document must set out a report by the auditors of the company with respect to (i) profits and losses of the company for each of three financial years immediately preceding the issue of the document, and (ii) assets and liabilities of the company at the last date of each of the three financial years immediately preceding the issue of the document.

Pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interest of the investing public and compliance with any or all of those requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

Pursuant to Rule 4.04(1) of the Listing Rules, the consolidated results of the issuer and its subsidiaries in respect of each of the three financial years immediately preceding the issue of the listing document or such shorter period as may be acceptable to the Stock Exchange must be included in the accountants’ report to its document.

Pursuant to Rule 18A.06 of the Listing Rules, a biotech company must comply with Rule 4.04 of the Listing Rules modified so that references to “three financial years” or “three years” in Rule 4.04 shall instead reference to “two financial years” or “two years,” as the case may be.

WAIVERS AND EXEMPTIONS

Accordingly, we have applied to the SFC for an exemption from strict compliance with the requirements under section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the following grounds:

- (a) our Company is a global clinical-stage biotechnology company and an industry trailblazer dedicated to discovering and developing next-generation oral small molecule medicines and falls within the scope of biotech company as defined under Chapter 18A of the Listing Rules;
- (b) the Accountant's Report for the two years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 has been set out in Appendix I to this document in accordance with Rule 18A.06 of the Listing Rules;
- (c) as Chapter 18A of the Listing Rules provides a track record period of two years for biotech companies in terms of financial disclosure, strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule would be unduly burdensome for our Company;
- (d) notwithstanding that the financial results set out in this document are only for the two years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 in accordance with Chapter 18A of the Listing Rules, other information required to be disclosed under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance has been adequately disclosed in this document pursuant to the relevant requirements; and
- (e) our Directors are of the view that the Accountant's Report covering the two years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, together with other disclosures in this document, have already provided adequate and reasonably up-to-date information in the circumstances for potential [REDACTED] to make an informed assessment of the business, assets and liabilities, financial position, management and prospects and to form a view on the track record of our Company. Therefore, the exemption would not prejudice the interest of the [REDACTED] public.

The SFC [has] granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule on the conditions that particulars of the exemption are set out in this document and this document will be issued on or before [REDACTED].

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

[REDACTED]

WAIVERS AND EXEMPTIONS

EQUITY INCENTIVE PLAN

Pursuant to Rule 17.02(1)(b) of the Listing Rules, full details of all outstanding options and awards and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the issue of shares in respect of such outstanding options or awards must be disclosed in the document.

Pursuant to paragraph 27 of Appendix D1A to the Listing Rules, the listing document should contain particulars of any capital of any member of the group which is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee, or an appropriate negative statement, provided that where options have been granted or agreed to be granted to all the members or debenture holders or to any class thereof, or to employees under a share option scheme, it shall be sufficient, so far as the names and addresses are concerned, to record that fact without giving the names and addresses of the grantees.

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the document must state the matters specified in Part I of the Third Schedule.

Pursuant to paragraph 10 of Part I of the Third Schedule, the number, description and amount of any shares in or debentures of the company which any person has, or is entitled to be given, an option to subscribe for, together with the particulars of the option, that is to say, (a) the period during which it is exercisable; (b) the price to be paid for shares or debentures subscribed for under it; (c) the consideration (if any) given or to be given for it or for the right to it; and (d) the names and addresses of the persons to whom it or the right to it was given or, if given to existing shareholders or debenture holders as such, the relevant shares or debentures must be specified in the document.

As of the Latest Practicable Date, our Company had granted outstanding share options under the Equity Incentive Plan to 62 individuals (the “**Participants**”) to subscribe for an aggregate of 18,919,464 Shares, among which share options representing 10,376,088 Shares were granted to our Directors, and share options representing 8,543,376 Shares were granted to two members of our senior management and 57 other Participants. There is no potential dilution effect on the shareholding as the Shares underlying the Options granted under the Pre-[REDACTED] Equity Incentive Plan are already in issue. For further details, see “Appendix IV — Statutory and General Information — D. Equity Incentive Plan” in this document.

The Shares underlying the outstanding share options granted under the Equity Incentive Plan represent approximately [REDACTED]% of the total issued share capital of our Company immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised).

WAIVERS AND EXEMPTIONS

We have applied to (i) the Stock Exchange for a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and (ii) the SFC for an exemption from strict compliance with paragraph 10(d) of Part I of the Third Schedule pursuant to section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance in connection with the disclosure of certain details relating to the share options granted under the Equity Incentive Plan and the relevant grantees on the ground that (i) full compliance with such disclosure requirements would be unduly burdensome for our Company, and (ii) the waiver and the exemption would not prejudice the interest of the [REDACTED] public for the following reasons:

- (a) given that 62 Participants are involved, our Directors consider that it would be unduly burdensome to disclose full details of all the share options granted under the Equity Incentive Plan in this document, which would involve a considerable number of pages of content to be included in this document, significantly increasing the cost and timing for information compilation and document preparation;
- (b) the key information of the Equity Incentive Plan is disclosed in this document, including (i) a summary of the principal terms of the Equity Incentive Plan, (ii) the aggregate number of Shares subject to share options granted under the Equity Incentive Plan and the percentage of Shares of which such number represents, (iii) the potential dilution effect on the shareholdings and the impact on the [REDACTED] per Share upon full exercise of the share options immediately following the completion of the [REDACTED], (iv) the details of the share options granted to our Directors under the Equity Incentive Plan, including exercise prices, grant dates, vesting periods and the percentage of the total issued share capital of our Company represented immediately following the completion of the [REDACTED];
- (c) key information of the Equity Incentive Plan as disclosed in “Appendix IV – Statutory and General Information – D. Equity Incentive Plan” in the Document is sufficient to provide potential [REDACTED] with information to make an informed assessment of the potential dilution effect and impact on [REDACTED] per share of the share options granted under the Equity Incentive Plan in their [REDACTED] decision making process;
- (d) the disclosure of the personal details of each Participant, including the number of share options granted and address may require obtaining consent from all the Participants in order to comply with personal data privacy laws and principles and it would be unduly burdensome for our Company to obtain such consents;
- (e) given the nature of the business of our Company, it is extremely important for our Company to recruit and retain talents, and the success of our Company’s long-term development plan will very much depend on the loyalty and contribution of the

WAIVERS AND EXEMPTIONS

Participants, whereas the information relating to the share options granted to the Participants is highly sensitive and confidential, and may adversely affect our Company’s cost and ability to recruit and retain talents;

- (f) the grant and exercise in full of the share options granted under the Equity Incentive Plan will not cause any material adverse impact to the financial position of our Group; and
- (g) the lack of full compliance with the disclosure requirements set out above will not prevent potential [REDACTED] from making an informed assessment of the activities, assets and liabilities, financial position, management and prospects of our Group and will not prejudice the interests of any potential [REDACTED].

The Stock Exchange [has] granted us a waiver from strict compliance with the requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules with respect to the share options granted under the Equity Incentive Plan, subject to the following conditions:

- (a) the grant of a certificate of exemption from strict compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance by the SFC;
- (b) on an individual basis, full details of the outstanding share options granted under the Equity Incentive Plan to each of our Directors containing all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10(d) of Part I of the Third Schedule are disclosed in this document;
- (c) with respect to the outstanding share options granted to other grantees under the Equity Incentive Plan, on an aggregate basis, details including the number of such grantees and the number of Shares subject to the share options, the consideration paid for the grant of the share options, the grant dates and vesting period of the share options granted, the percentage of the total issued share capital of our Company represented immediately following the completion of the [REDACTED] are disclosed in this document;
- (d) a summary of the principal terms of the Equity Incentive Plan is disclosed in “Appendix IV — Statutory and General Information — D. Equity Incentive Plan”
- (e) a full list of all the grantees who had been granted share options to subscribe for the Shares under the Equity Incentive Plan containing all the particulars required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix D1A to, the Listing Rules, and paragraph 10(d) of Part I of the Third Schedule are made available for public inspection in accordance with “Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection”; and

WAIVERS AND EXEMPTIONS

- (f) the particulars of the waiver are disclosed in this document.

The SFC [has] granted us a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance from strict compliance with paragraph 10(d) of Part I of the Third Schedule, subject to the following conditions:

- (g) on an individual basis, full details of the outstanding share options granted under the Equity Incentive Plan to each of our Directors, senior management and connected persons (if any) containing all the particulars required under paragraph 10(d) of Part I of the Third Schedule are disclosed in this document;
- (h) with respect to the outstanding share options granted to other Participants under the Equity Incentive Plan, on an aggregate basis, details including the number of such Participants and the number of Shares subject to the share options, the consideration paid for the grant of the share options, the grant dates and vesting period of the share options, the percentage of the total issued share capital of our Company represented immediately following the completion of the [REDACTED] are disclosed in this document;
- (i) a full list of all the Participants who had been granted share options to subscribe for the Shares under the Equity Incentive Plan containing all the particulars required under paragraph 10(d) of Part I of the Third Schedule are made available for public inspection in accordance with “Appendix V — Documents Delivered to the Registrar of Companies and Available on Display — Document Available for Inspection”;
- (j) the particulars of the exemption are disclosed in this document; and
- (k) this document is issued on or before [REDACTED].

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

INFORMATION ABOUT THIS DOCUMENT AND THE [REDACTED]

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

DIRECTORS

Name	Address	Nationality
Executive Directors		
Dr. Jingye Zhou	710 Wellesley Street Weston, Massachusetts 02493 United States	American
Dr. Jianfeng Xu (徐劍鋒)	Room 13, No. 33, Laoshan Si Village Pudong New Area Shanghai PRC	Chinese
Non-executive Director		
Mr. Henry Lin Chen (陳林正)	House 42, 56 Repulse Bay Road Repulse Bay, Southern District Hong Kong	Chinese (Hong Kong)
Dr. Xiaojie Zang (臧筱潔)	No. 558 Gangtian Road Suzhou Industrial Park Suzhou, Jiangsu Province PRC	Chinese
Independent Non-executive Directors		
Dr. David Elkins Moller	806 Gayfeather Lane Vero Beach, Florida 32963 United States	American
Mr. Kwok Tai Law (羅國泰)	No. 22, 2/F, Yee Yuen 16-22 Dumbarton Road Kowloon Tong Kowloon Hong Kong	Chinese (Hong Kong)
Mr. Yi Li (李一)	House 23, Phase 5, Bel-Air Villa Pokfulam, Southern District Hong Kong	Chinese (Hong Kong)

For details of our Directors, see “Directors and Senior Management.”

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

PARTIES INVOLVED IN THE [REDACTED]

Joint Sponsors

Jefferies Hong Kong Limited

26/F, Two International Finance Centre
8 Finance Street, Central
Hong Kong

Merrill Lynch (Asia Pacific) Limited

55/F, Cheung Kong Center
2 Queen’s Road Central
Central
Hong Kong

China International Capital Corporation

Hong Kong Securities Limited

29/F, One International Finance Centre
1 Harbour View Street
Central
Hong Kong

[REDACTED]

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Legal Advisors to Our Company

As to Hong Kong and United States laws:

Cooley HK

35/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

As to PRC laws:

Jingtian & Gongcheng

34/F, Tower 3, China Central Place
77 Jianguo Road, Chaoyang District
Beijing PRC

As to Cayman Islands laws:

Harney Westwood & Riegels

3501, The Centre
99 Queen’s Road Central
Hong Kong

Legal Advisors to the Joint Sponsors and [REDACTED]

As to Hong Kong and United States laws:

Kirkland & Ellis

26/F, Gloucester Tower
The Landmark 15 Queen’s Road
Central
Hong Kong

As to PRC laws:

Commerce & Finance Law Offices

12-15th Floor
China World Office 2
No. 1 Jianguomenwai Avenue
Chaoyang District
Beijing
PRC

Reporting Accountant and Independent Auditor

PricewaterhouseCoopers

*Certified Public Accountants and Registered
Public Interest Entity Auditor*
22/F, Prince’s Building
Central
Hong Kong SAR, China

DIRECTORS AND PARTIES INVOLVED IN THE [REDACTED]

Industry Consultant

Frost & Sullivan Limited

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INDUSTRY OVERVIEW

Certain information and statistics set out in this section have been extracted from various official government publications, market data providers and a report commissioned by us and prepared by an Independent Third Party, Frost & Sullivan. The information from official government sources has not been independently verified by us, [REDACTED], Joint Sponsors, [REDACTED], [REDACTED], [REDACTED], any of [REDACTED], any of their respective directors and advisers, or any other persons or parties involved in the [REDACTED], and no representation is given as to its accuracy.

OVERVIEW OF CARDIOMETABOLIC AND INFLAMMATORY DISEASES DRUG MARKET

The cardiometabolic and inflammatory diseases drug market encompasses a broad and rapidly evolving landscape of therapies targeting diseases that arise from metabolic dysfunction and chronic inflammation, including obesity/overweight, T2D, MASH, hyperlipidemia, cardiovascular disease (“CVD”), chronic kidney disease (“CKD”), and OA pain. These conditions are increasingly prevalent worldwide and often co-occur in the same patient, driven by shared pathophysiological mechanisms such as insulin resistance, chronic inflammation, and endothelial dysfunction. This clustering of comorbidities significantly compounds cardiovascular and metabolic risks. According to Frost & Sullivan, the burden of these diseases is accelerating across both developed and emerging markets, with obesity/overweight and T2D reaching significant levels and MASH now recognized as a leading chronic liver disease. This growing burden underscores the need for therapies that go beyond symptom management to deliver truly diseases modifying effect for patients. In 2024, the global prevalence of cardiometabolic and inflammatory conditions was 3.3 billion.

Despite advances in pharmacological management, significant challenges and unmet clinical needs remain in the treatment of cardiometabolic and inflammatory diseases. Specifically:

- ***Safety and tolerability.*** Long-term use of existing therapies is often limited by adverse events such as gastrointestinal disturbances, infection, or bleeding. These side effects can be particularly problematic in elderly or comorbid patients, exacerbating their cardiovascular burden on elderly or comorbid patients and lead to treatment discontinuation.
- ***Insufficient efficacy.*** Conventional therapies frequently fail to provide adequate control overweight, blood glucose, and liver function, and are often insufficient in addressing the full spectrum of comorbidities associated with obesity/overweight and T2D. For example, in obesity/overweight patients, current medications often have limitations, including moderate weight loss, tolerability issues, and significant lean mass loss.

INDUSTRY OVERVIEW

- ***Special population needs.*** Patients and those with obesity/overweight and its comorbidities such as liver disease, cardiovascular disease, chronic kidney disease, hyperlipidemia and OA pain often experience limited treatment efficacy and require more efficacious, safer, more tolerable, and more convenient treatment options that can be tailored to their complex clinical profiles.

GLP-1 Based Drug Market

Overview of GLP-1 Based Therapy

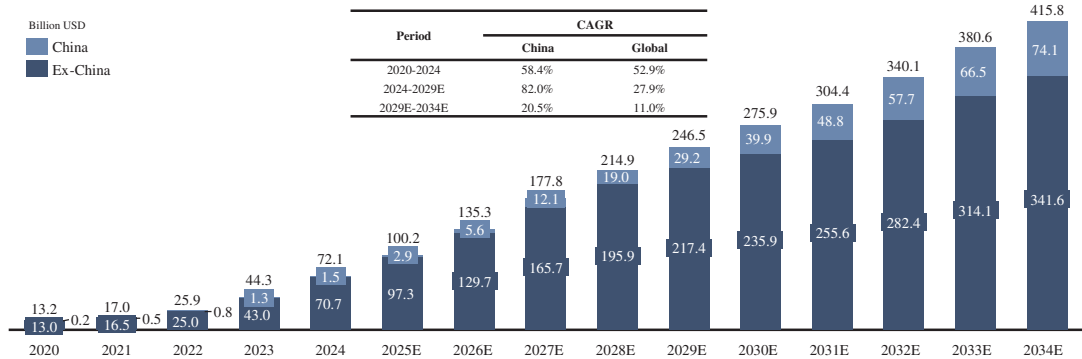
GLP-1 based therapy leverages GLP-1RAs as monotherapy or as the backbone in combination regimens with complementary mechanisms such as SGLT2 inhibitors, PCSK9 inhibitors, THR- β agonists, SSAO inhibitors, Amylin receptor agonists, and GIPR modulators. Beyond obesity/overweight and T2D, GLP-1 based therapy has the potential to address additional indications with a substantial comorbidities among people with overweight/obesity. Among individuals with overweight/obesity globally, liver disorders have a prevalence of approximately 75%, hyperlipidemia occurs in approximately 55%, CKD occurs in approximately 23%, and OA pain approximately 21%.

GLP-1 Based Therapy Market Size

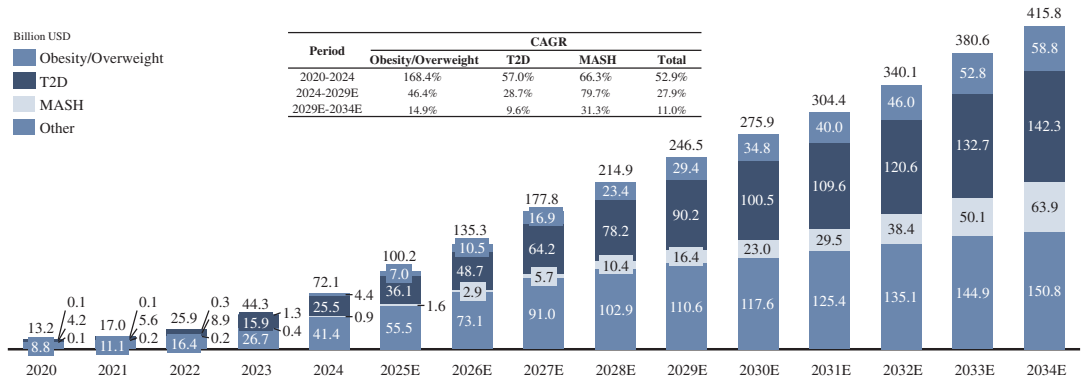
The global GLP-1 based therapy market, including GLP-1RA monotherapies as well as combination regimens involving GLP-1RA with other mechanisms, increased from US\$13.2 billion in 2020 to US\$72.1 billion in 2024, representing a CAGR of 52.9%. It is expected to reach US\$246.5 billion by 2029 and US\$415.8 billion by 2034, reflecting CAGRs of 27.9% from 2024 to 2029 and 11.0% from 2029 to 2034, respectively. The GLP-1 based therapy market in China has experienced even more rapid growth, increasing from US\$0.2 billion in 2020 to US\$1.5 billion in 2024. It is further expected to reach US\$29.2 billion by 2029 and US\$74.1 billion by 2034, reflecting CAGRs of 58.4% from 2020 to 2024, 82.0% from 2024 to 2029 and 20.5% from 2029 to 2034.

INDUSTRY OVERVIEW

Global GLP-1 Based Therapy Market Size (By Geography), 2020-2034E



Global GLP-1 Based Therapy Market Size (By Indications), 2020-2034E



Source: Frost & Sullivan

Growth Drivers and Future Trends of GLP-1 Based Therapy Market

The GLP-1 based therapy market is entering a phase of broad, rapid evolution shaped by both trends and driving factors. Specifically:

- Oral small-molecule therapies offers better solution for GLP-1 based therapy.** The strong combinability of oral small molecule GLP-1RA enables multi-mechanism regimens that better address the multifactorial nature of cardiometabolic diseases. These advantages are poised to expand market potential, particularly in blood glucose control and weight management.

INDUSTRY OVERVIEW

- ***Combination of multiple mechanisms.*** Cardiometabolic diseases arise from complex, overlapping pathophysiological pathways, making conventional single-target approaches often insufficient and driving a shift toward rational, multi-target strategies that prioritize complementary mechanisms and synergistic pathways. As comorbidities such as liver disease, cardiovascular disease, and chronic kidney disease frequently coexist with obesity/overweight and T2D, combination regimens that simultaneously address glycemic control, body weight, lipid metabolism, inflammation, and fibrosis offer the potential for more comprehensive disease management. In this context, pairing GLP-1RAs with various agents of other mechanisms, such as THR- β agonists, SSAO inhibitors, SGLT2 inhibitors, oral PCSK9 inhibitors, GIP receptor modulators, and Amylin receptor agonists could help address a broader range of cardiometabolic and inflammatory abnormalities and achieve improved responses.

Concurrently, indication-level trends and drivers will create distinct trajectories across obesity/overweight, T2D, MASH, and OA pain. Specifically:

- ***Obesity/overweight and T2D***
 - o ***Global growing awareness.*** As obesity awareness grows, the emergence of GLP-1RA marks a pivotal shift in how cardiometabolic and inflammatory disorders are managed, capturing both clinical interest and widespread media attention. These therapies not only offer clinically significant weight reduction, but also signal a broader societal change with how we approach chronic disease prevention and lifestyle-driven health outcomes. In China, social education initiatives like the Healthy China Initiative (2019-2030) aim to increase diabetes awareness among residents aged 18 and over to at least 60%, and ensure standard treatment rates for diabetes patients of at least 70% by 2030.
 - o ***Policy support.*** In China, obesity/overweight and T2D are increasingly integrated into the national chronic disease management framework. Recent guidelines, including the 2024 Obesity Management Guidelines, officially list GLP-1RAs as second-line therapies. Initiatives such as Healthy China 2030 and the nationwide “Weight Management Year” campaign further emphasize the importance of weight control in primary care.
 - o ***The efficacy and safety of GLP-1RAs are widely recognized.*** The growing global obesity/overweight population has catalyzed expansion of the GLP-1 therapeutics market, resulting in a broadened portfolio of agents for effective weight management treatment. Extensive evidence from numerous clinical studies indicates that weight reduction can substantially lower the risk of obesity-related complications and chronic diseases.

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- o *Muscle-preserving weight loss.* Preserving lean muscle mass is an emerging priority in weight loss drug development, as loss of muscle can negatively impact long-term health outcomes and physical function. New therapies are shifting focus from simply reducing total body weight to improving body composition by targeting fat specifically and maintaining or even increasing lean muscle mass.
- **MASH**
 - o *Favorable regulatory tailwinds in MASH.* FDA has accepted a letter of intent to qualify liver stiffness measured by transient elastography as a “reasonably likely” surrogate endpoint in MASH patients with moderate to advanced fibrosis, signaling openness to noninvasive biomarkers in clinical trials. This direction may reduce reliance on invasive liver biopsies for both trial conduct and potential regulatory decision-making. Consistent with this trend, the approved Resmetirom label does not require liver biopsy for prescribing, and most U.S. payers are not requiring biopsy confirmation for diagnosis or reimbursement. Collectively, these advancements streamline patient access, support earlier intervention, and hasten adoption of innovative MASH therapies.
- **OA Pain**
 - o *Emerging scientific evidence elucidating SSAO’s role in chronic inflammation.* SSAO is involved in the recruitment of leukocytes to sites of inflammation and serves as a key mediator of the inflammatory response. Inhibitors targeting SSAO have shown potential to alleviate chronic inflammation, offering a novel therapeutic approach for OA pain. SSAO-targeting strategies may represent a future breakthrough.

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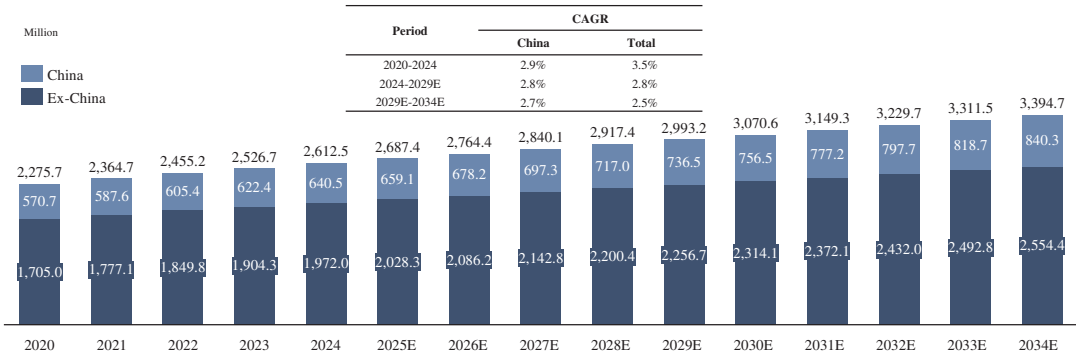
Obesity/Overweight Drug Market

Overview of Obesity/Overweight

Obesity/overweight are defined as abnormal or excessive fat accumulation that poses health risks. Body Mass Index (“**BMI**”), calculated as weight in kilograms divided by height in meters squared (kg/m^2), is the standard metric. According to the World Health Organization, overweight is defined as $\text{BMI} \geq 25$ and obesity as $\text{BMI} \geq 30$ for adults, while China’s National Health Commission sets the thresholds at $\text{BMI} \geq 24$ for overweight and $\text{BMI} \geq 28$ for obesity. These conditions significantly increase the risk of cardiometabolic disorders such as CVD, CKD, T2D, and MASH, making weight management a key issue in public health.

Globally, the prevalence of individuals affected by obesity/overweight increased from 2,275.7 million in 2020 to 2,612.5 million in 2024, with a CAGR of 3.5%. This figure is projected to reach approximately 2,993.2 million by 2029 and 3,394.7 million by 2034. In China, the prevalence of obesity/overweight increased from 570.7 million in 2020 to 640.5 million in 2024, with a CAGR of 2.9%, and is expected to reach 736.5 million by 2029 with a CAGR of 2.8% from 2024 to 2029 and 840.3 million by 2034 at a CAGR of 2.7% from 2029 to 2034.

Global Prevalence of Obesity/Overweight, 2020-2034E



INDUSTRY OVERVIEW

GLP-1RAs have emerged as the leading therapeutic class for weight management, offering superior efficacy in weight reduction and cardiometabolic improvement. By mimicking the natural GLP-1 hormone, these agents regulate appetite and glucose metabolism, outperforming traditional treatments in both efficacy and safety. Current options mainly include injectable GLP-1RAs or dual GLP-1 and GIP receptor agonist delivered by subcutaneous routes. These therapies act centrally to reduce hunger and improve dietary control and peripherally to delay gastric emptying, forming the basis of the prevailing treatment paradigm in clinical practice. Despite this progress, limitations persist, including tolerability issues dominated by gastrointestinal adverse events, high discontinuation rates with some GLP-1RAs, loss of lean mass alongside fat reduction, and limited benefits across key comorbidities such as MASH, CVD, hyperlipidemia, chronic kidney disease, and OA pain. The following tables summarize the major limitations of marketed GLP-1RAs.

	Semaglutide	Tirzepatide
Efficacy	Body weight: -12.4% (68-week, 2.4 mg, placebo adjusted)	Body weight: -20.1% (72-week, 15 mg, placebo adjusted)
Tolerability issue	Nausea (44.2%), diarrhea (31.5%), vomiting (24.8%), and constipation (23.4%)	Nausea (31.0%), diarrhea (23.0%), vomiting (12.2%), and constipation (11.7%)
Discontinuation in real world	Within 1 year: 46.5% for T2D, 64.8% for obesity/overweight	
Proportion of lean mass loss	40%	29%
Limited efficacy in comorbidities (e.g. MASH)	Phase III: reduction in liver fibrosis without worsening of steatohepatitis 14% (placebo adjusted)	Phase II: improvement of at least one fibrosis stage without worsening of MASH 21% (placebo adjusted)

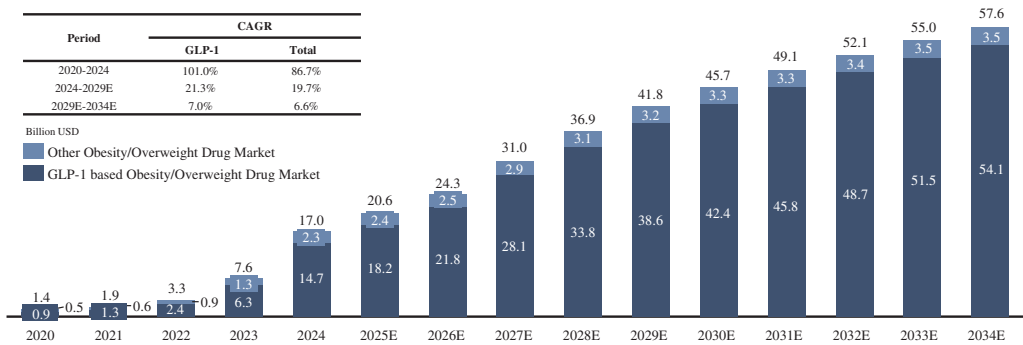
Source: Frost & Sullivan

INDUSTRY OVERVIEW

Obesity/Overweight Drug Market Size

The global obesity/overweight drug market has experienced rapid growth in recent years, increasing from US\$1.4 billion in 2020 to US\$17.0 billion in 2024, representing a CAGR of 86.7%. This upward trend is expected to continue, with the market projected to reach US\$41.8 billion by 2029 at a CAGR of 19.7% from 2024 to 2029 and US\$57.6 billion by 2034 representing a CAGR of 6.6% from 2029 to 2034. Within this market, GLP-1 based therapies account for over 80% of total sales and are expected to exceed 90% by 2027, underscoring their dominant role in obesity/overweight treatment.

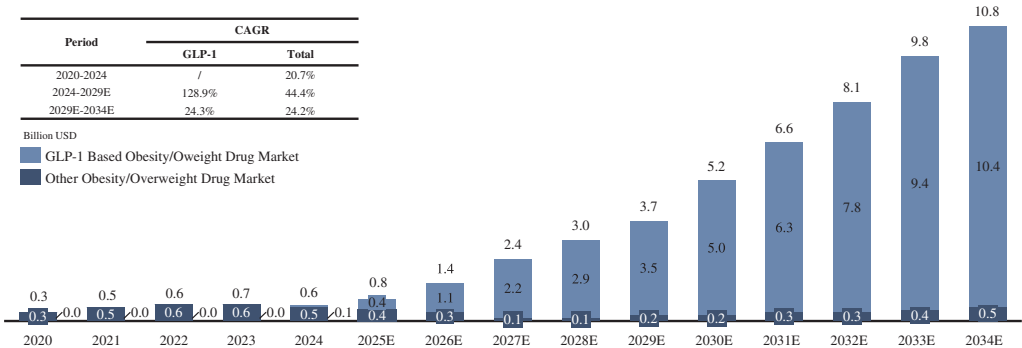
Global Obesity/Overweight Drug Market, 2020-2034E



Source: Frost & Sullivan

China’s obesity/overweight drug market has remained relatively modest in recent years, with non-GLP-1 based therapies as the primary treatment options. However, the market is poised for substantial growth, driven almost entirely by the rapid expansion of GLP-1 based therapies. The market is expected to grow from US\$0.3 billion in 2020 to US\$0.6 billion in 2024 with a CAGR of 20.7% from 2020 to 2024 and expected to reach US\$3.7 billion by 2029, reflecting a CAGR of 44.4%. US\$10.8 billion by 2034 at a CAGR of 24.2% from 2029 to 2034. Notably, GLP-1 drugs are projected to surge from just US\$0.1 billion in 2024 to US\$3.5 billion by 2029, at an exceptional CAGR of 128.9%. Looking further ahead, China’s obesity/overweight drug market is forecasted to reach US\$10.4 billion by 2034 representing a CAGR of 24.3% from 2029 to 2034.

China’s Obesity/Overweight Drug Market, 2020-2034E



Source: Frost & Sullivan

INDUSTRY OVERVIEW

T2D Drug Market

Overview of T2D

Diabetes mellitus is a chronic cardiometabolic condition marked by elevated blood glucose due to impaired insulin secretion or action. Among its types, T2D is the most prevalent, accounting for over 90% of cases. It is closely linked to obesity/overweight and metabolic syndrome and increasingly affects younger populations due to lifestyle and dietary changes. Globally, the number of T2D patients increased from 493.7 million in 2020 to 589.0 million in 2024, with a CAGR of 4.5%. This figure is projected to reach approximately 650.9 million by 2029 and 697.6 million by 2034. In China, the number of T2D patients increased from 133.1 million in 2020 to 148.0 million in 2024, with a CAGR of 2.7%, and is expected to reach 166.3 million by 2029 with a CAGR of 2.4% from 2024 to 2029 and 174.1 million by 2034 at a CAGR of 0.9% from 2029 to 2034.

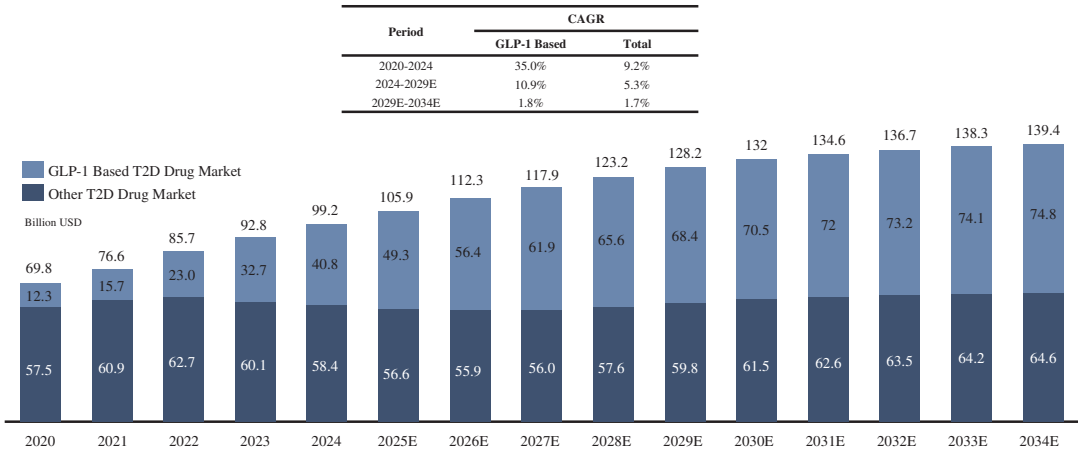
Current T2D therapies include insulin, Biguanides such as Metformin, GLP-1RAs such as Semaglutide and Tirzepatide, SGLT-2 inhibitors such as Dapagliflozin, and DPP-4 inhibitors such as Sitagliptin. GLP-1RAs are emerging as the most promising class because they provide dual benefits in glycemic control and weight reduction, offer superior efficacy and cardiovascular protection, and are expected to drive the next wave of growth. Their potential transition from adjunctive use to first-line treatment for select patient populations is expected to further accelerate adoption. However, compliance is particularly compromised because approved GLP-1RA therapies are mainly injection based, which increases treatment burden and reduces willingness to persist with long-term therapy.

T2D Drugs Market Size

The global T2D drug market increased from US\$69.8 billion in 2020 to US\$99.2 billion in 2024 representing a CAGR of 9.2%, which is expected to reach US\$128.2 billion by 2029 at a CAGR of 5.3% from 2024 to 2029 and US\$139.4 billion by 2034 with a CAGR 1.7% from 2029 to 2034. Within this market, GLP-1 based therapies have experienced significant growth from US\$12.3 billion in 2020 to US\$40.8 billion in 2024, representing a CAGR of 35.0%. GLP-1 based therapies for T2D are expected to maintain strong growth, with the market projected to reach US\$68.4 billion by 2029 at a CAGR of 10.9% and US\$74.8 billion by 2034 with a CAGR of 1.8%.

INDUSTRY OVERVIEW

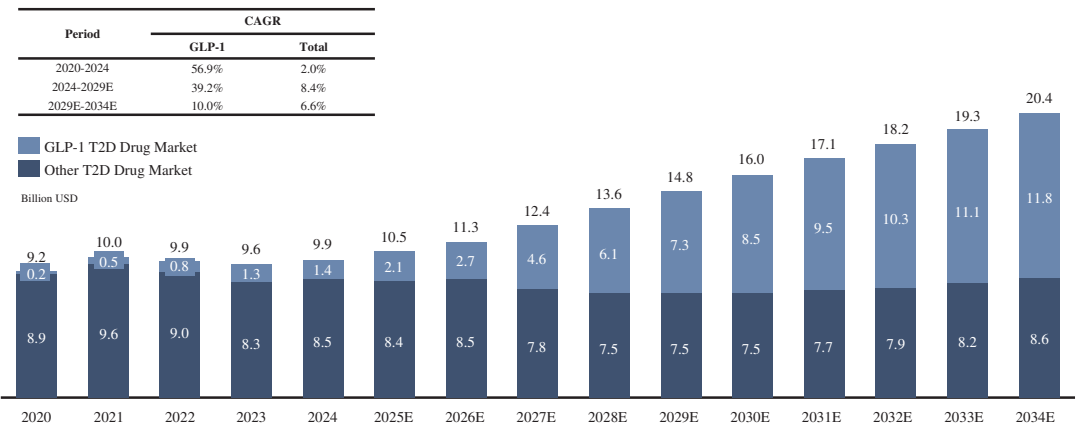
Global T2D Drug Market, 2020-2034E



Source: Frost & Sullivan

The market is projected to grow from US\$9.2 billion to US\$9.9 billion in 2024 at a CAGR of 2.0% and is expected to reach US\$14.8 billion by 2029 with a CAGR of 8.4%, and further to US\$20.4 billion by 2034 representing a CAGR of 6.6%. Notably, GLP-1 based therapies are expected to drive this expansion, gradually becoming the mainstream treatment option. The GLP-1 based therapies for the treatment of T2D is forecasted to increase from US\$0.2 billion in 2020 to US\$1.4 billion in 2024 and is estimated to reach US\$7.3 billion by 2029, and reach US\$11.8 billion by 2034, reflecting strong CAGRs of 56.9%, 39.2% and 10.0% over the respective periods.

China's T2D Drug Market, 2020-2034E



Source: Frost & Sullivan Analysis

INDUSTRY OVERVIEW

Overview of Oral Small Molecule GLP-1RAs

Currently, GLP-1RAs are predominantly available as injectables. Oral small-molecule GLP-1RAs are emerging as a pivotal advance in the field. Injectable GLP-1 based therapies face needle discomfort, dietary timing constraints, and cold-chain logistics that limit accessibility and adherence. In contrast, oral small molecules offer improved patient compliance, better manufacturing scalability, no food-effects, and ease of transportation and storage. Market trends indicate rising adoption of oral GLP-1 based therapies, underpinned by the diverse clinical pipeline of oral small molecule GLP-1RAs. The modality’s ease of combination with other oral agents to build rational, multi-target regimens are positioning oral small-molecule GLP-1RA a major driver of long-term market share and real-world outcomes.

Category	Injectable GLP-1RA	Oral Peptide	Oral Small Molecule
Combinability	Low	Low	Easy combination with other oral therapies
Administration	Needle-related discomfort and needle phobia	Strict dietary requirements	No food effect
Accessibility	Limited due to mandatory cold-chain management	Supply scalability may be constrained	Less constrained by supply chain

Source: Frost & Sullivan

Based on recent development pathways for oral small molecule GLP-1RAs, the field can be categorized into two main scaffolds — Scaffold A and Scaffold B. Scaffold A, exemplified by Orforglipron and ECC5004, exhibits superior *in vivo* potency, low off-target risks, and good drug-like properties. Scaffold B, represented by Danuglipron and Lotiglipron (both discontinued), employs low *in vivo* potency and selected molecules within Scaffold B carry risks of hepatotoxicity. The following table summarizes the two main scaffolds, their features, and representative compounds.

INDUSTRY OVERVIEW

Classification By Scaffold A and Scaffold B

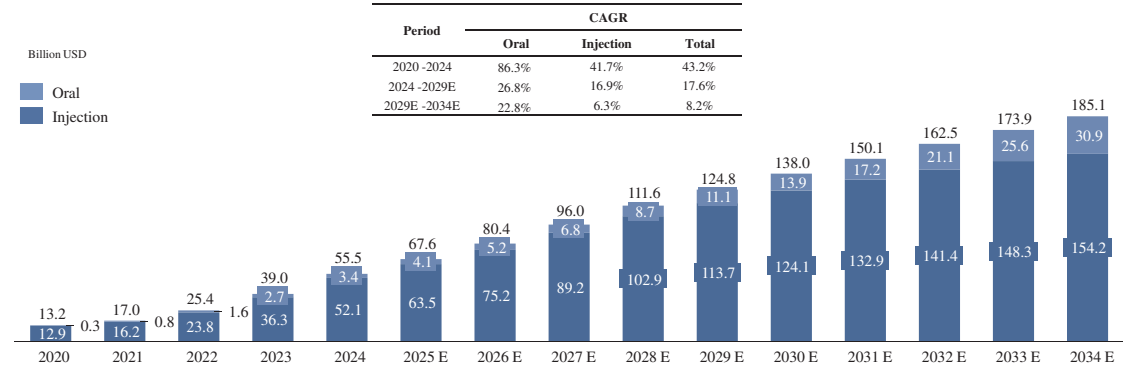
Category	Feature	Examples
Scaffold A	- Superior <i>in vivo</i> potency - Good drug-like properties - Low off-target risks	- Orforglipron - ECC5004
Scaffold B	- Low <i>in vivo</i> potency - Selected molecules with Scaffold B carry risks of hepatotoxicity	- Danuglipron - Lotiglipron

Source: Literature review, Frost & Sullivan

GLP-1RA As Monotherapy Drug Market

The global GLP-1RA monotherapy market, excluding combination regimens and multi-pharmacology agents, increased from US\$13.2 billion in 2020 to US\$55.5 billion in 2024, representing a CAGR of 43.2%. It is expected to reach US\$124.8 billion by 2029 and US\$185.1 billion by 2034, reflecting CAGRs of 17.6% from 2024 to 2029 and 8.2% from 2029 to 2034, respectively. The GLP-1RA monotherapy market in China increased from US\$0.2 billion in 2020 to US\$1.5 billion in 2024 at a CAGR of 58.4%. It is expected to reach US\$12.4 billion by 2029 and US\$28.1 billion by 2034, reflecting CAGRs of 53.4% from 2024 to 2029 and 17.7% from 2029 to 2034. In both markets, oral administrated GLP-1RA monotherapy drug is rapidly increasing its market share, achieving over 30% of the market share by 2034.

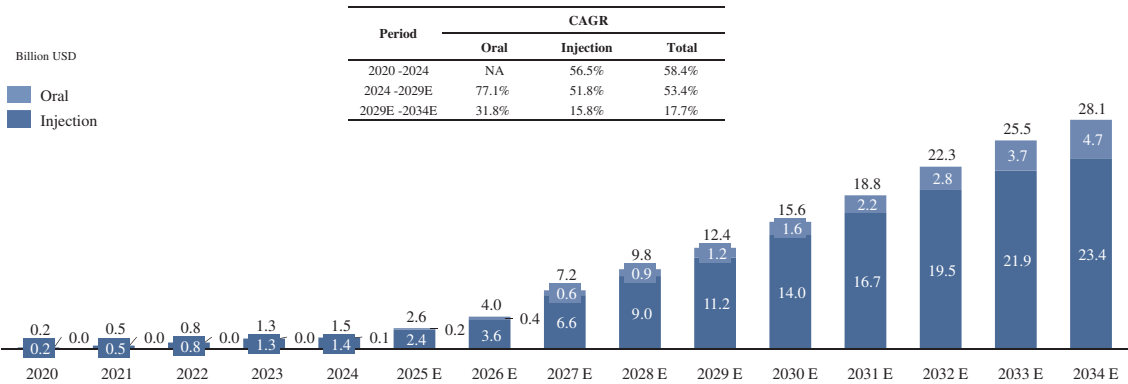
Global Drug Market Size of GLP-1RA As Monotherapy, 2020-2034E



Source: Frost & Sullivan

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China’s Drug Market Size of GLP-1RA As Monotherapy, 2020-2034E



Source: Frost & Sullivan

Competitive Landscape of Small Molecule GLP-1RAs in Obesity/Overweight Drug Market and T2D Drug Market

As of the Latest Practicable Date, there were three GLP-1RAs approved globally and there is no approved oral small molecule GLP-1RA globally. As of the same date, eight oral small molecule GLP-1RA candidates entered global or U.S. Phase II or beyond clinical development for the treatment of obesity/overweight and/or T2D as illustrated in the below table.

Global Pipeline of Phase II or Beyond Small Molecule GLP-1RAs for Obesity/Overweight and T2D

Drug Name/Code	Scaffold Type	Company	Clinical Stage	Indication	Region	Dosage Form	Drugs Type
Orforglipron	Scaffold A	Lilly	Phase III	Obesity/Overweight	Global	Oral	Small molecule GLP-1RA
				T2D	Global		
ECC5004	Scaffold A	Eccogene	Phase IIb	Obesity/Overweight	Global	Oral	Small molecule GLP-1RA
				T2D	Global		
GSBR-1290/ Aleniglipron	Scaffold A	Structure	Phase IIb	Obesity/Overweight	US	Oral	Small molecule GLP-1RA
ASC30	Scaffold A	Ascletis	Phase IIa	Obesity/Overweight	US	Oral	Small molecule GLP-1RA
RGT-075	Scaffold B	Regor	Phase IIb	Obesity/Overweight	US	Oral	Small molecule GLP-1RA
				T2D	US		
TERN-601	Scaffold B	Terns	Phase IIa	Obesity/Overweight	US	Oral	Small molecule GLP-1RA
CX11	Scaffold B	Corxel	Phase II	Obesity/Overweight	US	Oral	Small molecule GLP-1RA
RO7795081	Scaffold B	Roche	Phase II	Obesity/Overweight	Global	Oral	Small molecule GLP-1RA
				T2D	Global		

Source: Clinicaltrials.gov, Frost & Sullivan

INDUSTRY OVERVIEW

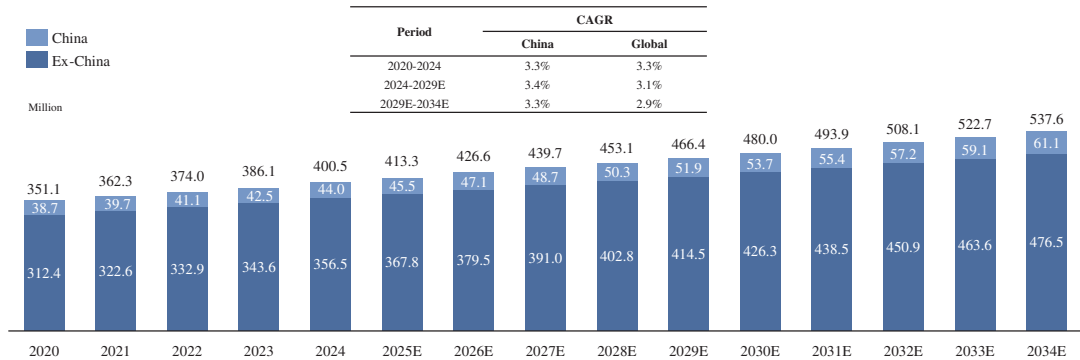
MASH Drug Market

Overview of MASH

MASH is a progressive, severe form of metabolic dysfunction-associated steatotic liver disease, reflecting its strong link to metabolic disorders. It involves liver inflammation and injury associated with fat accumulation and can advance to fibrosis, cirrhosis, and hepatocellular carcinoma. While some develop fatigue or upper abdominal pain as disease progresses, MASH often remains asymptomatic for years.

Globally, the prevalence of MASH patients increased from 351.1 million in 2020 to 400.5 million in 2024, with a CAGR of 3.3%. This figure is projected to reach approximately 466.4 million by 2029 and 537.6 million by 2034. In China, the prevalence of MASH patients increased from 38.7 million in 2020 to 44.0 million in 2024, with a CAGR of 3.3%, and is expected to reach 51.9 million by 2029 at a CAGR of 3.4% and 61.1 million by 2034 representing 3.3%.

Global Prevalence of MASH, 2020-2034E



Source: Frost & Sullivan

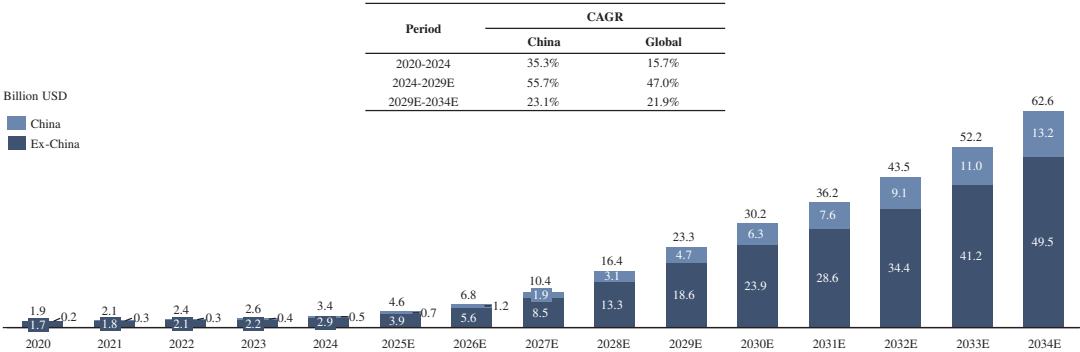
MASH Drug Market Size

A major advancement in MASH drug market was the recent approval of Resmetirom (Rezdiffra) by the FDA, a THR- β partial agonist. Since its launch, Resmetirom has experienced robust sales growth with over US\$800 million in annualized full-year commercial sales, reflecting strong market demand and patient uptake. Semaglutide was also approved by the FDA in MASH in August 2025. In addition, Roche’s definitive agreement to acquire 89bio for its Phase III MASH asset for up to US\$3.5 billion, signals growing attention from leading pharmaceutical companies, reinforcing the indication’s commercial and developmental prospects globally. Despite the recent progress in the field, there is still huge unmet clinical need for oral therapies with improved efficacy.

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The global MASH drug market increased from US\$1.9 billion in 2020 to US\$3.4 billion in 2024, representing a CAGR of 15.7%. It is expected to reach US\$23.3 billion by 2029 and US\$62.6 billion by 2034, reflecting CAGRs of 47.0% from 2024 to 2029 and 21.9% from 2029 to 2034, respectively. In China, the MASH drug market is still in its early stages, the market size increased from US\$0.2 billion in 2020 to US\$0.5 billion in 2024. However, it is expected to grow rapidly, reaching US\$4.7 billion by 2029 and US\$13.2 billion by 2034, mirroring the global growth trajectory with CAGRs of 35.3%, 55.7% and 23.1% over the same periods.

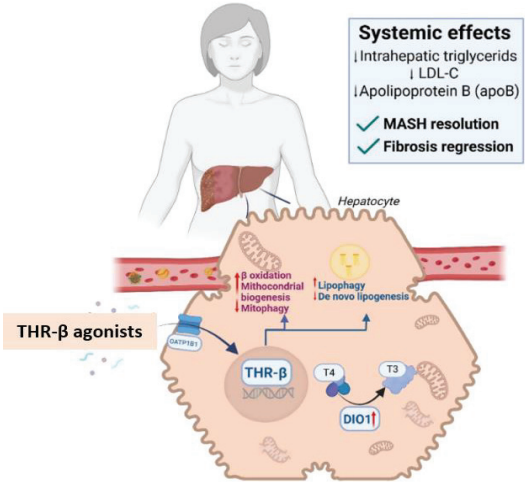
Global MASH Drug Market, 2020-2034E



Source: Frost & Sullivan

Overview of THR-β

THR-β is a nuclear receptor activated by thyroid hormones, predominantly expressed in the liver, where it plays a central role in regulating lipid, energy, and fatty acid metabolism. THR-β agonists are a class of drugs that selectively stimulate this receptor, resulting in multiple beneficial metabolic effects relevant to MASH, dyslipidemia and obesity/overweight. THR-β agonists include full agonists and partial agonists. Full agonists deliver more complete receptor engagement than partial agonists and therefore drive stronger pharmacological metabolic responses. A THR-β full agonist could induce more significant potent lipid lowering, liver fat reduction, and anti fibrotic effects by maximizing receptor activation.



Source: Frost & Sullivan

INDUSTRY OVERVIEW

Competitive Landscape of Small Molecule THR-β Drug Market

As of the Latest Practicable Date, no drugs have been approved for MASH treatment in China. Globally, only two drugs have received regulatory approval for MASH, including Resmetirom, a THR-β partial agonist, and Semaglutide, a GLP-1RA. The following tables illustrate the competitive landscape of small molecule THR-β candidates under clinical development as of the Latest Practicable Date.

Global Pipeline of Clinical Stage Small Molecule THR-β Candidate

Drug Name/Code	Target	Company	Clinical Stage	Indication	Region	Dosage Form	Drug Type
VK2809	THR-β	Viking	Phase IIb	MASH	Global	Oral	Small molecule
ECC4703	THR-β	Eccogene	Phase IIa	MASH Obesity/Overweight	Global	Oral	Small molecule
ALG 055009	THR-β	Aligos	Phase IIa	MASH	US	Oral	Small molecule
TERN-501	THR-β	Terns	Phase IIa	MASH	US	Oral	Small molecule
ASC47	THR-β	Ascletis	Phase Ib	Obesity	US	Injectable	Small molecule

Source: Frost & Sullivan

OA Pain Drug Market

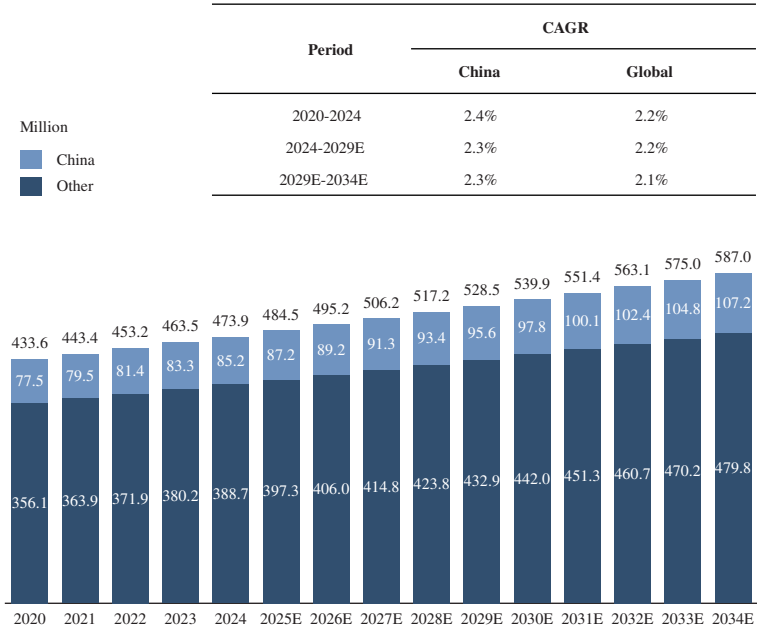
Overview of OA Pain

OA pain is joint pain that worsens with activity and improves with rest, often with stiffness after inactivity, swelling, tenderness, crepitus, and reduced range of motion. It stems from cartilage breakdown in knees, hips, and hands and may become permanent conditions. Management targets symptom control using nonpharmacological measures such as physical therapy and weight management and pharmacological options such as NSAIDs, acetaminophen, intra-articular corticosteroids, and opioids. Long-term use of these agents could carry safety tradeoffs, including higher risks of gastrointestinal bleeding, renal impairment, cardiovascular events, addiction, and weight gain and fractures.

Globally, the prevalence of OA pain patients increased from 433.6 million in 2020 to 473.9 million in 2024, with a CAGR of 2.2%. This figure is projected to reach approximately 528.5 million by 2029 and 587.0 million by 2034, representing CAGRs of 2.2% and 2.1% for the same period. In China, the prevalence of OA pain patients increased from 356.1 million in 2020 to 388.7 million in 2024, with a CAGR of 2.4% and is expected to reach 432.9 million by 2029 and 479.8 million by 2034, representing CAGRs of 2.3% and 2.3% for the same period.

INDUSTRY OVERVIEW

Global Prevalence of OA Pain, 2020-2034E



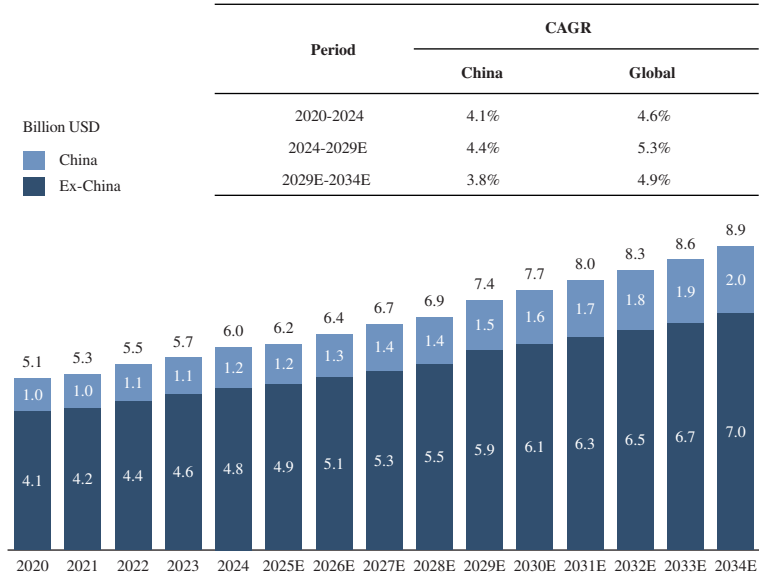
Source: Frost & Sullivan

OA Pain Drug Market Size

Novel therapies such as Orforglipron and ECC0509 are in clinical development for the treatment of OA pain. The global OA pain drug market increased from US\$5.1 billion in 2020 to US\$6.0 billion in 2024, representing a CAGR of 4.6%. It is expected to reach US\$7.4 billion by 2029 and US\$8.9 billion by 2034, reflecting CAGRs of 5.3% from 2024 to 2029 and 4.9% from 2029 to 2034, respectively. In China, the OA pain drug market expanded from US\$1.0 billion in 2020 to US\$1.2 billion in 2024 and is expected reaching US\$1.5 billion by 2029 and US\$2.0 billion by 2034, mirroring the global growth trajectory with CAGRs of 4.1%, 4.4% and 3.8% over the same periods.

INDUSTRY OVERVIEW

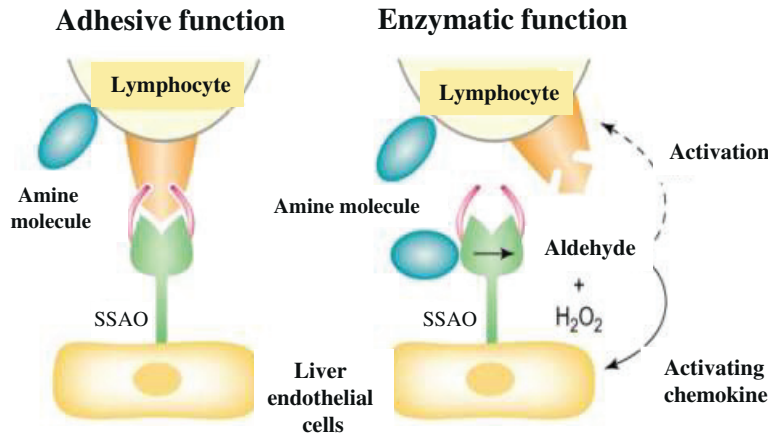
Global OA Pain Drug Market, 2020-2034E



Source: Frost & Sullivan

Overview of SSAO Drug

SSAO is an enzyme broadly expressed in mammals, which primarily catalyzes the oxidative deamination of primary amines to generate aldehydes, ammonia, and hydrogen peroxide (H₂O₂). SSAO plays key roles in numerous physiological and pathological processes, including leukocyte migration, oxidative stress, inflammation, vascular injury, diabetes, obesity/overweight, and fibrosis.



Source: Literature Review, Frost & Sullivan

INDUSTRY OVERVIEW

Competitive Landscape of Small Molecule SSAO Drug Market

As of the Latest Practicable Date, no drugs targeting SSAO have been approved for the treatment of OA pain globally, and ECC0509 is positioned as the first SSAO candidate for the treatment of OA pain. The following tables illustrate the competitive landscape of clinical stage oral small molecule SSAO candidates globally for the treatment of OA pain as of the Latest Practicable Date.

Clinical Stage Small Molecule SSAO Pipeline in Global Study

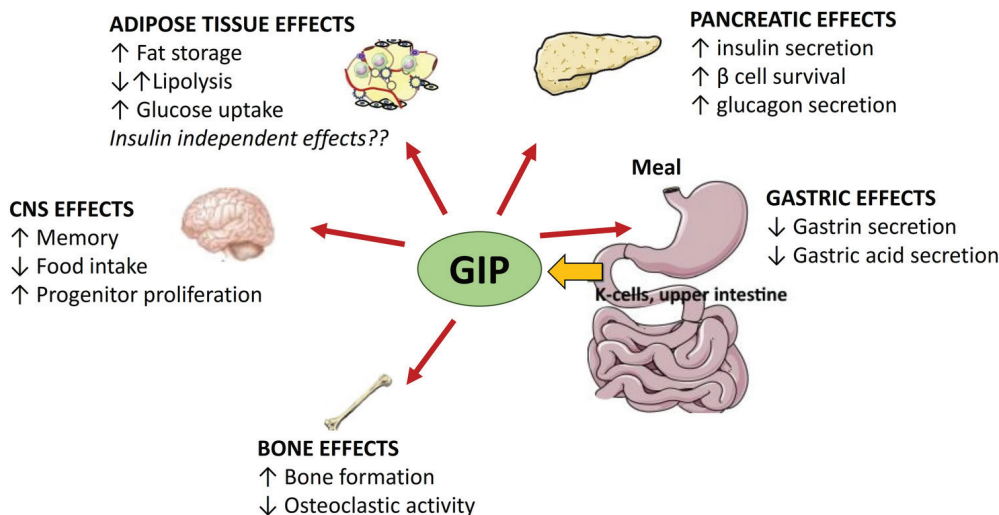
Drug Name/Code	Target/Active Ingredient	Company	Clinical Stage	Indication	Region	Dosage Form	Drugs Type
ECC0509	SSAO	Eccogene	Phase II	MASH	Global	Oral	Small molecule
				OA Pain			
SNT-4728/ PXS-4728	SSAO/MAO-B	Syntara	Phase II	IRBD Parkinson's Disease	Global	Oral	Small molecule

Source: Frost & Sullivan

GIPR MODULATOR DRUG MARKET

Overview of GIPR Modulator Drug

GIPR modulator is secreted by intestinal K cells postprandially, especially after fat intake. By activating GIPR, these agents enhance glucose-dependent insulin release from pancreatic β -cells, support glucagon secretion during hypoglycemia, and modulate lipid storage and bone metabolism. Emerging data suggest that tailoring dose and combining GIPR modulators with GLP-1RAs can maximize efficacy while mitigating gastrointestinal effects commonly seen with incretins.



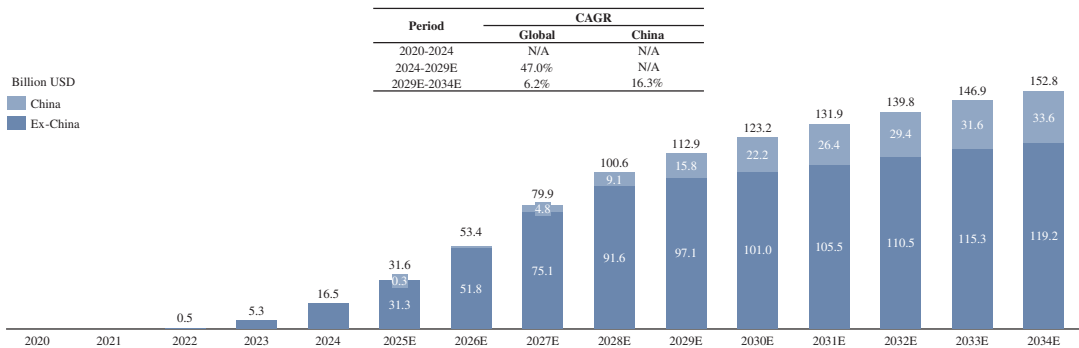
Source: Literature review, Frost & Sullivan

INDUSTRY OVERVIEW

GIPR Modulator Drug Market Size

In May 2022, Tirzepatide, a GLP-1R/GIPR dual agonist, was first approved in T2D, indicating the emergence of global GIPR modulator drug market. The market value increased from US\$0.5 billion in 2022 to US\$16.5 billion in 2024 and is projected to expand significantly, reaching US\$112.9 billion by 2029 and US\$152.8 billion by 2034 with CAGRs of 47.0% from 2024 to 2029 and 6.2% from 2029 to 2034. The GIPR modulator drug market in China is estimated to reach US\$0.3 billion in 2025, US\$15.8 billion in 2029 and US\$33.6 billion by 2034, representing a CAGR of 16.3% from 2029 to 2034.

Global GIPR Modulators Drug Market Size, 2020-2034E



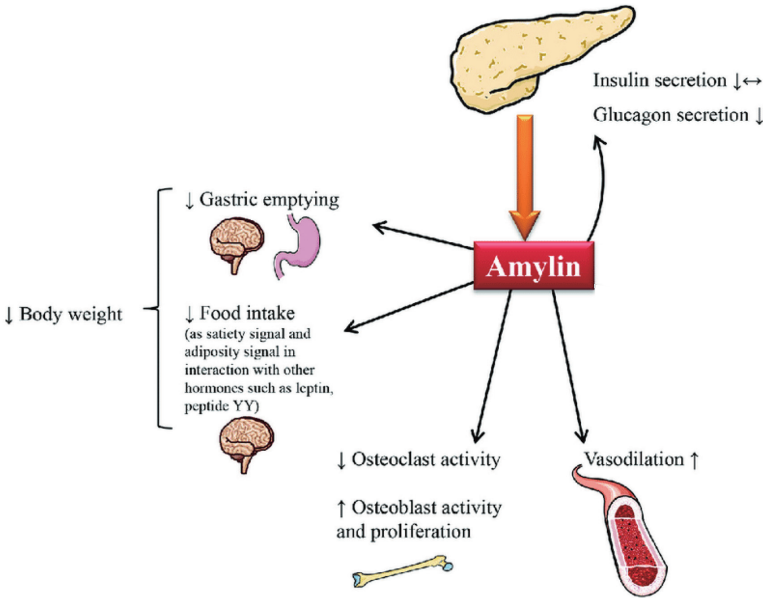
Source: Frost & Sullivan

AMYLIN RECEPTOR AGONIST DRUG MARKET

Overview of Amylin Receptor Agonist Drug

Amylin receptor agonist drugs mimic endogenous Amylin to deliver anti-hyperglycemic and weight-loss benefits. Mechanistically, they delay gastric emptying, suppress postprandial glucagon secretion in a glucose-dependent manner, and act centrally to enhance satiety, thereby reducing energy intake, improving postprandial glucose control, and supporting weight loss. Ongoing development focuses on optimizing receptor selectivity, extending half-life, and minimizing gastrointestinal tolerability issues while preserving satiety-driven efficacy.

INDUSTRY OVERVIEW

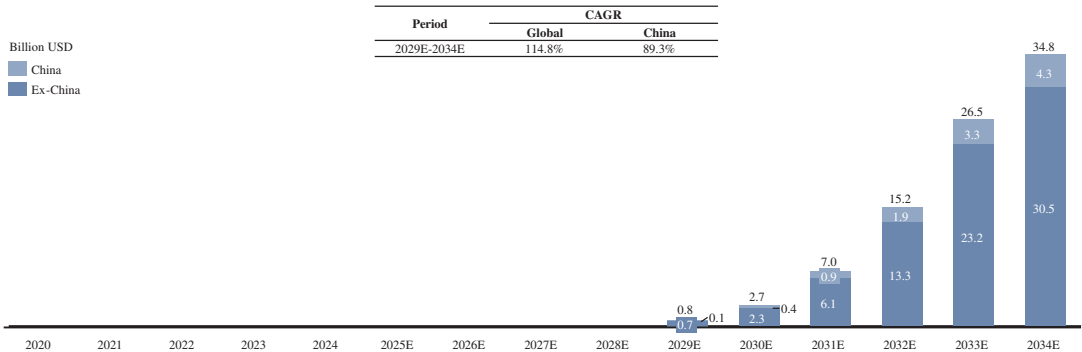


Source: Literature review, Frost & Sullivan

Amylin Receptor Agonist Drug Market Size

The global Amylin receptor agonist drug market is projected to expand significantly, reaching US\$34.8 billion by 2034. Similarly, the Amylin receptor agonist drug market in China is projected to reach a market size of US\$4.3 billion by 2034.

Global Amylin Receptor Agonist Drug Market Size, 2024-2034E



Source: Frost & Sullivan

INDUSTRY OVERVIEW

SOURCE OF INFORMATION

We engaged Frost & Sullivan, a market research consultant, to prepare the Frost & Sullivan Report for use in this document. The information from Frost & Sullivan disclosed in this document is extracted from the Frost & Sullivan Report and is disclosed with the consent of Frost & Sullivan. In preparing the Frost & Sullivan Report, Frost & Sullivan collected and reviewed publicly available data such as government-derived information, annual reports, trade and medical journals, industry reports and other available information gathered by not-for-profit organizations as well as market data collected by conducting interviews with industry KOLs.

Frost & Sullivan has exercised due care in collecting and reviewing the information so collected and independently analyzed the information, but the accuracy of the conclusions of its review largely relies on the accuracy of the information collected. We agreed to pay Frost & Sullivan a fee of US\$63,381 for the preparation and update of the Frost & Sullivan Report, which is not contingent on the [REDACTED] proceeding.

REGULATORY OVERVIEW

PRC REGULATIONS

Our business in the PRC is subject to extensive supervision and regulatory control by the PRC government. This section sets out a summary of the major relevant laws, regulations, rules and policies which may have material impact on our business with the territory of the PRC.

Laws and Regulations on Drug Research and Development

Regulations on Drug Development

The National People’s Congress (the “NPC”) and the National Medical Products Administration (the “NMPA”) (formerly known as the China Food and Drug Administration (the “CFDA”)) have been revising the fundamental laws, regulations and rules regulating pharmaceutical products and the industry, which include the framework law known as the Drug Administration Law of the People’s Republic of China (the “PRC”) (《中華人民共和國藥品管理法》) (the “DAL”). The DAL was promulgated by the SCNPC on September 20, 1984, and latest amended on August 26, 2019 and took effect as of December 1, 2019. The DAL is implemented by a high-level regulation issued by the State Council referred to as the Regulations for the Implementation of the Drug Administration Law of the PRC (《中華人民共和國藥品管理法實施條例》) (the “DAL Implementing Regulation”), which was latest amended on December 6, 2024 and took effect as of January 20, 2025. DAL and DAL Implementing Regulation provided legal framework for establishment of drug manufacturing enterprises and drug trading enterprises as well as drug administration.

The NMPA has its own set of regulations further implementing the DAL; the primary one governing clinical trial applications (referred to individually as a “CTA” and collectively as the “CTAs”), marketing approval, and post-approval amendment and renewal is known as the Drug Registration Regulation (《藥品註冊管理辦法》) (the “DRR”), which was latest amended on January 22, 2020 and effective from July 1, 2020.

The Biosecurity Law of the PRC (《中華人民共和國生物安全法》) (the “Biosecurity Law”) promulgated by the SCNPC on October 17, 2020 and latest amended on April 26, 2024, establishes a comprehensive legislative framework for the pre-existing regulations in such areas as epidemic control of infectious diseases for humans, animals and plants; research, development, and application of biology technology; biosecurity management of pathogenic microbials laboratories; security management of human genetic resources and biological resources; countermeasures for microbial resistance; and prevention of bioterrorism and defending threats of biological weapons. It stipulates that the clinical research of new biomedical technologies shall pass the ethical review and be conducted in the medical institutions with corresponding qualifications and the operation of human clinical research shall be conducted by the professional medical workers with corresponding qualifications. It stipulates further that the collection, preservation, utilization and external provision of human genetic resources of China shall comply with the ethical principles and shall not endanger public health, national security and public interests.

REGULATORY OVERVIEW

Regulations on Drug Research

Non-Clinical Research and Animal Testing

The NMPA requires pre-clinical data to support registration applications for imported and domestic drugs. According to the DRR, non-clinical safety studies shall be conducted in accordance to the Good Laboratory Practices for Non-clinical Laboratory Studies (《藥物非臨床研究質量管理規範》) promulgated by the CFDA, which was revised on July 27, 2017 and took effect from September 1, 2017. The NMPA is responsible for the certification of non-clinical safety evaluation and research institutions nationwide and the local provincial drug administrative department is in charge of the daily supervision of non-clinical safety evaluation and research institutions. The NMPA decides whether an institution is qualified to undertake pharmaceutical non-clinical research by evaluating such institution’s organizational administration, its research personnel, its equipment and facilities, and its operation and management of non-clinical pharmaceutical projects.

Pursuant to the Regulations for the Administration of Experimental Animals (《實驗動物管理條例》) promulgated by the State Scientific and Technological Commission on November 14, 1988 and latest amended on March 1, 2017, by the State Council, the Administrative Measures on Good Practice of Experimental Animals (《實驗動物質量管理辦法》) jointly promulgated by the State Scientific and Technological Commission and the State Bureau of Quality and Technical Supervision on December 11, 1997, and the Administrative Measures on the Certificate for Experimental Animals (Trial) (《實驗動物許可證管理辦法(試行)》) promulgated by the Ministry of Science and Technology of the PRC (the “MOST”) and other regulatory authorities on December 5, 2001 and took effect from January 1, 2002, using and breeding experimental animals shall be subject to rules and performing experimentation on animals requires the Experimental Animal License. Any entity without such license must engage a qualified third party to conduct such non-clinical activities regulated under relevant laws and regulations.

Clinical Trials Approval

Clinical trials should be conducted when applying for registration of a new drug. After completing the preclinical studies, the applicant must obtain approval for clinical trials of drugs from the NMPA before the conduction of new clinical drug trials. According to the Decision on Adjusting the Approval Procedures of Certain Administrative Approval Items for Drugs (《關於調整部分藥品行政審批事項審批程序的決定》) promulgated by the CFDA on March 17, 2017 and taking effect from May 1, 2017, the decision on the approval of clinical trials of drugs enacted by the CFDA can be made by the CDE from May 1, 2017.

Clinical trials could not proceed until being approved by the NMPA. According to the latest amended DRR, the NMPA now has adopted a system for clinical trials of new drugs where trials can proceed if the applicant has not received any objections from the Center for Drug Evaluation of NMPA (the “CDE”) within 60 days thereafter. After the issuance of the Announcement of the CFDA on Several Policies on the Appraisal and Approval of Drug

REGULATORY OVERVIEW

Registration (《國家食品藥品監督管理總局關於藥品註冊審評審批若干政策的公告》) (the “**Announcement on Appraisal and Approval of Drug Registration**”) on November 11, 2015, as for CTAs for new drugs, the one-time approval is implemented and the declaration, appraisal and approval at different levels are replaced. The one-time approval mechanism was restated in the Announcement of the NMPA on Adjusting Appraisal and Approval Procedures for Clinical Trials for Drugs (《國家藥品監督管理局關於調整藥物臨床試驗審評審批程序的公告》) (the “**Announcement on Adjusting Appraisal and Approval Procedures**”), which was issued on July 24, 2018 by the NMPA. If a new drug clinical trial has been approved to be carried out, after the completion of Phase I and Phase II clinical trials and before the implementation of Phase III clinical trials, the applicant shall submit an application for a communication meeting to the CDE to discuss with the CDE on key technical issues including the design of the phase III clinical trial design. The applicant can also apply for communication on key technical issues at different stages of clinical research and development. If expanded indications are involved, or the security risks to which subjects are exposed are increased as a result of the alteration to the clinical trials protocols, drastic pharmaceutical changes, or significant security findings for non-clinical research, new applications or supplementary applications of clinical trials might be required, pursuant to the Announcement on Adjusting Appraisal and Approval Procedures.

The DAL further confirms that the drug regulatory department under the State Council shall, within 60 working days from the date on which the application for a clinical trial is accepted, decide on whether to approve it and then notify the clinical trial applicant. In the case of failure to notify the applicant within the prescribed time limit, it shall be deemed as approved. For bioequivalence studies, they shall be filed for record on the website of the CDE as required.

Drug Clinical Trial Registration

Pursuant to the DRR, where a clinical trial is approved, the sponsor shall, prior to conducting subsequent phases of the clinical trial, formulate the clinical trial protocol, carry out the trial upon obtaining approval by the ethics committee, and submit the clinical trial protocol and supporting materials on the CDE website. On September 6, 2013, the CFDA released the Announcement on Drug Clinical Trial Information Platform (《關於藥物臨床試驗信息平台的公告》), providing that all clinical trials approved by the CFDA and conducted in the PRC shall be registered on and trial information shall be published through the Drug Clinical Trial Information Platform under management of the CDE. The applicant shall complete trial preregistration within one month after obtaining the clinical trial approval to obtain the trial’s unique registration number and shall complete registration of certain follow-up information before the first subject’s enrollment in the trial and submit it for publicity. If submission for publicity of the foregoing pre-registration and registration is not completed within one year after obtaining the clinical trial approval, the applicant shall submit an explanation, and if the procedure is not completed within three years, the clinical trial approval shall automatically be annulled.

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Clinical Trial Process

On January 15, 2020, the SAMR promulgated the Administrative Measures for Drug Registration (《藥品註冊管理辦法》), which came into effect on July 1, 2020. According to the Measures, a clinical development program consists of Phases I, II, III and IV. Phase I refers to the initial clinical pharmacology and safety evaluation studies in humans. Phase II refers to the preliminary evaluation of a drug candidate’s therapeutic effectiveness and safety for particular indications in patients, to provide evidence and support for the design of Phase III clinical trials and to settle the administrative dose regimen. Phase III refers to clinical trials undertaken to confirm the therapeutic effectiveness of a drug. Phase III is used to further verify the drug’s therapeutic effectiveness and safety on patients with target indications, to evaluate the overall benefit-risk relationships of the drug, and ultimately to provide sufficient evidence for the review of drug registration application. Phase IV refers to a new drug’s post-marketing study to assess therapeutic effectiveness and adverse reactions when the drug is widely used, to evaluate the overall benefit-risk relationships of the drug when used among the general population or specific groups and to adjust the administration dose. In accordance with the revised Administrative Measures for Drug Registration, drug clinical trial shall comprise Phase I clinical trial, Phase II clinical trial, Phase III clinical trial, Phase IV clinical trial as well as bioequivalence test.

Pursuant to the Circular Concerning Several Policies on Drug Registration Review and Approval (《關於藥品註冊審評審批若干政策的公告》) (the “**Several Policies Circular**”), the CDE grants a one-time approval for clinical trial applications for new drugs and does not require separate declarations, reviews or approvals for the subsequent phases of clinical trials. The CDE review focuses on the scientific nature of clinical trial protocols and the control of safety risks to ensure patient safety. Applicants must promptly communicate with the CDE, to resolve problems during clinical trials and make a supplementary report on the latest research materials as the relevant reviewer requires. Upon the completion of Phase I and Phase II clinical trials, the applicant must submit trial results and the clinical trial protocol for the next phase in a timely manner. Where there is no safety problem, applicants can proceed to Phase III clinical trials after discussion with the CDE. The applicants must report serious adverse events that occur during clinical trials and submit annual research reports. Where clinical trial risks cannot be controlled, the clinical trials must be stopped immediately.

The CFDA issued the Notice on Publishing the Guidelines to the General Consideration of Drug Clinical Trial (《關於發佈藥物臨床試驗的一般考慮指導原則的通告》) on January 18, 2017 to further regulate drug clinical trial, to provide technological support to applicants and researchers on making overall drug research and development strategies and single clinical trial and, at the same time, provide reference for technical evaluation. As stipulated by the Guidelines, provisions thereof are mainly applicable to chemical drugs and biological products for therapeutic use.

REGULATORY OVERVIEW

Sampling and Collecting Human Genetic Resources Filing

The MOST promulgated the Service Guide for Administrative Licensing Items concerning Examination and Approval of Sampling, Collecting, Trading or Exporting Human Genetic Resources, or Taking Such Resources out of the PRC (《人類遺傳資源採集、收集、買賣、出口、出境審批行政許可事項服務指南》) on July 2, 2015, according to which, the sampling, collection or research activities of human genetic resources by a foreign-invested sponsor fall within the scope of international cooperation, and the cooperating organization of China shall apply for approval of the China Human Genetic Resources Management Office (the “CHGRMC”). One of the key concerns for the CHGRMC review and approval process is the intellectual property sharing arrangement between Chinese and foreign parties.

The CHGRMC promulgated the Circular of CHGRMC on Further Optimizing the Administrative Examination and Approval of Human Genetic Resources (《中國人類遺傳資源管理辦公室關於進一步優化人類遺傳資源行政審批流程的通知》) on October 19, 2019, simplifying the approval of sampling and collecting human genetic resources.

On May 28, 2019, the State Council of the PRC issued the Administrative Regulations on Human Genetic Resources (《人類遺傳資源管理條例》) (the “**Human Genetic Resource Regulation**”), last amended on March 10, 2024, and took effect from May 1, 2024. According to the Human Genetic Resource Regulation, human genetic resource includes human genetic resource materials and information. Human genetic resource materials refer to organs, tissues, cells and other genetic materials containing human genome, genes and other genetic materials. Human genetic resource information refers to information, such as data, generated by human genetic resources materials. The Human Genetic Resource Regulation formalized the approval requirements pertinent to research collaborations between Chinese and foreign-owned entities, under which, a new filing system (as opposed to the advance approval approach originally in place) is put in place for clinical trials utilizing the human genetic resources in mainland China in order to obtain market license at clinical institutions without involving the export of human genetic resources materials outside of mainland China. Foreign organizations, individuals and institutions established or actually controlled by foreign organizations and individuals are not allowed to collect or preserve human genetic resources in mainland China or provide human genetic resources abroad.

The Implementation Rules for the Administrative Regulation on Human Genetic Resources (《人類遺傳資源管理條例實施細則》), which was promulgated by the MOST on May 26, 2023, and took effect from July 1, 2023, further clarify the requirements for administrative licensing, record-keeping, and security review in relation to the collection, conservation, utilization, and export of human genetic resources, as well as detailing matters relating to the supervisory review and administrative penalties.

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Pathogenic Microorganism Laboratories

The Regulations on Administration of Bio-safety in Pathogenic Microorganism Laboratories (《病原微生物實驗室生物安全管理條例》), which was promulgated by the State Council, effective on November 12, 2004, and latest amended on December 6, 2024, stipulate that pathogenic microorganism laboratories are classified into four levels, namely bio-safety levels 1, 2, 3 and 4 in terms of bio-safety protection levels in accordance with national standards on biosafety of laboratories. Laboratories at bio-safety levels 1 and 2 shall not engage in laboratory activities related to highly pathogenic microorganisms. The construction, alternation or expansion of a laboratory at bio-safety level 1 or 2 shall be filed for record with the local counterparts of the National Health Commission (the “NHC”). The entity launched a pathogenic microorganism laboratory shall develop a scientific and strict management system, regularly inspect the implementation of the regulations on bio-safety, and regularly inspect, maintain and update the facilities, equipment and materials in the laboratory, to ensure its compliance with the national standards. Any entity failing to complete the relevant filing procedure with respect to the construction, alternation or expansion of a laboratory at bio-safety level 1 or 2 shall be ordered to correct within the time limit; if such order of correction is ignored, the entity shall dismiss the responsible persons of such laboratory.

Priority Evaluation and Approval Programs to Encourage Innovation

The authorities have adopted several expedited review and approval mechanisms since 2009 and created additional expedited programs in recent years that are intended to encourage innovation. Applications for these expedited programs can be submitted together with the registration package or after the registration submission is admitted for review by the CDE.

If admitted to one of these expedited programs, an applicant will be entitled to more frequent and timely communication with reviewers at the CDE, expedited review and approval, and more agency resources throughout the review approval process.

The NMPA permits conditional approval of certain medicines based on early phase China clinical trial data or only on foreign approval clinical data. According to the Opinion on Deepening the Reform of the Evaluation and Approval System to Encourage Innovation in Drugs and Medical Devices (《關於深化審評審批制度改革鼓勵藥品醫療器械創新的意見》) (the “**Innovation Opinion**”) promulgated by General Office of the Communist Party of China Central Committee and General Office of the State Council on October 8, 2017, for any drugs or medical devices used for the treatment of severe and life-threatening diseases that cannot be treated in an effective manner and those badly needed for public health, if the early and mid-term indicators in clinical trials show their efficacy and their clinical value are predictable, conditional approval for the marketing of these drugs and medical devices can be granted, and enterprises shall develop the risk control plans to conduct researches according to the requirements.

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The DRR also stipulates expedited approval procedures, such as, during drug clinical trials, when the drugs are used for treatment of diseases that seriously endanger life and have no effective measure of treatment, and the data of drug clinical trials can prove the efficacy and forecast the clinical value of the drugs, applications for conditional approval may be submitted for drugs falling under expedited approval procedures.

The CFDA promulgated the Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovation (《關於鼓勵藥品創新實行優先審評審批的意見》) on December 21, 2017, which further clarify that a fast track clinical trial approval or drug marketing registration pathway will be available to innovative drugs. The Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovation was replaced by the Announcement of the NMPA on Promulgating Three Documents Including the Working Procedures for the Evaluation of Breakthrough Therapy Designation Drugs (Trial) (《國家藥監局關於發佈突破性治療藥物審評工作程序(試行)等三個文件的公告》), which was promulgated and implemented by the NMPA on July 7, 2020, refines the requirements and scope of the fast track, and the Opinions on Encouraging the Prioritized Evaluation and Approval for Drug Innovation was repealed simultaneously.

On March 31, 2023, the CDE issued the CDE’s Standards for Accelerating the Review Work for Marketing Approval Applications of Innovative Drugs (Trial) (《藥審中心加快創新藥上市許可申請審評工作規範(試行)》), which encouraging the development process of the innovative drugs of breakthrough therapy drug program, for children and for rare diseases, and is expected to expedite the marketing process of these drugs to meet relevant patients’ medication needs.

Good Clinical Practices

Clinical trials must be conducted in accordance with the Good Clinical Practice for Drug Trials (《藥物臨床試驗質量管理規範》) (the “**GCP Rules**”) promulgated by NMPA and NHC on April 23, 2020 and effective on July 1, 2020, which stipulates the requirements for the procedures of conducting clinical trials, including trial protocols, protection of testees’ rights and interests, duties of researchers, sponsors and monitors, as well as data management and statistical analysis. According to the GCP Rules, clinical trial means systematical investigation of drugs conducted on human subjects (patients or healthy volunteers) to prove or reveal the clinical, pharmacological and other pharmacodynamic effects, adverse reactions or absorption, distribution, metabolism and excretion of the drug being investigated. In order to ensure the quality of clinical trials and the safety of human subjects, the GCP Rules provides comprehensive and substantive requirements on the design and conduct of clinical trials in the PRC. In particular, the GCP Rules enhances the protection for study subjects and tightens the control over bio-samples collected under clinical trials.

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The GCP Rules also set out the qualifications and requirements for the investigators and centers participating in clinical trial, including: (i) professional certification at a clinical trial center, professional knowledge, training experience and capability of clinical trial, and being able to provide the latest resume and relevant qualification documents per request; (ii) being familiar with the trial protocol, investigator’s brochure and relevant information of the trial drug provided by the applicant; (iii) being familiar with and comply with the GCP Rules and relevant laws and regulations relating to clinical trials; (iv) keeping a copy of the authorization form on work allocation signed by investigators; (v) investigators and clinical trial centers shall accept supervision and inspection organized by the applicant and inspection by the drug regulatory authorities; and (vi) in the case of investigators and clinical trial centers authorizing other individual or institution to undertake certain responsibilities and functions relating to clinical trial, they shall ensure such individual or institution are qualified and establish complete procedures to ensure the responsibilities and functions are fully performed and generate reliable data.

Acceptance of Foreign Data on Clinical Trials

The NMPA may reduce requirements for clinical trials and data, depending on the drug and the existing data. The NMPA has granted waivers for all or part of trials and has stated that it will accept data generated abroad (even if not part of a global study), including early phase data that meets its requirements.

On January 30, 2015, the CFDA promulgated the Notice on Issuing the International Multi-Center Clinical Trial Guidelines (Trial) (《關於發佈國際多中心藥物臨床試驗指南(試行)的通告》) (the “**IMCT Guidelines**”), which took effect on March 1, 2015, to provide guidance for the regulation of application, implementation and administration of international multi-center clinical trials in China. Pursuant to the IMCT Guidelines, international multi-center clinical trial applicants may simultaneously perform clinical trials in different centers using the same clinical trial protocol. Where the applicant plans to make use of the data derived from the international multi-center clinical trials for application to the CFDA for approval of NDA, such international multi-center clinical trials shall satisfy the requirements set forth in the PRC Drug Administration Law (《中華人民共和國藥品管理法》) and its implementation regulations and relevant laws and regulations.

On July 6, 2018, the NMPA issued the Technical Guidance Principles on Accepting Foreign Drug Clinical Trial Data (《關於發布接受藥品境外臨床試驗數據的技術指導原則的通告》) (the “**Guidance Principles**”). According to the Guidance Principles, the data of foreign clinical trials shall meet the authenticity, completeness, accuracy and traceability requirements and such data shall be obtained in consistent with the relevant requirements of the International Conference on Harmonization of Technical Requirements for Registration of Pharmaceuticals for Human Use. Sponsors must be attentive to potentially meaningful ethnic differences in the subject population. If drug registration applicants use overseas clinical trials for drug registration applications in mainland China, all overseas clinical trial data shall be provided, rather than selectively. If drug registration applicants plan to carry out follow-up clinical

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research and development following the early overseas clinical trials, they shall evaluate the early clinical trial data and only after having obtained complete clinical trial data and communicated with the CDE, these data could be used to support the follow-up clinical trials.

The NMPA issued the Technical Guiding Principles for the Acceptance of Overseas Clinical Trial Data of Drugs (《接受藥品境外臨床試驗數據的技術指導原則》) on July 6, 2018, to guide work related to the acceptance of overseas clinical trial data as clinical evaluation reference by the applicant applying for the registration of drugs in the PRC. Overseas clinical trial data involved in such Guiding Principles include but are not limited to the overseas clinical trial data obtained by applicants through the research and development of innovative drugs synchronously onshore and offshore. The applicants shall ensure the authenticity, completeness, accuracy and traceability of the data of overseas clinical trials.

Laws and Regulations on Drug Registration

New Drug Registration

Pursuant to the Registration Measures, upon completion of clinical trials, determination of quality standards, completion of validation of commercial-scale production processes and completion of other related preparation works, the applicant may apply with the NMPA for the marketing authorization. The NMPA then determines whether to approve the application according to applicable laws and regulations. The applicant must obtain the marketing authorization for a new drug before the drug can be manufactured and sold in the PRC market.

Drug Marketing Authorization Holder

Pursuant to the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment (《關於改革藥品醫療器械審評審批制度的意見》) promulgated on August 9, 2015, and effective on the same date, the State Council published the policy for carrying out a pilot plan for the drug marketing authorization holder mechanism.

Pursuant to the newly amended DAL the drug marketing authorization holder means an enterprise or a drug research and development institution that has obtained the drug registration certificate, and this pharmaceutical marketing authorization holder shall be responsible for non-clinical laboratory studies, clinical trials, production and distribution, post-market studies, and the monitoring, reporting, and handling of adverse reactions in connection with pharmaceuticals in accordance with the provisions of the DAL.

Pursuant to the DRR, at the time of application for drug marketing authorization, the applicant and the manufacturing enterprise shall have held the corresponding drug manufacturing permits.

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Laws and Regulations on Drug Manufacturing and Distribution

Drug Manufacturing and Distribution

According to the Measures for Supervision and Administration of Drug Manufacturing (《藥品生產監督管理辦法》) (the “**Drug Manufacturing Measures**”), which was revised by the SAMR on January 22, 2020, and took effect from July 1, 2020, the new drug manufacturer shall be approved and issued with the Drug Manufacturing License by the drug supervision and administration department of the province, autonomous region or municipality directly under the central government where it is domiciled. It shall not manufacture drugs without the Drug Manufacturing License. This license shall be renewed every five years.

The drug marketing authorization holder who entrusts another party to produce preparations shall meet the requirements as specified in the Drug Manufacturing Measures, sign an entrustment agreement and a quality agreement with a qualified drug producer, and submit the relevant agreements and the application materials of the actual production site to provincial drug administrative departments where the drug marketing authorization holder is located to apply for the Drug Manufacturing License.

The drug manufacturing facilities shall comply with drug manufacturing quality management norms, establish a sound drug manufacturing quality management system and ensure the whole drug manufacturing process continuously complies with statutory requirements. The drug marketing authorization holder shall establish a quality assurance system for pharmaceuticals, employ designated personnel to be independently in charge of quality control for pharmaceuticals.

The Good Supply Practice (“GSP”) and Good Manufacturing Practice (“GMP”) certification for drugs were cancelled, and the application for GSP and GMP certification for drugs were no longer be accepted, since December 1, 2019, pursuant to the Announcement of the NMPA on Implementation of the Drug Administration Law (《國家藥監局關於貫徹實施〈中華人民共和國藥品管理法〉有關事項的公告》). But the competent regulatory authorities conduct the supervision and regulations through changing from the certification inspection once every five years to the inspection of the implementation of the GMP/GSP from time to time and supervising the compliance of enterprises.

The Administrative Measures for Drug Inspection (Trial) (《藥品檢查管理辦法(試行)》), revised by the NMPA on July 19, 2023, which stipulates that NMPA shall be in charge of the national drug inspection and management work. For the enterprises which apply for the Drug Manufacturing License for the first time, an on-site inspection shall be carried out in accordance with the relevant regulations of GMP. Those which apply for the marketing of drugs shall receive pre-marketing GMP compliance inspections as required in accordance with the provisions of Article 52 of the Drug Manufacturing Measures. For the first application for the Drug Distribution License and the changes in licensing items, and on-site inspections shall be carried out in accordance with the GSP and its on-site inspection guidelines, licensing inspection rules and other relevant standards.

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According to Good Manufacturing Practice for Drugs (《藥品生產質量管理規範》) revised by the Ministry of Health on January 17, 2011, and effective on March 1, 2011, the provisions are basic requirements for manufacturing and quality management of drugs. Special requirements for sterile products, biologics and blood products, and etc., or the manufacturing and quality management activities, shall be separately enacted as annexes by the CFDA.

Drug Operation

As required by the DAL and the Measures for the Quality Supervision and Administration of the Distribution and Use of Medicinal Products (《藥品經營和使用質量監督管理辦法》) which was promulgated by the SAMR on September 27, 2023, operation of drug business, including drug wholesale and drug retail, is prohibited without a Drug Business Permit. A Drug Business Permit shall state the validity period and the scope of business and be subject to review and reissuance upon expiry of the validity period.

Drug business operators shall comply with the drug operation quality management norms, establish and improve their business operation quality management system, and ensure that the whole drug business process continuously comply with statutory requirements.

In the PRC, governmental pricing controls on drugs (other than narcotic and certain psychiatric drugs) have been lifted since May 2015 when the Opinions on Advancing Drug Price Reform (《推進藥品價格改革意見》) came into effect. Instead of direct governmental controls, the government exercises control over the drugs through establishing a centralized tender process or centralized procurement mechanism, revising the National Reimbursement Drug List or provincial medical insurance drug catalogues and strengthening regulation of medical and pricing practices. Also, according to the Opinions on the Reform of Evaluation and Approval System for Drugs and Medical Devices and Equipment, enterprises which apply for the registration of new drugs should promise that the prices of their products on the PRC market should not be higher than the comparable market prices in original countries or the surrounding area of the PRC.

Drug Recalls

According to the Announcement on Issuing the Measures for the Administration of Medicinal Product Recalls (《關於發佈〈藥品召回管理辦法〉的公告》) promulgated by NMPA on October 24, 2022 and effective from November 1, 2022, a drug manufacturer should establish and improve its recall system by collecting relevant information about drug safety and conducting investigation and evaluation with respect to the drugs with potential safety hazards. If there are any potential safety hazards that endanger human health and life safety in respect of any drugs sold in the PRC, such manufacturer must start the drug recall procedures. Where a drug is recalled, the drug operating and using institutions should assist such manufacturer to satisfy its recall obligations by communicating the drug recall information and any feedback, controlling and recovering such drugs according to the recall plan.

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Polices on the Pharmaceutical Industry

The “Healthy China 2030” Planning Outline jointly issued and implemented by the State Council and the Central Committee of the Communist Party of China (CPC) on October 25, 2016 proposes the establishment of a comprehensive clinical evaluation system focusing on essential medicines, aiming to complete the drug price formation mechanism in accordance with the principle of combining government regulation with market adjustment, strengthen the linkage between the pricing, health insurance, procurement policies while insisting no categorized management, strengthen supervision of prices of medicines with insufficient market competition and high-value medical consumables, establish a system for monitoring and disclosing information on drug prices, and formulate and improve policies on and standards for payment for drugs covered by medical insurance.

The 14th Five-Year Plan for National Health issued and implemented by the General Office of the State Council on April 27, 2022 proposes to encourage the research and development, innovation and application of new medicines, accelerate the research, development and industrialization of urgently-needed medicines for the clinical treatment of major diseases, and support the research and development of high-quality generic medicines, deepen the reform of the review and approval procedures for medicines and medical devices, and expedite the review and approval process for innovative, clinically-needed drugs and medical devices, and drugs for the treatment of rare diseases.

The Healthy China Initiative — Diabetes Prevention and Control Action Plan (2024-2030) was jointly issued and implemented by the NHC and other governmental authorities on July 15, 2024 proposes to strengthen the research on diabetes prevention and control and the construction of a synergistic network, focusing on accelerating the R&D process and promoting the application of achievements in diabetes prevention and treatment.

The Several Opinions of the General Office of the Shanghai Municipal People’s Government on Supporting the Whole-Chain Innovation and Development of the Biopharmaceutical Industry issued by the General Office of the Shanghai Municipal People’s Government on July 15, 2024 and implemented on 1 August 2024 (valid until July 31, 2029) proposes to support the innovation and development of the whole chain of the biopharmaceutical industry, including accelerating the transition from R&D achievements to pre-clinical research, continuously increasing the support for R&D of innovative drugs, optimizing the mechanism for the transformation of clinical research achievements, shortening the start-up time of clinical trials, etc.

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Laws and Regulations on Coverage and Reimbursement in the PRC

Medical Insurance Catalog

According to the Notice Regarding the Tentative Measures for the Administration of the Scope of Medical Insurance Coverage for Pharmaceutical Products for Urban Employee (《城镇职工基本医疗保险用药范围管理暂行办法》) issued by the PRC Ministry of Labor and Social Security, together with other governmental authorities, a drug product listed in the medical insurance catalog must be clinically necessary, safe, effective, reasonably priced, easy to use and available in sufficient quantity. Besides, the above-mentioned authorities have the power to determine the medicines included in the National Reimbursement Drug List, or the NRDL, which is divided into two parts, Part A and Part B. Patients purchasing medicines included in Part A of the Medical Insurance Catalog are entitled to reimbursement in accordance with the regulations in respect of basic medical insurance. Patients purchasing medicines included in Part B of the Medical Insurance Catalog are required to pay a certain percentage of the purchase price and the remainder of the purchase price shall be reimbursed in accordance with the regulations in respect of basic medical insurance.

According to the Interim Measures for the Administration of the Use of Drugs Covered by Basic Medical Insurance (《基本医疗保险用药管理暂行办法》) issued by the National Healthcare Security Administration on July 30, 2020 and effective from September 1, 2020, the scope of the use of drugs covered by basic medical insurance is administered through the formulation of the Basic Medical Insurance Drug Catalog. The costs of medicines in line with the Basic Medical Insurance Drug Catalog are paid by the basic medical insurance fund in accordance with national regulations. Drugs included in the national Basic Medical Insurance Drug Catalog should be chemical drugs, biological products, proprietary Chinese medicines (ethnomedicines), and Chinese medicine decoction pieces prepared in accordance with national standards, which have been approved by the national drug regulatory authorities and have obtained drug registration certificates, and which meet the basic conditions of being clinically necessary, safe and effective, and reasonably priced. The State Council’s administrative department for medical insurance has established a sound dynamic adjustment mechanism, and in principle adjusts the Basic Medical Insurance Drug Catalog once a year. On the premise of meeting clinical needs, medical insurance designated medical institutions shall give priority to equipping and using drugs in the Basic Medical Insurance Drug Catalog.

According to the Interim Measures for the Administration of the Use of Drugs Covered by Basic Medical Insurance, expenses incurred by insured persons for the use of medicines in the Basic Medical Insurance Drug Catalog can be paid by the basic medical insurance fund if they meet the following conditions: (I) they are for the purpose of the diagnosis or treatment of diseases; (II) the diagnosis and treatment are in line with the condition of the disease, and are in line with the legal indications for the medicines as well as the limited scope of payment by the medical insurance; (III) they are provided by the designated medical institutions in compliance with the regulations, except for emergency and rescue medicines; (IV) the cost of medicines paid for by the pooled fund should be based on a doctor’s prescription or hospitalization order; and (V) they are reviewed by pharmacists or licensed pharmacists in

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accordance with the stipulated procedures. Western medicines and proprietary Chinese medicines in the Basic Medical Insurance Drug Catalog are divided into “Class A drugs” and “Class B drugs”. The use of “Class A drugs” is paid for by the insured according to the payment standards and sharing methods stipulated by the basic medical insurance; the use of “Class B drugs” is paid for according to the payment standards stipulated by the basic medical insurance, with a certain percentage paid out of pocket by the insured first, and then paid for according to the sharing methods stipulated by the basic medical insurance. The proportion of out-of-pocket payments for “Class B drugs” is determined by the medical insurance administrative departments in provinces or regions subject to overall planning.

Medical Insurance Reimbursement Standards

The State Council promulgated the Opinions on Integrating the Basic Medical Insurance Systems for Urban and Rural Residents (《關於整合城鄉居民基本醫療保險制度的意見》) in January 2016, which required the integration of the urban resident basic medical insurance and the new rural cooperative medical care system and the establishment of a unified basic medical insurance system, which will cover all urban and rural residents other than rural migrant workers and persons in flexible employment arrangements who participate in the basic medical insurance for urban employees.

The General Office of the State Council further released the Guidance on Further Deepening the Reform of the Payment Method of Basic Medical Insurance (《關於進一步深化基本醫療保險支付方式改革的指導意見》) in June 2017. The main objectives are to implement a diversified reimbursement mechanism including diagnosis related groups, per-capita caps, and per-bed-day caps. These new reimbursement methods would replace the current reimbursement method that is based on service category and product price. Local administration of healthcare security will introduce a total budget control for their jurisdictions and decide the amount of reimbursement to public hospitals based on hospitals’ performance and the spending targets of individual basic medical insurance funds.

Laws and Regulations on Importing and Exporting of Goods

Import and Export of Goods

The Customs Law of the PRC (《中華人民共和國海關法》) was promulgated by the SCNPC on January 22, 1987 and effective from July 1, 1987, and last amended on April 29, 2021, and stipulates that the customs of the PRC is a governmental organization responsible for supervision and control over all arrivals in and departures from the customs territory. All the transports, goods and articles shall enter into or exit from the territory of the PRC at a place where a customs office is established. The customs declaration and duty payment formalities may be undergone by the consignees or consignors of imported and exported goods, or by the customs clearing enterprises entrusted by such consignees or consignors. The consignees or consignors of imported and exported goods and the customs clearing enterprises shall file records with the customs when undergoing customs declaration formalities, otherwise fines may be imposed by the customs.

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According to the Administrative Provisions of the Customs of the PRC on Record-Filing of Customs Declaration Entities (《中華人民共和國海關報關單位備案管理規定》) issued by the GACC on November 19, 2021 and effective from January 1, 2022, the consignees or consignors of imported and exported goods and the customs clearing enterprise that apply for the filing of records with the customs shall obtain the status of a market entity; where the consignees or consignors of imported and exported goods apply for the filing of records with customs, the filing of foreign trade dealers shall also be completed.

Laws and Regulations on Environmental Protection and Fire Control

Environment Protection

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》), which was promulgated by the SCNPC on December 26, 1989, came into effect on the same day and last amended on April 24, 2014 and came into effect on January 1, 2015, outlines the authorities and duties of various environmental protection regulatory agencies. The Ministry of Ecology and Environment (the “MEE”) is authorized to issue national standards for environmental quality and emissions, and to monitor the environmental protection scheme of the PRC. Meanwhile, local environment protection authorities may formulate local standards which are more rigorous than the national standards, in which case, the concerned enterprises must comply with both the national standards and the local standards.

Environmental Impact Appraisal

According to the Administration Rules on Environmental Protection of Construction Projects (《建設項目環境保護管理條例》) (the “**Construction Environmental Protection Rule**”), which was promulgated by the State Council on November 29, 1998, amended on July 16, 2017 and became effective on October 1, 2017, depending on the impact of the construction project on the environment, a construction employer shall submit an environmental impact report or an environmental impact statement, or file a registration form. As to a construction project, for which an environmental impact report or the environmental impact statement is required, the construction employer shall, before the commencement of construction, submit the environmental impact report or the environmental impact statement to the relevant authority at the environmental protection administrative department for approval. If the environmental impact assessment documents of the construction project have not been examined or approved upon examination by the approval authority in accordance with the law, the construction employer shall not commence the construction.

According to the Environmental Impact Appraisal Law of PRC (《中華人民共和國環境影響評價法》), which was promulgated by the SCNPC on October 28, 2002, amended on July 2, 2016 and December 29, 2018, for any construction projects that have an impact on the environment, an entity is required to produce either a report, or a statement, or a registration form of such environmental impacts depending on the seriousness of effect that may be exerted on the environment.

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Drainage and Sewage Disposal

Enterprises that engage in the activities of industry, construction, catering, and medical treatment, etc. that discharges sewage into urban drainage facilities shall apply to the relevant competent urban drainage department for the permit for discharging sewage into drainage pipelines under relevant laws and regulations, including the Regulations on Urban Drainage and Sewage Disposal (《城鎮排水與污水處理條例》), which was promulgated on October 2, 2013 and came into force on January 1, 2014, and the Measures for the Administration of Permits for the Discharge of Urban Sewage into the Drainage Network (《城鎮污水排入排水管網許可管理辦法》), which was promulgated on January 22, 2015 and last amended on December 1, 2022 and took effect on February 1, 2023. Drainage entities covered by urban drainage facilities shall discharge sewage into urban drainage facilities in accordance with the relevant provisions of the State. Where a drainage entity needs to discharge sewage into urban drainage facilities, it shall apply for a drainage license in accordance with the provisions of these Measures. If there are multiple drainage households in a centrally managed building or unit, the property rights unit or the property service provider entrusted by it may apply for a drainage permit in a unified manner, and the certificate receiving unit shall be responsible for the drainage behavior of the drainage household. The drainage entity that has not obtained the drainage license shall not discharge sewage into urban drainage facilities.

Pollutant Discharges Administration

Pursuant to the provisions of the Regulation on the Administration of Permitting of Pollutant Discharges (《排污許可管理條例》) promulgated on January 24, 2021 and effective on March 1, 2021, and the Measures for Pollutant Discharge Permitting Administration (《排污許可管理辦法》) promulgated on April 1, 2024 and became effective on July 1, 2024, the PRC implements the classified pollutant discharge permit management (i.e., key management, simplified management and registration management) on pollutant discharges of enterprises based on factors such as the volume of pollutants generated, the amount of pollutant discharged and the degree of impact on the environment. Enterprises and other producers that are included in the Classification Administration List of Pollutant Discharge Permits for Fixed Pollution Sources (《固定污染源排污許可分類管理名錄》) shall apply for and obtain a pollutant discharge permit or fill in a pollutant discharge registration form within the prescribed time limit, and shall not discharge pollutants without a pollutant discharge permit or filling in a pollutant discharge registration form.

For any violation of the Regulation on the Administration of Permitting of Pollutant Discharges and the Measures for Pollutant Discharge Permitting Administration, in accordance with the Environmental Protection Law of the PRC, the Atmospheric Pollution Prevention and Control Law of the PRC (《中華人民共和國大氣污染防治法》), the Water Pollution Prevention and Control Law of the PRC (《中華人民共和國水污染防治法》) and other laws and regulations, the environmental protection authorities have the right to order to make corrections, restrict production, suspend production for rectification, and suspend business and close down, and impose a fine. If a violation of the public security provisions is constituted, it shall be punished for public security violation in accordance with the law. If a crime is established, it shall be investigated for criminal liabilities in accordance with the law.

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Disposal of Hazardous Waste

Pursuant to the Law on the Prevention and Control of Environmental Pollution Caused by Solid Waste of the PRC (《中華人民共和國固體廢物污染環境防治法》), which was promulgated by the SCNPC on October 30, 1995 and was latest amended on April 29, 2020 and became effective on September 1, 2020, entities generating hazardous waste shall store, utilize and dispose hazardous waste according to the relevant requirements of the state and environmental protection standards, and shall not dump or pile up hazardous waste without authorization. Furthermore, it is forbidden to entrust hazardous waste to entities without a permit for disposal, or else the competent ecological and environmental authorities shall order it to make rectification, impose fines, confiscate illegal gains, and in serious circumstances, order it to suspend business or close down upon the approval of the government authorities.

Fire Control

Fire control pursuant to the Fire Control Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998, and last amended on April 29, 2021 and effective therefrom, the Ministry of Emergency Management under the State Council and the local people’s governments at or above county level shall supervise and administer the matters of fire protection, while the fire control and rescue institutions of such people’s governments shall be responsible for implementation. The design of fire control of the construction projects must comply with the national technical standards of fire control. If the design of fire control of a construction project has not been examined pursuant to the relevant laws or failed to pass the examination, the construction of such project is not allowed. If a completed construction project has not gone through the fire safety inspection or failed to satisfy the requirements of fire safety upon inspection, such project is not allowed to be put to use or business. According to the Interim Regulations on Administration of Examination and Acceptance of Fire Control Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) issued by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and latest amended on 21 August, 2023, an examination system for fire control design and acceptance only applies to special construction projects, and for other projects, a record-filing and spot check system would be applied.

Laws and Regulations on Leased Properties

Pursuant to (i) the Law on Administration of Urban Real Estate of the PRC (《中華人民共和國城市房地產管理法》), promulgated by the SCNPC on July 5, 1994 and latest amended on August 26, 2019 and took effect on January 1, 2020, and (ii) the Administrative Measures on Leasing of Commodity Housing (《商品房屋租賃管理辦法》), promulgated by the Ministry of Housing and Urban-Rural Development on December 1, 2010 and came into effect on February 1, 2011, when leasing premises, the lessor and lessee are required to enter into a written lease contract, containing such provisions as the leasing term, use of the premises, rental and repair liabilities, and other rights and obligations of both parties. Both the lessor and the lessee shall complete property leasing registration and filing formalities within 30 days

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from the execution of the property lease contract with the real estate administration department where the leased property is located. Failure to comply with the registration and filing procedures may result in fines for both the lessor and the lessee.

Laws and Regulations on Intellectual Property Protection

Trademarks

The Trademark Law of the PRC (《中華人民共和國商標法》) was promulgated by the SCNPC on August 23, 1982, implemented on March 1, 1983, and most recently revised on April 23, 2019, with implementation from November 1, 2019. The Regulations for the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) were issued by the State Council on August 3, 2002, implemented on September 15, 2002, and most recently revised on April 29, 2014, with implementation from May 1, 2014. According to these laws and regulations, the validity period of a registered trademark is 10 years from the date of approval. To continue using a trademark upon the expiry of its validity, renewal procedures must be completed in accordance with the provisions within the 12 months preceding expiration. If renewal procedures are not completed within this period, a six-month extension is allowed. Each renewal extends the validity period for 10 years, starting from the day following the expiration of the last validity period. Trademark registrants may authorize others to use their registered trademarks by signing trademark licensing agreements.

Patents

The Patent Law of the PRC (《中華人民共和國專利法》) was enacted by the SCNPC on March 12, 1984, implemented on April 1, 1985, and most recently revised on October 17, 2020, with implementation from June 1, 2021. The Detailed Rules for the Implementation of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) were issued by the State Council on June 15, 2001, implemented on July 1, 2001, and most recently revised on December 11, 2023, with implementation from January 20, 2024. According to these laws, regulations and detailed rules, patents in China are categorized into three types: invention patents, utility model patents and design patents. The term of an invention patent right is 20 years, the term of a utility model patent is 10 years, and the term of a design patent is 15 years, all of which are calculated from the filing date. Any entity or individual that exploits another's patent must conclude a licensing agreement with the patent holder and pay royalties. Exploiting a patent without the permission of the patent holder constitutes an infringement of their patent rights.

On July 4, 2021, the NMPA and the National Intellectual Property Administration jointly issued the Implementation Measures for Early Resolution Mechanism of Pharmaceutical Patent Disputes (for Trial Implementation) (《藥品專利糾紛早期解決機制實施辦法(試行)》), which establishes an early resolution mechanism of pharmaceutical patent disputes. Provided there are disputes from the patentee or interested party considering the patent declaration, the pharmaceutical marketing authorization holder may, within 45 days from the disclosure date of the drug marketing authorization application by drug evaluation institutions in the PRC,

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initiate legal proceedings in the People’s Court or apply for an administrative ruling to the patent administration department of the State Council on whether the relevant technical solution of the drug under application falls within the scope of protection of the relevant patent right.

Domain Names

The Administrative Measures for the Internet Domain Name (《互聯網域名管理辦法》) were issued by the Ministry of Industry and Information Technology (the “MIIT”) on August 24, 2017, and implemented on November 1, 2017. According to these management measures, the MIIT is the primary regulatory authority for the management of Internet domain names in China. Domain name registration is processed through domain name root servers and their operating institutions, domain name registration management institutions and domain name registration service institutions established in accordance with the relevant regulations.

Trade Secrets

According to the Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the NPCSC on September 2, 1993 and last amended on June 27, 2025 and will be effective on October 15, 2025 and the Provisions of the Supreme People’s Court on Several Issues Concerning the Application of Law in the Trial of Civil Cases Involving Trade Secret Infringement (《最高人民法院關於審理侵犯商業秘密民事案件適用法律若干問題的規定》) issued by the Supreme People’s Court on September 10, 2020 and effective from September 12, 2020, the term “trade secrets” refer to such business information as technical and operating information which is unknown to the public, has commercial value, and for which right holders have adopted corresponding measures for confidentiality. According to the Anti-Unfair Competition Law of the PRC, business operators are prohibited from infringing others’ trade secrets by (i) acquiring a trade secret from the right holder by theft, bribery, fraud, coercion, electronic intrusion or any other illicit means; (ii) disclosing, using or allowing other person to use a trade secret acquired from the right holder by any means as specified in the preceding subparagraph; (iii) disclosing, using or allowing other person to use a trade secret in its possession in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential; (iv) abetting, tempting or aiding a person into or in acquiring, disclosing, using or allowing other person to use the trade secret of the right holder in violation of its confidentiality obligation or the requirements of the right holder for keeping the trade secret confidential. If a third party knows or should have known the above mentioned illegal conducts but nevertheless acquires, uses or allows other persons to use such trade secrets, the third party shall be deemed to have infringed others’ trade secrets. The right holders whose trade secrets are infringed may apply for administrative corrections, and the regulatory authorities shall order to stop any illegal activities and impose fine penalties on the infringers.

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Laws and Regulations on Labor Protection

Employment

The major PRC laws and regulations that govern employment relationship are the PRC Labor Law (《中華人民共和國勞動法》), the PRC Labor Contract Law (《中華人民共和國勞動合同法》) (the “**Labor Contract Law**”) and its implementation, which impose stringent requirements on the employers in relation to entering into fixed-term employment contracts, hiring of part-time employees and dismissal of employees.

The Labor Law of the PRC (《中華人民共和國勞動法》) was promulgated by the SCNPC on July 5, 1994, implemented on January 1, 1995, and most recently revised and implemented on December 29, 2018. The Labor Law of the PRC stipulates matters related to promoting employment, labor contracts, working hours, rest and leave, wages, labor safety and hygiene, special protection for female and minor workers, vocational training, social insurance and welfare, labor disputes, supervision and inspection, as well as legal liabilities.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) was issued by the SCNPC on June 29, 2007, implemented on January 1, 2008, and most recently revised on December 28, 2012, with the revision taking effect on July 1, 2013. The Implementation Regulation of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) were issued and implemented by the State Council on September 18, 2008. According to the aforementioned law and regulation, a written labor contract shall be established when forming a labor relationship. Employers shall not force employees to work overtime and must pay overtime wages according to national regulations if overtime is arranged. Wages must not be lower than the local minimum wage standard and must be paid to employees promptly.

Social Insurance

The State Council promulgated the Decision of the State Council on the Establishment of the Urban Employee Basic Medical Insurance Program (《國務院關於建立城鎮職工基本醫療保險制度的決定》) in December 1998, according to which, all employers in urban cities are required to enroll their employees in the basic medical insurance program and the insurance premium is jointly contributed by the employers and employees. The State Council promulgated the Guiding Opinions of the State Council about the Pilot Urban Resident Basic Medical Insurance (《國務院關於開展城鎮居民基本醫療保險試點的指導意見》) in July 2007, according to which, urban residents of the pilot district, rather than urban employees, may voluntarily join Urban Resident Basic Medical Insurance. The PRC Social Insurance Law (《中華人民共和國社會保險法》) (the “**Social Insurance Law**”) issued by the SCNPC in 2010 and latest amended on December 29, 2018, has established social insurance systems of basic pension insurance, basic medical insurance, work-related injury insurance, unemployment insurance and maternity insurance and has elaborated in detail the legal obligations and liabilities of employers who fail to comply with relevant laws and regulations on social insurance. According to the Social Insurance Law and the Provisional Regulations on Collection and Payment of Social Insurance Premiums (《社會保險費徵繳暫行條例》)

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promulgated by the State Council on January 22, 1999 and most recently amended on March 24, 2019 and effective from the same date, enterprises shall register social insurance with local social insurance and pay or withhold relevant social insurance for or on behalf of its employees. Any employer that fails to make social insurance contributions may be ordered to rectify the non-compliance and pay the required contributions within a prescribed time limit and be subject to a late fee. If the employer still fails to rectify the failure to make the relevant contributions within the prescribed time, it may be subject to a fine ranging from one to three times the amount overdue.

On July 31, 2025, the Supreme People’s Court of the PRC has issued the Interpretation II by the Supreme People’s Court of the PRC on Legal Issues in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) (the “**Interpretation II**”), which took effect from September 1, 2025. Pursuant to the Interpretation II, it is a statutory obligation on both the employers and employees to participate in the social insurance. Any arrangement not to participate in social insurance, either by unilateral undertaking or mutual agreement, is invalid. Further, the Interpretation II specifies that if the employee terminates the labor contract on the grounds that the employer has failed to make social insurance contributions as required by law, and claims economic compensation from the employer, the People’s Court of the PRC shall uphold the claim.

Housing Provident Fund

Pursuant to the Regulations on Administration of Housing Provident Fund (《住房公積金管理條例》), which was promulgated on April 3, 1999 and last revised on March 24, 2019, employers in mainland China shall provide their employees with housing provident fund. Employers who fail to contribute to the above housing provident funds may be ordered to make full payment within a prescribed time period by the housing provident fund management center. If an employer fails to make the payment towards the housing provident funds within a prescribed time limit, an application may be made to a people’s court for enforcement. Pursuant to the Shanghai Housing Provident Fund Contribution and Management Measures (2023) (《上海市住房公積金繳存管理辦法(2023)》) promulgated on 31 March 2023, foreign nationals, individuals with permanent (long-term) overseas residency rights, and Hong Kong, Macao, and Taiwan residents working in Shanghai, who hold any of the following documents: Shanghai Overseas Talent Residence Permit, Mainland Residence Permit for Hong Kong and Macao Residents, Mainland Residence Permit for Taiwan Residents, Foreign Permanent Resident ID Card, Foreigner’s Work Permit, or Employment Approval Certificate for Returnees Settled Abroad Working in Shanghai may, upon agreement between both the employee and the employing unit, contribute to the Housing Provident Fund and the Supplementary Housing Provident Fund in accordance with the relevant regulations.

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Laws and Regulations on Taxation

Enterprise Income Tax

Pursuant to the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) (the “**EIT Law**”) latest amended by the SCNPC and came into effect on December 29, 2018 and the Regulations on the Implementation of the EIT Law (《中華人民共和國企業所得稅法實施條例》) latest amended by the State Council on December 6, 2024 and came into effect on January 20, 2025, a domestic enterprise which is established within mainland China in accordance with the laws or established in accordance with any laws of foreign countries (regions) but with an actual management entity within mainland China shall be regarded as a resident enterprise. A resident enterprise shall be subject to a tax rate of 25% of any income generated within or outside mainland China. A preferential tax rate shall be applicable to any key industry or project which is supported or encouraged by the State. High and new technology enterprises which are supported by the State may enjoy a reduced tax rate of 15%.

The government of mainland China and Hong Kong entered into the Arrangement between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷漏稅的安排》) (the “**Arrangement**”) on August 21, 2006 and came into effect on December 8, 2006. According to the Arrangement, if a Hong Kong resident company owns at least 25% equity interests in a mainland China company and is the beneficial owner of the dividends paid by the mainland China, the mainland China withholding tax on the dividends shall not exceed 5% of the gross amount of the dividends. The Fifth Protocol to the Arrangement between the Mainland China and Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得稅避免雙重徵稅和防止偷稅漏稅的安排》第五議定書), issued by the STA and effective on December 6, 2019 provides that such provisions shall not apply to arrangements or transactions made for one of the primary purposes of obtaining such tax benefits.

Pursuant to the Circular on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《關於執行稅收協定股息條款有關問題的通知》) which was promulgated by the STA and became effective on February 20, 2009, all of the following requirements shall be satisfied before a fiscal resident of the other party to a tax agreement can be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a mainland China resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) the equity interests and voting shares of the mainland China resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the mainland China resident company directly owned by such a fiscal resident, at any time during the twelve months prior to receipt of the dividends, reach a percentage specified in the tax agreement.

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According to the Announcement on Several Issues concerning the Enterprise Income Tax on Income from the Indirect Transfer of Assets by Non-Resident Enterprises (《關於非居民企業間接轉讓財產企業所得稅若干問題的公告》) (the “**Tax Circular 7**”) which was promulgated by the STA on February 3, 2015 and came into effect on the same day, where a non-resident enterprise indirectly transfers equities and other assets of a mainland China resident enterprise to avoid the tax payment obligation by making an arrangement with no reasonable business purpose, such indirect transfer shall be redefined and recognized as a direct transfer in accordance with the provisions of the EIT Law. Where the tax on the income from the indirect transfer of real estate or equities shall be paid in accordance with the provisions of the Tax Circular 7, the entity or individual that directly assumes the obligation to make relevant payments to the transfer or according to the provisions of the relevant laws or as agreed upon in the contract shall be the withholding agent.

In 2017, the STA issued the Announcement on Issues Relating to Withholding at Source of Income Tax of Non-resident Enterprises (《國家稅務總局關於非居民企業所得稅源泉扣繳有關問題的公告》) (the “**Tax Circular 37**”), most recently amended in 2018, which further elaborates the relevant implemental rules regarding the calculation, reporting and payment obligations of the withholding tax by the non-resident enterprises. Tax Circular 37 may be determined by the tax authorities to be applicable to our offshore transactions or sale of our shares or those of our offshore subsidiaries where non-resident enterprises, being the transferors, were involved.

Value-Added Tax

Pursuant to the Interim Regulations on Value-added Tax of the PRC (《中華人民共和國增值稅暫行條例》), which was promulgated on December 13, 1993 by the State Council, came into effect on January 1, 1994, and latest amended on November 19, 2017, as well as the Implementation Rules for the Interim Regulations on Value-Added Tax of the PRC (《中華人民共和國增值稅暫行條例實施細則》), which was promulgated on December 25, 1993 by the MOF, came into effect on the same day and latest amended on October 28, 2011, any entities and individuals engaged in the sale of goods, supply of processing, repair and replacement services, or import of goods within the territory of mainland China are taxpayers of Value-added tax (the “**VAT**”) and shall pay the VAT in accordance with the law and regulation. The rate of VAT for sale of goods is 17% unless otherwise specified, such as the rate of VAT for sale of transportation is 11%. With the VAT reforms in the PRC, the rate of VAT has changed several times. The MOF and the STA issued the Notice on Adjusting VAT Rates (《關於調整增值稅稅率的通知》) on April 4, 2018 to adjust the tax rates of 17% and 11% applicable to any taxpayer’s VAT taxable sale or import of goods to 16% and 10%, respectively, and these adjustments became effect on May 1, 2018. Subsequently, the MOF, the STA and the General Administration of Customs (the “**GACC**”) jointly issued the Announcement on Relevant Policies for Deepening the VAT Reform (《關於深化增值稅改革有關政策的公告》) on March 20, 2019 to make a further adjustment, which came into effect on April 1, 2019. The tax rate of 16% applicable to the VAT taxable sale or import of goods shall be adjusted to 13%, and the tax rate of 10% applicable thereto shall be adjusted to 9%.

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On December 25, 2024, the SCNPC issued the Value-Added Tax Law of the PRC (《中華人民共和國增值稅法》) (the “**VAT Law**”), which shall become effective from January 1, 2026. According to the VAT Law, any entities and individuals (including individual businesses) engaged in the sale of goods, services, intangible assets and immovables and importation of goods within the territory of the PRC are VAT payers and shall pay VAT in accordance with the VAT Law. Except for taxpayers’ export of goods, the sale of services or intangible assets within the scope as prescribed by the State Council by domestic entities and individuals across national borders and other circumstances specified for by the State Council, the rate of VAT for sale of goods, labor services of processing, repair or replacement, or tangible movable property leasing services or import of goods is 13% unless otherwise specified, such as the rate of VAT for sale of agricultural products is 9%, and the rate of VAT for sale of transportation, postal, basic telecommunications, construction, or immovable leasing services, sale of immovables, or transfer of the rights to use land is 9%. In addition to the above circumstances, the rate of VAT for sale of services or intangible assets is 6%.

Laws and Regulations on Foreign Exchange

Foreign Exchange

On January 29, 1996, the State Council promulgated the Administrative Regulations on Foreign Exchange of the PRC (《中華人民共和國外匯管理條例》) which came into effect on April 1, 1996 and was amended on January 14, 1997 and August 5, 2008. Foreign exchange payments under current account items shall, pursuant to the administrative provisions of the foreign exchange control department of the State Council on payments of foreign currencies and purchase of foreign currencies, be made using self-owned foreign currency or foreign currency purchased from financial institutions engaging in conversion and sale of foreign currencies by presenting the valid document. Domestic entities and domestic individuals making overseas direct investments or engaging in issuance and trading of overseas securities and derivatives shall process registration formalities pursuant to the provisions of the Foreign Exchange Control Department of the State Council.

The SAFE issued the Circular on Reforming of the Management Method of the Settlement of Foreign Currency Capital of Foreign-Invested Enterprises (《國家外匯管理局關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the “**SAFE Circular 19**”) on March 30, 2015, and it became effective on June 1, 2015, which was partially repealed on December 30, 2019, and latest amended on March 23, 2023. The SAFE Circular 19 expands pilot reform of the administration of the settlement of the foreign exchange capitals of foreign-invested enterprises nationwide. On June 9, 2016, SAFE further promulgated the Circular on Reforming and Standardizing the Foreign Exchange Settlement Management Policy of Capital Account (《國家外匯管理局關於改革和規範資本項目結匯管理政策的通知》) (the “**SAFE Circular 16**”), which, among other things, amends certain provisions of SAFE Circular 19 and was partially amended on December 4, 2023. Pursuant to SAFE Circular 19 and SAFE Circular 16, the flow and use of the Renminbi capital converted from foreign currency denominated

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registered capital of a foreign-invested company is regulated such that Renminbi capital may not be used for business beyond its business scope or to provide loans to persons other than affiliates unless otherwise permitted under its business scope.

According to the SAFE Circular on Further Promoting Cross-border Trade and Investment Facilitation (《國家外匯管理局關於進一步促進跨境貿易投資便利化的通知》) which was promulgated on October 23, 2019 and amended on December 4, 2023, foreign-invested enterprises engaged in non-investment business are permitted to settle foreign exchange capital in RMB and make domestic equity investments with such RMB funds according to law on the condition that the current Negative List are not violated and the relevant domestic investment projects are genuine and in compliance with laws. According to the Circular on Optimizing Administration of Foreign Exchange to Support the Development of Foreign-related Business (《國家外匯管理局關於優化外匯管理支持涉外業務發展的通知》) (the “**SAFE Circular 8**”), issued by SAFE on April 10, 2020, under the prerequisite of ensuring true and compliant use of funds and compliance with the prevailing administrative provisions on use of income under the capital account, eligible enterprises are allowed to make domestic payments by using their capital funds, foreign credits and the income under capital accounts of overseas listing, without prior provision of the evidentiary materials concerning authenticity to the bank for each transaction. The handling banks shall conduct spot checks afterwards in accordance with the relevant requirements.

Foreign Exchange Registration of Overseas Investment by PRC Resident

In July 2014, SAFE promulgated the Circular on Relevant Issues Relating to Domestic Resident’s Investment and Financing and Round-trip Investment through Special Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 37**”) and its implementation guidelines, which replaced the Notice of the State Administration of Foreign Exchange on Relevant Issues concerning Foreign Exchange Administration for Domestic Residents to Engage in Financing and in Return Investment via Overseas Special Purpose Companies (《國家外匯管理局關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》). Pursuant to the SAFE Circular 37 and its implementation guidelines, residents of mainland China (including institutions and individuals of mainland China) must register with local branches of SAFE in connection with their direct or indirect offshore investment in an overseas special purpose vehicle, or SPV, directly established or indirectly controlled by the residents of mainland China or the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests. Residents of mainland China required to make these registrations are also required to amend their registrations with SAFE when there is a change to the basic information of the SPV, such as changes of a individual shareholder of mainland China, the name or operating period of the SPV, or when there is a significant change to the SPV, such as changes of the mainland China individual resident’s increase or decrease of its capital contribution in the SPV, or any share transfer or exchange, merger, division of the SPV. The SAFE Circular 13 amends the SAFE Circular 37 by requiring residents of mainland China or entities to register with qualified banks rather than the SAFE or its local branch in connection with their establishment or control of

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an offshore entity established for the purpose of overseas investment or financing. Failure to comply with the registration procedures set forth in these regulations may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and settlement of foreign exchange capital, and may also subject relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

Employee Stock Incentive Plan

On February 15, 2012, the SAFE promulgated the Notice of on Issues concerning the Foreign Exchange Administration of Domestic Individuals’ Participation in Equity Incentive Plans of Overseas Listed Companies (《國家外匯管理局關於境內個人參與境外上市公司股權激勵計劃外匯管理有關問題的通知》) (the “**SAFE Circular 7**”). In accordance with the SAFE Circular 7 and relevant rules and regulations, the citizens of mainland China or non-PRC citizens residing in mainland China for a continuous period of not less than one year, who participate in any stock incentive plan of an overseas publicly listed company, subject to a few exceptions, are required to register with the SAFE through a domestic qualified agent, which could be a mainland China subsidiary of such overseas listed company, and complete certain procedures. We and our employees who are citizens of mainland China or who reside in mainland China for a continuous period of not less than one year and who participate in our stock incentive plan will be subject to such regulation. In addition, the State Taxation Administration (the “**STA**”) has issued circulars concerning employee share options or restricted shares. Under these circulars, employees working in mainland China who exercise share options, or whose restricted shares vest, will be subject to the PRC individual income tax (the “**IIT**”). The mainland China subsidiaries of an overseas listed company have obligations to file documents related to employee share options or restricted shares with relevant tax authorities and to withhold the IIT of those employees related to their share options or restricted shares. If the employees fail to pay, or the mainland China subsidiaries fail to withhold, their IIT according to relevant laws, rules and regulations, the mainland China subsidiaries may face sanctions imposed by the tax authorities or other PRC government authorities.

Laws and Regulations on Company Establishment and Foreign Investment

Regulations Relating to Corporation

The establishment, operation and management of corporate entities in the PRC is governed by the Company Law of the PRC (《中華人民共和國公司法》) (the “**Company Law**”), which was promulgated by the SCNPC on December 29, 1993 and came into effect on July 1, 1994, and was last amended on December 29, 2023 and became effect on July 1, 2024. The Company Law of the PRC generally governs two types of companies, namely limited liability companies and joint stock limited companies. Both types of companies have the status of legal persons, and the liability of shareholders of a limited liability company or a joint stock limited company is limited to the amount of registered capital they have contributed. The

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Company Law of the PRC shall also apply to foreign invested companies in form of limited liability company or joint stock limited company. Where laws on foreign investment have other stipulations, such stipulations shall prevail. On July 1, 2024, the State Council promulgated the Provisions on Implementation of the Registered Capital Management System under the Company Law of the People’s Republic of China (《關於實施<中華人民共和國公司法>註冊資本登記管理制度的規定》), which further stipulates that for a company registered for incorporation before June 30, 2024, if the remaining capital contribution period of a limited liability company exceeds five years as from July 1, 2027, the company shall adjust the remaining capital contribution period to five years by June 30, 2027, and record the same in its articles of association. The shareholders shall fully pay the amount of capital contributions they subscribe for within the adjusted capital contribution period. If a PRC domestic enterprise fails to adjust within the grace period, it may be subject to an order of rectification or a fine.

Regulations Relating to Foreign Investment

On January 1, 2020, the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) (the “**FIL**”) and the Regulations on the Implementation of the Foreign Investment Law of the PRC (《中華人民共和國外商投資法實施條例》) became effective and simultaneously replaced the trio of prior laws regulating foreign investment in China, namely, the Sino-foreign Equity Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合資經營企業法》), the Sino-foreign Cooperative Joint Venture Enterprise Law of the PRC (《中華人民共和國中外合作經營企業法》) and the Wholly Foreign-invested Enterprise Law of the PRC (《中華人民共和國外資企業法》), together with their implementation rules and ancillary regulations. The FIL defines foreign investment and establishes the framework for promotion, protection and administration of foreign investment activities. On December 30, 2019, the MOFCOM and the SAMR jointly promulgated the Measures for Reporting of Information on Foreign Investment (《外商投資信息報告辦法》), which came into effect on January 1, 2020 and pursuant to which, foreign investors shall submit an initial or change report through the Enterprise Registration System when establishing foreign-invested enterprises or acquiring equity in non-foreign-invested enterprises and for any subsequent changes.

Pursuant to the FIL, the PRC has adopted a system of national treatment which includes a negative list with respect to foreign investment administration. The negative list will be issued by, amended or released upon approval by the State Council, from time to time. The negative list will set forth industries in which foreign investments are prohibited and industries in which foreign investments are restricted. Foreign investment in prohibited industries is not allowed, while foreign investment in restricted industries must satisfy certain conditions stipulated in the negative list. Foreign investments and domestic investments in industries outside the scope of the prohibited industries and restricted industries stipulated in the negative list will be treated equally. The Special Administrative Measures (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the “**Negative List**”), which were promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024 and the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the “**Encouraging Catalog**”), which was promulgated by the NDRC and the MOFCOM on

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October 26, 2022 and became effective on January 1, 2023, listed the categories of encouraged, restricted, and prohibited industries. Any industry not included in the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

According to the Measures for the Administration of Overseas Investment of Enterprises (《企業境外投資管理辦法》) promulgated by the NDRC on December 26, 2017 and implemented on March 1, 2018, investors engaging in overseas investment are required to complete formalities for the confirmation or recordation, among others, of an overseas investment project, report the relevant information, and cooperate in supervisory inspection.

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the MOFCOM on March 16, 2009, lastly amended on September 6, 2014 and implemented on October 6, 2014, “overseas investment” means the acts of an enterprise legally formed in mainland China to own a non-financial enterprise or obtain the ownership, control, or right of business management of or any other interest in an existing non-financial enterprise outside of China by formation, acquisition or merger, or other means. The MOFCOM and the provincial counterparts promulgate regulations providing that overseas investment of enterprises to be subject to recordation or confirmation management, depending on the actual circumstances of investment. Overseas investment involving any sensitive country or region or any sensitive industry shall be subject to confirmation management. Overseas investment under other circumstances shall be subject to recordation management. When an overseas enterprise invested by an enterprise conducts overseas reinvestment, the enterprise shall report to the commerce departments after completing the overseas legal procedures.

Laws and Regulations on Overseas Listing

On February 17, 2023, the CSRC promulgated the Trial Administrative Measures of the Overseas Securities Offering and Listing by Domestic Enterprises (《境內企業境外發行證券和上市管理試行辦法》) and relevant five guidelines (the “**Overseas Listing Trial Measures**”), which came into effect on March 31, 2023. According to the Overseas Listing Trial Measures, PRC domestic enterprises that seek to offer and list securities in overseas markets, either in direct or indirect means (the “**Overseas Offering and Listing**”), are required to fulfill the filing procedure with the CSRC and submit filing reports, legal opinions, and other relevant documents. Subject to specific circumstances, the Overseas Listing Trial Measures require that, among other things, (i) initial public offerings or listings on overseas markets shall be filed with the CSRC within three working days after the relevant application is submitted overseas, (ii) subsequent securities offerings of an issuer on the same overseas market where it has previously offered and listed securities shall be filed with the CSRC within three working days after the offering is completed, and (iii) subsequent securities offerings or listings of an issuer on other overseas markets other than where it has offered and listed securities shall be filed with the CSRC within three working days after the relevant application is submitted overseas. If a PRC company fails to complete the filing procedure or the filing documents submitted by a PRC company contain misrepresentation, misleading statement or material

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omission, such PRC company may be subject to order to rectify, warnings and fines, and its controlling shareholders, actual controllers, the person directly in charge and other directly responsible persons may also be subject to fines.

In addition, the Overseas Listing Trial Measures also provides the circumstances where the Overseas Offering and Listing is explicitly prohibited, including: (i) such securities offering and listing is explicitly prohibited by provisions in laws, administrative regulations and relevant state rules; (ii) the Overseas Offering and Listing may endanger national security as reviewed and determined by competent authorities under the State Council in accordance with law; (iii) the PRC domestic enterprise, or its controlling shareholder(s) and the actual controller, have committed relevant crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) the PRC domestic enterprise is currently under investigations for suspicion of criminal offenses or major violations of laws and regulations, and no conclusion has yet been made thereof; or (v) there are material ownership disputes over equity held by the controlling shareholder(s) or by other shareholder(s) that are controlled by the controlling shareholder(s) and/or actual controller.

On February 24, 2023, the CSRC together with the MOF and National Administration of State Secrets Protection and National Archives Administration of China have promulgated the Provisions on Strengthening the Confidentiality and Archives Administration Concerning the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》), according to which, during the overseas offering and listing activities of domestic enterprises, domestic enterprises, securities companies and securities service providers providing corresponding services shall strictly abide by the relevant PRC laws and regulation as well as the requirements of the provisions, enhance legal awareness of guarding state secrets and strengthening the management of archives, establish and complete systems for confidentiality and archives work, employ necessary measures to implement the responsibility for confidentiality and archives management, and shall not divulge state secrets and work secrets of state organs, and shall not harm the interests of state and the public. If domestic enterprises provide or publicly disclose to relevant securities companies, securities service institutions, overseas regulatory agencies and other parties, or provide or publicly disclose documents and materials involving state secrets or state organ work secrets through the issuer, they shall report the matters to the competent authorities for examination and approval, and file them with the department for the administration and management of state secrets at the same level for the record.

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Laws and Regulations on Information Security and Data Protection

Personal Information Protection

According to the Civil Code, personal information of an individual shall be protected by the law. Any organization or individual that needs to obtain personal information of others shall obtain such information legally and ensure the safety of such information, and shall not illegally collect, use, process or transmit personal information of others, or illegally purchase or sell, provide or publish personal information of others. In addition, the processing of personal information shall follow the principles of lawfulness, appropriateness and necessity.

The Personal Information Protection Law of the PRC (《中華人民共和國個人信息保護法》) (the “**Personal Information Protection Law**”), which was promulgated by the SCNPC on August 20, 2021 and became effective on November 1, 2021 requires that the processing of personal information should have a clear and reasonable purpose and should be limited to the minimum scope necessary to achieve the processing purpose, adopt a method that has the least impact on personal rights and interests, and shall not process personal information that is not related to the processing purpose.

The Interpretations of the Supreme People’s Court and the Supreme People’s Procuratorate on Several Issues Concerning the Application of Law in the Handling of Criminal Cases Involving Infringement of Citizens’ Personal Information (《最高人民法院、最高人民檢察院關於辦理侵犯公民個人信息刑事案件適用法律若干問題的解釋》) was promulgated on May 8, 2017 and became effective on June 1, 2017. The Interpretations clarify several concepts regarding the crime of “infringement of citizens’ personal information” stipulated by Article 253A of the Criminal Law of the PRC (《中華人民共和國刑法》), including “citizens’ personal information”, “violation of relevant national provisions”, “provision of citizens’ personal information” and “illegally obtaining any citizen’s personal information by other methods”. In addition, the Interpretations specify the standards for determining “serious circumstances” and “extraordinary serious circumstances” of this crime.

Privacy Data Security and Data Export

On June 10, 2021, the SCNPC promulgated the Data Security Law of the PRC (《中華人民共和國數據安全法》) (the “**Data Security Law**”) which became effective on September 1, 2021. The Data Security Law mainly sets forth specific provisions regarding establishing basic systems for data security management, including data classification and hierarchical protection system, risk assessment system, monitoring and early warning system and emergency disposal system. In addition, it clarifies the data security protection obligations of organizations and individuals carrying out data activities and implementing data security protection responsibility. The Data Security Law stipulates measures to support and promote data security and development, to establish and optimize the national data security management system and to clarify organizations’ and individuals’ responsibilities in data security.

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On December 28, 2021, the Cyberspace Administration of China (the “**CAC**”), jointly with 12 other administrative authorities, promulgated the revised Measures for Cybersecurity Review (《網絡安全審查辦法》) (the “**MCR**”), which became effective on February 15, 2022. According to the MCR; (i) that the purchase of cyber products and services by the Critical Information Infrastructure Operator (the “**CIIO**”), and the data processing activities carries out online platform operators which affects or may affect national security, shall be subject to the cybersecurity review by the Cybersecurity Review Office, the department which is responsible for the implementation of cybersecurity review under the CAC; (ii) network platform operators with personal information of more than one million users that seek for listing in a foreign country are obliged to apply for a cybersecurity review by the Cybersecurity Review Office; and (iii) the relevant regulatory authorities may initiate cybersecurity review if such regulatory authorities determine that the issuer’s network products or services, or data processing activities affect or may affect national security. On September 24, 2024, the State Council promulgated the Administration Regulations on Cyber Data Security (《網絡數據安全管理條例》) (the “**Data Security Regulations**”), which came into effect on January 1, 2025. The Data Security Regulations reiterate and refine the general regulations for cyber data processing activities, rules of personal information protection, important data security protection, cyber data cross-border transfer management, and the responsibilities of online platform service providers. In addition, the officially promulgated Data Security Regulations do not specifically include the requirement that cyber data processing entities seeking a listing in Hong Kong that affects or may affect national security should apply for a cybersecurity review, as the requirement originally set forth in the draft regulations published on November 14, 2021. Instead, the officially promulgated regulations generally provide that cyber data processors whose cyber data processing activities affect or may affect national security shall be subject to national security review in accordance with the relevant regulations.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transfer (《數據出境安全評估辦法》) (the “**Security Assessment Measures**”), which became effective on September 1, 2022. The Security Assessment Measures provides four circumstances, under any of which data processors shall, through the local cyberspace administration at the provincial-level, apply to the national cyberspace administration for security assessment of cross-border data transfer. These circumstances include: (i) where the important data are transferred to an overseas recipient; (ii) where the personal information is transferred to an overseas recipient by a CIIO or a data processor that has processed personal information of more than one million individuals; (iii) where a data processor provides personal information to an overseas recipient if such data processor has already provided overseas the personal information of 100,000 individuals or sensitive personal information of 10,000 individuals in total since January 1 of the preceding year; or (iv) other circumstances under which security assessment of outbound data transfer is required as prescribed by the national cyberspace administration.

The Measures on the Standard Contract for the Cross-Border Transfer of Personal Information (《個人信息出境標準合同辦法》) (the “**SCC Measures**”) were promulgated by the CAC on February 22, 2023 and took effect on June 1, 2023. The SCC Measures attach the

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prescribed template for the standard contract on the cross-border transfer of personal information that could be used as an available option to satisfy the condition for cross-border transfer of personal information under Article 38 of the Personal Information Protection Law.

On March 22, 2024, the CAC promulgated the Provisions on Promoting and Regulating Cross-Border Data Flows (《促進和規範數據跨境流動規定》), effective on the date of promulgation. The provisions provide several exemptions from undergoing data security assessment, obtaining personal information protection certification or entering into standard contract for outbound transfer of personal information for businesses. These exemptions include, among others, the scenario where a data processor, other than a CHIO, has cumulatively transferred overseas personal information, excluding sensitive personal information, of fewer than 100,000 individuals since January 1 of the current year. A data processor, other than a CHIO, shall enter into a standard contract with overseas recipients for the cross-border transfer of personal information or obtain certification for personal information protection if since January 1 of the current year, the data processor has cumulatively transferred to overseas recipients (a) personal information of more than 100,000 but less than 1,000,000 individuals, excluding sensitive personal information, or (b) sensitive personal information of less than 10,000 individuals. The provisions also explicitly state that data processors are not required to conduct data security assessments for cross-border transfer of important data if the data has not been notified or published as important data by relevant departments or regions.

OVERVIEW OF LAWS AND REGULATIONS IN THE UNITED STATES

This section summarizes the principal laws and regulations in the United States that are relevant to our business.

Laws and Regulations in Relation to New Drug

U.S. Government Regulation of Drug and Biological Products

In the United States, the FDA regulates drugs under the FDCA and its implementing regulations, and biologics under the FDCA and the Public Health Service Act and their implementing regulations. Both drugs and biologics also are subject to other federal, state and local statutes and regulations, such as those related to competition. The process of obtaining regulatory approvals and the subsequent compliance with appropriate federal, state, and local statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements at any time during the product development process, approval process or following approval may subject an applicant to administrative actions or judicial sanctions. These actions and sanctions could include, among other actions, the FDA's refusal to approve pending applications, withdrawal of an approval, license revocation, a clinical hold, untitled or warning letters, voluntary or mandatory product recalls or market withdrawals, product seizures, total or partial suspension of production or

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distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement and civil or criminal fines or penalties. Any agency or judicial enforcement action could have a material adverse effect on our business, the market acceptance of our products and our reputation.

Once a product candidate is identified for development, it enters preclinical testing, which includes laboratory evaluations of product chemistry, toxicity, formulation and stability, as well as animal studies. Preclinical testing is conducted in accordance with FDA’s Good Laboratory Practice regulations. A sponsor of an IND must submit the results of the preclinical tests, manufacturing information, analytical data, the clinical trial protocol, and any available clinical data or literature to the FDA. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises concerns or questions and places the trial on a clinical hold within that 30-day period. FDA may also impose clinical holds or partial clinical holds at any time during clinical trials due to safety concerns or non-compliance.

All clinical trials, which involve the administration of the investigational product to humans, must be conducted under the supervision of one or more qualified investigators in accordance with Good Clinical Practice regulations, including the requirement that all research subjects provide informed consent in writing before their participation in any clinical trial. Further, an Institutional Review Board (the “**IRB**”), must review and approve the plan for any clinical trial before it commences at any institution, and the IRB must conduct continuing review and reapprove the study at least annually. Each new clinical protocol and any amendments to the protocol must be submitted for FDA review, and to the IRBs for approval. An IRB can suspend or terminate approval of a clinical trial at its institution if the trial is not being conducted in accordance with the IRB’s requirements or if the product has been associated with unexpected serious harm to subjects.

Clinical trials generally are conducted in three sequential phases, known as phase 1, phase 2 and phase 3, and may overlap.

- phase 1 clinical trials generally involve a small number of healthy volunteers or disease-affected patients who are initially exposed to a single dose and then multiple doses of the product candidate. The primary purpose of these clinical trials is to assess the metabolism, pharmacologic action, side effect tolerability and safety of the product candidate.
- phase 2 clinical trials involve studies in disease-affected patients to evaluate proof of concept and/or determine the dose required to produce the desired benefits. At the same time, safety and further PK and PD information is collected, possible adverse effects and safety risks are identified and a preliminary evaluation of efficacy is conducted.

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- phase 3 clinical trials generally involve a large number of patients at multiple sites and are designed to provide the data necessary to demonstrate the effectiveness of the product for its intended use, its safety in use and to establish the overall benefit/risk relationship of the product and provide an adequate basis for product labeling.

Specifically for oncology drugs and biologics, in August 2018, the FDA, together with other US competent authorities, introduced a draft guidance paper “Expansion Cohorts: Use in First-In-Human Clinical Trials to Expedite Development of Oncology Drugs and Biologics Guidance for Industry”, which was formally adopted in March 2022. This guidance paper acknowledges a new clinical trial design, which the FDA calls the first-in-human multiple expansion cohort trial. These are trial designs that have a single protocol with an initial dose escalation phase for the initial determination of a tolerated dose and multiple concurrently accruing expansion cohorts with assessments that are more typical of phase 2 trials (i.e., to assess anti-tumor activity). The new trial design is intended to efficiently expedite the clinical development of oncology drugs, including biological products, through multiple expansion cohort trial designs.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. Safety reports must be submitted to the FDA and the investigators 15 calendar days after the trial sponsor determines that the information qualifies for reporting. The sponsor also must notify FDA of any unexpected fatal or life-threatening suspected adverse reaction as soon as possible but in no case later than 7 calendar days after the sponsor’s initial receipt of the information. Sponsors of clinical trials of FDA-regulated products, including drugs, are required to register and disclose certain clinical trial information, which is publicly available at www.clinicaltrials.gov.

Concurrent with clinical trials, companies usually complete additional animal studies and must also finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The process of obtaining regulatory approvals and compliance with appropriate federal, state, local and foreign statutes and regulations requires the expenditure of substantial time and financial resources. Failure to comply with the applicable U.S. requirements may subject an applicant to administrative or judicial sanctions.

U.S. Review and Approval Processes

The results of product development, preclinical studies and clinical trials, along with descriptions of the manufacturing process, analytical tests conducted on the product, proposed labeling and other relevant information, are submitted to the FDA as part of an NDA or a BLA. Unless deferred or waived, NDAs or BLAs, or supplements must contain data adequate to assess the safety and effectiveness of the product for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. The submission of an NDA or a BLA is subject to the payment of a substantial user fee and an annual prescription drug product program fee.

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Within 60 days of its receipt, the FDA reviews the NDA/BLA to ensure that it is sufficiently complete for substantive review before it accepts the NDA/BLA for filing. After accepting the NDA/BLA filing, the FDA begins an in-depth substantive review to determine, among other things, whether a product is safe and effective for its intended use. The FDA also evaluates whether the product’s manufacturing is cGMP-compliant to assure the product’s identity, strength, quality and purity. Before approving the NDA/BLA, the FDA typically will inspect whether the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications. The FDA may refer the NDA/BLA to an advisory committee, a panel of experts, for review whether the application should be approved and under what conditions and considers such recommendations when making decisions.

The FDA may refuse to approve the NDA/BLA if the applicable regulatory criteria are not satisfied or may require additional clinical data or other data and information. The FDA will issue a complete response (“**CR**”) letter describing all of the specific deficiencies that the FDA identified in the NDA/BLA that must be satisfactorily addressed before it can be approved. The deficiencies identified may be minor, for example, requiring labeling changes, or major, for example, requiring additional clinical trials. Additionally, the CR letter may include recommended actions that the applicant might take to place the application in a condition for approval. The applicant may either resubmit the NDA/BLA, addressing all of the deficiencies identified in the letter, or withdraw the application or request an opportunity for a hearing.

The regulatory approval may be limited to specific diseases and dosages or the indications for use may otherwise be limited, which could restrict the commercial value of the product. Further, the FDA may require that certain contraindications, warnings or precautions be included in the product labeling. In addition, the FDA may require post-approval studies, including phase 4 clinical trials, to further assess a product’s safety and effectiveness after NDA/BLA approval and may require testing and surveillance programs to monitor the safety of approved products that have been commercialized.

In the United States, products composed of components that would normally be regulated by different centers at the FDA are known as combination products. Typically, the FDA’s Office of Combination Products assigns a combination product to a specific Agency Center as the lead reviewer. The FDA determines which Center will lead a product’s review based upon the product’s primary mode of action. Depending on the type of combination product, its approval, clearance or licensure may usually be obtained through the submission of a single marketing application. However, the FDA sometimes will require separate marketing applications for individual constituent parts of the combination product which may require additional time, effort, and information. Even when a single marketing application is required for a combination product, the relevant Centers may participate in the review. An applicant will also need to discuss with the Agency how to apply certain premarket requirements and post-marketing regulatory requirements, including conduct of clinical trials, adverse event reporting and good manufacturing practices, to their combination product.

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Expedited Development and Review Programs

The FDA has various programs that are intended to expedite or streamline the process for the development and FDA review of drugs that are intended for the treatment of serious or life-threatening diseases or conditions and demonstrate the potential to address unmet medical needs. The purpose of these programs is to provide important new drugs to patients earlier than under standard FDA review procedures. The programs include fast track designation, breakthrough therapy designation, accelerated approval, priority review and orphan drug designation, among others.

Fast Track Designation

To be eligible for a fast track designation, the FDA must determine, based on the request of a sponsor, that a drug is intended to treat a serious or life-threatening disease or condition for which there is no effective treatment and demonstrates the potential to address an unmet medical need for the disease or condition. Under the fast-track program, the sponsor of a drug candidate may request FDA to designate the product for a specific indication as a fast-track product concurrent with or after the filing of the IND for the drug candidate. The FDA must make a fast-track designation determination within 60 days after receipt of the sponsor’s request.

In addition to other benefits, such as the ability to use surrogate endpoints and have more interactions with FDA, FDA may initiate review of sections of a fast-track product’s NDA before the application is complete. This rolling review is available if the applicant provides, and FDA approves, a schedule for the submission of the remaining information and the applicant pays applicable user fees. However, FDA’s time period goal for reviewing a fast-track application does not begin until the last section of the NDA is submitted. In addition, the fast-track designation may be withdrawn by FDA if FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Breakthrough Therapy Designation

Another program available for sponsors is the breakthrough therapy designation. A drug or biologic may be eligible for designation as a breakthrough therapy if the product is intended, alone or in combination with one or more other drugs or biologics, to treat a serious or life-threatening condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. A sponsor may request that a product be designated as a breakthrough therapy concurrently with, or at any time after, the submission of an IND, and the FDA must determine if the candidate qualifies for such designation within 60 days of receipt of the request. If so designated, the FDA shall act to expedite the development and review of the product’s marketing application, including by meeting with the sponsor throughout the product’s development, providing timely advice to the sponsor to ensure that the development program to gather preclinical and clinical data is as efficient as practicable.

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Accelerated Approval

Under FDA’s accelerated approval regulations, the FDA may approve a drug or biologic candidate for a serious or life-threatening illness that provides meaningful therapeutic benefit to patients over existing treatments and demonstrates an effect on either a surrogate endpoint that is reasonably likely to predict clinical benefit or on a clinical endpoint that can be measured earlier than irreversible morbidity or mortality (“IMM”), that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the disease or condition and the availability or lack of alternative treatments. For drugs under accelerated approval, the FDA grants priority review status, which aims to shorten the review time to six months from the submission of a complete application. A product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of post-approval clinical trial to confirm the effect on the clinical endpoint. Failure to conduct required post-approval studies, or to confirm a clinical benefit during post-marketing studies, will allow the FDA to withdraw the product from the market on an expedited basis. All promotional materials for product candidates approved under accelerated regulations are subject to prior review by the FDA.

Priority Review

The FDA may give a priority review designation to drugs that offer major advances in treatment or provide a treatment where no adequate therapy exists. A priority review means that the goal for the FDA to review an application is six months, rather than the standard review of ten months under the Prescription Drug User Fee Act guidelines. These six and ten month review periods are measured from the “filing” date rather than the receipt date for NDAs for new molecular entities, which typically adds approximately two months to the timeline for review and decision from the date of submission. Most products that are eligible for fast-track designation are also likely to be considered appropriate to receive a priority review.

Orphan Drug Designation

Under The Orphan Drug Act of 1983, the FDA may grant orphan drug designation to drugs or biologic candidates intended to treat a rare disease or condition generally affecting fewer than 200,000 individuals in the U.S. or for which a manufacturer has no reasonable expectation of recovering drug treatment research and development costs. The first applicant to receive FDA approval for the disease or indication for which it has orphan drug designation is entitled to a seven year exclusive marketing period. During the exclusivity period, the FDA may not approve any other applications to market the same product for the same disease or condition except in limited circumstances.

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Post-Marketing Requirements

Following the approval of a new product, the manufacturer and the approved product are subject to continuing regulation by the FDA, including, among other things, monitoring and record-keeping activities, reporting of adverse experiences, complying with promotion and advertising requirements, which include restrictions on promoting products for unapproved uses or patient populations (known as “off-label use”) and limitations on industry-sponsored scientific and educational activities. Although physicians may prescribe legally available products for off-label uses, manufacturers may not market or promote such uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including investigation by federal and state authorities. Prescription drug promotional materials must be submitted to the FDA in conjunction with their first use or first publication. Further, if there are any modifications to the drug or biologic, including changes in indications, labeling or manufacturing processes or facilities, the applicant may be required to submit and obtain FDA approval of a new NDA/BLA or NDA/BLA supplement, which may require the development of additional data or preclinical studies and clinical trials. The FDA may also place other conditions on approvals including the requirement for a risk evaluation and mitigation strategy (“REMS”), to assure the safe use of the product. If the FDA concludes a REMS is needed, the sponsor of the NDA/BLA must submit a proposed REMS. The FDA will not approve the NDA/BLA without an approved REMS, if required. A REMS could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. Any of these limitations on approval or marketing could restrict the commercial promotion, distribution, prescription or dispensing of products. Product approvals may be withdrawn for non-compliance with regulatory standards or if problems occur following initial marketing.

FDA regulations require that products be manufactured in specific approved facilities and in accordance with cGMP regulations. These manufacturers must comply with cGMP regulations that require, among other things, quality control and quality assurance, the maintenance of records and documentation, and the obligation to investigate and correct any deviations from cGMP.

Manufacturers and other entities involved in the manufacture and distribution of approved drugs or biologics are required to register their establishments with the FDA and certain state agencies, and are subject to periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP requirements and other laws. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain cGMP compliance. The discovery of violative conditions, including failure to conform to cGMP regulations, could result in enforcement actions, and the discovery of problems with a product after approval may result in restrictions on a product, manufacturer or holder of an approved NDA/BLA, including recall.

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Once an approval is granted, the FDA may issue enforcement letters or withdraw the approval of the product if compliance with regulatory requirements and standards is not maintained or if problems occur after the drug or biologic reaches the market. Corrective action could delay drug or biologic distribution and require significant time and financial expenditures. Later discovery of previously unknown problems with a drug or biologic, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the drug or biologic, suspension of the approval, complete withdrawal of the drug from the market or product recalls;
- fines, warning letters or holds on post-approval clinical trials;
- refusal of the FDA to approve applications or supplements to approved applications, or suspension or revocation of drug or biologic approvals; drug or biologic seizure or detention, or refusal to permit the import or export of drugs; or
- injunctions or the imposition of civil or criminal penalties.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five-year patent extension to restore a portion of patent term lost during product development and FDA review of an NDA or a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product’s testing phase, which is the time between IND and NDA/BLA submission, and all of the review phase, which is the time between NDA/BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration, only those claims covering the approved product, a method for using it, or a method for manufacturing it may be extended, and the patent holder must apply for restoration within 60 days of approval. The USPTO, in consultation with the FDA, reviews and approves the application for patent term restoration. For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that

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approval of the drug candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug candidate for which an NDA or a BLA has not been submitted.

Recently Proposed Pending Legislation in the U.S. Congress: The Biosecure Act

On January 25, 2024, Representative Mike Gallagher (R-WI) introduced the Biosecure Act (H.R. 7085) (the “**Act**”) to the U.S. House of Representatives. The bill was reintroduced to the U.S. House of Representatives on May 10, 2024 by Representative Brad Wenstrup (R-OH) after Rep. Gallagher retired. The pending legislation was referred to the House Committee on Oversight and Accountability, and passed by a vote of 306-81 in the House. The pending legislation was referred to the U.S. Senate, and it has been referred to the U.S. Senate Committees on Homeland Security and Governmental Affairs. On September 9, 2024, the U.S. House of Representatives voted in favor of its version of the Act. The U.S. Senate did not vote on either its version or the House-passed version and the legislation died at the conclusion of the 118th Congress in January 2025.

The Act, if reintroduced and subsequently enacted in the proposed form, generally the Act would prohibit U.S. executive branch agencies from:

1. procuring or obtaining any biotechnology equipment or service produced or provided by a “biotechnology company of concern”;
2. entering into or renewing a contract with an entity that uses such biotechnology equipment or enters into a contract requiring the use of such biotechnology equipment after the applicable effective date of the prohibition; or
3. providing loan or grant funds to perform either of these functions.

The Act would define biotechnology company of concern to mean five named entities and any subsidiary, parent or successor of them plus any other entity that:

1. is subject to the jurisdiction, direction, control, or operates on behalf of the government of a foreign adversary;
2. is to any extent involved in the manufacturing, distribution, provision, or procurement of a biotechnology equipment or service; and
3. poses a risk to the national security of the United States based on—
 - a. engaging in joint research with, being supported by, or being affiliated with a foreign adversary’s military, internal security forces, or intelligence agencies;
 - b. providing multiomic data obtained via biotechnology equipment or services to the government of a foreign adversary; or

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- c. obtaining human multiomic data via the biotechnology equipment or services without express and informed consent.

The five named entities include: BGI, MGI, Complete Genomics, WuXi AppTec, and WuXi Biologics.

The Act would define biotechnology equipment or service to mean:

1. equipment, including genetic sequencers, mass spectrometers, polymerase chain reaction machines, or any other instrument, apparatus, machine, or device, including components and accessories thereof, that is designed for use in the research, development, production, or analysis of biological materials as well as any software, firmware, or other digital components that are specifically designed for use in, and necessary for the operation of, such equipment;
2. any service for the research, development, production, analysis, detection, or provision of information, including data storage and transmission related to biological materials, including—
 - a. advising, consulting, or support services with respect to the use or implementation of an instrument, apparatus, machine, or device described in Section 3(i)(2)(A) of the Act; and
 - b. disease detection, genealogical information, and related services; and
3. any other service, instrument, apparatus, machine, component, accessory, device, software, or firmware that the Director of the Office of Management and Budget, in consultation with the heads of Executive agencies, as determined appropriate by the Director of the Office of Management and Budget, determines appropriate.

A policy of the Act is to safeguard the United States biotechnology supply chain amid concerns over potential national security threats perceived by those introducing the legislation to be associated with the PRC.

Although the Act would not have direct consequences to us, the Act could, if it were to become law, have secondary consequences to our business. Although the reagents we use may not be “biotechnology equipment” under the Act, certain sequencing equipment we purchase could be deemed biotechnology equipment since that equipment is designed for use in research, development or analysis of biological materials. Further, although the Act in its current form would not bar us from acquiring genetic sequencing equipment from a biotechnology company of concern, the Act, in its current state, if adopted, would ban the U.S. government from contracting with us, or with our customers if, in the performance of the contracts with the customers, we use equipment captured by the Act after the effective date of the prohibition. Because the Act is pending legislation, the U.S. Congress or the President of the United States, or both, could require changes to the legislation modifying it, which changes could include

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expanding its scope or reach. As a result, we continue to reassess our supply chain to ensure compliance with current applicable law and the possibilities which could arise under the Act and we continue to review our existing contractual obligations.

For the Act to become law in the United States, it must undergo a legislative process involving negotiation and agreement between the U.S. House of Representatives and the U.S. Senate on the terms of the pending legislation. This negotiation typically results in a conference report that consolidates the viewpoints of both chambers. Subsequently, both the House and the Senate must vote to approve the conference report. Finally, the legislation requires the signature of the President of the United States to become law. Throughout this process, amendments to the Act may be proposed and considered, potentially altering its text and expanding or modifying compliance obligations. Once adopted, U.S. agencies may further define compliance obligations under the Act through the U.S. regulation approval process known as notice and comment rulemaking or through other procedures. The President of the United States may also issue executive orders with respect to the content of the Act.

Laws and Regulations in Relation to Outbound Investment

On October 28, 2024, the U.S. Department of the Treasury issued final regulations (the “**Final Rule**”) to implement Executive Order 14105, “Addressing United States Investments in Certain National Security Technologies and Products in Countries of Concern” (August 9, 2023). The Final Rule took effect on January 2, 2025, which prohibits or requires notification of certain investments by “U.S. persons” or their foreign subsidiaries in “covered foreign persons,” which are defined as certain individuals or entities associated with a country of concern that are engaged in, or associated with parties engaged in, activities involving semiconductors and microelectronics, quantum information technologies, or artificial intelligence (including. The Final Rule applies if the covered foreign person or a related party is working with specified technologies in one of these fields.

On February 21, 2025, U.S. President Donald J. Trump issued a memo entitled the America First Memo, outlining the ongoing review and consideration of potential new or expanded restrictions on U.S. outbound investment in the PRC in sectors such as biotechnology, hypersonics, aerospace, advanced manufacturing, and directed energy. The America First Memo also contemplates potential restrictions on investments in publicly traded securities by pension funds, university endowments and other limited partner investors. We will continue to monitor the future indications of such policies and assess relevant risks.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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Tracing back to 2018, our co-founders, Dr. Zhou and Dr. Xu, who have combined decades of experience in translational research, small molecule drug discovery and metabolic disease biology, established our Company. For more information about the experience and qualifications of our co-founders, see “Directors and Senior Management” in this document. Our Group carries out our operations mainly through our wholly-owned subsidiaries, Eccogene Shanghai and Eccogene USA. For details of the incorporation and major shareholding changes of our Company and subsidiaries, see “— Corporate Development and Major Shareholding Changes of our Group”. After years of development, we have become a global clinical-stage biotechnology company and an industry trailblazer dedicated to discovering and developing oral small molecule medicines to address significant unmet medical needs in cardiometabolic diseases and inflammatory disorders worldwide.

OUR MILESTONES

The following is a summary of our key business development milestones:

Year	Event
2018	Our Group was founded by Dr. Zhou and Dr. Xu with the establishment of our Company and we commenced our operations in China by establishing Eccogene Shanghai.
2020	We completed the Series A Financing in February 2020.
2021	We completed the Series A-1 Financing in March 2021. We commenced a Phase I clinical trial for ECC0509 in Australia in July 2021.
2022	We commenced our operations in the United States by establishing Eccogene USA. We commenced a Phase I clinical trial for ECC4703 in the United States in September 2022. We commenced a Phase I clinical trial for ECC5004 in the United States in December 2022.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2023	We commenced Phase I clinical trial for ECC4703 in China in April 2023. We completed the Series B Financing in May 2023. We completed Phase I clinical trial for ECC0509 in Australia in July 2023. We completed Phase I clinical trial for ECC4703 in the United States in October 2023. We entered into an exclusive collaboration and licensing agreement with AstraZeneca for ECC5004 in November 2023. We completed the Series C Financing in December 2023.
2024	We completed the Phase I clinical trial for ECC5004 in the United States with the clinical study report in March 2024. We completed Phase I clinical trial for ECC4703 in China in April 2024.
2025	We commenced a Phase Ib clinical trial to evaluate ECC5004 in China in June 2025. We received IND approval from the FDA for Phase IIa clinical trials for ECC4703 as a monotherapy, ECC0509 as a monotherapy, and ECC4073 in combination with ECC0509 in October 2025.

OUR GROUP

Our Company

Our Company was incorporated in the Cayman Islands on February 8, 2018 as an exempted company with limited liability to serve as the holding company and [REDACTED] vehicle of our Group. See “— Corporate Development and Major Shareholding Changes of our Group” below for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

As at the Latest Practicable Date, the following are our subsidiaries that have made material contribution to our business:

Name	Date of incorporation	Place of incorporation	Direct or indirect shareholding attributable to our Company	Principal activities/functions
Eccogene Shanghai	April 25, 2018	Shanghai, PRC	100%	Research and development
Eccogene USA	January 19, 2022	Delaware, the United States	100%	Research and development

Notes:

- (1) For the information of our subsidiaries, see Note 1 of the to the Accountant’s Report set out in Appendix I to this document.
- (2) As of the Latest Practicable Date, all our subsidiaries were wholly owned by our Company.

CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

Incorporation of our Company

Our Company was incorporated in the Cayman Islands on February 8, 2018 as an exempted company with limited liability. Upon incorporation, it had an authorized share capital of US\$50,000 divided into 500,000,000 Ordinary Shares with a par value of US\$0.0001 each. On February 8, 2018, as a transitional arrangement, we allotted and issued at par value (i) one share to Sertus Nominees (Cayman) Limited which was transferred on the same day to Yansun Holdings Limited (“**Yansun**”); (ii) 2,999 Ordinary Shares to Yansun; and (iii) 7,000 Ordinary Shares to JFSE. Yansun is a company incorporated in the BVI with limited liability and is wholly owned by Ms. Sun Yan (孫艷) (“**Ms. Sun**”), an individual investor and an Independent Third Party. JFSE is wholly owned by Dr. Xu.

On May 25, 2018, Yansun and JFSE transferred 3,000 and 6,300 Shares at par value, respectively, to Zeccogene, which is wholly owned by Dr. Zhou.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Incorporation of Eccogene HK

Eccogene HK was incorporated in Hong Kong with limited liability on March 5, 2018, with issued share capital of HK\$10,000. At the time of incorporation, our Company was the sole shareholder of Eccogene HK.

Establishment of Eccogene Shanghai

Eccogene Shanghai was established as a limited liability company in the PRC on April 25, 2018, with an initial registered capital of RMB3 million. At the time of the establishment, Eccogene HK was the sole shareholder of Eccogene Shanghai.

Before the Reorganization (as defined below), Eccogene Shanghai had received several rounds of Pre-[REDACTED] Investments, including the Series A and Series A-1 Financings, which are summarized in the paragraph headed “—Pre-[REDACTED] Investments.”

The following table sets forth the shareholding structure of Eccogene Shanghai after the completion of the Series A-1 Financing and immediately prior to the Reorganization, details of which are set out in “— Pre-[REDACTED] Investments”:

Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Eccogene HK	3,498,223	42.51
Shanghai Sinopharm Innovation Equity Investment Fund Partnership (Limited Partnership) (上海國 藥創新股權投資基金合夥企業(有限合夥)) (“Sinopharm Innovation”)	1,266,136	15.39
Suzhou Yiyuan Med-Fine Medicine Venture Investment Partnership (Limited Partnership) (蘇州一元羣方醫藥創業投資合夥企業(有限合 夥)) (“Suzhou Yiyuan Med-Fine”)	367,647	4.47
Shanghai Taiyi Venture Capital Partnership (limited Partnership) (上海泰沂創業投資合夥企 業(有限合夥)) (“Shanghai Taiyi”) ⁽¹⁾	383,639	4.66
Shanghai Shengzhong Investment Management Partnership (Limited Partnership) (上海聖眾投 資管理合夥企業(有限合夥)) (“Shanghai Shengzhong”)	12,661	0.15
Magic Ace Holdings Limited	255,759	3.11
Dezhou Liangyi Med-Fine Power Health Venture Capital Partnership (Limited Partnership) (德州 兩儀羣方康健創業投資合夥企業(有限合夥)) (“Dezhou Liangyi Med-Fine”) ⁽²⁾	271,752	3.30

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Registered capital subscribed for	Equity interest
	(RMB)	(%)
Suzhou Industrial Park Oriza Seed III Healthcare Investment Partnership (Limited Partnership) (蘇州工業園區元禾原點三號醫療健康產業投資 合夥企業(有限合夥)) (“ Oriza Seed III ”)	585,010	7.11
Delos Capital Fund II, LP	585,010	7.11
Nanjing Tsing Song Healthcare Investment Partnership (Limited Partners) (南京清松醫療健 康產業投資合夥企業(有限合夥)) (“ Nanjing Tsing Song ”)	334,291	4.06
Suzhou Huagai Yizhen Equity Investment Partnership (Limited Partnership) (蘇州華蓋一 臻股權投資合夥企業(有限合夥)) (“ Suzhou Huagai ”)	334,291	4.06
Sinopharm Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金 合夥企業(有限合夥)) (“ Sinopharm Zhongsheng ”)	331,638	4.03
Shanghai Shengcheng Investment Management Partnership (Limited Partnership) (上海聖成投 資管理合夥企業(有限合夥)) (“ Shanghai Shengcheng ”)	2,653	0.03
Total	8,228,710	100.00

Notes:

- (1) Shanghai Taiyi is a limited partnership established in the PRC, the general partner of which is Shanghai Taiyou Investment Management Center (Limited Partnership) (上海泰有投資管理中心(有限合夥)), which is ultimately controlled by Mr. Liu Junjun (劉軍軍), Mr. Li Meng (李蒙) and Ms. Zhang Tingting (張婷婷). Shanghai Taiyi has three limited partners, the largest of which is Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (深圳市海普瑞藥業集團股份有限公司) (002399.SZ; 9989.HK), holding approximately 49.58% of the partnership interests.
- (2) Dezhou Liangyi Med-Fine is a limited partnership established in the PRC, the general partner of which is Med-Fine Capital Management (Beijing) Co., Ltd. (羈方資本管理(北京)有限公司), which is ultimate controlled by Mr. Zhou Yujian (周玉建).
- (3) For background information of other pre-[REDACTED] investors of Eccogene Shanghai, see “— Pre-[REDACTED] Investments — Information of the Pre-[REDACTED] Investors” below.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Reorganization

On October 9, 2021, the Series A Investors and the Series A-1 Investors entered into a reorganization agreement (the “**Reorganization Agreement**”) with our Company, Eccogene HK, Eccogene Shanghai, Yansun, Zeccogene and Dr. Zhou, pursuant to which our Company has agreed to sell, allot and issue to the Series A Investors, the Series A-1 Investors and/or their designated affiliates certain Preferred Shares of the Company to mirror their respective ultimate interests in Eccogene Shanghai (the “**Reorganization**”).

Step 1. Acquisition of Eccogene Shanghai’s Shares by Eccogene HK

On December 7, 2021, the then Series A-1 Investors entered into a share transfer agreement with Eccogene HK, pursuant to which the then Series A-1 Investors agreed to transfer their respective equity interests in Eccogene Shanghai to Eccogene HK, at a total consideration equaling to the sum of their respective original investment amounts paid for the subscription of equity interest in Eccogene Shanghai (the “**Flip-out Transfer**”). The consideration received from the Flip-out Transfer was used by the Series A-1 Investors or their offshore designated affiliates, to subscribe for the Preferred Shares in our Company.

Step 2. Exit of Series A Investors from Eccogene Shanghai

In March 2022, after a series of capital reserve conversion of Eccogene Shanghai into registered capital to be allocated to the Series A Investors and capital reduction of Eccogene Shanghai, the then Series A Investors were no longer the shareholders of Eccogene Shanghai and Eccogene Shanghai became a wholly-owned subsidiary of Eccogene HK starting from March 8, 2022. On September 6, 2022, our Company allotted and issued a total of 25,575,940 Series A Preferred Shares to the Series A Investors to mirror their previous investments in Eccogene Shanghai.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Step 3. Allotment of Shares to Series A-1 Investors

On September 6, 2022, our Company allotted and issued a total of 21,728,930 Series A-1 Preferred Shares to the Series A-1 Investors to mirror with their previous investments in Eccogene Shanghai.

The following table sets forth the shareholding structure of the Company after the completion of the Reorganization:

Shareholders	Class of Shares	Number of Shares	Shareholding Percentage (%)
Zeccogene ⁽¹⁾	Ordinary Shares	23,121,065	28.10
Eccoforest ⁽²⁾	Ordinary Shares	8,594,020	10.44
JFSE ⁽¹⁾	Ordinary Shares	1,905,930	2.32
Yansun ⁽¹⁾	Ordinary Shares	1,361,215	1.65
Sinopharm Innovation . . .	Series A Preferred Share	12,661,360	15.39
TF ECG Limited	Series A Preferred Share	3,836,390	4.66
Shanghai Qingxi Medical Technology Partnership (Limited Partnership) (上海青喜醫療科技合夥企業(有限合夥)) (“Shanghai Qingxi”) .	Series A Preferred Share	3,676,470	4.47
Shanghai Yaotun Medical Technology Partnership (Limited Partnership) (上海曜燉醫療科技合夥企業(有限合夥)) (“Shanghai Yaotun”) .	Series A Preferred Share	2,717,520	3.30
Magic Ace Holdings Limited	Series A Preferred Share	2,557,590	3.11
Shanghai Shengzhong . . .	Series A Preferred Share	126,610	0.15
Delos Capital Fund II, LP	Series A-1 Preferred Share	5,850,100	7.11
Oriza Seed III	Series A-1 Preferred Share	5,850,100	7.11
Nanjing Tsing Song	Series A-1 Preferred Share	3,342,910	4.06
Suzhou Huagai	Series A-1 Preferred Share	3,342,910	4.06
Sinopharm Zhongsheng . .	Series A-1 Preferred Share	3,316,380	4.03
Shanghai Shengcheng . . .	Series A-1 Preferred Share	26,530	0.03
Total		82,287,100	100.00

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) As part of the Reorganization, our Company issued 1,361,215 Shares to Yansun, 23,121,065 Shares to Zeccogene, and 1,9105,206 Shares to JFSE, respectively, on September 2, 2021.
- (2) From January 2020 to September 2021, our Company issued a total of 8,594,020 Shares to Eccoforest as the underlying Shares of the share options granted under the Equity Incentive Plan.

Compliance with PRC laws

Our PRC Legal Advisor confirmed that: (i) Eccogene Shanghai has obtained or made all necessary regulatory approvals, permits, licenses or filings required under PRC Laws in relation to the Reorganization in all material respects; and (ii) all changes in registered capital of Eccogene Shanghai as part of the Reorganization have complied with all applicable PRC Laws in all material respects.

Series B and Series C Financings and Subsequent Share Transfers in our Company

We conducted the Series B Financing and Series C Financing in 2023. For details, see “—Pre-[REDACTED] Investments.” After the completion of the Series C Financing, from January 2024 to April 2025, several share transfers took place among and from our then existing Shareholders to new Shareholders. The details of the share transfers are as follows:

Transferor	Transferee	Class of Shares	Number of Shares	Consideration ⁽¹⁾	Approximate cost per Share	[REDACTED] to [REDACTED] ⁽²⁾	Date of Completion
Sinopharm Innovation	Sage Partners Alpha 1 L.P.	Series A Preferred Share	4,556,663	US\$16,500,000	US\$3.62	[REDACTED]%	January 8, 2024
Shanghai Shengzhong	Chen Yiting (陳奕婷)	Series A Preferred Share	126,610	US\$431,495.29	US\$3.41	[REDACTED]%	January 25, 2024
TF ECG Limited	Hangzhou AstraZeneca-CICC Venture Capital Partnership (Limited Partnership) (杭州阿斯利康中金創業投資合夥企業 (有限合夥)) (“Hangzhou AstraZeneca-CICC”)	Series A Preferred Share	1,095,440	US\$3,500,000	US\$3.20	[REDACTED]%	January 23, 2025
	Shanghai New Alliance Technology Equity Investment Center (Limited Partnership) (上海聯新科技股權投資中心 (有限合夥)) (“Shanghai New Alliance”)	Series A Preferred Share	822,432	US\$2,627,721.07	US\$3.20	[REDACTED]%	January 24, 2025

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Transferor	Transferee	Class of Shares	Number of Shares	Consideration ⁽¹⁾	Approximate cost per Share	[REDACTED] to [REDACTED] ⁽²⁾	Date of Completion
Delos Capital Fund II, LP.	Excellence Ventures Co., Ltd	Series A-1 Preferred Share	131,259	US\$600,000	US\$3.62	[REDACTED]%	June 11, 2024
	El Zhu Holding Limited	Series A-1 Preferred Share	131,259	US\$600,000	US\$3.62	[REDACTED]%	May 7, 2024
	El Yuan Holding Limited	Series A-1 Preferred Share	131,259	US\$600,000	US\$3.62	[REDACTED]%	December 31, 2024
	Ace Element Ventures Limited	Series A-1 Preferred Share	307,363	US\$1,405,001.28	US\$3.62	[REDACTED]%	May 7, 2024
	Hsu Hung-chao (徐紅照)	Series A-1 Preferred Share	782,452	US\$2,999,999.21	US\$3.83	[REDACTED]%	June 11, 2024
Oriza Seed III	Hangzhou AstraZeneca-CICC	Series A-1 Preferred Share	1,795,049	US\$6,300,000	US\$3.62	[REDACTED]%	January 23, 2025
Delos Capital Fund II, LP.	Excellence Ventures Co., Ltd	Series B Preferred Share	34,437	US\$600,000	US\$3.62	[REDACTED]%	June 11, 2024
	El Zhu Holding Limited	Series B Preferred Share	34,437	US\$600,000	US\$3.62	[REDACTED]%	May 7, 2024
	El Yuan Holding Limited	Series B Preferred Share	34,437	US\$600,000	US\$3.62	[REDACTED]%	December 31, 2024
	Ace Element Ventures Limited	Series B Preferred Share	80,641	US\$1,405,001.28	US\$3.62	[REDACTED]%	May 7, 2024
Oriza Seed III	Zayucel Ltd.	Series A-1 Preferred Share	497,087	US\$1,800,000	US\$3.62	[REDACTED]%	April 22, 2025
Shenzhen Zhongzheng Funeng Nongmuye Venture Capital Limited Partnership (深圳中證富能農牧業投資合夥企業(有限合夥)) (“Shenzhen Zhongzheng”) ⁽³⁾ . . .	Zayucel Ltd.	Series B Preferred Share	331,391	US\$1,200,000	US\$3.62	[REDACTED]%	April 22, 2025
Shanghai Qingxi ⁽⁴⁾ . . .	Shanghai Yaocheng Medical Technology Partnership (LLP) (上海曜程醫療科技合夥企業(有限合夥)) (“Shanghai Yaocheng”) ⁽⁴⁾	Series A Preferred Share	529,482	RMB1,800,238	RMB3.40	[REDACTED]%	April 22, 2025
Shanghai Yaotun ⁽⁴⁾ . . .		Series A Preferred Share	391,375	RMB1,800,238	RMB3.40	[REDACTED]%	April 22, 2025

Notes:

- (1) The consideration was independently negotiated between the relevant transferor and transferee, both of which are professional investors.
- (2) Calculated based on the currency conversion rate of HK\$1.00:RMB0.9130 and US\$1.00:HK\$7.7828, and the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the [REDACTED]).
- (3) Shenzhen Zhongzheng changed its name to Rudong Fuhai Venture Capital Partnership Enterprise (Limited Partnership) (如東富海創業投資合夥企業(有限合夥)) on May 30, 2025.
- (4) Shanghai Qingxi, Shanghai Yaotun, and Shanghai Yaocheng are investment arms of Med-Fine Capital. For their background information, see “— Pre-[REDACTED] Investments — Information of the Pre-[REDACTED] Investors.” The consideration of the intra-group share transfers between Shanghai Qingxi, Shanghai Yaotun and Shanghai Yaocheng is determined with reference to the cost per Share of the second installment of Series A Financing, which is approximately RMB3.40 per Share.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

MAJOR ACQUISITIONS AND DISPOSALS

Throughout the Track Record Period and as of the Latest Practicable Date, we did not conduct any major acquisitions, disposals or mergers.

ACTING-IN-CONCERT ARRANGEMENT

Pursuant to an acting-in-concert agreement dated December 16, 2021 (the “**AIC Agreement**”) entered into among Dr. Zhou, Zeccogene, Dr. Xu, and JFSE, Dr. Xu (including JFSE) (i) agreed to act in concert with Dr. Zhou (including Zeccogene) in relation to the exercise of their voting rights on matters in Shareholders’ meeting of the Company; and (ii) acknowledged and confirmed that Dr. Zhou and Zeccogene’s decision on such matters shall prevail. The AIC Agreement shall be effective from the date of its execution and shall remain in force until the earlier of Dr. Xu or JFSE ceasing to be a Shareholder.

VOTING PROXY

On the same day, Yansun and Zeccogene entered into a voting proxy agreement (the “**Voting Proxy**”). Pursuant to the Voting Proxy, Yansun irrevocably and unconditionally appointed Zeccogene as its true and lawful attorney and proxy to vote the Shares held by Yansun or act as Yansun, on all matters submitted to a vote of the Shareholders’ meeting, through the solicitation of a consent of shareholders. The Voting Proxy shall be effective during the period commencing from the execution of such agreement and ending on the earliest of (i) the day that Yansun ceasing to hold any Shares or the day that Yansun transferred all the Shares it held; or (ii) the closing of any qualified [REDACTED] as stipulated under the effective shareholders’ agreement of the Company.

As of the Latest Practicable Date, Dr. Zhou controlled the voting rights of 45,307,674 Shares, representing approximately 38.76% of our issued Shares, directly or indirectly through: (i) 23,121,065 Shares held by Zeccogene; (ii) 1,905,930 Shares held by JFSE; (iii) 1,361,215 Shares held by Yansun; and (iv) 18,919,464 Shares held by Eccoforest. Immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Dr. Zhou will be entitled to exercise an aggregate of approximately [REDACTED]% of the voting rights in our Company, directly or indirectly through: (i) 23,121,065 Shares held by Zeccogene; and (ii) 1,905,930 Shares held by JFSE. Accordingly, our single largest group of Shareholders comprises Dr. Zhou, Zeccogene, Dr. Xu and JFSE upon [REDACTED].

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its Shares on the Stock Exchange in order to primarily provide further capital for (i) research and development of our Core Product and Key Products; (ii) continued advancement of our other pipeline assets, and exploration and development of our TRANDD platform, as described in more details in “Future Plans and Use of [REDACTED]” in this document; and (iii) the increased capital and market visibility and enhanced corporate governance of being a public company.

PRE-[REDACTED] INVESTMENTS

Overview

We have received several rounds of Pre-[REDACTED] Investments since our establishment, which are summarized below. All of the Pre-[REDACTED] Investors were issued Preferred Shares in our Company pursuant to the relevant agreements in respect of the Pre-[REDACTED] Investments.

	Series A	Series A-1	Series B	Series C
Number of Shares subscribed	25,575,940	21,728,930	18,418,167	5,868,430
Amount of consideration paid ⁽¹⁾	RMB100,000,000	RMB130,000,000	RMB180,000,000	US\$24,999,998.88
Date of investment agreement	March 26, 2018 and November 19, 2019 ⁽²⁾	December 15, 2020 ⁽²⁾	December 13, 2022	December 18, 2023
Date of payment of full consideration	February 26, 2020	March 4, 2021	May 17, 2023	December 20, 2023
Post-money valuation ⁽³⁾	RMB202,000,000	RMB480,000,000	RMB1,090,000,000	US\$498,000,000
Approximate cost per Share	RMB3.91 (1st installation) RMB3.40 (2nd installation)	RMB5.98	RMB9.33 (initial closing) RMB10.26 (subsequent closing)	US\$4.26
[REDACTED] to the [REDACTED] ⁽⁴⁾	[REDACTED]% (1st installation) [REDACTED]% (2nd installation)	[REDACTED]%	[REDACTED]% (initial closing) [REDACTED]% (subsequent closing)	[REDACTED]%
Use of proceeds and whether they have been fully utilized	We utilized the proceeds from the Pre-[REDACTED] Investments to finance our research and development activities and fund our daily operations. As of the Latest Practicable Date, all of the proceeds from the Pre-[REDACTED] Investments had been utilized by our Group.			

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

	Series A	Series A-1	Series B	Series C
Lock-up period.	Whilst the Pre-[REDACTED] Investors are currently not subject to any lock-up arrangement pursuant to the relevant agreements in relation to the Pre-[REDACTED] Investments, it is expected that lock-up undertakings may be given by the Pre-[REDACTED] Investors to the [REDACTED], pursuant to which each Pre-[REDACTED] Investor will agree that, subject to the terms of such lock-up undertakings, it will not, whether directly or indirectly, at any time during the period agreed by such Pre-[REDACTED] Investor and the [REDACTED] dispose of any of the Shares held by such Pre-[REDACTED] Investor.			
Strategic benefits of the Pre-[REDACTED] Investment brought to our Group.	At the time of the Pre-[REDACTED] Investment, we believed that our Group could benefit from the additional capital injected by the Pre-[REDACTED] Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them. The Pre-[REDACTED] Investors include private equity funds and other professional investment companies, many of which are highly experienced in investing in the healthcare and biopharmaceutical industry. Our Directors believed that our Company could benefit from their industry insights and guidance. Our Directors are also of the view that the Pre-[REDACTED] Investments demonstrate the Pre-[REDACTED] Investors’ commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.			

Notes:

- (1) Equals the total consideration paid by each round of Pre-[REDACTED] Investors divided by their respective shareholding percentages immediately following their investments. The consideration for each round of the Pre-[REDACTED] Investments was determined based on arm’s length negotiations between the Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the Pre-[REDACTED] Investments, the Company’s then valuation when the respective investment agreements were entered into and the business operations and financial performance of the Company.
- (2) The dates of investment agreements refer to the Series A share subscription agreement and the Series A-1 share subscription agreement entered into by the Group, the then shareholders of Eccogene Shanghai, and the Series A and Series A-1 Investors and/or their designated affiliates before the Reorganization, pursuant to which the Series A and Series A-1 Investors and/or their designated affiliates agreed to subscribe for the equity interests in Eccogene Shanghai.
- (3) The primary reasons for the increase in the valuation of our Company are set forth below:
 - (i) the increase in the valuation of our Company from Series A-1 to Series B was mainly due to (a) the commencement of Phase I clinical trial for ECC0509 in Australia, and (b) the commencement of Phase I clinical trial for ECC4703 in the United States;
 - (ii) the increase in the valuation of our Company from Series B to Series C was mainly due to (a) the commencement of Phase I clinical trial for ECC4703 in China; (b) the completion of Phase I clinical trial for ECC0509 in Australia; (c) the completion of Phase I clinical trial for ECC4703 in the United States; and (d) the entering into the AstraZeneca Agreement; and
 - (iii) the increase in the valuation of our Company from Series C to the [REDACTED] was mainly due to (a) the completion of the Phase I clinical trial for ECC5004 in the United States; (b) the completion of the Phase I clinical trial for ECC4703 in China; (c) the commencement of the Phase IB clinical trial in China to evaluate ECC5004 in Chinese participants with obesity or overweight, with or without T2D; and (d) the receipt of IND approval from the FDA of Phase IIa trials of ECC4703 as monotherapy, ECC0509 as monotherapy, and ECC4073 in combination with ECC0509.
- (4) Calculated based on the currency conversion rate of HK\$1.00:RMB0.9130 and US\$1.00:HK\$7.7828, and the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the [REDACTED]).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Special rights of the Pre-[REDACTED] Investors

In connection with the Pre-[REDACTED] Investments, the Pre-[REDACTED] Investors were granted certain customary special rights under agreements entered into by our Company and, among others, the Pre-[REDACTED] Investors (the “Shareholders’ Agreements”), including, among other rights, information and inspection rights; restriction on transfers; right of first refusal; right of co-sale; right to elect of directors and observers; protective provisions; drag-along right; redemption right; and liquidation right.

The drag-along right and redemption rights under the then memorandum and articles of association of our Company and the Shareholders’ Agreements have ceased to be effective immediately prior to the first filing of the [REDACTED] application by the Company to the Hong Kong Stock Exchange (the “[REDACTED] Application”). The drag-along right and redemption rights shall be automatically reinstated upon the earliest occurrence of the following events: (i) the Company serving a notice of withdrawal of the [REDACTED] Application to the Stock Exchange; (ii) the return or rejection of the [REDACTED] Application from the Stock Exchange; (iii) the non-renewal of the [REDACTED] Application to the Stock Exchange within six months after the [REDACTED] Application has lapsed; or (iv) the failure by the Company to achieve a qualified [REDACTED], as defined in the Shareholders’ Agreements or otherwise an [REDACTED] approved by the Shareholders, within eighteen (18) months after the [REDACTED] Application.

No special rights granted to the Pre-[REDACTED] Investors will survive after the [REDACTED].

Compliance with Chapter 4.2 of the HKEX Guide

On the basis that (i) the considerations for the Pre-[REDACTED] Investments have been settled more than 28 clear days before the date of the Company’s first submission of the [REDACTED] application form to the Stock Exchange; and (ii) all the special rights granted to the Pre-[REDACTED] Investors as set out above have been terminated or will terminate upon the [REDACTED], the Joint Sponsors confirms that the Pre-[REDACTED] Investments are in compliance with Chapter 4.2 of the HKEX Guide.

Information of the Pre-[REDACTED] Investors

The Pre-[REDACTED] Investors include certain Sophisticated Investors (i.e., Jianyi Capital and Med-Fine Capital, each as defined below). Each of Jianyi Capital and Med-Fine Capital has made meaningful investment in our Company at least six months before the [REDACTED], holding approximately [REDACTED]% and [REDACTED]% of our total issued Shares, respectively, immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised). The background information of our Pre-[REDACTED] Investors is set out below.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Jianyi Capital

Sinopharm Innovation

Shanghai Sinopharm Innovation Equity Investment Fund Partnership (Limited Partnership) (上海國藥創新股權投資基金合夥企業(有限合夥)) (“**Sinopharm Innovation**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Sinopharm Innovation is Shanghai Jianyi Chuangxin Private Equity Fund Management Co., Ltd. (上海健壹創信私募基金管理有限公司) (“**Jianyi Chuangxin**”), holding approximately 3.09% of the partnership interest. As of the Latest Practicable Date, Jianyi Chuangxin had four shareholders, the largest of which was Infotech Ventures Co., Ltd. (盈富泰克創業投資有限公司) and Sinopharm Capital Management Co., Ltd. (上海健壹私募基金管理有限公司) (“**Shanghai Jianyi**”), holding as to 35% and 35% of the equity interest, respectively. As of the Latest Practicable Date, Sinopharm Innovation had 19 limited partners, the largest of whom was China National Pharmaceutical Group Corporation (中國醫藥集團有限公司) (“**China Pharmaceutical**”), holding approximately 12.70% of the partnership interest.

Sinopharm Zhongsheng

Sinopharm Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金合夥企業(有限合夥)) (“**Sinopharm Zhongsheng**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Sinopharm Zhongsheng is Shanghai Jianyi, holding approximately 1.19% of the partnership interest. As of the Latest Practicable Date, Sinopharm Zhongsheng had 13 limited partners, the largest of which was China Biotechnology Technology Co., Ltd. (中國生物技術股份有限公司) (“**China Biotechnology**”), holding approximately 23.88% of the partnership interest. China Biotechnology had two shareholders, the largest of which is China Pharmaceutical, holding approximately 95.36% of the equity interest.

Sinopharm Innovation and Sinopharm Zhongsheng are investment arms of Jianyi Capital. Jianyi Capital is a dedicated investor focused on the healthcare industry. As of September 30, 2025, the firm had total assets under management in excess of RMB6.5 billion. The firm’s track record includes investments in a number of publicly-listed healthcare and biotech companies, such as EagleVision (Beijing) Medical Technology Co., Ltd. (688050.SH), Shenzhen YHLO Biotech Co., Ltd. (688575.SH), Abbisko Cayman Limited (2256.HK), and GenFleet Therapeutics (Shanghai) Co., Ltd. (2595.HK).

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Med-Fine Capital

Shanghai Qingxi

Shanghai Qingxi Medical Technology Partnership (Limited Partnership) (上海青喜醫療科技合夥企業(有限合夥)) (“**Shanghai Qingxi**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Shanghai Qingxi is Shanghai Med-Fine Asset Management Co., Ltd. (上海募方資產管理有限公司) (“**Shanghai Med-Fine**”), holding approximately 0.02% of the partnership interest. Shanghai Med-Fine is ultimately controlled by Mr. Zhou Yujian (周玉建).

As of the Latest Practicable Date, Shanghai Qingxi had one limited partner, namely Suzhou Yiyuan Med-Fine Medicine Venture Investment Partnership (Limited Partnership) (蘇州一元募方醫藥創業投資合夥企業(有限合夥)) (“**Suzhou Yiyuan Med-Fine**”), holding approximately 99.98% of the partnership interest. As of the Latest Practicable Date, Suzhou Yiyuan Med-Fine had 12 limited partners, the largest of whom was Ningbo Meishan Bonded Area Haoshi Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區豪石股權投資合夥企業(有限合夥)), holding approximately 24.56% of the partnership interests. The general partner of Suzhou Yiyuan Med-Fine is Shanghai Med-Fine, holding approximately 0.20% of the partnership interests.

Shanghai Yaotun

Shanghai Yaotun Medical Technology Partnership (Limited Partnership) (上海曜燉醫療科技合夥企業(有限合夥)) (“**Shanghai Yaotun**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Shanghai Yaotun is Med-Fine Capital Management (Beijing) Co., Ltd. (募方資本管理(北京)有限公司) (“**Beijing Med-Fine**”), holding approximately 0.10% of the partnership interest. Beijing Med-Fine is wholly owned by Shanghai Med-Fine. As of the Latest Practicable Date, Shanghai Yaotun had one limited partner, namely Dezhou Liangyi Med-Fine, holding approximately 99.90% of the partnership interest. The general partner of Dezhou Liangyi Med-Fine is Beijing Med-Fine. None of the limited partners of Dezhou Liangyi Med-Fine held 30.00% or more as of the Latest Practicable Date.

Shanghai Yaocheng

Shanghai Yaocheng Medical Technology Partnership (Limited Partnership) (上海曜瑩醫療科技合夥企業(有限合夥)) (“**Shanghai Yaocheng**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Shanghai Yaocheng is Beijing Med-Fine, holding approximately 0.20% of the partnership interest. As of the Latest Practicable Date, Shanghai Yaocheng had two limited partners, namely Suzhou Yiyuan Med-Fine and Dezhou Liangyi Med-Fine, holding approximately 49.9% and 49.9% of the partnership interest, respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Med-Fine Capital, headquartered in Shanghai, invests exclusively in the pharmaceutical, healthcare, and life sciences sectors. Managed by a team with global vision, deep industry expertise and a track-record of successful exits, it currently operates multiple RMB and USD funds focused on early-stage value and emerging opportunities. Its portfolio covers innovative therapeutics, biotechnology, medical devices and cross-disciplinary healthcare innovations. To date, Med-Fine Capital has invested in over 60 healthcare companies, including Mabworks, Zion Pharma, Tyligand Bioscience, Alebund Pharma, Bionova Pharma, VelaVigo, Lynk Pharma, Allorion Therapeutics, Artivila Therapeutics, Degron Therapeutics, PharmaLegacy, Saifu Lab, Allink, HanYu Medical, magAssist, Surgnova, Arthrone, Shuimu Medical and Epintek.

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

AstraZeneca UK Limited

AstraZeneca UK Limited, incorporated in UK, is a wholly owned subsidiary of AstraZeneca PLC. AstraZeneca PLC (LSE/STO/Nasdaq: AZN) is a global, science-led biopharmaceutical company that focuses on the discovery, development, and commercialization of prescription medicines in oncology, rare diseases, and biopharmaceuticals, including cardiovascular, renal & metabolism, and respiratory & immunology. Based in Cambridge, the United Kingdoms, AstraZeneca’s innovative medicines are sold in more than 125 countries and used by millions of patients worldwide. AstraZeneca is also our partner for the development and commercialization of our oral small molecule GLP-1RA, ECC5004.

Delos Capital

Delos Capital Fund II, LP (“**Delos Capital**”) is an exempted limited partnership registered as a private fund under the Private Funds Law of the Cayman Islands, with Delos Capital GP II, LP being its general partner, and Delos Capital Advisors LLC (“**Delos Advisors**”) being its investment advisor.

As of the Latest Practicable Date, Delos Capital had seven limited partners. One limited partner, Peng-Lin Investment Limited, holds approximately 59.7% interest in Delos Capital, is ultimately controlled by Mr. Yin Chung-Yao, an Independent Third Party. Other than that, no limited partner of Delos Capital holds more than 30% of the partnership interest. Both Delos Capital GP II, LP and Delos Advisors are wholly-owned by Delos Capital Holdings Limited (“**Delos Holdings**”), an exempted company incorporated with limited liability under the laws of the Cayman Islands. Skye Capital Holdings Limited (“**Skye Capital**”) is the majority shareholder of Delos Holdings and Mr. Henry Lin Chen, the founding partner of Delos Capital and our non-executive Director, is the sole shareholder of Skye Capital.

Delos Capital is a life sciences investment firm which draws upon diverse skills and a global network to support ground-breaking innovations. Delos Capital combines a deep understanding of biology, unmet needs in medicine, and building high-performing companies to bring medical breakthroughs to patients. The assets under management of Delos Advisors was over US\$450 million as of June 30, 2025.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shanghai New Alliance

Shanghai New Alliance Technology Equity Investment Center (Limited Partners) (上海聯新科技股權投資中心(有限合夥)) (“**Shanghai New Alliance**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Shanghai New Alliance is Shanghai New Alliance Tenghua Enterprise Management Center (Limited Partnership) (上海聯新騰華企業管理中心(有限合夥)) (“**New Alliance Tenghua**”), holding approximately 0.99% of the partnership interest. The general partner of New Alliance Tenghua is Shanghai New Alliance Capital Management Co., Ltd. (上海聯新資本管理有限公司) (“**Shanghai New Alliance Capital**”), holding approximately 0.99% of the partnership interest. Shanghai New Alliance Capital has two shareholders, namely Shanghai Lianyi Enterprise Management Center (Limited Partnership) (上海聯一企業管理中心(有限合夥)) (“**Shanghai Lianyi**”) and Shanghai Lianhe Asset Management Co., Ltd. (上海聯和資產管理有限公司), holding 80% and 20% of the equity interests, respectively.

Shanghai New Alliance had 19 limited partners. None of the limited partners held 30.00% or more as of the Latest Practicable Date.

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

Sage Partners

Sage Partners Alpha 1 is an exempted limited partnership incorporated in the Cayman Islands, and is managed by Sage Partners Limited, a Hong Kong incorporated SFC Type 9 licensed investment management company established in 2019. The general partner of Sage Partners Alpha 1 is Sage Partners Private Fund. Sage Partners Alpha 1 is a discretionary fund and it mainly focuses on investment opportunities in the healthcare sector by deploying a long-term fundamental-based approach. To the best knowledge of our Directors, each of Sage Partners and its general partner and limited partners is an Independent Third Party.

TF Capital

TF ECG Limited is a limited liability company incorporated in BVI and is primarily engaged in equity investment and venture capital. It is wholly owned by Shanghai Taiyi. Shanghai Taiyi is a limited partnership established in the PRC, the general partner of which is Shanghai Taiyou Investment Management Center (Limited Partnership) (上海泰有投資管理中心(有限合夥)), which is ultimately controlled by Mr. Liu Junjun (劉軍軍), Mr. Li Meng (李蒙) and Ms. Zhang Tingting (張婷婷). Shanghai Taiyi has three limited partners, the largest of which is Shenzhen Hepalink Pharmaceutical Group Co., Ltd. (深圳市海普瑞藥業集團股份有限公司) (002399.SZ; 9989.HK), holding approximately 49.58% of the partnership interests.

Magic Ace Holdings Limited is a limited liability company incorporated in BVI and is primarily engaged in equity investment and venture capital. It is wholly owned by Shanghai Taifu Jingyuan Enterprise Management Partnership (Limited Partnership) (上海泰福璟源企業

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

管理合夥企業(有限合夥)) (“**Taifu Jingyuan**”). Taifu Jingyuan is a limited partnership established in the PRC, the general partner of which is Suzhou Huaijin Investment Management Partnership (Limited Partnership) (蘇州懷謹投資管理合夥企業(有限合夥)) (“**Suzhou Huaijin**”), holding approximately 0.67% of the partnership interest. Suzhou Huaijin is owned by Shanghai Taifu and Liu Junjun as to 50% and 50%, respectively. Taifu Jingyuan has one limited partner, namely Jiaxing Taifu Xinyuan Equity Investment Partnership (Limited Partnership) (嘉興泰福鑫源股權投資合夥企業(有限合夥)) (“**Jiaxing Taifu**”), which is managed by Suzhou Huaijin. Jiaxing Taifu has two limited partners, the largest of which is Zibo Yuchen Venture Capital Partnership (Limited Partnership) (淄博宇晨創業投資合夥企業(有限合夥)) (“**Zibo Yuchen**”), holding 70% of the partnership interest. Zibo Yuchen is ultimately controlled by Chen Yong (陳勇), an Independent Third Party.

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

Oriza

Oriza Seed III

Suzhou Industrial Park Oriza Seed III Healthcare Investment Partnership (Limited Partnership) (蘇州工業園區元禾原點三號醫療健康產業投資合夥企業(有限合夥)) (“**Oriza Seed III**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Oriza Seed III is Suzhou Industrial Park Oriza Governance Entrepreneurship Investment Management Center (Limited Partnership) (蘇州工業園區原點治則創業投資管理中心(有限合夥)) (“**Oriza Investment**”), holding approximately 0.96% of the partnership interest and was owned as to 99% by SIP Oriza Seed Fund Management Co., Ltd. (蘇州工業園區元禾原點創業投資管理有限公司) (“**SIP Oriza**”). The general partner of Oriza Investment is Mr. Fei Jianjiang (費建江). SIP Oriza was 51.00% owned by Suzhou Industrial Park Zhengze Jiming Equity Investment Management Co., Ltd. (蘇州工業園區正則既明股權投資管理有限公司) (“**Zhengze Jiming**”) and 49.00% owned by Suzhou Oriza Holdings Corporation (蘇州元禾控股股份有限公司) (“**Oriza Holdings**”). Zhengze Jiming had five shareholders. The largest was Mr. Fei Jianjiang (費建江), who held approximately 48.55% equity interest. None of the other shareholders held 30.00% or more as of the Latest Practicable Date. Oriza Holdings had three shareholders. The largest was Suzhou Industrial Park Economic Development Co., Ltd. (蘇州工業園區經濟發展有限公司), which held 59.98% equity interest. None of the other shareholders held 30.00% or more as of the Latest Practicable Date.

As of the Latest Practicable Date, Oriza Seed III had eleven limited partners, the largest of whom was Suzhou Industrial Park Oriza Seed III Venture Capital Enterprise (Limited Partnership) (蘇州工業園區元禾原點三號創業投資企業(有限合夥)) (“**Oriza Seed III Capital**”), holding approximately 38.40% of the partnership interest. None of the other limited partners held 30.00% or more as of the Latest Practicable Date. The general partner of Oriza Seed III Capital is Oriza Investment, holding approximately 0.15% of the partnership interest.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Rudong Fuhai (Formerly Known as Shenzhen Zhongzheng)

Rudong Fuhai Venture Capital Partnership Enterprise (Limited Partnership) (如東富海創業投資合夥企業(有限合夥)) (“**Rudong Fuhai**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Rudong Fuhai is Suzhou Industrial Park Fuhai Venture Capital Co., Ltd. (蘇州工業園區原點治則創業投資管理中心(有限合夥)) (“**Oriza Investment**”), holding approximately 0.96% of the partnership interest and was owned as to 99% by SIP Oriza Seed Fund Management Co., Ltd. (蘇州工業園區扶海創業投資有限公司) (“**SIP Oriza**”), which is ultimately controlled by Oriza Holdings.

Oriza Holdings’ primary investment focus is early-stage and growth-stage enterprises and Oriza Holdings has previously invested in healthcare companies such as Innovent Biologics, Inc. (1801.HK), JW (Cayman) Therapeutics (2126.HK), Ascentage Pharma (6855. HK).

To the best knowledge and information of the Company, all these above-mentioned entities and individuals are Independent Third Parties.

Zhangjiang Healthcare

Shanghai Zhangjiang Healthcare Venture Capital Partnership (L.P.) (上海張科禾潤生物醫藥創業投資合夥企業(有限合夥)) (“**Zhangjiang Healthcare**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Zhangjiang Healthcare is Shanghai Zhangke Herun Innovation Investment Co., Ltd. (上海張科禾潤創業投資有限公司) (“**Zhangke Herun**”), holding 1.00% of the partnership interest. Zhangke Herun had six shareholders, the largest of which is Shanghai Zhangjiang Financial Technology Investment Co., Ltd. (上海張江金融科技投資有限公司) (“**Zhangjiang Financial Technology**”), holding 34.00% of the equity interest. None of the other shareholders held 30.00% or more as of the Latest Practicable Date. Zhangjiang Financial Technology is indirectly wholly owned by Shanghai Zhangjiang (Group) Corp. (上海張江(集團)有限公司), which is wholly owned by State-owned Assets Supervision and Administration Commission of Pudong New Area, Shanghai (上海市浦東新區國有資產監督管理委員會) (“**Pudong SASAC**”).

Zhangjiang Healthcare had 14 limited partners, the largest of which is Shanghai Pudong Science and Technology Innovation Investment Fund Partnership Enterprise (Limited Partnership) (上海浦東科技創新投資基金合夥企業(有限合夥)) (“**Pudong Science and Technology Innovation Investment Fund**”), holding approximately 48.96% of the partnership interest. None of the other limited partners held 30.00% or more as of the Latest Practicable Date. The general partner of Pudong Science and Technology Innovation Investment Fund is Shanghai Pudong Private Equity Fund Management Co., Ltd. (上海浦東私募基金管理有限公司), which holds approximately 0.02% of the partnership interest and is ultimately controlled by Pudong SASAC.

To the best knowledge and information of the Company, all these above-mentioned entities are Independent Third Parties.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Nanjing Tsing Song

Nanjing Tsing Song Healthcare Investment Partnership (Limited Partners) (南京清松醫療健康產業投資合夥企業(有限合夥)) (“**Nanjing Tsing Song**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. As of the Latest Practicable Date, Nanjing Tsing Song had 13 limited partners and one general partner. The general partner of Nanjing Tsing Song is China Tsing Song Investment Ltd (浙江清松投資管理有限公司) (“**Tsing Song Capital**”), which is owned by Mr. Zhang Song (張松), an Independent Third Party. None of Nanjing Tsing Song’s limited partners hold more than 30% partnership interest as of the Latest Practicable Date. Tsing Song Capital is a multi-stage healthcare and life sciences investment firm. Guided by a research-driven investment strategy, Tsing Song Capital’s investment focus spans biotechnology, innovative therapeutics, innovative medical devices, precision diagnosis, healthcare services, and other cutting-edge technologies within the broader healthcare landscape. Since its inception, Tsing Song Capital has invested in several leading companies in their respective sectors, including United Imaging (688271.SH), SinoCellTech (688520.SH), SinoBiological (301047.SZ), and LaNova Medicines.

Suzhou Huagai

Suzhou Huagai is a limited partnership incorporated in the PRC, whose general partner is Huagai Shangzhen Medical Investment Management (Suzhou) Co., Ltd. (華蓋尚臻醫療投資管理(蘇州)有限公司), which is controlled by Huagai Capital Co., Ltd. (華蓋資本有限責任公司) (“**Huagai Capital**”), an Independent Third Party. No limited partner of Suzhou Huagai holds more than 30% of the partnership interest.

Huagai Capital is a company established in the PRC with assets under management of approximately RMB26 billion as of June 30, 2025, and is held as to 30% by Liaoning Chengda Co., Ltd. (遼寧成大股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600739). Huagai Capital has invested in several healthcare and biotech companies, including Shenzhen Kangtai Biological Products Co., Ltd. (深圳康泰生物製品股份有限公司), a company listed on the Shenzhen Stock Exchange (300601.SZ), Hygeia Healthcare Holding Co., Ltd. (海吉亞醫療控股有限公司), (6078.HK) and Shanghai Micurx Pharmaceutical Co., Ltd. (上海盟科藥業股份有限公司), (688373.SH).

Hangzhou AstraZeneca-CICC

Hangzhou AstraZeneca-CICC is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partners of Hangzhou AstraZeneca-CICC are CICC Private Equity Management Co., Ltd. (中金私募股權投資管理有限公司) (“**CICC PE**”) and AstraZeneca Investment Consulting (Wuxi) Co., Ltd. (阿斯利康商務諮詢(無錫)有限公司) (“**AZ Wuxi**”), holding approximately 0.13% and 0.13% of the partnership interest, respectively. CICC PE is wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司) (stock code: 3908.HK, 601995.SH). AZ Wuxi is indirectly wholly owned by AstraZeneca PLC (LSE/STO/Nasdaq: AZN).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As of the Latest Practicable Date, Hangzhou AstraZeneca-CICC had five limited partners, the largest of which was Hangzhou Runxin Zhiyuan Equity Investment Partnership Enterprise (Limited Partnership) (杭州潤心志遠股權投資合夥企業(有限合夥)), holding 26.25% of the partnership interest and an Independent Third Party. Therefore, Hangzhou AstraZeneca-CICC is ultimately beneficially owned by each of CICC and AstraZeneca.

Superpower Investments Ltd.

Superpower Investments Ltd. is a limited liability company incorporated in the Cayman Islands and is primarily engaged in investing biotechnology and pharmaceutical enterprises. As of the Latest Practicable Date, Superpower Investments Ltd. is wholly owned by Stone Shi, an Independent Third Party.

Guangzhou Yufu Investment Co., Ltd.

Guangzhou Yufu Investment Co., Ltd. (廣州禦富投資有限公司) (“**Guangzhou Yufu**”) is a limited liability company established in the PRC and is primarily engaged in equity investment. It has two shareholders, namely Huazheng Laboratory Animal Breeding Centre (從化市華珍動物養殖場(普通合夥)) (“**Huazheng Laboratory**”) and Mr. Huang Jianming (黃健明), holding approximately 99.67% and 0.33% of the equity interest, respectively. As of the Latest Practicable Date, Huazheng Laboratory was owned by Mr. Huang Jianhua (黃健華) and Ms. Huang Xiaofei (黃曉斐) as to approximately 96.36% and 3.64% of the partnership interest, respectively, both of whom are Independent Third Parties.

Elikon Venture

El Zhu Holding Limited

El Zhu Holding Limited (“**El Zhu**”) is a limited liability company incorporated in BVI and is primarily engaged in equity investment and venture capital. It is wholly-owned by Likon Venture Fund I Limited Partnership (Cayman) (“**Elikon USD Fund I**”), a Cayman Islands limited partnership managed by Elikon Advisors Inc., which is ultimately owned by Mr. Ming Li (李明) (“**Mr. Li**”). No limited partner of Elikon USD Fund I holds 30% or more of the partnership interests therein.

El Yuan Holding Limited

El Yuan Holding Limited (“**El Yuan**”) is a limited liability company incorporated in BVI and is primarily engaged in equity investment and venture capital. It is wholly-owned by Shanghai Lichen Tianhan Business Management Partnership (Limited Partnership) (上海驪宸天漢企業管理合夥企業(有限合夥)) (“**Elikon RMB Fund I**”), a limited partnership established in the PRC. The general partner of Elikon RMB Fund I is Shanghai Liyuan Enterprise Management Partnership (Limited Partnership) (上海驪輓企業管理合夥企業(有限合夥)), which is held by Shanghai Lichen Private Equity Fund Management Co., Ltd. (上海驪宸私募基金管理有限公司) (“**Shanghai Lichen**”) and Shanghai Maoyu Enterprise Management

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Partnership (Limited Partnership) (上海懋宇企業管理合夥企業(有限合夥)) (“**Shanghai Maoyu**”) as to 30% and 70%, respectively. Shanghai Lichen is controlled by Mr. Li. Shanghai Maoyu is owned by Mr. Zhou Song (周崧) and Mr. Li as to 70% and 30%, respectively. No limited partner of Elikon RMB Fund I holds 30% or more of the partnership interests therein.

Ace Element Ventures Limited

Ace Element Ventures Limited is a limited liability company incorporated in BVI and is primarily engaged in equity investment and venture capital. It is wholly owned by Zhang Heng, an Independent Third Party.

Huajin Lingshang

Zhuhai Huajin Lingshang Equity Investment Fund LP (珠海華金領尚股權投資基金合夥企業(有限合夥)) (“**Huajin Lingshang**”) is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Huajin Lingshang is Zhuhai Huajin Lingchuang Fund Management Co., Ltd. (珠海華金領創基金管理有限公司), which holds approximately 0.20% of the partnership interest and is an indirect wholly-owned subsidiary of Zhuhai Huajin Capital Co., Ltd. (珠海華金資本股份有限公司) (“**Zhuhai Huajin Capital**”) (000532.SZ). The sole limited partner of Huajin Lingshang is Zhuhai Huajin Alpha 5 Equity Investment Fund Partnership Enterprise (Limited Partnership) (珠海華金阿爾法五號股權投資基金合夥企業(有限合夥)) (“**Huajin Alpha 5**”), which holds approximately 99.80% of the partnership interest. The general partner of Huajin Alpha 5 is Zhuhai Huaying Investment Co., Ltd. (珠海鐸盈投資有限公司), which held 0.05% partnership interest and is wholly owned by Zhuhai Huajin Capital. As of the Latest Practicable Date, the sole limited partner of Huajin Alpha 5 is Zhuhai Huafa Technology Industry Group Co., Ltd. (珠海華發科技產業集團有限公司) (“**Zhuhai Huafa**”), holding 99.95% of the partnership interest. Zhuhai Huafa is owned by Zhuhai Huafa Group Co., Ltd. (珠海華發集團有限公司) as to approximately 85.69% of the equity interest, which is in turn ultimately controlled by the State-owned Assets Supervision and Administration Commission of Zhuhai City (珠海市國有資產監督管理委員會) as to approximately 93.48% of the equity interest.

Zayucel Ltd.

Zayucel Ltd. is a company limited by shares incorporated in BVI on April 10, 1989 and is primarily engaged in public markets, private equity, hedge funds, and direct investments. It is wholly owned by Isocrates Limited, an Independent Third Party, as trustee of The Isocrates Trust.

Excellence Ventures Co., Ltd

Excellence Ventures Co., Ltd (“**Excellence Ventures**”) is a limited liability company incorporated in Seychelles and is primarily engaged in equity investment and venture capital. It is wholly owned by Yi-Chun Lai, an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shanghai Shengcheng

Shanghai Shengcheng is a limited partnership established in the PRC and is primarily engaged in equity investment and venture capital. The general partner of Shanghai Shengcheng is Mr. Wu Aimin (吳愛民), holding approximately 58.00% of the partnership interest and an Independent Third Party. Shanghai Shengcheng had two limited partners, none of them held 30.00% or more as of the Latest Practicable Date.

Individual Investors

Both Hsu Hung-chao (徐紅照) and Chen Yiting (陳奕婷) are individual investors and Independent Third Parties.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The following table sets out our shareholding structure as of the date of this document and immediately upon the completion of the [REDACTED], assuming the [REDACTED] is not exercised:

Shareholders	Ordinary Shares	Series A Preferred Shares	Series A-1 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date ⁽¹⁾	Aggregate ownership percentage of the Latest Practicable Date ⁽¹⁾	Aggregate ownership percentage upon the completion of the [REDACTED] ⁽¹⁾
Zecogene	23,121,065	—	—	—	—	23,121,065	19.78%	[REDACTED]
Ecoforest	18,919,464	—	—	—	—	18,919,464	16.18%	[REDACTED]
JFSE	1,905,930	—	—	—	—	1,905,930	1.63%	[REDACTED]
Yansun	1,361,215	—	—	—	—	1,361,215	1.16%	[REDACTED]
Jianyi Capital	—	8,104,697	3,316,380	—	—	11,421,077	9.77%	[REDACTED]
Sinopharm Innovation	—	8,104,697	—	—	—	8,104,697	6.93%	[REDACTED]
Sinopharm Zhongsheng	—	—	3,316,380	—	—	3,316,380	2.84%	[REDACTED]
Med-Fine Capital	—	6,393,990	—	—	—	6,393,990	5.47%	[REDACTED]
Shanghai Qingxi	—	3,146,988	—	—	—	3,146,988	2.69%	[REDACTED]
Shanghai Yaotun	—	2,326,145	—	—	—	2,326,145	1.99%	[REDACTED]
Shanghai Yaocheng	—	920,857	—	—	—	920,857	0.79%	[REDACTED]
TF Capital	—	4,476,108	—	—	—	4,476,108	3.83%	[REDACTED]
TF ECG Limited	—	1,918,518	—	—	—	1,918,518	1.64%	[REDACTED]
Magic Ace Holdings Limited	—	2,557,590	—	—	—	2,557,590	2.19%	[REDACTED]
Sage Partners Alpha 1 L.P.	—	4,556,663	—	—	—	4,556,663	3.90%	[REDACTED]
Chen Yiting (陳奕婷)	—	126,610	—	—	—	126,610	0.11%	[REDACTED]
Hangzhou AstraZeneca-CICC	—	1,095,440	1,795,049	—	—	2,890,489	2.47%	[REDACTED]
Shanghai New Alliance	—	822,432	—	4,092,926	—	4,915,358	4.20%	[REDACTED]
Delos Capital Fund II, LP	—	—	4,366,508	1,350,895	—	5,717,403	4.89%	[REDACTED]
Oriza	—	—	3,557,964	691,840	—	4,249,804	3.63%	[REDACTED]
Oriza Seed III	—	—	3,557,964	—	—	3,557,964	3.04%	[REDACTED]
Rudong Fuhai	—	—	—	691,840	—	691,840	0.59%	[REDACTED]

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Ordinary Shares	Series A Preferred Shares	Series A-1 Preferred Shares	Series B Preferred Shares	Series C Preferred Shares	Aggregate number of Shares as of the Latest Practicable Date ⁽¹⁾	Aggregate ownership percentage as of the Latest Practicable Date ⁽¹⁾	Aggregate ownership percentage upon the completion of the [REDACTED] ⁽¹⁾
Nanjing Tsing Song	—	—	3,342,910	511,616	—	3,854,526	3.30%	[REDACTED]
Suzhou Huagai	—	—	3,342,910	—	—	3,342,910	2.86%	[REDACTED]
Shanghai Shengcheng	—	—	26,530	—	—	26,530	0.02%	[REDACTED]
Elikon Venture	—	—	262,518	1,092,106	—	1,354,624	1.16%	[REDACTED]
El Zhu Holding Limited	—	—	131,259	546,053	—	677,312	0.58%	[REDACTED]
El Yuan Holding Limited	—	—	131,259	546,053	—	677,312	0.58%	[REDACTED]
Ace Element Ventures Limited	—	—	307,363	80,641	—	388,004	0.33%	[REDACTED]
Excellence Ventures Co., Ltd	—	—	131,259	34,437	—	165,696	0.14%	[REDACTED]
Hsu Hung-chao (徐紅照)	—	—	782,452	—	—	782,452	0.67%	[REDACTED]
Zayucel Ltd.	—	—	497,087	331,391	—	828,478	0.71%	[REDACTED]
Zhangjiang Healthcare	—	—	—	4,092,926	—	4,092,926	3.50%	[REDACTED]
Guangzhou Yufu	—	—	—	2,046,463	—	2,046,463	1.75%	[REDACTED]
Huajin Lingshang	—	—	—	1,023,231	—	1,023,231	0.88%	[REDACTED]
Superpower Investments Ltd.	—	—	—	3,069,695	—	3,069,695	2.63%	[REDACTED]
AstraZeneca UK Limited	—	—	—	—	5,868,430	5,868,430	5.02%	[REDACTED]
Total	45,307,674	25,575,940	21,728,930	18,418,167	5,868,430	116,899,141	100.00%	[REDACTED]

Notes:

- (1) All the Preferred Shares will be converted into Shares on a one-to-one basis by way of re-designation and re-classification on the [REDACTED].
- (2) For background information of our Pre-[REDACTED] Investors, see “— Pre-[REDACTED] Investments — Information of the Pre-[REDACTED] Investors” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

[REDACTED]

Rule 8.08 of the Listing Rules requires that there must be an open market in the securities for which listing is sought. This will normally mean that for a class of securities new to listing, at least a minimum prescribed percentage of that class of securities must be held by the public at the time of listing. Where the expected market value of the class of securities at the time of listing is over HK\$6,000,000,000 but not exceeding HK\$30,000,000,000, the minimum prescribed percentage is determined at the higher of: (i) the percentage that would result in the expected market value of such securities held by the public to be HK\$1,500,000,000 at the time of listing; and (ii) 15%.

Assuming the [REDACTED] is not exercised, (i) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the low end of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED] million, and the minimum prescribed [REDACTED] percentage applicable to our Shares is [REDACTED]%;

(ii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED] million, and the minimum prescribed [REDACTED] percentage applicable to our Shares is [REDACTED]%;

and (iii) based on an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the top end of the [REDACTED]), our expected market capitalization upon the [REDACTED] is HK\$[REDACTED] million, and the minimum prescribed [REDACTED] percentage applicable to our Shares is [REDACTED]%.

Upon completion of the [REDACTED], save for Zeccogene, JFSE and Eccoforest which will hold [REDACTED]% of the total number of issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), all existing Shareholders will not be core connected person of our Company. Details of the Shareholders are set out below:

- (a) Since Dr. Zhou and Dr. Xu are our executive Directors and have been acting in concert pursuant to the AIC Agreement, the total of 25,026,995 Shares held by Dr. Zhou and Dr. Xu, representing an aggregate of approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming the [REDACTED] will not be exercised), will not be counted towards the [REDACTED].
- (b) Since Eccoforest is our substantial Shareholder and ESOP Platform, the total of 18,919,464 Shares held by Eccoforest, representing an aggregate of approximately [REDACTED]% of our total issued Shares upon the completion of the [REDACTED] (assuming the [REDACTED] will not be exercised), will not be counted towards the [REDACTED].

Accordingly, the Shares held by our existing Shareholders other than Zeccogene, JFSE and Eccoforest shall be counted towards the [REDACTED] of our Company.

Based on the above, it is expected that immediately following completion of the [REDACTED], the total number of Shares held by the public will represent [REDACTED]% of the total number of issued Shares upon the [REDACTED] (assuming all of the [REDACTED] will be issued to public Shareholders and the [REDACTED] will not be exercised). Accordingly, our Company will satisfy the [REDACTED] requirement under Rule 8.08 of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

[REDACTED]

Rule 8.08A of the Listing Rules requires that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon listing. This will normally mean that the portion of shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must (a) represent at least 10% of the total number of issued shares in that class to shares for which listing is sought (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

On the basis that (i) no [REDACTED] will be allocated under the [REDACTED] to any core connected person of our Company or person which is not regarded as a member of the public under Rule 8.24 of the Listing Rules and (ii) all Shares to be [REDACTED] to the [REDACTED] (if any) are excluded for the purpose of satisfying the [REDACTED] requirement (assuming the [REDACTED] is not exercised) and based on the low-end of our [REDACTED] of HK\$[REDACTED], upon completion of the [REDACTED], it is expected that [REDACTED] Shares, representing [REDACTED]% of the total number of issued Shares with an expected market value of HK\$[REDACTED] million, will be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) at the time of [REDACTED]. Accordingly, we will satisfy the [REDACTED] requirement under Rule 8.08A of the Listing Rules.

PRC LEGAL COMPLIANCE

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures, which came into effect on March 31, 2023. Pursuant to the Trial Measures, domestic companies that seek to list overseas, both directly and indirectly, should fulfill the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect overseas offering and listing by a domestic enterprise: (1) any of the total assets, net assets, revenue or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer’s audited consolidated financial statements for the same period; and (2) its major operational activities are carried out in China or its main places of business are located in China, or a majority of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in China. The filing is required to be conducted within three business days after the submission of the application for initial public offering overseas to the overseas regulators. Our PRC Legal Advisor is of the view that this [REDACTED] shall be deemed as an indirect overseas [REDACTED] and [REDACTED] by PRC domestic enterprise, and we are required to submit filings with the CSRC within three business days after we submit application for this [REDACTED]. We will file with the CSRC within the specific time limit as required by the Overseas Listing Trial Measures in a timely manner. For details, see “Regulatory Overview — Laws and Regulations on Overseas Listing.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Circular 37

Pursuant to the Circular on Relevant Issues Concerning the Foreign Exchange Administration of the Overseas Investment and Financing and the Round-Tripping Investment Made by Domestic Residents through Special-Purpose Vehicles (《國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》), or the Circular 37, promulgated and implemented by SAFE on July 4, 2014, a special purpose vehicle refers to an overseas enterprise directly established or indirectly controlled by a domestic resident (including domestic institutions and domestic individual residents) for the purpose of investment and financing by utilizing the domestic corporate assets or interests or overseas assets or interests he/she/it legally holds. A domestic resident shall apply to the SAFE for foreign exchange registration of overseas investments before investing the domestic or overseas legal assets or interests into a special purpose vehicle. Where a domestic resident invests legally owned domestic assets or interests into a special purpose vehicle, he/she/it shall apply for registration to the local SAFE branch at the place of incorporation or where the domestic corporate assets or interests are located. Where a domestic resident invests legally owned overseas assets or interests into a special purpose vehicle, he/she/it shall apply for registration to the local SAFE branch at the place of incorporation or household registration. Following the initial registration, the domestic resident is also required to register with the local SAFE branch for any major change in respect of the special purpose vehicle, including, among other things, a change of the domestic individual shareholder(s) of the special purpose vehicle, the name and the terms of operation of the special purpose vehicle, or any increase or reduction of the capital of the special purpose vehicle, share transfer or swap by domestic resident, and merger or division. Pursuant to Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the Notice on Further Simplifying and Improving Policies for the Foreign Exchange Administration Policies in Respect of Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), or the Circular 13, which became effective on June 1, 2015 and amended on December 30, 2019, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

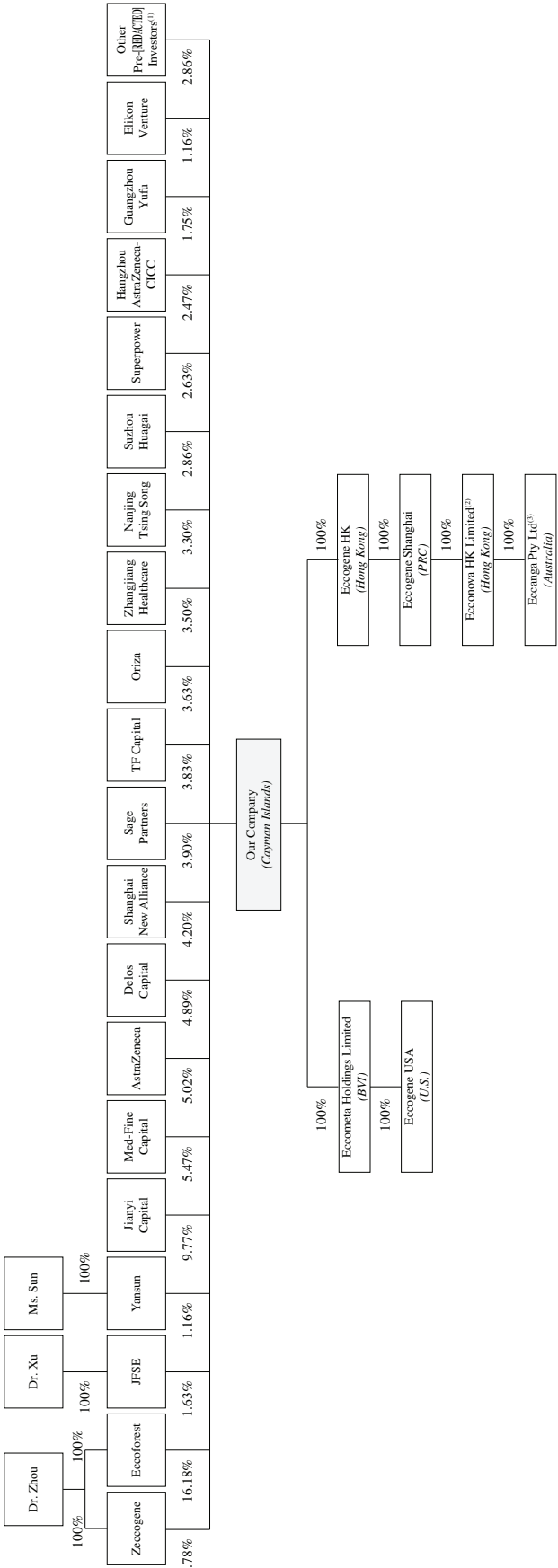
As advised by our PRC Legal Advisor, each of Dr. Xu and Ms. Sun has respectively completed the required initial registration with the local SAFE branch pursuant to the Circular 37 as of the Latest Practicable Date.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate Structure Immediately Before Completion of the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED], assuming all of the Preferred Shares have been converted to Ordinary Shares on a one-to-one basis:



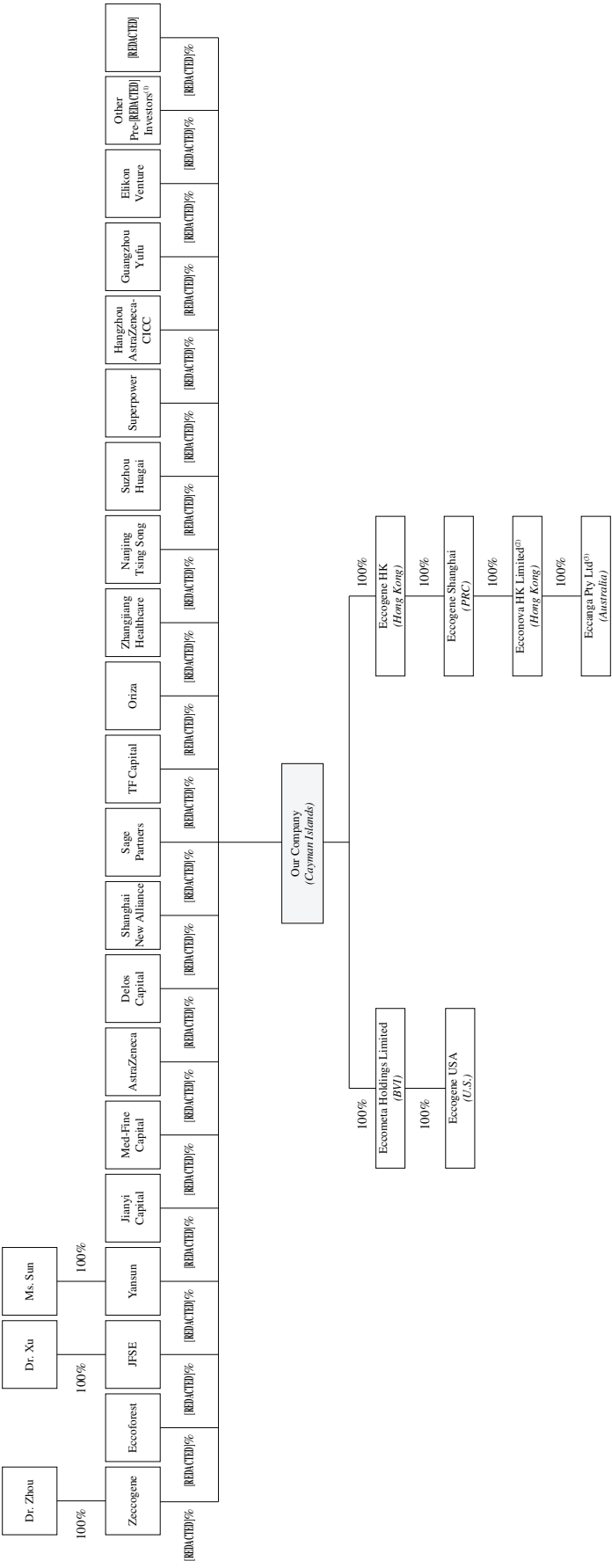
Notes:

- (1) For information in relation to other Pre-[REDACTED] Investors, please refer to the section headed “Information of the Pre-[REDACTED] Investors.”
- (2) As of the Latest Practicable Date, Econova HK Limited is in the process of deregistration as it is not engaged in any business operation.
- (3) As of the Latest Practicable Date, Eccanga Pty Ltd is in the process of deregistration as it is not engaged in any business operation.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate Structure Immediately Following the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Group immediately following the completion of the [REDACTED], assuming (i) all of the Preferred Shares have been converted to Ordinary Shares on a one-to-one basis; and (ii) the [REDACTED] is not exercised:



Note:

(1) Please refer to notes (1) to (3) in the section headed “— Corporate Structure Immediately Before Completion of the [REDACTED].”

BUSINESS

OVERVIEW

We are a global clinical-stage biotechnology company and an industry trailblazer dedicated to discovering and developing oral small molecule medicines to address significant unmet medical needs in cardiometabolic diseases and inflammatory disorders worldwide.

We leveraged our proprietary TRANDD platform and deep expertise in medicinal chemistry to build a diversified pipeline of differentiated clinical assets that address large, underserved patient population suffering from weight management issues (including obesity and overweight), T2D, MASH and related comorbidities. Our R&D efforts and strategies are anchored in four pillars:

- ***A clinical pipeline comprising assets with differentiated profile and combination potential addressing significant unmet needs.*** Within just four years of beginning our oral small molecule programs, we have advanced three oral small molecule programs into clinical development, reflecting our rapid innovation and execution. Each of our clinical assets is purposely engineered to deliver targeted treatment while unlocking broad therapeutic opportunities across cardiometabolic diseases and inflammatory disorders. Our pipeline includes ECC5004, a potential best-in-class and second to global market, oral small molecule GLP-1RA; ECC4703, an oral small molecule liver targeting THR- β full agonist with potential to be the best-in-class and second to enter global market for MASH and first-in-class for weight management, and ECC0509, a potential first-in-class SSAO/VAP-1 inhibitor for OA pain. These assets are being developed for major indications including weight management, T2D, MASH and/or OA pain, underscoring our commitment to delivering novel therapies with global impact. Moreover, our therapies can be combined in different ways to tackle the multifaceted challenges of cardiometabolic diseases and inflammatory disorders.
- ***A purpose-built translational research engine.*** Our proprietary TRANDD platform enables us to (i) select therapeutically relevant targets, (ii) refine and develop TPP, (iii) prioritize promising chemical scaffold, (iv) identify novel indications to maximize potential clinical impact, (v) design efficient, data-driven early clinical trials and (vi) select relevant translational biomarkers and determine patient stratification strategies to guide rapid, evidence-based decision-making throughout clinical development.
- ***A strategic global partnership.*** In November 2023, we entered into the AstraZeneca Agreement for ECC5004. Under this agreement, we granted AstraZeneca the exclusive global rights for the development and commercialization of ECC5004 for any indication in all territories except the Greater China, where we retained co-development and co-commercialization rights. The agreement includes a US\$185 million upfront payment (which has been paid to us), and up to US\$1.825 billion in development and commercial milestone payments (of which US\$60 million has been paid to us), as well as high-single to mid-teens tiered royalties on annual net sales outside of Greater China, making it the largest licensing transaction in the oral GLP-1RA space globally in terms of upfront payment, according to Frost & Sullivan. This collaboration provides us with material funding to support our

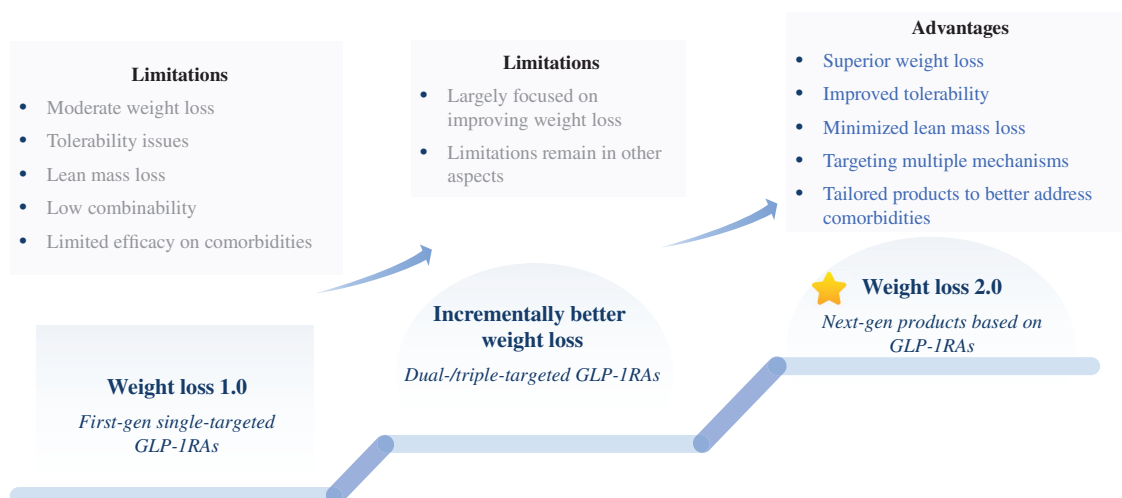
BUSINESS

ongoing research, development and pipeline expansion. By joining forces with AstraZeneca, we intend to accelerate the worldwide development of ECC5004 and promote broad patient access.

- **A mission-driven team.** Founded in 2018, our mission-driven leadership team combines decades of experience in disease biology, medicinal chemistry, global drug development and life-sciences capital markets. We are committed to our mission to improve patient care and expand patients’ access to innovative, effective and affordable therapies. We believe that the successful execution of our strategy will enable us to deliver meaningful clinical benefits to patients while creating sustainable value for our shareholders.

Our Approach

We aim to become a global leader in developing next-generation oral small molecule therapies targeting cardiometabolic diseases and inflammatory disorders. Our approach is guided by clear market needs, particularly the high prevalence and overlap of weight management issues, T2D, MASH and related conditions, which often occur together, presenting complex patient profiles that current therapies do not adequately address. Recognizing the growing demand behind these overlapping conditions, we have centered our approach on providing more effective and accessible solutions that can address the multifaceted needs of diverse patient populations, with a focus on innovative weight management therapies. Our “weight loss 2.0 solutions” are designed to achieve superior weight loss, improved tolerability, minimized lean mass loss and tailored profile targeting distinct comorbidities. Specifically, we have developed an oral small molecule GLP-1RA, ECC5004, as a monotherapy and a backbone that can be combined with other oral therapeutic agents. In addition, we offer a diversified pipeline of oral small molecules with complementary mechanisms, such as ECC4703 (THR-β full agonist) and ECC0509 (SSAO inhibitor), which can be combined with GLP-1RA to unlock their full potential.



Source: Company

BUSINESS

Oral small molecules provide the following advantages: solutions potentially no food effect, the ability to engage targets that other modalities cannot easily reach, broad accessibility without cold-chain supply issues, co-formulation and combination therapy opportunities, and stronger adherence. We adopt both monotherapy and combination therapy approaches to fully realize the potential of GLP-1 based therapy.

Our Product Pipeline

Our product development strategy is designed to deliver meaningful impact for broad patient populations while capturing strong commercial potential. This strategy is guided by four key principles:

- ***Focus on cardiometabolic diseases and inflammatory disorders.*** We are dedicated to developing best-in-class or first-in-class medicines for weight management, T2D and MASH and associated comorbidities, where unmet medical needs and rising global prevalence create significant opportunities for impactful innovation.
- ***Oral solutions for chronic diseases.*** Our pipeline emphasizes oral therapeutics to improve long-term patient adherence and accessibility, addressing the challenges of managing chronic conditions and supporting sustained treatment outcomes.
- ***Differentiated profile guided by TRANDD platform.*** We leverage our proprietary TRANDD platform to guide the development of TPP, ensuring that each asset is distinguished by differentiated efficacy, safety and modality selection.
- ***Combination therapy potential — a pipeline within a pipeline.*** Each of our programs is developed as a monotherapy and in combination therapy, establishing a pipeline within a pipeline that supports treatment strategies to target multiple aspects of cardiometabolic diseases and/or inflammatory disorders. This approach reflects the strength of our programs, designed to drive synergy, enable innovative combinations and expand therapeutic opportunities across both cardiometabolic diseases and inflammatory disorders.

BUSINESS

Based on the four key principles discussed above, we are advancing a globally competitive pipeline of clinical and preclinical assets. Our pipeline demonstrates the continuous advancement of our TRANDD platform and its ability to facilitate drug discovery and development programs and expand the scope of clinical applications.

- ***ECC5004 — Our Key Product, an oral small molecule GLP-1RA targeted for weight management and T2D that is potentially best-in-class and second to global market:*** ECC5004 has completed Phase I trial in both healthy participants and patients with T2D in the United States with the clinical study report in March 2024, and the Phase I trial in healthy participants under fasted and fed conditions in the United States in March 2024. ECC5004 is currently being advanced through two global multi-center Phase IIb trials, i.e. SOLSTICE trial in patients with T2D and VISTA trial in adults with obesity/overweight with at least one comorbidity. In addition, a Phase Ib bridging trial is ongoing in China, which we believe is essential for meeting local regulatory requirements. These Phase IIb trials and Phase Ib bridging trial are all expected to be completed in the fourth quarter of 2025.
- ***ECC4703 — Our Core Product, a liver targeting THR- β full agonist with best-in-class and second to global market for MASH and first-in-class for weight management potential:*** ECC4703 has completed Phase I trial as a monotherapy in healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL in the United States in October 2023. In China, we completed the Phase I trial of ECC4703 in healthy participants as a monotherapy in April 2024. We received the IND approval from the FDA for the Phase IIa trial of ECC4703 as a monotherapy and in combination with ECC0509 for MASH in October 2025, and expect to initiate the trial in the fourth quarter of 2025. We also plan to conduct a Phase IIa trial of ECC4703 in combination with GLP-1RA in 2026.
- ***ECC0509 — Our Key Product, an oral inhibitor of SSAO with first-in-class potential:*** We have completed the Phase I trial of ECC0509 as a monotherapy in healthy participants in March 2024. We have received the IND approval for the Phase IIa trial of ECC0509 as a monotherapy and in combination with ECC4703 for MASH in October 2025, and expect to initiate the trial in the fourth quarter of 2025. We have also received the IND approval for ECC0509’s Phase II trial for OA pain in April 2025.
- ***Preclinical programs of oral small molecules with first-in-class potential — GIPR modulator and Amylin receptor agonist programs:*** Our GIPR modulator and Amylin receptor programs are aimed at developing next-generation therapies to treat a range of cardiometabolic disorders, including obesity/overweight and T2D. Importantly, such compounds have the potential to be used in combination with our other assets in the pipeline to achieve synergistic effects and enhanced therapeutic efficacy.

BUSINESS

The following pipeline chart provides an overview of our current programs.

Program	Modality	Target	Indications	Mono/ Combo	Preclinical	Phase I / Ib	Phase II / IIb	Phase III	Trial Sponsor	Trial Location	Expected Milestones	Commercial Rights	Partner
Clinical-stage programs													
ECC5004	Oral small molecule	GLP-1R	T2D	Mono					AstraZeneca	Global	Trial completion: Q4 2025	Co-commercialize in Greater China	⁽²⁾ AstraZeneca
			Weight Management	Mono				AstraZeneca	Global	Trial completion: Q4 2025			
				Mono					ECCOGENE	China	Trial completion: Q4 2025		
ECC4703	Oral small molecule	THRβ	MASH	Mono / + ECC0509					ECCOGENE	Global	Phase II First Patient In: Q4 2025	Global	
			Weight Management	+ GLP-1RA					ECCOGENE	Global	IND submission: 2026		
ECC0509	Oral small molecule	SSAO (VAP1)	OA Pain	Mono					ECCOGENE	Global	Phase II initiation: 2027	Global	
			MASH	Mono / + ECC4703				ECCOGENE	Global	Phase II First Patient In: Q4 2025			
Preclinical programs													
GIP Program	Oral small molecule	GIPR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
Amylin Program	Oral small molecule	AmylinR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
										Core Product		Key Product	

Notes:

- (1) This is a Phase Ib bridging trial that is expected to be completed in the fourth quarter of 2025, and lead to Phase III trial in China.
- (2) ECC5004 may be developed with AstraZeneca’s SGLT2 inhibitor and oral PCSK9 inhibitor.
- (3) We plan to initiate a Phase II trial for combination therapies of ECC4703 with GLP-1RA.

BUSINESS

Our R&D Platform

We have developed our proprietary TRANDD platform, purpose-built to guide decision-making and prioritization across key elements of preclinical and clinical development programs targeting cardiometabolic diseases and inflammatory disorders. TRANDD platform integrates deep expertise in translational medicine and oral small molecule development, enabling us to efficiently advance differentiated therapies for underserved patient populations.

- *Target selection and validation.* We prioritize clinically validated targets with strong translational relevance, such as GLP-1 receptor, THR- β , GIPR and Amylin receptor, for cardiometabolic diseases. For novel mechanisms, we rely on our deep disease biology expertise to expand to innovative and scientifically supported targets.
- *Refinement and development of TPP.* We design and refine target product profiles to address unmet needs in cardiometabolic diseases and inflammatory disorders, integrating translational insights to differentiate drug candidates in designs and capture commercial potential.
- *Analysis and prioritization of chemical scaffold.* We compare chemical scaffolds to select those with optimal drug-like properties and potential to achieve desirable product profiles, advancing drug candidates with the best therapeutic potential.
- *Novel indication selection.* We use mechanistic understanding and biomarkers to identify new indications, broadening treatment opportunities and increasing potential clinical impact.
- *Design of early clinical trials.* Our early clinical trials incorporate biomarker endpoints to efficiently test proof-of-mechanism and differentiation hypotheses, enabling faster and informed decisions.
- *Determination of biomarkers and patient stratification.* We select mechanism-specific and disease-relevant biomarkers to confirm target engagement and de-risk clinical translation, as well as stratify patients who are most likely to benefit, supporting early go/no-go decisions and improving resource allocation.

In addition to our TRANDD platform, our medicinal chemistry capabilities focus on the rational design of oral small molecules, optimizing potency, selectivity, safety, pharmacokinetics, and manufacturability to produce compounds suitable for long-term use in broad populations. Leveraging TRANDD platform and our medicinal chemistry know-how, we have advanced a robust pipeline of oral small molecules for cardiometabolic diseases and inflammatory disorders, including three high-quality clinical programs with differentiated profiles that have the potential to address significant unmet medical needs.

BUSINESS

OUR STRENGTHS

An Industry Trailblazer Advancing the Next-Generation Oral Small Molecule Solutions for Cardiometabolic Diseases and Inflammatory Disorders

We are a frontrunner in the global advancement of GLP-1 based therapies, with a robust pipeline of next-generation oral small molecules targeting cardiometabolic diseases and inflammatory disorders, including weight management, T2D, MASH and their associated comorbidities. Within just four years of beginning our oral small molecule programs, we have advanced three drug candidates into clinical development, reflecting our rapid innovation and execution capabilities. Our foresight to focus on oral small molecule solutions, combined with our proprietary TRANDD platform and deep medicinal chemistry expertise, has positioned us at the forefront of this rapidly evolving field. Our leadership is further supported by a global collaboration and licensing agreement with AstraZeneca, with whom we are working collaboratively to deliver on our mission.

GLP-1 based therapies, particularly GLP-1RAs, have transformed T2D and weight management and are rapidly evolving from monotherapy to combinations with complementary mechanisms, expanding into broader cardiometabolic disease. The GLP-1 based therapy market increased from US\$13.2 billion in 2020 to US\$72.1 billion in 2024 and is expected to US\$246.5 billion in 2029 and US\$415.8 billion by 2034. The existing approved GLP-1RAs face a number of limitations, including usage and handling requirements, and cold-chain logistics limiting uptake and adherence. Within oral options, small molecules offer distinct advantages over peptides, such as higher bioavailability, no strict food-related dosing constraints, less supply chain constraints, and easier co-formulation. As a result, oral GLP-1RAs are poised to reshape the landscape and capture over 30% of the market by 2034 as compared to approximately 6% in 2024, according to Frost & Sullivan. Given these benefits and limitations of oral peptides, oral small-molecule GLP-1RAs are better suited for real-world use, positioning ECC5004 to capitalize on this shift and support future oral combination regimens across cardiometabolic diseases.

We believe we are very well positioned in this vast and fast-growing market, led by our advanced oral small molecule GLP-1RA, ECC5004. As of the Latest Practicable Date, ECC5004 is expected to be the potentially best-in-class and second to global market, according to Frost & Sullivan. Our careful selection of a superior chemical scaffold through our TRANDD platform has resulted in a molecule with high *in vivo* potency, high bioavailability, dose-dependent exposure, a long half-life, and no food effect, based on the available data so far. In the completed phase 1 trial, ECC5004 has also demonstrated a favorable tolerability profile, a critical factor for the successful development of oral GLP-1RA therapies.

Through our vision, technical strength and strategic partnership, we are trailblazing the next generation of oral small molecule solutions to potentially address the evolving needs of patients with cardiometabolic diseases and inflammatory disorders worldwide.

BUSINESS

A Globally Competitive Pipeline for Mono and Combination Therapies to Unlock the Full Potential of GLP-1 Based Therapy

With extensive expertise in disease biology and translational research, we have built a robust and diverse pipeline, including both clinical and preclinical assets. In addition to developing monotherapies, we are dedicated to creating innovative combination therapies to address the complex nature of cardiometabolic diseases and inflammatory disorders and deliver transformative outcomes for patients worldwide. To date, we have successfully discovered and developed three clinical-stage oral small molecule assets, namely, ECC5004, ECC4703 and ECC0509, each designed to address key unmet needs in cardiometabolic diseases and/or inflammatory disorders, and each with significant potential for use in combination regimens.

- ***ECC5004, Our Key Product, highly differentiated oral small molecule GLP-1RA with best-in-class and second to global market potential.*** ECC5004 is our lead asset and represents a highly differentiated oral small molecule GLP-1RA with the potential to set a new standard in its class. ECC5004’s pharmacokinetic profile is optimized for convenient, once-daily dosing, with an extended half-life that supports this regimen and no clinically meaningful food effect, as demonstrated in its Phase I trials, allowing administration with or without regard to meals. The compound demonstrates dose-dependent increases in drug exposure and exhibits high oral bioavailability (approximately 90%), while the only currently approved oral GLP-1RA, Rybelsus, has the bioavailability of 0.4%-1.0% and requires a fasting state, and Orforglipron has bioavailability from 20% to 40% based on reported preclinical animal model. According to Frost & Sullivan, high bioavailability provides greater dosing flexibility and allow optimal absorption to provide more consistent therapeutic effects.

According to Frost & Sullivan, the current scaffold types for oral GLP-1RAs can be generally categorized into two classes, Scaffold A and Scaffold B. ECC5004 belongs Scaffold A class of oral GLP-1RAs, which is more amenable to the design and creation of drug molecules with favorable safety profile and good drug-like properties, offering a lower risk of toxicity issues compared to Scaffold B, according to Frost & Sullivan. In contrast, compounds from Scaffold B class, such as Danuglipron and Lotiglipron, were discontinued due to liver-related safety concerns, in April 2025, and June 2023, respectively.

In the completed Phase I trial with both healthy participants and patients with T2D in the United States, ECC5004 produced strong, dose-dependent reductions in plasma glucose upon glucose challenge during the SAD portion of the trial. In the MAD portion of the trial, patients with T2D in the 50 mg cohort who underwent a titration regimen experienced clinically meaningful weight loss of 5.76% at Day 28. The compound’s safety profile was favorable, with primarily mild to moderate adverse events (“AEs”) and consistent with the GLP-1RA class. See “— Our Pipeline — ECC5004, Our Key Product — Summary of Clinical Trials — Completed Phase I First-in-Human Trial of ECC5004 as Monotherapy in Healthy Participants and in Patients with T2D in the United States” for more details.

BUSINESS

ECC5004’s small molecule modality enables flexible co-formulation with other oral agents, such as SGLT2 inhibitors and oral PCSK9 inhibitors, supporting individualized, multi-target treatment strategies for weight management, T2D and related cardiometabolic comorbidities. Additionally, ECC5004’s oral route of administration eliminates the need for injections and offers greater patient convenience, adherence and access.

Pursuant to the AstraZeneca Agreement, we granted AstraZeneca the global rights (excluding Greater China) to develop and commercialize ECC5004. We retained the right to co-development and co-commercialization in Greater China, enabling us to maximize the asset’s commercial potential. ECC5004 is currently being evaluated in two global Phase IIB trials in T2D and in obesity/overweight.

- ***ECC4703: Our Core Product, oral small molecule THR-β full agonist with potential to be best-in-class and second to global market for MASH and first-in-class for weight management.*** ECC4703 is our Core Product, an oral small molecule liver-targeting, selective THR-β full agonist. Unlike partial THR-β agonists which demonstrate only moderate effects on lipid lowering, hepatic fat reduction and fibrosis improvement, ECC4703 is a THRβ full agonist. This confers enhanced pharmacological potency, supporting potentially greater efficacy in reducing circulating atherogenic lipids and improving hepatic steatosis, inflammation, and fibrosis in MASH. According to Frost & Sullivan, ECC4703 has the potential to become best-in-class and second-to-global market for MASH and first-in-class for weight management.

In the completed Phase I trial of ECC4703 as a monotherapy in healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL in the United States, it has shown robust pharmacodynamic changes, including a 30% to 45% placebo-adjusted reduction in LDL-C, at 40 mg and 80 mg doses, substantially outperforming other agents in its class, including Rezdiffra, VK2809 (Phase IIB dose), and Tern-501, which achieved only 15-27%, based on reported data and not head-to-head trial results, according to Frost & Sullivan. In the same Phase I trial, ECC4703 has shown a favorable safety and tolerability profile, with no Grade ≥3 treatment-related adverse events (“**TRAE**”), limited gastrointestinal or cardiac side effects, and no pruritus, supporting its suitability for combination use. We obtained the IND approval for Phase IIa trial of ECC4703 as monotherapy and in combination with ECC0509 for MASH from the FDA in October 2025. We expect to initiate the trial in the fourth quarter of 2025. Additionally, ECC4703 can be combined with GLP-1RAs for weight management, where preclinical models have shown greater weight loss than GLP-1RAs alone, driven primarily by fat mass reduction with minimized lean mass loss. We plan to conduct a Phase IIa trial of ECC4703 in combination with a GLP-1RA in 2026.

BUSINESS

- ***ECC0509: Our Key Product, an oral inhibitor of SSAO with first-in-class potential.*** ECC0509 is an oral small molecule SSAO inhibitor with first-in-class potential for OA pain, according to Frost & Sullivan. It has demonstrated dose-dependent pain relief in OA models and robust pharmacodynamic effects in humans, including sustained SSAO inhibition and methylamine accumulation. ECC0509’s versatile combination potential is being explored in MASH in combination with ECC4703 to address both metabolic and inflammatory drivers of disease, and ECC0509 could treat OA pain as monotherapy or in combination with GLP-1RA for enhanced efficacy in obese or overweight patients with joint pain.

Our clinical development strategy emphasizes phase-appropriate evaluation of combination potential. By leveraging the complementary mechanisms of our assets, we aim to address the complex biology underlying cardiometabolic diseases and inflammatory disorders. Key potential combination regimens include:

- ***THR- β agonist (ECC4703) + SSAO inhibitor (ECC0509) for MASH.*** This combination aims to address both the metabolic and fibrotic components of MASH. ECC4703, a THR- β full agonist, targets hepatic lipid metabolism and fibrosis, while ECC0509, an SSAO inhibitor, targets inflammation and fibrosis. The combination is designed to unite complementary mechanisms — THR- β -driven reductions in hepatic steatosis and atherogenic lipids with ECC0509’s inhibition of SSAO-mediated leukocyte trafficking and oxidative injury — to target the inflammation-fibrosis axis that persists despite metabolic correction;
- ***THR- β agonist (ECC4703) + GLP-1RA for weight management.*** Combining a THR- β agonist with a GLP-1RA leverages complementary mechanisms to potentially deliver better weight loss. ECC4703 is aimed at fat mass reduction and improvement of lipid metabolism, while GLP-1RA act via appetite suppression and delayed gastric emptying, leading to improved glycemic control and sustained weight loss. Preclinical data suggest this combination may result in greater weight loss, minimized lean mass loss and improved metabolic parameters than GLP-1RA monotherapy alone, addressing the complex needs of patients with cardiometabolic diseases;
- ***SSAO inhibitor (ECC0509) + GLP-1RA for OA pain.*** ECC0509, as a SSAO inhibitor, has demonstrated efficacy in reducing OA pain in preclinical models. A GLP-1RA has shown benefits for the treatment of OA pain. The combination of SSAO inhibitor (ECC0509) with GLP-1RA may provide synergistic effects, offering enhanced pain relief, particularly in obese or overweight patients with joint pain; and
- ***GLP-1RA (ECC5004) in combination with SGLT2 inhibitor or oral PCSK9 inhibitor.*** ECC5004 has the potential to be combined with other oral therapies such as SGLT2 inhibitors and PCSK9 inhibitors. This approach targets glycemic control, weight management and lipid lowering, addressing a broader spectrum of cardiometabolic risk factors. In partnership with AstraZeneca, we aim to develop combination regimens that can be tailored to individual patient profiles, potentially improving outcomes and expanding the therapeutic reach of oral GLP-1RA based treatments.

BUSINESS

Beyond our clinical-stage assets, we have developed a globally competitive pipeline of preclinical programs, including oral small molecule GIPR modulator and Amylin receptor agonist. These early-stage assets are a testament to the depth and strength of our pipeline uniquely supported by our TRANDD platform. Our vision is to continue to leverage our platform to deliver world-class, first- and/or best-in-class therapies that address significant unmet needs in cardiometabolic diseases and inflammatory disorders.

An Innovative R&D Powerhouse Anchored by Deep Expertise in Translational Research and Proven Execution Capabilities

We have established our TRANDD platform that sits at the core of our discovery and development efforts and underpins every stage of our pipeline. Drawing on our years of collective experience and knowledge in translational medicine and cardiometabolic biology, TRANDD platform seamlessly links front-end target biology with the back-end clinical translation. Within only four years of beginning our oral small molecule programs, this platform enabled us to conceive, design and progress three key assets, GLP-1RA (ECC5004), THR- β agonist (ECC4703) and SSAO inhibitor (ECC0509) — from inception to clinical-stage, providing compelling proof of the platform’s productivity.

Our TRANDD platform integrates a comprehensive set of translational research capabilities built on core strengths in the following:

- ***Target selection and validation.*** We prioritize mechanisms with strong human genetic evidence or clinical precedent, such as GLP-1 receptor and THR- β , which have already demonstrated therapeutic utility in cardiometabolic diseases and inflammatory disorders. By grounding our discovery decisions in targets that possess clear, translatable biology, we lower scientific risk while retaining ample room for pharmacological differentiation.
- ***Refinement and development of TPP.*** We view the disciplined determination and refinement of TPP as equally important. At the inception of programs, cross-functional teams benchmark the current standard of care, quantify unmet medical needs, and integrate physician, payer and regulatory insights to define clinical and commercial objectives. These TPPs provide pragmatic guidance for medicine-chemistry optimization, non-clinical strategy and early-phase design.
- ***Analysis and prioritization of chemical scaffold.*** Our translational understanding allows us to compare different chemical scaffolds and select those with optimal drug-like properties and potential to achieve desirable product profiles. For oral small molecule GLP-1RA program, we deliberately selected a chemical scaffold that is more amenable to the design and creation of drug molecules with a favorable safety profile and drug-like properties, offering a lower risk of toxicity issues.

BUSINESS

- ***Novel indication selection.*** Our approach to indication selection is grounded from a deep understanding of disease biology and mechanistic relevance. We leverage reasonable preclinical models to generate new therapeutic hypothesis, with focusing on mechanistic translation to human diseases. For example, the combination of GLP-1RA and THR- β full agonist (ECC4703) has demonstrated a profound additional weight loss and muscle-sparing effects compared to GLP-1RA monotherapies in animal models. These compelling results have informed us of an important therapeutic opportunity for weight management by GLP-1 receptor and THR- β combination. These insights, derived from both mechanistic understanding and animal model data, inform our clinical trial design and support our strategy for indication expansion.
- ***Design of early clinical trials.*** We design adaptive, biomarker-enriched protocols that generate high-quality pharmacokinetic and pharmacodynamic data, including dose-ranging insights critical for informing later-phase trial design. These protocols are developed in close collaboration with biostatisticians and in accordance with GCP as applicable to ensure scientific integrity and regulatory compliance. Our approach integrates insights from preclinical research, including animal studies, into clinical trial design, enabling a seamless transition from bench to bedside. Coupled with rapid go/no-go decision points, this approach supports efficient resource allocation while upholding the highest standards of scientific rigor.
- ***Determination of biomarkers and patient stratification.*** For each asset, we prospectively nominate translational biomarkers — such as body weight, glucose, and LDL-C — that confirm target engagement, elucidate mechanisms in humans, and serve as predictors of downstream clinical benefit. These readouts provide early proof-of-concept, refine patient selection strategies, and increase confidence that later-phase trials are designed for improved likelihood of success, ultimately helping to shorten the path to pivotal studies. In addition, our translational research enables us to pinpoint patient subgroups most likely to benefit from specific mechanisms of action.

Our TRANDD platform works in conjunction with our expertise in medicinal chemistry expertise to deliver oral small molecule therapeutics. This integrated approach enables the rational design and optimization of compounds, focusing on potency, selectivity, safety, pharmacokinetics, and manufacturability.

Additionally, the scientific creativity unlocked by our TRANDD platform and medicinal chemistry expertise is protected by a layered intellectual-property estate. Our Core Product, ECC5004, and Key Products, ECC4703 and ECC0509, are protected by issued patents whose terms extend to 2040 and beyond, covering the United States, China and other major markets.

BUSINESS

Strategic Global Partnership to Advance Development and Commercialization Efforts

In November 2023, we entered into the AstraZeneca Agreement for our internally developed oral small molecule GLP-1RA, ECC5004. This collaboration represents a major validation of our TRANDD platform and highlights the significant potential of ECC5004 to transform the treatment landscape for weight management and related cardiometabolic diseases. Under the agreement, we granted AstraZeneca exclusive global rights to develop and commercialize ECC5004, except in the Greater China (including mainland China, Hong Kong, Macau and Taiwan). In Greater China, we retain co-development and co-commercialization rights. This structure in Greater China provides us with the opportunity to participate directly in the development and commercialization of ECC5004.

The agreement includes a US\$185 million upfront payment and up to US\$1.825 billion in development and commercial milestone payments, making it the largest licensing transaction in the oral GLP-1RA space globally by upfront payment, according to Frost & Sullivan. We are eligible to receive tiered royalties of high-single to mid-teens percentage of annual net sales outside of Greater China. To date, we have received the US\$185 million upfront payment and US\$60 million in milestone payments from AstraZeneca.

We believe that AstraZeneca is an ideal partner for this collaboration, given its strong commitment to addressing unmet needs in cardiometabolic diseases and its established global leadership in this therapeutic field. AstraZeneca’s cardiometabolic franchise offers compelling opportunities for combination therapies, including its SGLT2 inhibitor and oral PCSK9 inhibitor. In addition, AstraZeneca has announced a planned US\$50 billion investment in United States by 2030 for medicines manufacturing and research and development, including a new facility dedicated to producing drug substances for its innovative weight management and metabolic portfolio, which will include oral small molecule GLP-1RA. Since the inception of our partnership with AstraZeneca, two global Phase IIb trials, VISTA for obesity/overweight and SOLSTICE for T2D, have been initiated and are currently ongoing. Both trials are expected to be completed in the fourth quarter of 2025. These global Phase IIb trials are designed to accelerate readiness for Phase III development, leveraging AstraZeneca’s global development infrastructure. In China, we are the sole sponsor of the ongoing Phase Ib bridging trial and plan to participate in the global Phase III trial (once approved and initiated) as part of the a multiregional clinical trial (“MRCT”), ensuring regional regulatory alignment and smooth integration of China data into the global development program. This approach supports efficient development pathway in Greater China and strengthens the global registration strategy for ECC5004.

BUSINESS

Our partnership with AstraZeneca not only provides global validation for our TRANDD platform and material funding but also gives us the strategic flexibility to build commercial capabilities in Greater China and to advance our extensive pipeline. In addition to our collaboration with AstraZeneca, we are exploring business development opportunities with global pharmaceutical companies and leading biotech firms.

Visionary Management with Deep Scientific Expertise and Industry Insight

We are built on the foundation of visionary founders and propelled by a seasoned executive management team composed of industry-leading experts. Together, our leadership brings a rare combination of scientific excellence, entrepreneurial execution, and global development insight, empowering us to advance transformative oral small molecule therapies for weight management, T2D, MASH and other cardiometabolic diseases and inflammatory disorders.

Our management team is led by co-founder and CEO, Dr. Jingye Zhou, a distinguished scientist and biotech entrepreneur with deep expertise in translational research and small molecule drug discovery. Prior to founding the Company, Dr. Zhou served as the Head of Chemistry at Eli Lilly’s China R&D Center, where he led project teams to identify clinical candidates for the treatment of diabetes and its complications. Under his leadership, Eccogene has built a robust pipeline of next-generation oral therapies and secured a global collaboration and licensing partnership with AstraZeneca. Dr. Zhou’s strategic vision and scientific acumen have been instrumental in positioning us as an industry trailblazer in the next generation GLP-1 based therapy space.

Our scientific research is led by co-founder and CSO, Dr. Jianfeng Xu, who has extensive experience in metabolic disease biology and translational research. Dr. Xu has played a central role in the discovery and development of our three clinical stage assets and continues to drive innovation across our TRANDD platform.

Our clinical development is overseen by our CMO, Dr. Jaikrishna Patel, a seasoned clinical leader with deep expertise in global drug development. Dr. Patel is responsible for the design and execution of our clinical programs, ensuring scientific rigor and regulatory alignment across all stages of development.

Our financial and strategic planning efforts are led by our CFO, Mr. Ting Xiao, chartered financial analyst, a partner and founding member of Delos Capital with extensive experience in life sciences advisory and investments. Mr. Xiao oversees our financial strategy and capital planning, ensuring strong fiscal discipline and alignment with our long-term growth objectives.

BUSINESS

Our management team is supported by a science-driven research and development organization, which included 15 Ph.D. and M.D. holders as of June 30, 2025, with great expertise spanning discovery biology, medicinal chemistry, CMC, non-clinical development, clinical operations and regulatory affairs. This breadth of talent enables us to maintain end-to-end capabilities from early research through clinical development.

In addition, we have also established a distinguished Scientific Advisory Board and a Liver Disease Advisory Board, composed of leading experts in cardiometabolic and liver diseases. These boards provide critical guidance on translational research and clinical development across our pipeline programs. In addition, we regularly engage with KOLs and external experts to further strengthen our strategy and decision-making, helping us to maintain our position at the forefront of scientific and clinical innovation.

OUR STRATEGIES

Strategically Advance Our Pipeline Programs and Unlock Their Full Potential via Indication Expansion and Combination Therapies

We are actively investing in the next-generation therapeutics designed to expand treatment options and further improve clinical outcomes. At the heart of our strategy, each of our assets is versatile and designed for monotherapy and/or combination therapy — by pairing complementary mechanisms, we aim to deliver more effective, durable solutions for patients with complex, overlapping conditions. Following this strategy, our globally competitive pipeline includes three clinical-stage programs and two preclinical assets, all designed to address cardiometabolic diseases and inflammatory disorders through differentiated mechanisms. Each program is purpose-built to deliver superior outcomes with optionality for monotherapy and/or combination therapies that address the needs of diverse patient populations. Our agile clinical execution enables customized development strategies for each molecule, maximizing therapeutic impact and accelerating our path to leadership in next-generation oral small molecule therapeutics. For ECC5004, we believe it has the potential to serve as a monotherapy and a backbone therapy for co-formulation and combination regimens, including those with SGLT2 inhibitors and oral PCSK9 inhibitors. For ECC4703, we expect to initiate the Phase IIa trial of ECC4703 as a monotherapy and in combination with ECC0509 for MASH in the fourth quarter of 2025. We also believe ECC4703 can be combined with GLP-1RAs, and plan to conduct a Phase II trial of ECC4703 in combination with a GLP-1RA in 2026. For ECC0509, we expect to initiate the ECC0509 in combination with ECC4703 as discussed above, and also plan to conduct a Phase II trial as a monotherapy for OA pain in 2027.

BUSINESS

For our small molecule GIPR modulator, which is currently in preclinical development, we are strategically exploring its use in combination with other weight loss agents for the treatment of weight management and its associated comorbidities. In parallel, our Amylin receptor agonist program is currently in preclinical development and has the potential to be used both as a monotherapy and in combination regimens. By enhancing satiety and postprandial glucose control, it can augment the efficacy of GLP-1RA, with the potential to achieve greater weight loss and additional cardiovascular benefits.

We intend to develop these assets to broaden our reach within the existing therapeutic areas and to explore innovative combination therapies that address a broader range of patient needs. We will continue to leverage our deep expertise in translational research to deliver high quality clinical candidates with clear differentiation, accelerating the advancement of our next-generation therapeutics and keeping our pipeline at the forefront of innovation in cardiometabolic and inflammatory disease treatment.

Continue to Strengthen Our Proprietary TRANDD Platform and Enhance Our R&D Capabilities

We believe the next-generation oral therapeutics have the potential to fundamentally redefine the treatment landscape for cardiometabolic diseases and inflammatory disorders. To maintain our leadership and drive continued innovation, we are committed to continuing the development of our propriety TRANDD platform and further strengthening our R&D capabilities. By leveraging TRANDD platform, we can continuously discover and develop next-generation oral small molecule therapeutics for use as monotherapies or in combination to further strengthen the value of our pipeline, with a focus on the following core areas:

- ***Target selection and validation.*** We will continue to leverage our deep understanding of cardiometabolic and inflammatory biology to prioritize mechanisms with strong human validation and high clinical relevance, ensuring that our programs are grounded in robust translational science and built on a de-risked foundation.
- ***Translational research.*** Building on our established expertise in animal model and assay selection, we will further invest in translational research to enable efficient and predictable progression from preclinical studies to human trials, supporting faster and informed decision-making throughout development.
- ***Medicinal chemistry.*** We will continue to advance our capabilities in molecular engineering and medicinal chemistry, optimizing each small molecule candidate for potency, selectivity, safety and manufacturability to ensure suitability for broad patient populations.

BUSINESS

- ***Innovative technology.*** We are committed to integrating innovative technology tools, such as advanced biomarker analytics, into our drug discovery and clinical development processes to increase the likelihood of success.
- ***Indication expansion.*** With a primary focus on cardiometabolic diseases, we will actively explore new indications, including cardiovascular and immunological disorders, by leveraging our understanding of disease biology and the interconnected pathways. This approach enables us to expand into areas where the mechanisms under investigation have broader therapeutic relevance.
- ***Intellectual property portfolio expansion.*** We remain committed to developing, strengthening and protecting our intellectual property. We will continue to secure and maintain robust patent protection for our drug candidates, supporting the long-term value and competitiveness of our portfolio.

Through these initiatives, we aim to further strengthen our TRANDD platform, enhance our R&D capabilities, and expand the reach of our innovative therapies, ultimately disrupting the current treatment paradigm and delivering transformative benefits to patients worldwide.

Maximize the Value of Our Assets Through Accretive Partnerships

We have established a proven track record of forging successful global partnership. Building on this foundation, we will continue to pursue value-accretive collaborations worldwide to accelerate clinical development and enable earlier market entry for our next-generation therapeutics, with the goal of delivering innovative treatments to patients globally more rapidly and efficiently.

We maintain a flexible approach to partnerships, including co-development, out-licensing and other collaborative models. Our primary focus is on engaging with partners whose strengths complement our own, enabling us to leverage their expertise and infrastructure to optimize development strategies, accelerate worldwide development, and expand patient access globally. We may retain regional rights, and partner with global pharmaceutical companies to capitalize on their established presence and accelerate our commercial scale-up in the region. This partnership-driven model enables us to rapidly build a meaningful commercial footprint efficiently, while maintaining strategic flexibility and focus on delivering innovative oral therapies to patients at scale.

BUSINESS

Attract, Train and Retain Talents Across Regions to Drive Global Innovation

Since our inception, we have built a globally integrated organization united by the mission to improve patient care and expand patients’ access to effective, affordable therapies. With offices in both the United States and China, our team members collaborate closely across geographies to drive innovation and advance our pipeline. Our R&D infrastructure supports the full continuum of drug development — from early discovery and preclinical research, including animal studies, to clinical trial design and execution. By leveraging regional strengths and talents and integrating capabilities across regions, we accelerate drug candidate development while maintaining scientific rigor throughout the process. This global approach enables efficient resource utilization, regulatory alignment, and the generation of high-quality patient data to support our development strategies.

We will continue to prioritize the attraction, development and retention of high-quality talents across all key areas of drug research and development, including discovery, translational medicine, non-clinical development and regulatory affairs. Investing in people is central to sustaining our competitive edge, fostering scientific excellence and maintaining operational agility. Ultimately, these efforts will strengthen our leadership position as a leading innovator in next-generation therapies for cardiometabolic diseases and inflammatory disorders, underscoring our unwavering commitment to addressing unmet medical needs and improving patient outcomes worldwide.

OUR PIPELINE

Since our inception, we have executed our research and development programs with precision, harnessing the TRANDD platform to build a diversified pipeline of three clinical-stage assets and two preclinical programs.

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The following pipeline chart summarizes the development status of these candidates as of the Latest Practicable Date:

Program	Modality	Target	Indications	Mono/ Combo	Preclinical	Phase I / Ib	Phase II / IIb	Phase III	Trial Sponsor	Trial Location	Expected Milestones	Commercial Rights	Partner
Clinical-stage programs													
ECC5004	Oral small molecule	GLP-1R	T2D	Mono					AstraZeneca	Global	Trial completion: Q4 2025	Co-commercialize in Greater China	AstraZeneca ⁽²⁾
			Weight Management	Mono					AstraZeneca	Global	Trial completion: Q4 2025		
				Mono				⁽¹⁾	ECCOGENE	China	Trial completion: Q4 2025		
ECC4703	Oral small molecule	THRβ	MASH	Mono / + ECC0509					ECCOGENE	Global	Phase II First Patient In: Q4 2025	Global	
			Weight Management	+ GLP-1RA			⁽³⁾	ECCOGENE	Global	IND submission: 2026			
ECC0509	Oral small molecule	SSAO (VAP1)	OA Pain	Mono					ECCOGENE	Global	Phase II initiation: 2027	Global	
			MASH	Mono / + ECC4703				ECCOGENE	Global	Phase II First Patient In: Q4 2025			
Preclinical programs													
GLP Program	Oral small molecule	GIPR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
Amylin Program	Oral small molecule	AmylinR	Metabolic diseases	Mono / Combo					ECCOGENE	Global	IND submission	Global	
										★ Core Product ☆ Key Product			

Notes:

- (1) This is a Phase Ib bridging trial that is expected to be completed in the fourth quarter of 2025, and lead to Phase III trial in China.
- (2) ECC5004 maybe developed with AstraZeneca’s SGLT2 inhibitor and oral PCSK9 inhibitor.
- (3) We plan to initiate a Phase II trial for combination therapies of ECC4703 with GLP-1RA.

BUSINESS

ECC5004, our Key Product

Overview

ECC5004 is an once-daily, oral small molecule GLP-1RA that is being developed principally for two lead indications with T2D and weight management, while also presenting meaningful opportunities to expand its therapeutic reach into additional indications. We have completed the first -in-human Phase I trial of ECC5004 in healthy participants and in patients with T2D in the United States with the clinical study report in March 2024, and also the Phase I trial of ECC5004 in healthy participants under the fasted and fed conditions in the United States in March 2024. Based on the results from the latter Phase I trial, ECC5004 demonstrated a favorable pharmacokinetic profile with added convenience of food-independent dosing that allows administration under both fed and fasted conditions. Furthermore, preclinical animal studies have shown that ECC5004 exhibits high oral bioavailability (approximately 90%). Based on published data, the only currently approved oral GLP-1RA, Rybelsus has the bioavailability of 0.4%-1.0% and requires a fasting state, and Orforglipron has bioavailability from 20% to 40% based on reported preclinical animal model. According to Frost & Sullivan, high bioavailability provides greater dosing flexibility and allow optimal absorption to provide more consistent therapeutic effects. The ability to dose without regard to meals may significantly enhance patient convenience and adherence and the potential to significantly expand access to GLP-1RA therapy.

Unlike most approved GLP-1RAs, which are injectable peptides and present barriers related to injection burden and “cold-chain” storage and transportation, ECC5004 offers a convenient oral dosing option. This potentially best-in-class oral small molecule approach represents an exciting frontier in metabolic disease therapy by addressing key intrinsic limitations of current GLP-1RA therapies, according to Frost & Sullivan. ECC5004 has the potential to substantially expand access for millions of patients who are unable or otherwise not suited to use injectable medications.

Oral small molecule GLP-1RA also represents a major area of innovation in metabolic disease therapy, with the potential to transform the treatment landscape for T2D and weight management. Compared to traditional peptide-based GLP-1RAs, which often require subcutaneous injection and can present challenges with patient acceptance and adherence, ECC5004 offers several compelling advantages: first, its oral route of administration provides greater convenience, supports superior patient compliance, and enables flexible dosing and titration options; second, ECC5004’s small molecule design allows for food-independent administration and may facilitate the development of co-formulated products; and third, it is less likely to face the supply constraints often associated with injectables or peptide-based medication, as ECC5004 can improve supply reliability while generating less single-use injection-devices (sharps) waste than injectable alternatives, thereby broadening the real-world impact and accessibility of GLP-1RA therapy. Overall, ECC5004’s differentiated profile positions it to expand accessibility and enhance the effectiveness of GLP-1RA therapies for patients worldwide.

BUSINESS

On November 8, 2023, we entered into the AstraZeneca Agreement, under which we granted AstraZeneca exclusive global rights for the development and commercialization of our ECC5004 for any indication in all territories except Greater China, where we retained the right to co-develop and co-commercialize in Greater China. See “— Our Collaboration and Licensing Agreement” for more information.

ECC5004 has received the IND approvals for Phase IIb trials for T2D and obesity/overweight with comorbidity from the FDA and both trials were initiated in October 2024. The Phase IIb trials are expected to be completed in the fourth quarter of 2025. We also received the IND approval from the NMPA for Phase Ib bridging trial for the treatment of obesity/overweight in China in November 2024. We initiated the trial and dosed the first patient in June 2025 and expect to complete the trial in the fourth quarter of 2025.

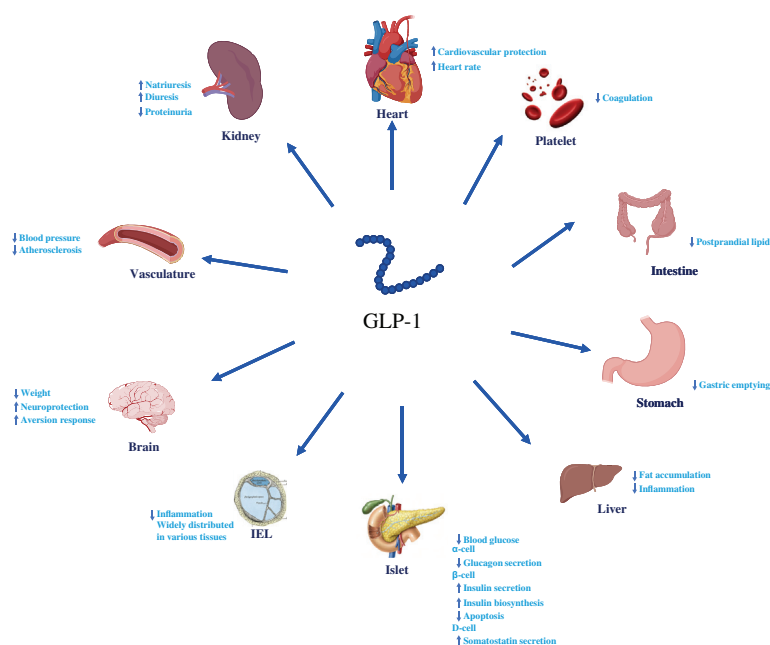
Drug Design and Mechanism of Action

Guided by our deep understanding of translational research, the molecular design and optimization of ECC5004 were driven by the need to overcome key intrinsic limitations of peptide-based GLP-1 therapies. ECC5004 is an oral small molecule GLP-1 receptor agonist that selectively drives cAMP signaling, a pathway that is responsible for GLP-1RA’s clinical benefits, including enhanced insulin secretion, reduced glucagon, delayed gastric emptying and greater satiety. ECC5004 does not recruit β -arrestin-2 or trigger receptor internalization. In addition, ECC5004 binds with high affinity to the human GLP-1 receptor, exhibiting potent agonist activity.

The medicinal chemistry strategy of ECC5004 is focused on optimizing the oral absorption and metabolic stability. Key structural modifications included careful engineering of the core scaffold which is the structural backbone and optimizing the side-chain design, leading to approximately 90% oral bioavailability, good metabolic stability and pharmacokinetics suitable for once-daily dosing.

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In non-human primate studies, ECC5004 administration resulted in dose-dependent increases in insulin secretion and significant reduction in body weight, confirming potent GLP-1 receptor engagement *in vivo*. The observed metabolic benefits, including improved glucose disposal and up to 36.5% reduction in body weight versus control support the translational potential of ECC5004 for glycemic control in patients with T2D and weight management issues. Unlike oral peptide GLP-1RAs that require strict fasting, ECC5004 can be taken with or without meals, offering true dosing flexibility. Compared to injectable GLP-1 therapies, ECC5004 eliminates the need for refrigeration, specialized storage and complex distribution logistics — an advantage that is particularly beneficial in regions with limited healthcare infrastructure. This oral route could also improve patient comfort, adherence, and overall treatment satisfaction. The following diagram illustrates such mechanism of action of ECC5004.



Source: Frost & Sullivan

Market Opportunity and Competition

The global market of GLP-1RAs is experiencing unprecedented growth, with market size valued at US\$55.5 billion in 2024 and projections indicating that the market could reach US\$185.1 billion worldwide by 2034, according to Frost & Sullivan. Despite this remarkable commercial success, the penetration rate of GLP-1RA therapies among eligible patients with T2D and weight management issues remains relatively low at less than 10% as of September 2025, to a certain extent due to the limitations of current peptide-based products, which require injection and can present barriers to patient acceptance, adherence and access, according to Frost & Sullivan. As the demand for cardiometabolic therapies continues to rise, there is a significant opportunity to unlock additional value by providing more convenient, accessible and patient-friendly treatment options.

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While the current competitive landscape is dominated by injectable GLP-1RAs and a very limited number of oral peptide-based agents, such as oral Semaglutide, there remains a substantial need for oral therapies that combine efficacy, convenience and flexibility. ECC5004’s differentiated profile positions it to transform the treatment for T2D and weight management, drive greater market penetration, and serve as a backbone for future combination products. We believe that ECC5004 is uniquely positioned to address unmet needs in the GLP-1RA market.

T2D. T2D is a major type of diabetes, which primarily arises from insulin resistance combined with a gradual decline in insulin production. The number of T2D patients accounted for approximately 90% of all diabetes cases worldwide as of 2024, highlighting its significant impact on global health. The global prevalence of T2D increased from 493.7 million cases in 2020 to 589.0 million cases in 2024, and is projected to reach 650.9 million cases by 2029 and 697.6 million cases by 2034. In China, the prevalence of T2D increased from 133.1 million cases in 2020 to 148.0 million cases in 2024, and is projected to reach 166.3 million cases by 2029 and 174.1 million cases by 2034.

Although insulin injections and other anti-diabetic agents remain central to diabetes management, many patients continue to face high risk of serious long-term complications — particularly cardiovascular, renal, hepatic, and neurological — that drive morbidity and mortality. This unmet need underscores the importance of therapies that deliver broader and more durable protection beyond glucose control. Insulin therapy, in particular, can lead to side effects like hypoglycemia, weight gain, and local injection site reactions. In contrast, GLP-1 RAs have emerged as a promising option for T2D because they work by enhancing glucose-dependent insulin secretion, which lowers blood sugar only when needed, thus minimizing the risk of hypoglycemia. Additionally, GLP-1 RAs slow gastric emptying, promote a sense of satiety to support weight loss and additionally offer protective benefits for the cardiovascular system, liver, kidneys, and nervous system, directly addressing the complications that traditional treatments struggle to manage. Oral therapeutics, such as ECC5004, may provide added advantages of greater convenience, improved patient adherence, and less injection-related discomfort, making them a highly attractive and accessible treatment option for individuals living with T2D. For more details, see “Industry Overview — Overview of Cardiometabolic and Inflammatory Diseases Drug Market — T2D Drug Market — Overview of Oral Small Molecule GLP-1RAs.”

Weight Management. Obesity and overweight, defined as abnormal or excessive fat accumulation that may impair health, are commonly measured using the BMI. According to the World Health Organization (“WHO”), a BMI of 25 or above is considered overweight, while a BMI of 30 or above qualifies as obesity. The prevalence of obesity/overweight has reached significant proportions globally. The global prevalence of obesity/overweight increased from 2,275.7 million cases in 2020 to 2,612.5 million cases in 2024, and is projected to reach 2,993.2 million cases by 2029 and 3,394.7 million cases by 2034. In China, the prevalence of obesity/overweight increased from 570.7 million cases in 2020 to 640.5 million cases in 2024, and is projected to reach 736.5 million cases by 2029 and 840.3 million cases by 2034.

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Effective weight management is therefore a critical public health priority. Obesity/overweight is a major risk factor for a range of chronic conditions, including T2D, cardiovascular disease, chronic kidney disease, certain cancers and musculoskeletal disorders such as OA. Beyond these direct health impacts, excessive weight can also contribute to social and psychological challenges, affecting the quality of life and well-being. As the prevalence of obesity/overweight continues to rise, there is an urgent need for effective, accessible weight management strategies to address this growing global health concern.

Weight management presents significant challenges, particularly with respect to lifestyle interventions such as increased physical activity and dietary modification. For many individuals with obesity, physical activity can be difficult to initiate and maintain due to factors like reduced mobility, joint pain, and lower exercise tolerance. Additionally, adherence to long-term exercise and dietary changes requires strong motivation and sustained effort, which can be hard to achieve and maintain in the face of biological, psychological, and social barriers. In recent years, GLP-1RAs have emerged as a promising therapeutic option for obesity/overweight. GLP-1 is an incretin hormone naturally produced in the gut, which plays a key role in regulating appetite and food intake by enhancing feelings of fullness, slowing gastric emptying, and reducing hunger. While GLP-1RAs have shown significant promise in the treatment of obesity/overweight, most of the currently approved GLP-1RAs are peptide-based and require administration via subcutaneous injection. Oral administration of GLP-1RA peptides is limited by rapid degradation by digestive enzymes in the gastrointestinal tract and poor absorption across the intestinal lining, resulting in low bioavailability. If these challenges can be successfully overcome, oral GLP-1RAs have the potential to become a superior alternative to injectable formulations. Oral medications are generally more acceptable and convenient for patients, which could lead to higher adherence rates and better long-term outcomes. The ability to take a pill rather than receive regular injections would significantly reduce the treatment burden, making weight management more accessible to a broader population. For more details, see “Industry Overview — Overview of Cardiometabolic and Inflammatory Diseases Drug Market — T2D Drug Market — Overview of Oral Small Molecule GLP-1RAs.”

As of the Latest Practicable Date, no oral small molecule GLP-1RAs have been approved. For more details, see “Industry Overview — Overview Of Cardiometabolic and Inflammatory Diseases Drug Market — Competitive Landscape of Small Molecule GLP-1RAs in Obesity/Overweight Drug Market and T2D Drug Market.”

Key Advantages

- **Strong Potency in Preclinical Studies**

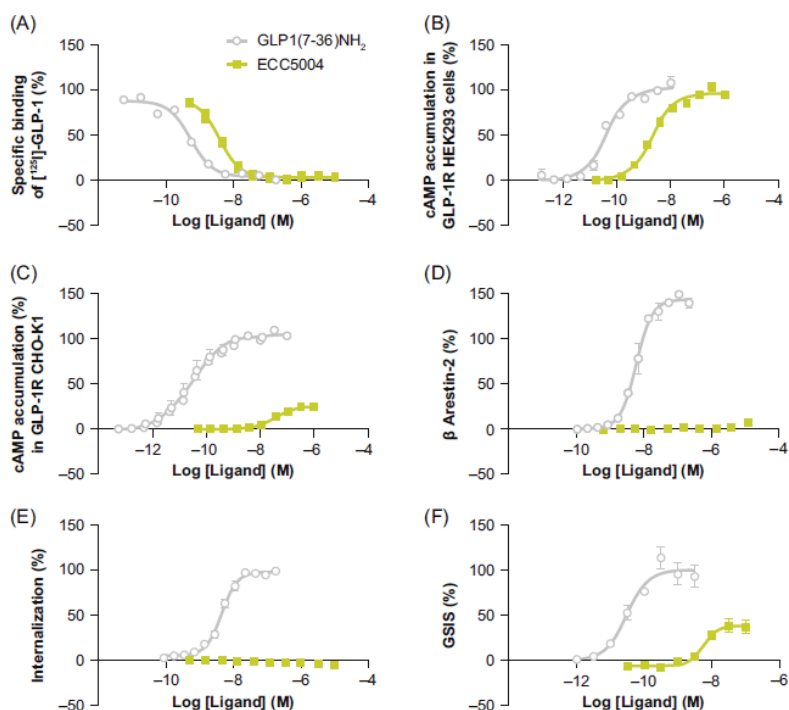
- *Robust In Vitro Potency*

ECC5004 demonstrates *in vitro* potency, as evidenced by a comprehensive suite of receptor binding and signaling assay as discussed below:

- High-affinity Receptor Binding. ECC5004 exhibits strong binding to the human GLP-1 receptor ($IC_{50}=2.4$ nM) (Figure A below), supporting robust target occupancy at clinically relevant exposures, which is a key requirement for effective GLP-1RA;

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- **Efficient Gs/cAMP Signaling.** In cellular assays, ECC5004 activates cAMP signaling pathway. Specifically, ECC5004 acts as a full agonist in human embryonic kidney (“**HEK**”)-293 (Figure B below) and a partial agonist in Chinese hamster ovary (“**CHO**”)-K1 cells (Figure C below), respectively, confirming ECC5004’s effective downstream receptor activation, which is essential for mediating the metabolic effects of GLP-1RAs;
- **Guanine nucleotide-binding protein (“G-protein”) Biased Signaling.** ECC5004 does not induce detectable β -arrestin-2 recruitment, indicating a G-protein biased mechanism (Figure D below). Furthermore, ECC5004 does not promote receptor internalization, another process typically associated with β -arrestin engagement (Figure E below). This G-protein-biased signaling is associated with reduced receptor desensitization and may favor sustained efficacy compared to non-biased agonists; and
- **Potential of Glucose-stimulated Insulin Secretion (“GSIS”).** ECC5004 potentiates GSIS in human pancreatic β cells in a dose-dependent manner, with an EC₅₀ of 5.9 nM (Figure F below). This supports that ECC5004 not only binds and activates GLP-1RA but also translates the activation into enhanced insulin secretion in response to glucose, an important mechanism for glycemic control in T2D and a hallmark of effective GLP1-RA.

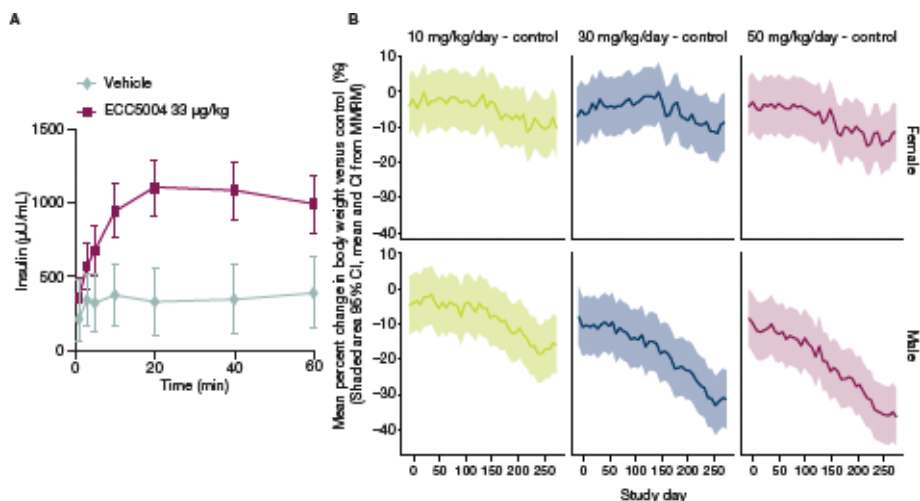


Source: “Non-clinical and first-in-human characterization of ECC5004/AZD5004, a novel once-daily, oral small-molecule GLP-1 receptor agonist” by Haggag, M.D., et al, 2024.

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- In Vivo Potency Supporting Glycemic Control and Weight Loss*

In the pharmacology study and the nine-month chronic toxicity study conducted in non-human primates, ECC5004 demonstrated robust *in vivo* effects to potentiate insulin secretion and reduce body weight, consistent with the mode of action of GLP-1RA.



A) ECC5004 potentiated glucose stimulated insulin secretion following an intravenous glucose tolerance test; B) Body weight differences versus control over 9 months; at the end of the study, in the 10, 30 and 50 mg/kg/day groups, the least-squares mean changes in body weight gain compared with control were -15.8%, -31.3% and -36.5% in males and -10.3%, -8.5% and -11.4% in females, respectively. The starting body weights were 2.6 to 2.7 kg for females and 2.9 to 3.0 kg for males for the control and the three ECC5004-dosed groups.

Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

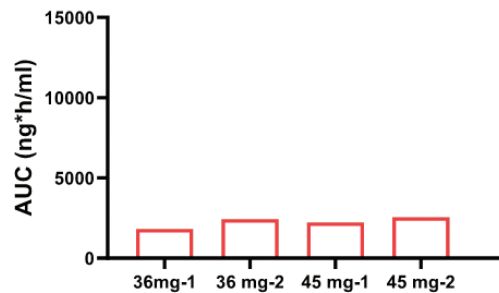
- Dose-dependent Increase in Exposure.** In the Phase I SAD and MAD portions of the first-in-human trial, ECC5004 showed dose-dependent increases in concentration.

For the purpose of understanding exposure profiles across different compounds, Orforglipron demonstrated a plateau in steady-state exposure (AUC) of approximately 2,550 h*ng/mL in its Phase IIb trial.

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Steady State AUC

Orforglipron Ph2b

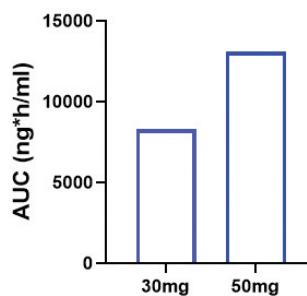


Source: Clinicaltrials.gov

Although the data are derived from two distinct clinical studies, which precludes direct comparison, and recognizing that greater exposure is not inherently associated with better efficacy, ECC5004 achieved steady-state exposure (AUC_{0-last}) of 8,310 h*ng/mL at 30 mg and 13,105 h*ng/mL at 50 mg, respectively, in the MAD portion of its first-in-human trial. Importantly, clinically meaningful reductions in both blood glucose and body weight were observed in the 50 mg cohort. See “— Summary of Clinical Trials — Completed Phase I First-In-Human Trial of ECC5004 as Monotherapy in Healthy Participants and in Patients with T2D in the United States — Pharmacodynamic results” below for more details.

Steady State AUC

ECC5004 MAD D28



Source: Company data

- Extended Half-life and Low Peak-to-Trough Ratio.** The half-life of ECC5004 in the fasted state at 50 mg is approximately 21.2 hours, which is comparable to the same in the fed state at approximately 20.7 hours, as shown in the table under “— Summary of Clinical Trials — Completed Phase I Trial of ECC5004 in Healthy Participants under Fasted and Fed Conditions in the United States — Pharmacokinetics results” below, supporting sustained plasma levels and once-daily dosing.

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In addition, ECC5004 exhibited a low peak-to-trough ratio in the completed first-in-human Phase I trial, i.e. at 2.03 (65.2% CV), 2.37 (55.6% CV), 2.27 (63.0% CV) and 3.07 (56.4% CV) for 5 mg, 10 mg, 30 mg and 50 mg, respectively, where the % CV values represent the percentage coefficient of variation for each dose. This may help minimize peak-related gastrointestinal side effects and contribute to improved tolerability.

- **No food effect.** Based on the completed Phase I trial, ECC5004 demonstrated no clinically meaningful food effect on its pharmacokinetic profile. A single 50 mg dose of ECC5004 under both fed and fasted conditions resulted in comparable plasma exposure, with similar AUC, maximum observed plasma concentration (“**C_{max}**”), time of occurrence of maximum plasma concentration (“**T_{max}**”) and elimination half-life between the two states as illustrated in the food effect analysis as shown under “— Summary of Clinical Trials — Completed Phase I Trial of ECC5004 in Healthy Participants under Fasted and Fed Conditions in the United States — Food Effect Analysis” below for more details. This supports the flexibility of once-daily dosing of ECC5004 with or without regard to meals, offering greater convenience for patients.
- **Clinically Meaningful Glucose and Weight Reductions.** In the completed first-in-human Phase I trial, ECC5004 demonstrated dose-dependent improvements in glycemic control and body weight in patients with T2D.
 - In the SAD portion of the completed Phase I trial with healthy participants, the participants fasted for 10 hours, and blood was collected for plasma glucose at 0.25, 0.5, 1.0 1.5 and 2 hours post oral intake of 75 g glucose at baseline and one day post treatment, and the results show that there was strong engagement of the GLP-1 receptor at different doses of ECC5004.
 - In the MAD portion of the completed Phase I trial, ECC5004 at 50 mg on Day 28 produced an LS mean reduction from the baseline in fasting plasma glucose of 76.6 mg/dL. In addition, the AUC for glucose during a mixed-meal tolerance test (“**MMTT**”) decreased by 51.7% from the baseline, indicating robust improvements in both fasting and postprandial glucose levels. ECC5004 treatment resulted in a mean body weight reduction of 5.76% from the baseline at Day 28 for patients in the 50 mg cohort who underwent a titration regimen.
 - Such results are clinically important, as reductions in fasting and postprandial glucose are directly linked to improved long-term glycemic control and reduced risk of diabetes-related complications such as kidney disease, neuropathy, and retinopathy. Moreover, meaningful weight loss can further enhance insulin sensitivity and reduce the burden of comorbidities associated with T2D and weight management. See “— Summary of Clinical Trials — Completed Phase I First-In-Human Trial of ECC5004 as Monotherapy in Healthy Participants and in Patients with T2D in the United States — Pharmacodynamic results” below for more details.

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- **Favorable Safety and Tolerability Profile.** ECC5004 demonstrates a favorable safety and tolerability profile, as evidenced by the results of Phase I clinical trial in both healthy volunteers and patients with T2D.
 - Across the SAD and MAD trials, the most frequently reported adverse events were gastrointestinal in nature — mainly nausea and vomiting — which were generally mild to moderate, manageable, and aligned with the well-established safety profile of the GLP-1RA class. Importantly, there were no SAEs or deaths, and discontinuations due to adverse events were rare.
 - In the MAD trial, only two discontinuations occurred due to transient, non-serious findings (one case of asymptomatic, transient liver enzyme elevation and one case of abnormally long corrected QT interval (“QTc”) prolongation, both of which were resolved without intervention. Additionally, there were no clinically significant changes in laboratory assessments, electrocardiograms (“ECGs”), or vital signs, including blood pressure and heart rate, beyond the expected mild increases in pulse rate typical for the GLP-1RA class.
 - In the MAD trial, doses such as 10 mg and 30 mg were well tolerated even when administered without up titration, representing an acceptable safety and tolerability profile. Additionally, the 50 mg dose was administered using a simple two-step titration schedule (10 mg for seven days, 25 mg for seven days and 50 mg for the remaining two weeks) and was also well tolerated.
- **Flexible Combination and Broad Clinical Potential.** We believe that ECC5004 has broad clinical potential for weight management and related comorbidities, potentially functioning as a monotherapy and in combination with other cardiometabolic agents such as SGLT2 inhibitors and oral PCSK9 inhibitors. This versatility is particularly meaningful given the complex and multifactorial nature of cardiometabolic diseases, which often require more than one therapeutic approach to achieve optimal clinical outcomes. The results from the completed Phase I trial have demonstrated that ECC5004 has a favorable safety and tolerability profile and yielded clinically meaningful, dose-dependent improvements in both glycemic control and body weight in patients with T2D as discussed in detail below. ECC5004 overcomes barriers associated with injectable GLP-1RAs, such as the need for injections and cold-chain storage. Unlike the only approved oral peptide GLP-1RA, ECC5004 does not require administration under fasting conditions, or a post-dose waiting period and can be taken daily with or without food, as demonstrated by the results from the completed Phase I trial in healthy participants under fasted and fed conditions in the United States. This, along with a favorable pharmacokinetic profile, supports its use as a potential foundation therapy. ECC5004 has been studied in a Phase I trial in Japan to evaluate the safety, tolerability and pharmacokinetics of single and multiple ascending oral doses in healthy Japanese participants and patients with T2D, and its results further supported the global clinical

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characterization of ECC5004 across diverse populations. Furthermore, ongoing Phase IIb trials in both obesity/overweight (VISTA) and T2D (SOLSTICE) are actively evaluating ECC5004 in broader patient populations, underscoring its potential as a core component of improved metabolic treatment regimens.

Mechanistically, the combination of ECC5004 with other agents such as SGLT2 inhibitors and oral PCSK9 inhibitors target the multifaceted pathophysiology of cardiometabolic diseases.

- *SGLT2 inhibitors* — They lower blood glucose by promoting urinary glucose excretion independent of insulin, providing additional glycemic, blood pressure and weight benefits, as well as proven cardiovascular and renal protection. When combined with GLP-1RAs such as ECC5004, SGLT2 inhibitors may offer complementary mechanisms that can enhance glycemic control and cardiometabolic outcomes.
- *Oral PCSK9 inhibitors* — They offer robust LDL-cholesterol reduction, a critical component in comprehensive cardiovascular risk management. Combining ECC5004 with oral PCSK9 inhibitor could further reduce cardiovascular risk in high-risk populations.

By combining with these complementary metabolic agents, ECC5004 could deliver additional improvements across key clinical domains — including glycemic control, weight management, lipid profiles, and cardiovascular outcomes. The oral, once-daily dosing and favorable pharmacokinetic properties of ECC5004 make it an ideal candidate for integration into individualized, multi-agent treatment strategies tailored to the complex needs of patients with cardiometabolic diseases. Although not all combinations are currently under clinical investigation, the flexibility to pair ECC5004 with agents such as SGLT2 inhibitors or oral PCSK9 inhibitors positions it as a highly promising backbone for improved, individualized cardiometabolic therapies. This versatility underscores ECC5004’s strategic value as a foundation therapy capable of adapting to evolving standards of care and addressing the multifactorial nature of metabolic disease.

Clinical Development Plan

Through a fast-to-market and globally oriented clinical development strategy, the investigational oral small molecule GLP-1RA, ECC5004, is being rapidly advanced with the goal of entering global Phase III trials among the first wave of its class.

With the IND approval from the FDA in November 2022, we initiated a Phase I clinical trial of ECC5004 in healthy participants and patients with T2D in the United States in December 2022 and completed the trial with the final clinical study report in March 2024. Leveraging our strategic collaboration with AstraZeneca, ECC5004 is currently being

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investigated in two Phase IIb trials, one involving adults with T2D and the other involving participants with obesity/overweight with at least one comorbidity. Both trials commenced in October 2024 and are expected to be completed in the fourth quarter of 2025.

To further support the global advancement of ECC5004, we initiated a Phase Ib clinical trial in Greater China in June 2025 to evaluate ECC5004 in Chinese participants with obesity/overweight, with or without T2D. This trial serves as a bridging study in the Chinese population to address potential ethnic or regional differences in drug response. As of the Latest Practicable Date, we have completed subject enrollment for this trial, reaching a total of 45 participants. This Phase Ib trial is expected to be completed in the fourth quarter of 2025.

Summary of Clinical Trials

Completed Phase I First-In-Human Trial of ECC5004 as Monotherapy in Healthy Participants and in Patients with T2D in the United States

This is a randomized, double-blind, placebo-controlled, single and multiple ascending doses, first-in-human study designed to evaluate the safety, tolerability, pharmacokinetics, and pharmacodynamics of ECC5004 as monotherapy in both healthy participants and patients with T2D conducted in the United States. Participants were assigned to receive either ECC5004 or placebo across different dose levels, with both single and repeated dosing regimens.

Trial design. The trial consisted of two parts and both SAD and MAD parts were conducted in an in-patient setting:

- (i) the SAD part involved healthy adults between the aged 18 to 65 years, with a BMI between 18.0 and 32.0 kg/m² were randomized to receive single oral doses of ECC5004 (1 mg to 300 mg) or placebo in two sequential cohorts, and the primary objective was to assess safety and tolerability, with secondary objectives being the evaluation of pharmacokinetic and/or pharmacodynamic parameters such as AUC, C_{max}, T_{max} and half-life. 19 participants participated in the SAD part of the trial; and
- (ii) the MAD part involved patients with T2D aged 18 to 70 years, with BMI of 24.0 to 40.0 kg/m² on lifestyle modification or stable metformin were randomized to receive once-daily oral ECC5004 or placebo for 28 days in four sequential cohorts, and the primary objective was to assess the safety and tolerability over repeated dosing, and the secondary and exploratory objectives were to assess pharmacokinetic profile and pharmacodynamic parameters. Participants were required to fast for at least 14 hours each day to minimize variability in pharmacokinetic assessments. 48 patients participated in the MAD part of the trial.

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The primary endpoints were to assess the safety using the number of participants with AEs, with abnormal laboratory test results, abnormal ECGs, abnormal vital signs and abnormal physical examinations up to Day 8 for SAD portion and up to Day 35 for MAD portion of the trial. The secondary endpoints were: (i) to assess AUC from time 0 to 24 hour dosing interval up to Day 3 for SAD portion and up to Day 30 for MAD portion; (ii) to assess AUC from time 0 to the time of quantifiable non-zero concentration up to Day 3 for SAD portion; (iii) assess AUC over a dosing interval from time 0 to time of last quantifiable concentration up to Day 30 for MAD portion; (iv) to assess AUC from time 0 extrapolated to infinity up to Day 3 for SAD portion; (v) to assess maximum observed plasma concentration up to Day 3 for SAD portion and Day 30 for MAD portion; (vi) to assess observed concentration at 24 hours post dose up to Day 3 for SAD portion and up to Day 30 for MAD portion; (vii) observed concentration at the end of dosing interval up to Day 30 for MAD portion; (viii) to assess time of maximum observed plasma concentration up to Day 3 for SAD portion and up to Day 30 for MAD portion; (ix) to assess lag time up to Day 3 for SAD portion and up to Day 30 for MAD portion; (x) to assess apparent terminal elimination half-life up to Day 3 for SAD portion and up to Day 30 for MAD portion; (xi) to assess last measurable non-zero concentration and last measurable non-zero concentration up to Day 3 for SAD portion; (xii) to assess apparent clearance up to Day 3 for SAD portion and up to Day 30 for MAD portion; (xiii) to assess AUC for glucose, insulin, glucagon and C-peptide from time 0 to 4 hour dosing interval up to Day 30 for MAD portion; (xiv) to assess change from baseline using fasting plasma glucose, mean daily glucose and body weight and waist circumference up to Day 30 for MAD portion; and (xv) to assess fasting plasma glucose homeostatic model assessment using fasting plasma glucose and insulin up to Day 30 for MAD portion.

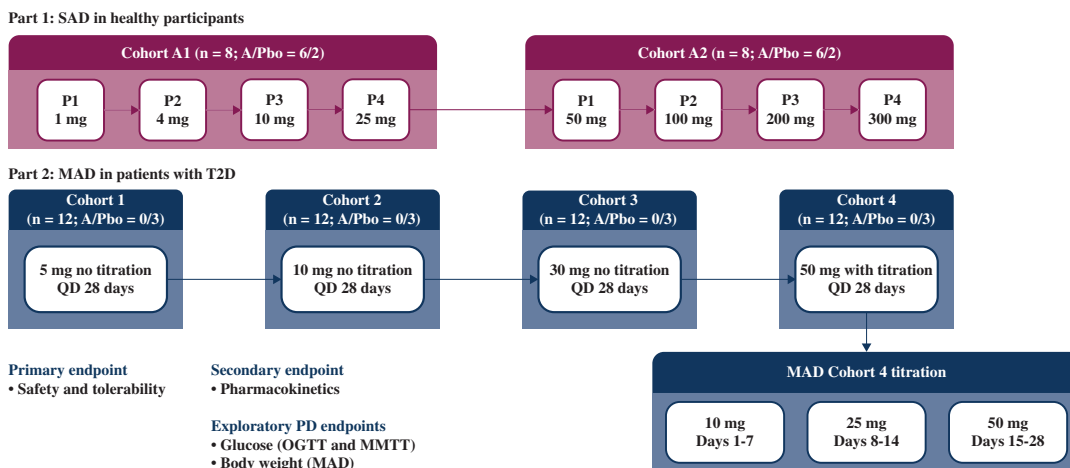
For the SAD portion of the trial, the participants were 18 to 65 years of age, who had: (i) BMI of 18.0 to 32.0 kg/m², (ii) had HbA1c $\leq$ 6.0%, (iii) female participants who are postmenopausal, or surgically sterile, or agree to practice true abstinence, or male participants agree to use contraception, or agree to practice true abstinence; and (iv) no clinically significant findings in physical examination, 12-lead ECG, vital sign measurements, laboratory tests, or medical/psychiatric history. For MAD portion of the trial, the participants needed to qualify for the criteria above but also were: (i) diagnosed with T2D of 18 to 70 years of age; (ii) T2D with lifestyle modification only or with stable dose of metformin for more or equal to two months prior to the treatment; (iii) BMI of 24.0 to 40.0 kg/m² with a minimum body weight of 50.0 kg (110 lbs); (iv) HbA1c $\geq$ 7.0% and $\leq$ 10.5%, and fasting plasma glucose $\leq$ 270 mg/dL; and (v) blood pressure with or without medication.

The trial excluded participants who had (i) concomitant participation in any investigational study of any nature, blood loss of non-physiological reasons $\geq$ 200 ml (i.e. trauma, blood collection, blood donation) within 2 months prior to the first dose of study drug, or plan to donate blood during this trial and within one month after the last dosing; (ii) unable to refrain from taking any non-metformin anti-diabetic medication including insulin within $\geq$ three months prior to the study treatment; (iii) serum calcitonin $>$ 20 ng/L; (iv) clinically relevant acute or chronic medical conditions or diseases of the cardiovascular, gastrointestinal, hepatic, renal, endocrine, pulmonary, neurologic, psychiatric, immune or dermatologic systems; (v) diagnosis of type 1 diabetes ("T1D") or secondary forms of diabetes; (vi)

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individual or family history of medullary thyroid carcinoma (“MTC”) or multiple endocrine neoplasia 2, or suspected MTC; (vii) history of pancreatitis; (viii) significant allergic reaction active ingredients or excipients of the study drug; and (ix) any clinically significant abnormal findings in the participant’s physical examination, laboratory tests, pregnancy test, urine drug screen, alcohol test, or medical history which in the opinion of the Investigator would prevent the participants from participating in the trial.

See the diagram below for an illustration of the Phase I trial design.



Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

Trial status. We submitted the IND application in September 2022 and received the IND approval from the FDA in November 2022. Subsequently, we initiated the trial in December 2022 and completed the trial with the clinical study report in March 2024.

Safety results.

SAD in healthy participants

ECC5004 was generally well tolerated across single doses from 1 to 300 mg. There were no SAEs or deaths. Two participants discontinued due to TEAEs: one case of oral candidiasis and one COVID-19 infection. Overall, TEAE frequency increased with dose, and events were predominantly GI and mild to moderate in severity. In the higher-dose cohort (50-300 mg), TEAEs occurred in 66.7% at 50 mg and in 100% of participants at 100, 200, and 300 mg. Nausea, and vomiting were the most common TEAEs. In the lower-dose cohort (1-25 mg), TEAEs were infrequent, and GI events were uncommon. Most events were Grade 1 or 2; one Grade 3 event occurred at 300 mg. No clinically relevant treatment-emergent abnormalities were observed in laboratory assessments, 12-lead electrocardiogram, or vital signs.

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MAD in patients with T2D

Across once-daily dosing for up to 28 days (5, 10, 30 mg without titration; 50 mg with weekly up-titration 10 to 25, 25 to 50 mg), ECC5004 was generally well tolerated. There were no SAEs or deaths. Two participants discontinued due to TEAEs: one QTc prolongation on Day 1 in the 30 mg cohort and one asymptomatic, transient elevation of liver enzymes detected pre-dose on Day 7 while the participant was receiving 10 mg in the 50 mg up-titration cohort; the liver enzymes declined on Day 8, after the scheduled increase to 25 mg, and resolved spontaneously without medical intervention. Both events were resolved without intervention.

TEAEs were predominantly GI and increased with dose: any TEAE occurred in 77.8% (5 mg), 33.3% (10 mg), 100% (30 mg), and 90.0% (50 mg) versus 61.5% with placebo. Common GI TEAEs included nausea, constipation, diarrhea, dyspepsia, and vomiting. Most events were Grade 1 in severity; one Grade 3 drug-related TEAE (the aforementioned transient liver enzyme elevation) occurred in the 50 mg cohort and led to discontinuation. The following table summarizes the dose-related pattern, type, and severity of TEAEs over 28 days, highlighting the GI tolerability profile typical of GLP-1RAs and the low incidence of discontinuations.

Variables, n (%)	ECC504					Total (n=51)
	Placebo (n=13)	5mg (n=9)	10mg (n=9)	30mg (n=9)	50mg* (n=9)	
TEAEs	8 (61.5%)	7 (77.8%)	3 (33.3%)	10 (100%)	9 (90%)	37 (72.5%)
Leading to Study Discontinuation	0	0	0	1 (10.0%)	1 (10.0%)	2 (3.9%)
Gastrointestinal AEs	7 (53.8%)	3 (33.3%)	3 (33.3%)	9 (90.0%)	7 (70.0%)	29 (56.9%)
Nausea	1 (7.7%)	1 (11.1%)	1 (11.1%)	6 (60.0%)	6 (60.0%)	15 (29.4%)
Diarrhea	3 (23.1%)	3 (33.3%)	0	2 (20.0%)	2 (20.0%)	10 (19.6%)
Vomiting	0	0	0	1 (10.0%)	2 (20.0%)	3 (5.9%)

Source: “Non-clinical and first-in-human characterization of ECC5004/AZD5004, a novel once-daily, oral small-molecule GLP-1 receptor agonist” by Haggag, M.D., et al, 2024.

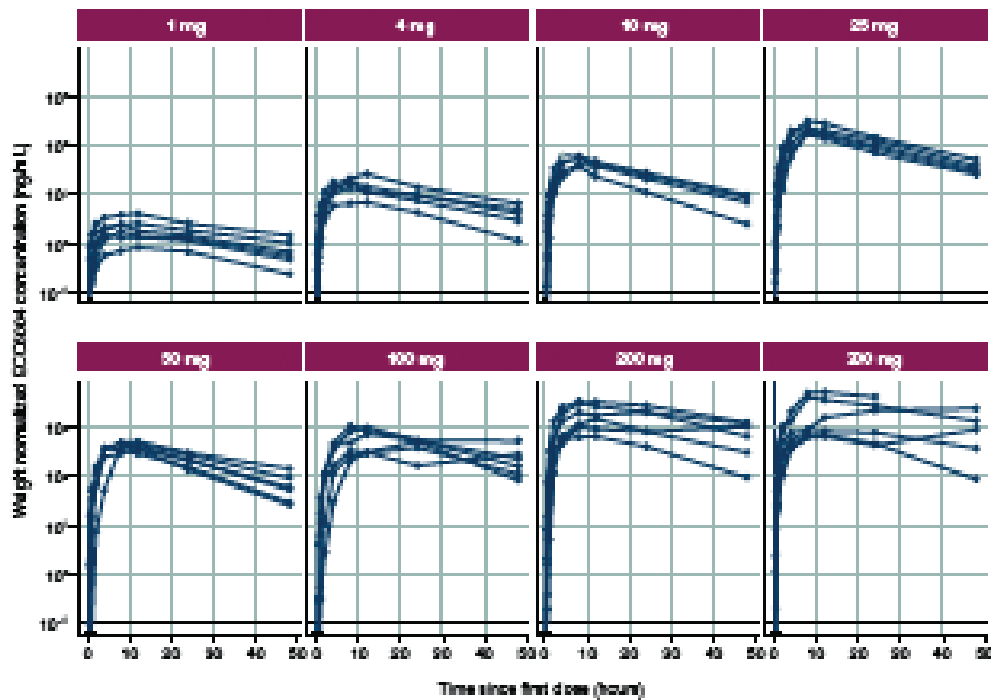
Note: * uptitrated

In addition, ECC5004 at therapeutic doses (5 mg, 10 mg and 30 mg) was well tolerated when administered without the need for stepwise dose escalation, demonstrating an acceptable safety and tolerability profile. For the 50 mg cohort, a simple titration schedule was implemented: participants received 10 mg for the first seven days, 25 mg for the next seven days and 50 mg for the remaining two weeks. Across the MAD portion of the trial, an acceptable tolerability profile was observed with either no titration (5 mg, 10 mg and 30 mg) or this straightforward titration schedule (50 mg).

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Pharmacokinetics results.

In the SAD portion of the trial, ECC5004 demonstrated clear dose-dependent increases in exposure across the full range of doses studied (1 mg to 300 mg). Pharmacokinetic analyses provided that dose-dependent increases in ECC5004 concentrations were observed as shown in the graphs below.



Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

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In the MAD portion of the trial, conducted in patients with T2D, ECC5004 again showed dose-dependent increases in plasma concentration following once-daily administration over 28 days. The pharmacokinetic profile observed in the MAD study was consistent with that seen in the SAD study discussed above, with both C_{max} and AUC_{0-last} rising with increasing doses. For example, geometric mean C_{max} values ranged from 27.31 ng/mL at 5mg to 682.66 ng/mL at 50 mg, while AUC_{0-last} increased from 666.49 h*ng/ml at 5 mg to 13,105 h*ng/ml at 50 mg shown in the table below.

	ECC5004			
	5 mg n = 9	10 mg n = 9	30 mg n = 9	50 mg n = 10
C _{max} , ng/mL, GM (gCV%)	27.31 (45.4)	80.28 (64.6)	373.66 (47.9)	682.66 (92.8)
T _{max} , hr, GM (gCV%)	5.69 (60.3)	3.67 (77.7)	7.18 (36.9)	6.61 (41.6)
AUC _{0-last} , h*ng/mL, GM (gCV%)	666.49 (40.2)	1,801.64 (60.2)	8,310.03 (66.3)	13,104.95 (143.3)
CL/F, L/h	11.31 (37.4)	8.19 (59.3)	5.07 (57.5)	4.34 (90.7)
t _{1/2} , hr; GM (gCV%)*	22.83 (27.0)	21.07 (25.3)	14.95 (29.9)	11.37 (20.8)

Notes:

- * PK estimates are limited in their interpretation as the elimination phase was not well captured at 48 hours; for detailed PK characterization, refer to Haggag A, et al. *AZD5004/ECC5004, a Small Molecule GLP-1 Receptor Agonist May be Administered Once Daily Under Fed/Fasted Conditions*. Presented at Obesity Week, Nov 4, 2024.

Abbreviation: AUC_{0-last} = area under the plasma concentration-time curve from time zero to the last measurable non-zero concentration; CL/F = oral clearance; gCV% = geometric coefficient of variation; C_{max} = maximum concentration; GM = geometric mean; MAD = multiple-ascending dose; PK = pharmacokinetics; t_{1/2} = elimination half-life time; T_{max} = time to maximum concentration

Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

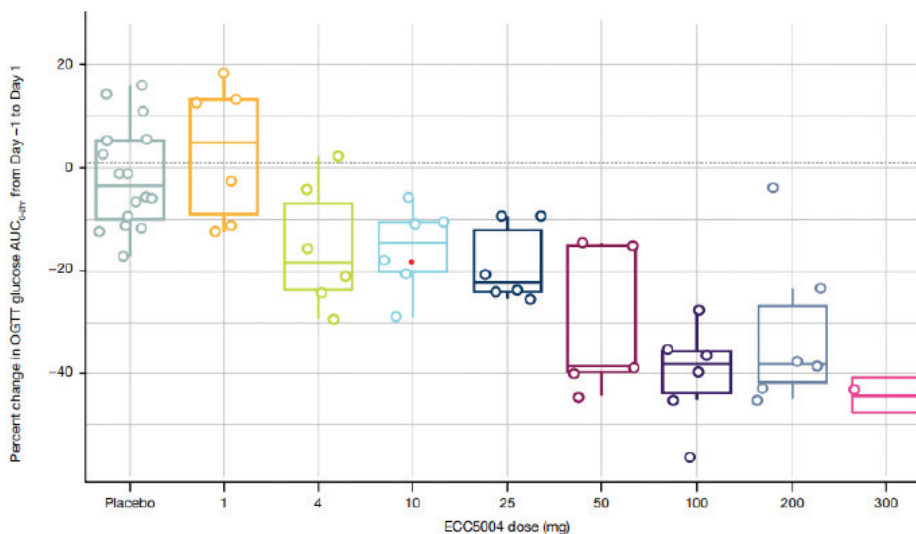
In addition, ECC5004 also demonstrated a low peak-to-trough ratio across therapeutic dose levels in the first-in-human Phase I trial, with values of 2.03 (65.2% CV) at 5 mg, 2.37 (55.6% CV) at 10 mg, 2.27 (63.0% CV) at 30 mg, and 3.07 (56.4% CV) at 50 mg, respectively, where the % CV values represent the percentage coefficient of variation for each dose. A low peak-to-trough ratio indicates relatively stable plasma drug concentrations throughout the dosing interval, which may help minimize peak-related gastrointestinal side effects and contribute to improved overall tolerability.

Together, the SAD and MAD portions of the trial establish that ECC5004 displays dose-dependent pharmacokinetics, supporting once-daily oral dosing and further clinical advancement in both healthy participants and patients with T2D.

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Pharmacodynamic results.

In the SAD portion of the trial, ECC5004 demonstrated dose-dependent improvements in glucose tolerance as assessed by the oral glucose tolerance test (“OGTT”). Reductions in glucose AUC from baseline to post-dose were observed at doses 4 mg and above as shown in the graph below, indicating pharmacodynamic engagement of the GLP-1 receptor. The effect was more pronounced at higher doses, with the greatest reductions in glucose AUC seen at the upper dose levels. These findings provide early clinical evidence of the glucose-lowering potential of ECC5004 following a single oral administration and support its mechanism of action as a GLP-1RA.



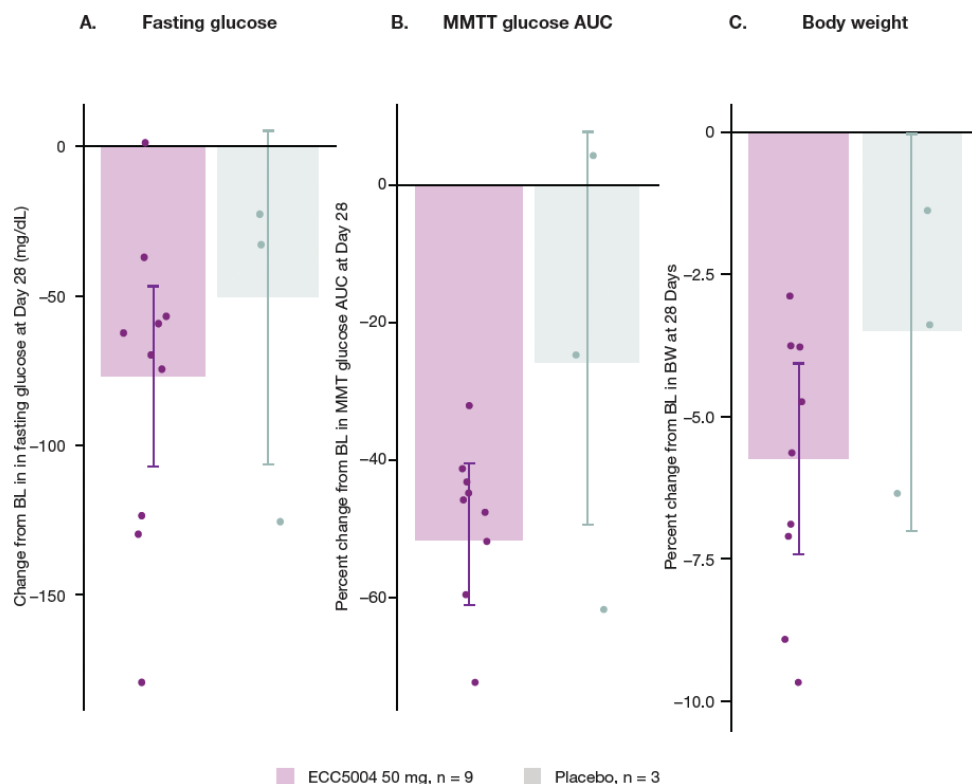
Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

Notes: Dots represent individual % change; box plot is of median, 25th & 75th percentiles.

During the OGTT, participants fasted for 10 hrs and blood was collected for plasma glucose at 0.25, 0.5, 1.0, 1.5, and 2 hours post oral intake of 75 g glucose at baseline (Day -1) and Day 1 post treatment.

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In the MAD portion of the trial, ECC5004 demonstrated clinically meaningful, dose-dependent improvements in both glycemic control and body weight in patients with T2D. The patients in the MAD portion of the trial had elevated baseline glucose and body weight, and experienced reductions in fasting and postprandial glucose, as well as clinically significant body weight loss at 50 mg, as presented in the graph below.



Source: “Safety, Tolerability and Pharmacokinetics of AZD/ECC5004, an Oral Small Molecule GLP-1 Receptor Agonist” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

Note: Titration: 10mg 7 days, 25 mg 7 days, 50 mg 14 days. Error bars together with boxes show 95% confidence interval (“CI”) and LS means (LS geometric means for MMTT AUC) from the linear mixed effect analysis. Dots are individual data points.

In the 50 mg cohort of patients with T2D who underwent a titration regimen, ECC5004 produced an LS mean reduction from the baseline in fasting plasma glucose of 76.6 mg/dL at Day 28. In addition, the AUC for glucose during a MMTT decreased by 51.7% from the baseline, indicating robust improvements in both fasting and postprandial glucose levels. ECC5004 treatment resulted in a mean body weight reduction of 5.76% from the baseline at Day 28 for subjects in the 50 mg cohort who underwent a titration regimen. This magnitude of weight loss is notable given the short treatment duration.

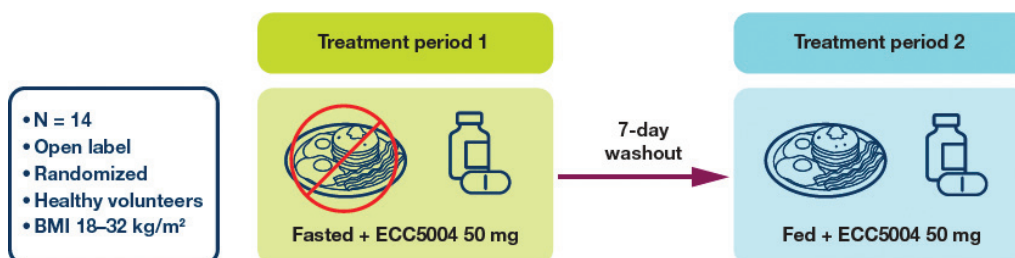
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Both glucose lowering and weight loss were observed to be dose-dependent, with greater effects at higher doses. These results were achieved with an acceptable tolerability profile as discussed below.

Conclusion. ECC5004 is a promising, once-daily, oral small-molecule GLP-1RA that demonstrated clear target engagement and a favorable safety and tolerability profile from early clinical studies. In the Phase I trial, ECC5004 was generally well tolerated with no serious adverse events. AEs were predominantly mild gastrointestinal events typical of the class.

Completed Phase I Trial of ECC5004 in Healthy Participants under Fasted and Fed Conditions in the United States

Trial design. The Phase I trial was an open-label, randomized, single-dose trial designed to evaluate the effect of food on the pharmacokinetics of ECC5004 in healthy participants. The trial included 14 healthy participants and was a crossover design. The study was conducted under fasted (> 10 hours) conditions, or fed condition, i.e. following a standardized high-fat breakfast (800 to 1,000 calories with at least 50% of the caloric content derived from fat) consumed within 30 minutes with seven days washout in between treatment periods. For the fed condition, ECC5004 was administered within 30 minutes of the start of the meal. The diagram below illustrates the design of this trial.



Source: “AZD5004/ECC5004, a Small Molecule GLP-1 Receptor Agonist May Be Administered Once Daily Under Fed/Fasted Conditions” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

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The primary objective was to assess the pharmacokinetic profile using serial plasma concentrations of ECC5004 for 120 hours after a single dose of 50 mg ECC5004. The primary endpoints were pharmacokinetic parameters including AUC from time 0 to the last measurable non-zero concentration, AUC from time 0 extrapolated to infinity, C_{max} and T_{max}. The secondary endpoints were to assess the safety and tolerability profile using the following endpoints: safety assessment evaluated through AEs, laboratory evaluations, vital signs, ECGs, and physical examination, AUC_{0-tau} during the dosing interval, AUC from time 0 to 24 hours post-dose, lag time, apparent terminal elimination half-life, apparent clearance, and AUC from the first measured concentration value back extrapolated to the concentration value at time 0 as a percentage of the AUC extrapolated to infinity using the predicted value of the last non-zero concentration.

The trial included healthy male and female participants of non-childbearing potential, aged 18 to 65 years, with BMI of 18.0 to 32.0 kg/m². Female participants are postmenopausal and male participants agreed to the use of contraception or practice abstinence. Participants also had no clinically significant findings in physical examination, ECG, vital sign measurements, clinical laboratory evaluations, concomitant medications, or medical or psychiatric history. The trial excluded: females who were pregnant, or were planning to become pregnant, or breastfeeding during the trial or within three months after the trial; concomitant participation in any investigational study of any nature; with blood loss of non-physiological reasons $\geq$ 200 ml within two months prior to the first dose, or plan to donate blood during the trial and within one month after the last dosing; serum calcitonin > 20 ng/L; individuals with clinically relevant acute or chronic medical conditions or diseases of the cardiovascular, gastrointestinal, hepatic, renal, endocrine, pulmonary, neurologic, psychiatric, immune or dermatologic systems; individual or family history of (or suspected of) medullary thyroid carcinoma or multiple endocrine neoplasia 2; history of pancreatitis; significant allergic reaction to active ingredients or excipients of ECC5004; and any clinically significant abnormal findings from the physical examination, laboratory tests and other screenings.

Trial status. The existing IND for ECC5004 received from the FDA in November 2022 encompasses all Phase I trials of the compound in the United States. We submitted protocol to the existing IND in December 2023 and received approval in the same month. We subsequently initiated the trial in February 2024 and completed the trial in March 2024.

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Safety and tolerability results. There were no SAEs, deaths or discontinuations due to TEAEs. The overall frequency of AEs was 64.3% in the fed state and 50% in the fasted state. The most common AEs were nausea, dyspepsia, abdominal discomfort and vomiting. There were no clinically relevant treatment-emergent abnormalities on laboratory assessments or ECGs.

Pharmacokinetics results.

ECC5004 has demonstrated favorable elimination half-life, where serial plasma concentrations were measured for up to 120 hours following a single 50 mg dose for an assessment of the elimination phase. The estimated half-life was 21.2 hours in the fasted state and 20.7 hours in the fed state as shown in the table below, supporting the feasibility of once-daily dosing. While half-life estimates were also derived from the MAD portion of the completed first-in-human trial, interpretation is limited due to the pharmacokinetic sampling only up to 48 hours post-dose, which may not fully capture the elimination phase, whereas the half-life results from the food effect study are considered more accurate and support the suitability of ECC5004 for convenience, once-daily oral administration.

Arms	AUC _{last} , ng hr/mL GM (CV %)	C _{max} , ng/mL GM (CV %)	t _{max} , hr GM (CV %)	t _{1/2} , hr GM (CV %)
50 mg fasted (n = 14)	11,443.21 (56.22)	374.5 (53.6)	8.8 (42.2)	21.2 (19.1)
50 mg fed (n = 14)	12,054.39 (65.48)	326.9 (51.1)	10.7 (54.3)	20.7 (14.7)

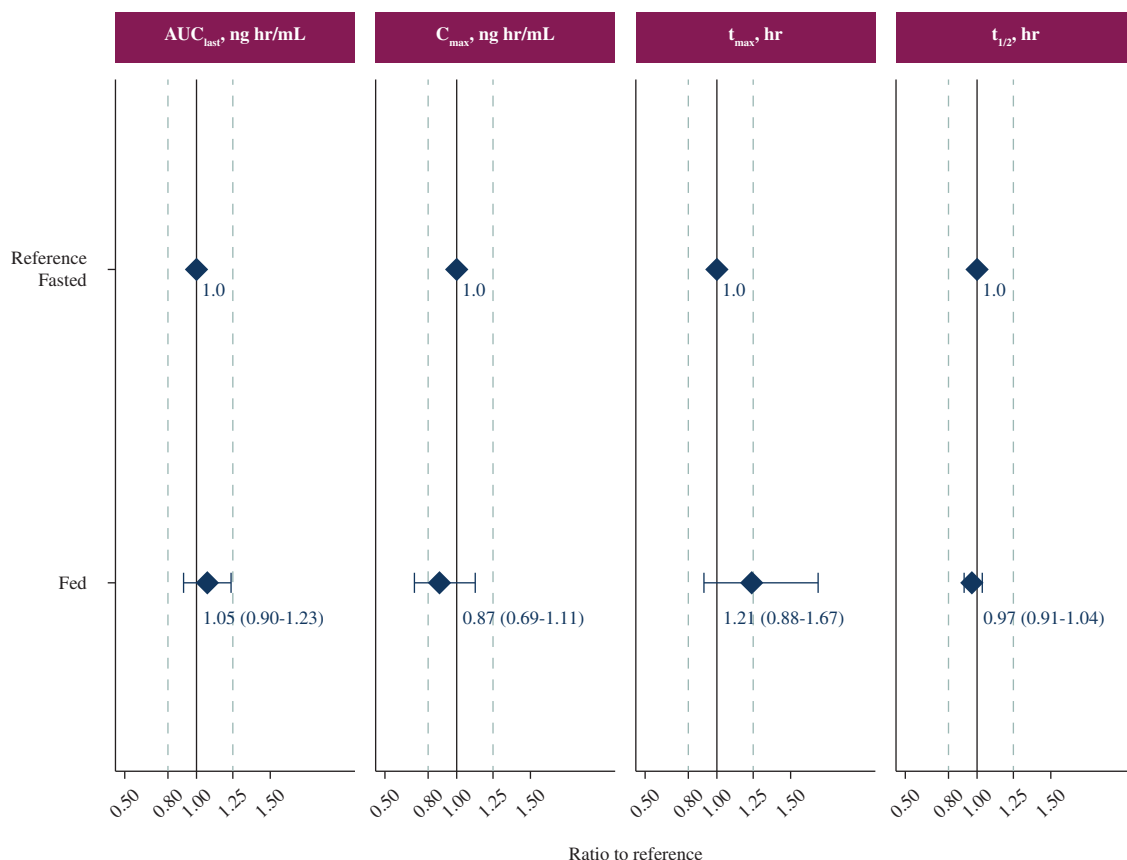
Abbreviation: CV₁ = coefficient of variation; C_{max} = maximum concentration; GM = geometric mean; t_{1/2} = elimination half-life time; Tmax = time to maximum concentration

Source: “AZD5004/ECC5004, a Small Molecule GLP-1 Receptor Agonist May Be Administered Once Daily Under Fed/Fasted Conditions” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

Food effect analysis.

The results demonstrated that concomitant food intake does not materially alter the pharmacokinetic profile of ECC5004. Following a single 50 mg dose, the geometric mean ratios (fed versus fasted) for AUC_{0-last} and Cmax were 1.05 (90% CI: 0.90-1.23) and 0.87 (90% CI: 0.69-1.04) as shown in the figure below. These findings provide that ECC5004 can be administered with or without food, offering a level of dosing flexibility and patient convenience not achievable with oral peptide-based GLP-1RAs that mandate strict fasting conditions.

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Source: “AZD5004/ECC5004, a Small Molecule GLP-1 Receptor Agonist May Be Administered Once Daily Under Fed/Fasted Conditions” by Haggag, M.D., et al, presentation at Obesity Week, 2024.

Conclusion. ECC5004 exhibited a pharmacokinetic profile supportive of once-daily dosing that was not significantly different between fed and fasted states.

Ongoing Global Phase IIb Trial of ECC5004 as Monotherapy in Patients with T2D (SOLSTICE)

Trial design. The Phase IIb trial (SOLSTICE) is designed to evaluate the efficacy, safety and tolerability of ECC5004 in patients with T2D. It is a randomized, global, double-blind, parallel-group, placebo-controlled trial with an open-label active comparator, which is 3 to 14 mg tablets of Rybelsus.

This trial includes patients with T2D who (i) are 18 years or older, (ii) have an hemoglobin A1c (“**HbA1c**”) between 7.0% and 10.5% and are managed with diet and exercise, or stable doses of metformin or an SGLT2 inhibitor, (iii) have a BMI of at least 23kg/m² and (iv) stable self-reported body weight for three months prior to randomization (+/- 5% body weight change). The trial excludes patients who have (i) T1D, secondary forms of diabetes or history of ketoacidosis or hyperosmolar coma; (ii) history of proliferative diabetic retinopathy, diabetic maculopathy, or severe non-proliferative diabetic retinopathy that required immediate treatment; (iii) had more than one episode of severe hypoglycemia within six months prior to

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screening, or has a history of hypoglycemia unawareness or poor recognition of hypoglycemic symptoms; (iv) received medication for weight loss within the last three months prior to screening; (v) clinically significant inflammatory bowel disease, gastroparesis, severe disease or surgery affecting the upper gastrointestinal tract; (vi) previous or planned (within the trial period) bariatric surgery or fitting of a weight loss device; or (vii) history of acute or chronic pancreatitis.

The primary objective is to evaluate the effect of ECC5004 versus placebo on glycemic control. The primary endpoints are the change in HbA1c at baseline to Week 26. The secondary objectives and endpoints are: (i) to evaluate the effect of ECC5004 versus placebo on fasting glucose by measuring the change in fasting glucose at baseline to Weeks 4, 12, 16 and 26; (ii) to evaluate the effect of ECC5004 versus placebo on HbA1c by measuring the achievement of $\text{HbA1c} \leq 6.5\%$ at Week 26; (iii) to evaluate the effect of ECC5004 versus placebo on HbA1c by measuring baseline $\text{HbA1c} \geq 7.0\%$ and achieved $\text{HbA1c} < 7.0\%$ at Week 26; (iv) to evaluate the effect of ECC5004 versus placebo on weight loss by measuring the percent change in body weight at baseline to Week 26; (v) to evaluate the effect of ECC5004 versus placebo on weight loss by measuring the absolute change in body weight at baseline to Week 26; and (vi) to evaluate the effect of ECC5004 versus placebo on weight loss by measuring the achievement of $\geq 5\%$, $\geq 10\%$, and $\geq 15\%$ weight reduction at baseline to Week 26.

Trial status. The trial was initiated in October 2024. As of June 2025, enrollment has been fully completed, with a total of 406 patients enrolled. The trial is expected to be completed in the fourth quarter of 2025.

Ongoing Global Phase IIb Trial of ECC5004 as Monotherapy in Participants with Obesity or Overweight with at Least One Comorbidity (VISTA)

Trial design. The Phase IIb trial (VISTA) is designed to assess the efficacy and safety of five different dose arms of ECC5004 compared to a placebo for adults with obesity/overweight with at least one comorbidity. This is a randomized, global, double-blind, parallel-group, placebo-controlled, multi-center study with 36-week treatment duration. The trial is designed to have approximately 304 participants who are 18 years or older and have a BMI of 30 kg/m^2 or higher (obesity), or BMI of 27 kg/m^2 or higher (overweight) plus at least one comorbidity.

This trial includes patients who are (i) 18 years or older; (ii) have a BMI of (a) $\geq 30 \text{ kg/m}^2$, or (b) $\geq 27 \text{ kg/m}^2$ and have a current diagnosis of at least 1 of the following weight-related comorbidities (treated or untreated): (x) hypertension, (y) dyslipidemia or hyperlipidemia, (z) cardiovascular disease or (xx) obstructive sleep apnea; and (iii) have a stable body weight for three months prior to screening ($\pm 5\%$ body weight change).

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This trial excludes patients who have (i) obesity induced by other endocrine disorders; (ii) received prescription or non-prescription medication for weight loss within the last three months prior to screening; (iii) previous or planned (within trial period) bariatric surgery or fitting of a weight loss device; (iv) history of T1D or T2D; (v) clinically significant inflammatory bowel disease, gastroparesis, severe disease, or surgery affecting the upper gastrointestinal tract, or (vi) history of acute or chronic pancreatitis.

The primary objectives and endpoints of the trial are: (i) to determine whether ECC5004 is superior to placebo for weight loss by measuring the percentage change in body weight from baseline for 26 weeks, and (ii) to determine whether ECC5004 is superior to placebo on the proportion of participants with weight loss $\geq 5\%$ from baseline by measuring the proportion of participants with weight loss $\geq 5\%$ from baseline weight for 26 weeks. The secondary objectives and endpoints of the trial are: (i) to determine whether ECC5004 is superior to placebo for weight loss by measuring the percent change in body weight from baseline for 36 weeks; (ii) to determine whether ECC5004 is superior to placebo on the proportion of participants with weight loss $\geq 5\%$ from baseline by measuring proportion of participants with weight loss $\geq 5\%$ for 36 weeks; (iii) to determine whether ECC5004 is superior to placebo for absolute weight loss by measuring absolute change from baseline in body weight at Week 26 and Week 36; and (iv) to assess the effect of ECC5004 versus placebo on the proportion of participants with weight loss $\geq 10\%$ as well as $\geq 15\%$ by measuring the proportion of participants with weight loss $\geq 10\%$ as well as $\geq 15\%$ at Week 26 and Week 36.

Trial status. The trial was initiated in October 2024. As of March 2025, enrollment has been fully completed, with a total of 310 participants enrolled. This trial is expected to be completed in the fourth quarter of 2025.

Ongoing Phase Ib Bridging Trial of ECC5004 in Obese or Overweight Chinese Participants, With or Without T2D in China

Trial Design. This is a two-cohort, placebo-controlled trial designed to evaluate the safety, tolerability and pharmacokinetics of ECC5004 compared with placebo in Chinese participants with obesity/overweight with or without T2D. This trial is a randomized, parallel-group, double-blind, placebo-controlled, multicenter, two-arm treatment trial.

The trial includes participants who are aged between 18 to 74 years and have stable self-reported body weight for three months prior to screening. For cohort A, the participants included have $27 \text{ kg/m}^2 \leq \text{BMI} \leq 35 \text{ kg/m}^2$ and weigh at least 60 kg at screening. For cohort B, the participants included are: (i) diagnosed with T2D for at least two months prior to the signing of informed consent for the trial; (ii) have HbA1c value at screening of $\geq 7.0\%$ and $\leq 10.5\%$; and (iii) BMI of $\geq 24 \text{ kg/m}^2$ at screening.

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The trial exclude participants who have (i) history of or any existing condition that influence the participant’s ability to participate or affect the interpretation of the results of the trial; (ii) known clinically significant gastric emptying abnormality; (iii) significant hepatic disease; (iv) abnormal renal function; (v) history of acute pancreatitis and chronic pancreatitis, gallstones; or (vi) uncontrolled thyroid disease.

The primary objective and endpoints are to evaluate the safety and tolerability of ECC5004 compared with placebo in the qualified Chinese participants by measuring the number of participants with AEs, SAEs, adverse events leading to the discontinuation of study intervention, death, and adverse events of special interest from baseline to week 16. The secondary objective is to characterize the pharmacokinetics profile following repeated administration by measuring the following at Week 16: (i) ECC5004 concentrations in plasma, (ii) AUC-time curve over a dosing interval, (iii) Cmax, (iv) half-life, (v) tmax, and (vi) trough concentration.

Trial Status. We received the IND approval from the NMPA in November 2024. The trial was initiated in June 2025. As of July 2025, 45 participants had been enrolled. We expect to complete the trial in the fourth quarter of 2025.

Material Communications with Competent Authorities

The IND application for ECC5004, which encompasses all Phase I clinical trials for the compound in the United States, was approved by the FDA in November 2022. Acting pursuant to that IND, the Phase I trial of ECC5004 in healthy participants and patients was initiated in December 2022. The trial was completed with the clinical study report in March 2024.

The protocol for an additional Phase I trial of ECC5004 in healthy participants under fed and fasted conditions in the United States was submitted to the existing IND and approved in December 2023. The trial was initiated in February 2024 and completed in March 2024.

The global Phase IIb trial of ECC5004 in patients with T2D (SOLSTICE) and global Phase IIb trial of ECC5004 of participants with obesity/overweight with at least one comorbidity (VISTA) were initiated in October 2024.

The IND approval from NMPA for the Phase Ib bridging trial of ECC5004 in Chinese participants with obesity/overweight, with or without T2D in China was received in November 2024. The trial was initiated in June 2025.

ECC5004 did not receive any major concerns or objections from the above-mentioned regulatory authorities to its clinical development plans. We and AstraZeneca plan to maintain close communication with the competent authorities at key milestones of ECC5004’s clinical development from time to time.

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WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ECC5004 SUCCESSFULLY

ECC4703, our Core Product

Overview

ECC4703, our Core Product, is a liver targeting, small-molecule THR- β full agonist in development for MASH, with potential expansion into obesity/overweight. THR- β is predominantly expressed in the liver, where its activation lowers lipids without the cardiac or skeletal safety liabilities associated with extrahepatic THR- α activation. It remains one of the few mechanisms with strong human validation in MASH. As a THR- β full agonist, ECC4703 is expected to achieve more consistent and pronounced reductions in hepatic fat, circulating atherogenic lipids, and liver fibrosis compared to partial agonists. Compared with earlier benchmark agent, ECC4703 demonstrates superior *in vitro* and *in vivo* Emax, couples this with demonstrated liver targeting and heart-sparing selectivity that mitigates potential extrahepatic liabilities, and delivers robust efficacy as a monotherapy in MASH models with further enhancements observed when combined with ECC0509. In the Phase I trial in healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL in the United States, ECC4703 showed a favorable safety and tolerability profile, a pharmacokinetic profile compatible with once-daily dosing, and biomarker changes consistent with robust target engagement and clinically relevant decreases in circulating atherogenic lipids. Collectively, these attributes position ECC4703, a differentiated THR- β full agonist, to achieve superior efficacy in MASH and other indications of interest, such as obesity/overweight.

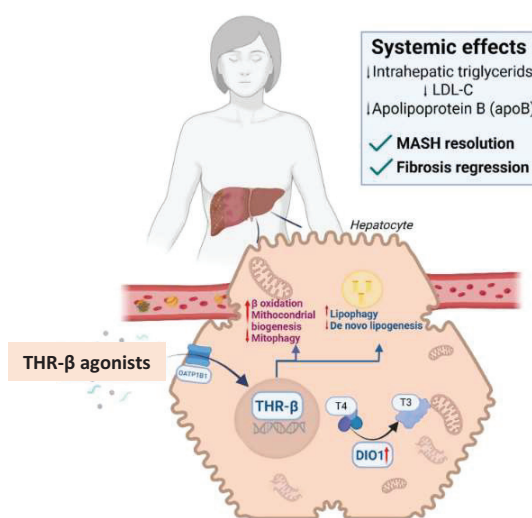
We are initiating a Phase IIa proof-of-concept (“PoC”) trial in MASH to evaluate ECC4703 as monotherapy and in combination with ECC0509, our SSAO inhibitor. This study is supported by preclinical data indicating complementary mechanisms and potential additive benefit. In parallel, we are planning a second Phase IIa trial in obesity/overweight to assess ECC4703 in combination with GLP-1RA to explore the potential synergy between GLP-1-driven weight loss and THR- β -mediated hepatic lipid turnover, with the opportunity to expand to additional incretins once PoC is achieved. Together, these studies highlight ECC4703’s potential to emerge as a best-in-class THR- β agonist as monotherapy and an anchor for combination therapy.

Drug Design and Mechanism of Action

ECC4703 is engineered to target pharmacology in hepatocytes while sparing extrahepatic THR- α -activation empowered by our TRANDD platform. It exhibits strong THR- β activation with marked selectivity over THR- α in biochemical assays, and greater transcriptional potency than Resmetirom (MGL-3196) and VK2809 in human primary hepatocytes. In a hypothyroidism rat model, ECC4703 robustly engages hepatic targets without activating cardiac markers, supporting a reduced risk of heart and bone liabilities linked to THR- α activation. Across dyslipidemia and MASH models, it lowers atherogenic lipids, reduces liver fat burden, and improves histologic endpoints, including NAS and fibrosis, at low efficacious doses.

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Designing ECC4703 as a liver targeting, selective THR- β full agonist is pivotal for achieving liver-mediated metabolic benefits while reducing the potential safety risks associated with off-tissue THR- α activation, particularly cardiac risks and skeletal risks such as increased bone turnover. THR- β is predominantly expressed in the liver, where it regulates hepatic lipid oxidation, lipoprotein metabolism and steatosis resolution, whereas THR- α is expressed in tissues such as the heart and bone, where its activation can drive dose-limiting adverse effects. By directing full-agonist signal in the liver, ECC4703 enhances transcriptional programs and downstream mitochondrial and fatty-acid oxidation pathways, which may lead to deeper effects on steatosis, inflammation, and fibrosis. Simultaneously, limiting extrahepatic exposure mitigates the risks of tachyarrhythmia and bone loss that constrained earlier thyroid-hormone therapies. This isoform-selective, tissue-targeting pharmacology, coupled with full THR- β agonism, addresses the trade-off between efficacy and safety, which could serve as a safer approach for more robust disease modification in MASH and obesity/overweight. The following diagram demonstrates mechanism of action of ECC4703.



Source: Literature review, Frost & Sullivan

ECC4703 is built on a validated clinical principle: selective activation of hepatic THR- β to treat MASH. By engaging THR- β in hepatocytes, ECC4703 triggers thyroid-responsive programs that increase lipid turnover, reduce liver fat, and improve steatosis, inflammation, and fibrosis.

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Market Opportunity and Competition

MASH. MASH is a progressive, inflammatory liver disease. Closely associated with obesity/overweight and T2D, MASH is increasing worldwide and can advance to cirrhosis, cardiovascular disease, chronic kidney disease, or hepatocellular carcinoma if left untreated. Global MASH prevalence increased from 351.1 million cases in 2020 to 400.5 million cases in 2024 and is projected to reach 466.4 million cases by 2029 and 537.6 million cases in 2034. In China, MASH prevalence indicated the same trend, with 38.7 million cases in 2020 and 44.0 million cases in 2024, MASH incidence in China is expected to reach 51.9 million cases by 2029 and 61.1 million cases by 2034.

Traditional management of MASH centers on lifestyle modification — caloric restriction, weight loss, and increased physical activity — along with control of metabolic risk factors using agents such as statins, antihypertensives, and anti-diabetic therapies. Although Semaglutide and Resmetirom have been approved for MASH, limitations such as tolerability issues and limited efficacy indicate that there is still a significant need for novel therapies.

As of the Latest Practicable Date, Resmetirom, a THR- β partial agonist was approved for the treatment of MASH and four THR- β candidates entered Phase II clinical development globally. For more details, please refer to “Industry Overview — Overview of Cardiometabolic and Inflammatory Diseases Drug Market — MASH Drug Market — Competitive Landscape of Small Molecule THR- β Drug Market.”

Weight Management. Besides lifestyle modification, GLP-1 based therapies have become the first-line treatment for obesity/overweight, but limitations in weight-loss magnitude, tolerability, and loss of lean mass constrain broader adoption, whereas adding a THR- β agonist offers clear advantages by enhancing weight loss and minimize lean mass loss and potentially improving metabolic parameter.

Beyond MASH and weight management, ECC4703 also presents significant market opportunities in dyslipidemia, a chronic metabolic disorder characterized by abnormal blood lipid profiles.

Key Advantages

- **Stronger Target Engagement and Potentially More Robust Lipid Lowering and MASH Efficacy than Partial Agonists.** ECC4703 as THR- β full agonist can potentially drive a more completely receptor activation, which may lead to robust PD effect than a partial agonist. In preclinical study, ECC4703 demonstrated strong potency and efficacy with full-agonist activity on THR- β , and shows high selectivity over THR- α to enhance efficacy and reduce undesirable effects associated with THR- α activation.

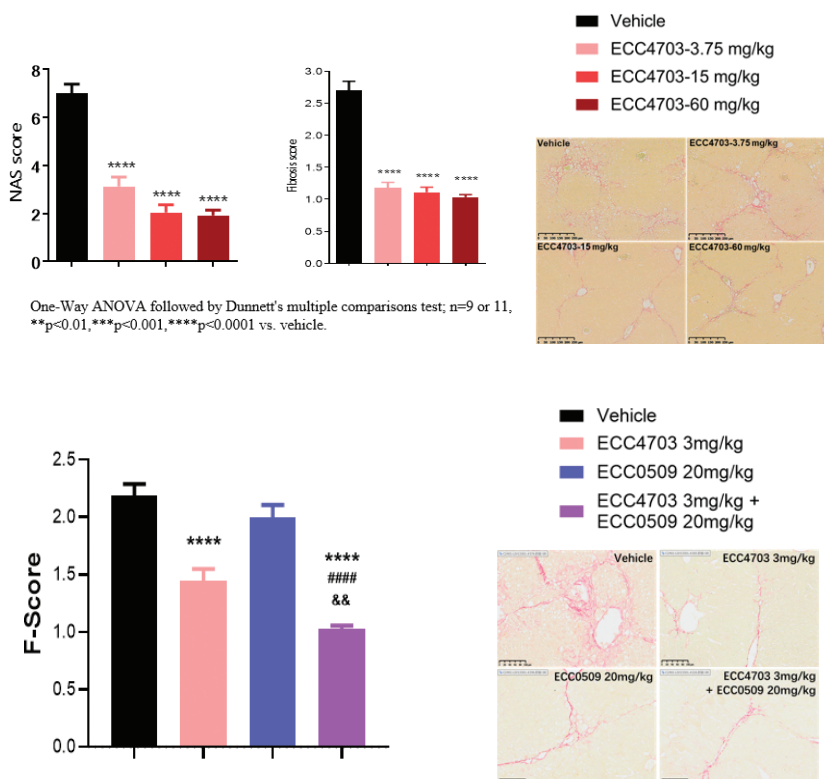
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Profile	MGL-3196	VK2809A	ECC-4703
THRβ EC ₅₀ (nM), Emax	49, 64%	5.6, 91%	3.9, 92%
THRα EC ₅₀ (nM), Emax	799, 48%	10.6, 82%	110, 88%
Rel Selectivity β/α [#]	31 (n = 125)	2.4 (n = 4)	46 (n = 10)

#: THRβ/THRα selectivity was calculated by the ratio of EC₅₀ from THRα and THRβ from the assay conducted at the same day, and the relative selectivity of each compound was calculated by normalization to triiodothyronine selectivity.

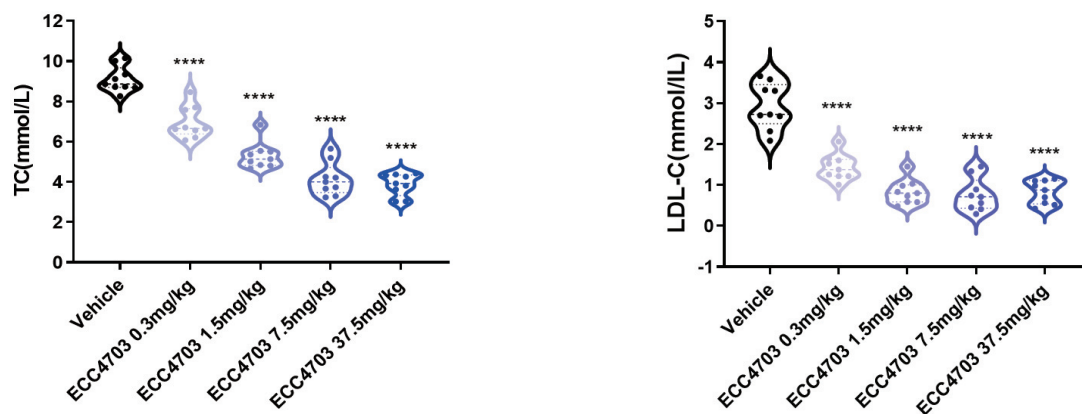
Source: “ECC4703, a full thyroid hormone receptor β (THRβ) agonist, demonstrates excellent selectivity and liver targeting properties and improvement of plasma lipids, NAFLD activity score and fibrosis in NASH animal model” by Jianfeng Xu. Ph.D, et al, The International Liver Congress 2022.

In preclinical models, treatment with ECC4703 resulted in significantly lowering in both the NAFLD Activity Score (NAS) and fibrosis scores relative to vehicle. In addition, the combination of ECC4703 and ECC0509 further reduced liver fibrosis, highlighting the potential of combination therapy for MASH. Moreover, in a hyperlipidemia model, ECC4703 significantly lowered circulating LDL cholesterol and total cholesterol.



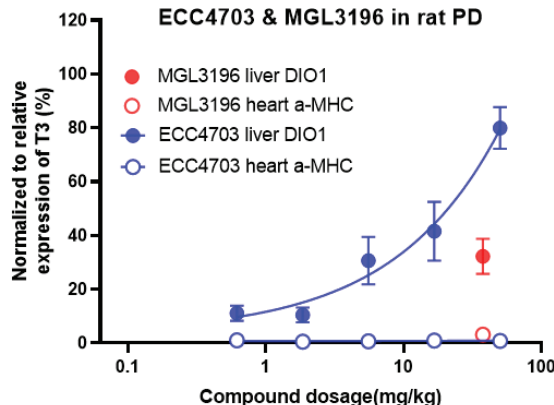
Source: Company Data.

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Source: Company Data.

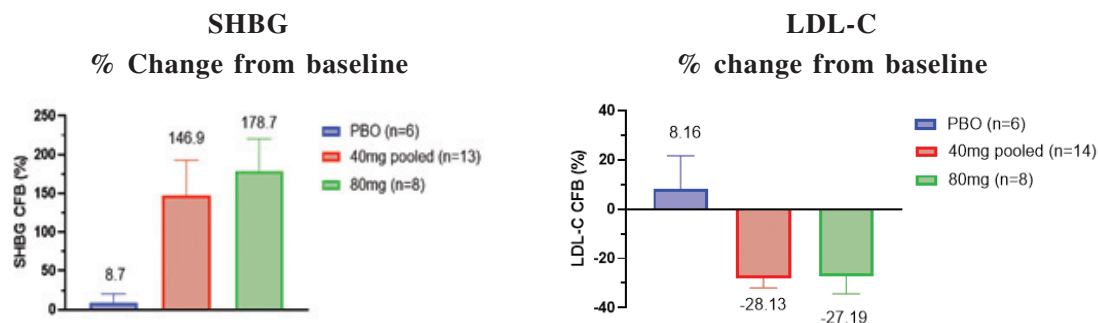
In preclinical model, ECC4703 demonstrated superior *in vivo* maximal efficacy versus MGL-3196 while preserving high selectivity and a clear liver-preferential profile. As illustrated in the chart below, in a head-to-head preclinical study, ECC4703 achieved an 80% response at the highest dose level, while MGL-3196 achieved 32%. ECC4703 is purpose-built to maximize the potential to hepatic benefit and limit systemic exposure without forming reactive intermediates.



Source: “ECC4703, a full thyroid hormone receptor β ($THR\beta$) agonist, demonstrates excellent selectivity and liver targeting properties and improvement of plasma lipids, NAFLD activity score and fibrosis in NASH animal model” by Jianfeng Xu. Ph. D., et al, The International Liver Congress 2022.

- Promising PD Changes in Early Study.** In the Phase I trial, ECC4703 showed robust, placebo-adjusted pharmacodynamic effects after 14 days of once-daily dosing. Notably, we observed a significant increase in SHBG and a robust reduction in LDL-C, indicating clear targeted engagement in humans.

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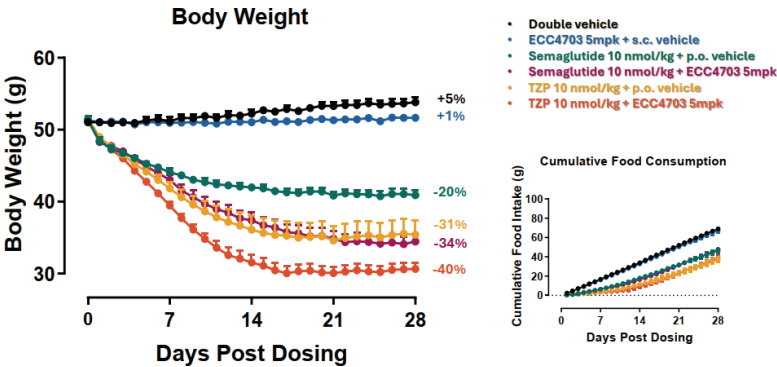


Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC4703, a Highly Selective Liver Targeting Thyroid Hormone Receptor-beta (THR-b) Full Agonist for MASH in a Phase 1 Trial” by Samuel Pak, M.D., et al, The Liver Meeting 2024.

- **Excellent Safety and Tolerability Profile in Humans.** In the first-in-human Phase I trial of ECC4703, no serious adverse events were observed, and all observed side effects were mild. Notably, limited GI effects, no pruritus, and no clinically meaningful changes in Thyroid-Stimulating Hormone (“TSH”) or Triiodothyronine (“T3”) levels were observed.
- **Promising Candidate for Combination Therapies in Cardiometabolic and Inflammatory Diseases.** Building on ECC4703’s superior profile, we are actively advancing research on combinations of ECC4703 with SSAO inhibitor and GLP-1RA, and we are exploring opportunities for indication expansion.
 - o *Potentially enhanced efficacy in MASH.* In preclinical studies, the combination of ECC4703 with ECC0509 for the treatment of MASH, achieved greater improvements in fibrosis scores which is associated with liver benefits.
 - o *Indication expansion in weight management.* Combining ECC4703 with GLP-1RAs has the potential to enhance weight loss, minimize lean mass loss, and achieve a greater magnitude of clinical benefit compared to GLP-1RAs alone.

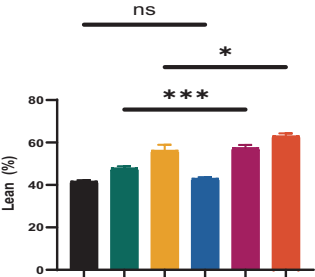
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Absolute Body Weight and Cumulative Food Intake During ECC4703 Treatment in Combination with Semaglutide or Tirzepatide

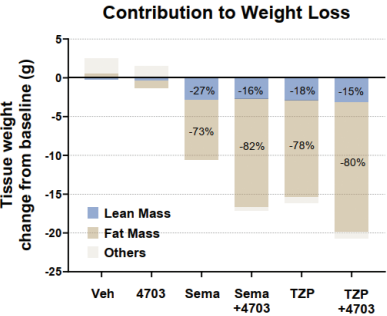


Source: “Metabolic Effects of ECC4703, a Liver Targeting Full $THR\beta$ Agonist, in Combination with Semaglutide and Tirzepatide in Diet-Induced Obese Mice” by Jingye Zhou PhD., et al, *Diabetes*, 2025.

In preclinical studies, ECC4703 potentiated total weight loss without additional reductions in food intake in combination with GLP-1RAs. In addition, ECC4703 in combination with GLP-1RAs demonstrated reduction in lean mass loss. It was hypothesized the synergistic weight loss effect may be derived from the remobilization of fatty acid to the liver under the energy deficient state, followed by lipid oxidation from $THR\text{-}\beta$ agonism.



Note: Statistical analyses conducted with one-way ANOVA followed by Tukey’s test in Prism 10.



Source: “Metabolic Effects of ECC4703, a Liver Targeting Full $THR\beta$ Agonist, in Combination with Semaglutide and Tirzepatide in Diet-Induced Obese Mice” by Jingye Zhou PhD., et al, *Diabetes*, 2025.

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Clinical Development Plan

Following IND approvals from the FDA, we commenced a first-in-human Phase I clinical trial in the U.S. for ECC4703 in September 2022 and completed the trial in October 2023. In China, we initiated the Phase I trial in April 2023 and completed the trial in November 2023.

The table below sets forth details of ECC4703’s clinical development plan:

Study Population	Mono/ Combo	Trial Phase	Trial Status	(Expected) Trial Start Date	(Expected) Trial Completion Date
Healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL . . .	Mono	Phase I	Completed	September 2022	October 2023
Healthy participants . . .	Mono	Phase I	Completed	April 2023	November 2023
Presumed MASH	Mono/Combo with ECC0509	Phase IIa	IND approved	Q4 2025	H2 2026
Weight management . . .	Combo with GLP-1RA	Phase IIa	Planned	2026	2027

Summary of Clinical Trial Results

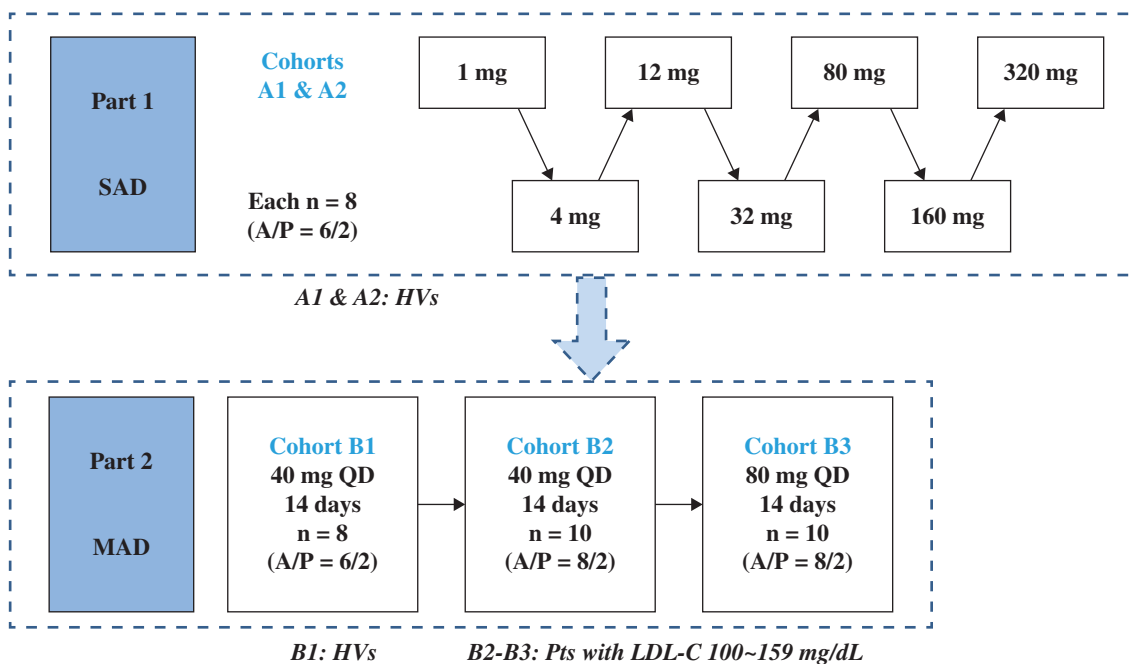
Completed Phase I First-in-Human Study of ECC4703 in Healthy Volunteers and Participants with Treatment-Unnecessary LDL-C under 160 mg/dL in the United States

This is a Phase 1, randomized, double-blind, placebo-controlled, first-in-human study evaluating the safety, tolerability, pharmacokinetics, and pharmacodynamics of ECC4703 in healthy volunteers and participants with treatment-unnecessary LDL-C below 160 mg/dL.

Trial Design. The study was a Phase I, double-blind, randomized, placebo-controlled, single and multiple ascending dose study of ECC4703, designed to investigate SAD part of ECC4703 in healthy volunteers and MAD part of ECC4703 for 14 days first in 1 cohort of healthy volunteers and then in 2 cohort of treatment-unnecessary LDL-C under 160 mg/dL. 38 healthy participants were enrolled in Part 1 SAD, and 8 healthy participants and 21 participants with treatment-unnecessary LDL-C under 160 mg/dL were enrolled in Part 2 MAD.

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See the diagram below for an illustration of the Phase I trial design.



Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC4703, a Highly Selective Liver Targeting Thyroid Hormone Receptor-beta (THR- β) Full Agonist for MASH in a Phase 1 Trial” by Samuel Pak, M.D., et al, The Liver Meeting, AASLD, Nov. 15-19, 2024.

The SAD portion enrolled healthy adults aged 18-65 years. Eligible participants were required to be in good general health, BMI 18-32 kg/m² with no clinically significant findings on medical history, physical exam, 12-lead ECG, vital signs, or laboratory evaluations. Individuals with a history of liver or thyroid disease, or other conditions that could confound results or increase risk, were excluded. Participants were randomized to receive single oral doses of ECC4703 (1, 4, 12, 32, 80, 160, or 320 mg) or placebo in two sequential interlocking cohorts (A1 and A2). The primary objective was to assess safety and tolerability, with secondary objectives to characterize pharmacokinetic parameters such as AUC, C_{max}, T_{max} and apparent terminal half-life (“t_{1/2}”).

The MAD portion enrolled adults aged 18-65 years with BMI 18-32 kg/m², including generally healthy participants and those with fasting LDL-C 100-159 mg/dL. Participants were randomized to receive once-daily oral ECC4703 (40 mg or 80 mg) or placebo for 14 days across three sequential cohorts: B1 (40 mg in healthy volunteers), B2 (40 mg in participants with mild LDL-C elevation), and B3 (80 mg in participants with mild LDL-C elevation). Eligibility required meeting the general inclusion criteria from SAD; for B2 and B3, additional requirements included fasting LDL-C 100-159 mg/dL without indication for lipid-lowering therapy, being otherwise generally healthy, use of stable concomitant medications not affecting lipid metabolism or thyroid axis, and normal baseline liver and thyroid function tests. The primary objective was to evaluate safety and tolerability with repeated dosing, while secondary and exploratory objectives included pharmacokinetics and pharmacodynamic biomarkers such as SHBG and lipid panel. All dosing was conducted under fasted conditions to reduce PK variability.

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Trial Status. We submitted the IND application in June 2022 and received the IND approval from the FDA in July 2022. Subsequently, we dosed the first participant in September 2022 and completed the trial in October 2023.

Safety Results. ECC4703 was generally well tolerated by the study participants, no deaths or SAEs were reported in the study and no drug-related AEs of Grade 3 or higher.

Overall, in the MAD portion of the study, the most frequently reported TEAEs were mild elevations of ALTs which were all asymptomatic. ALT increase occurred in one participant at 40 mg and one participant at 80 mg. The most common treatment-related AE was mild elevation of ALT, which were all asymptomatic. The ALT increases were not accompanied by changes in bilirubin and returned to normal by the end of the study. Notably, the approved THR- β agonist Resmetirom shows a similar profile, with mild ALT elevations typically observed within the first 4 weeks of treatment that return to baseline by around 8 weeks. In addition, GGT increase occurred in one participant at 40 mg, and pain in extremity occurred in two participants at 80 mg. All TEAEs were mild in severity, and all TEAEs resolved without any intervention by the end of the study. One participant with mild AEs of chest pain and increased blood pressure was discontinued from the study due to a TEAE, but it was determined to be not related to the study treatment.

Across the MAD cohorts, there were no clinically meaningful changes in blood pressure, heart rate, T3, or TSH. Hematology, urinalysis, 12-lead ECGs, and physical examination findings were unremarkable, with no abnormalities considered clinically significant or reported as TEAEs. No participant experienced clinically meaningful arrhythmias or QTc prolongations. Across all dose levels, laboratory results showed no clinically significant trends or symptom-associated abnormalities, and thyroid function measurements revealed no treatment-related changes. Modest reductions of approximately 20-30% in total and free Thyroxine (“T4”) were observed at Day 14, similar to those reported with Resmetirom and were not associated with clinically meaningful impact. No diarrhea or pruritus was observed in the MAD portion of the trial.

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Overall Summary of Adverse Events — Part 2 MAD

	ECC4703 40 mg Capsule QD In HVs (N=6) n (%) [E]	ECC4703 40 mg Capsule QD in P (N=8) n (%) [E]	ECC4703 80 mg Capsule QD in P (N=8) n (%) [E]	Pooled Placebo Capsule QD (N=7) n (%) [E]
Any TEAE	1 (16.7) [4]	3 (37.5) [5]	4 (50.0) [4]	2 (28.6) [5]
Any treatment-related TEAE	0	1 (12.5) [2]	3 (37.5) [3]	0
Any mild TEAE	1 (16.7) [4]	3 (37.5) [5]	4 (50.0) [4]	2 (28.6) [5]
Any treatment-related mild TEAE	0	1 (12.5) [2]	3 (37.5) [3]	0
Any moderate TEAE	0	0	0	0
Any treatment-related moderate TEAE	0	0	0	0
Any severe TEAE	0	0	0	0
Any treatment-related severe TEAE	0	0	0	0
Any serious adverse event	0	0	0	0
Any treatment-related SAE	0	0	0	0
Any TEAE leading to premature discontinuation of study drug	0	0	0	1 (14.3) [2]
Any TEAE leading to premature discontinuation of study	0	0	0	1 (14.3) [2]
Any death	0	0	0	0

Source: Company Data

Pharmacokinetics results.

Following single oral doses of ECC4703, the terminal half-life was approximately 10-16 hours, supporting once-daily administration.

ECC4703 PK Parameters in SAD and MAD (Day 14)

PK Parameters	SAD (1 to 320 mg)	MAD (40 to 80 mg)
AUC(0-last) (ng*hr/mL)	5.4 to 873	157 to 322
C _{max} (ng/mL)	1.6 to 139	28.3 to 46.6
T _{max} (h)	3.0~4.0	4.0
T _{1/2} (h)	1.9~11.1	10.7~15.8
CL/F (L/h)	126~429	17~277

AUC, C_{max}, T_{1/2}, CL/F: geometric mean, T_{max}: median (min, max)

Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC4703, a Highly Selective Liver Targeting Thyroid Hormone Receptor-beta (THR-β) Full Agonist for MASH in a Phase 1 Trial” by Samuel Pak. M.D., et al, The Liver Meeting, AASLD, Nov. 15-19, 2024.

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Pharmacodynamic results.

SHBG and LDL-C are established PD markers of hepatic THR- β activation. SHBG is synthesized in the liver in response to THR- β stimulation and serves as a sensitive indicator of target engagement, while LDL-C reduction reflects downstream effects on lipid metabolism. After 14 days oral administration of once-daily ECC4703, robust biomarker changes were observed. LDL-C was significantly reduced: at 40 mg, LDL-C fell by 37% in B1 and 21% in B2; the pooled 40 mg reduction was 28%. At 80 mg (B3), LDL-C declined by 27%, while placebo showed an 8% increase. These parallel changes — marked SHBG elevation with substantial LDL-C lowering — underscore strong and selective THR- β engagement by ECC4703. ECC4703 effectively lowered a panel of atherogenic lipids over 14 days of treatment as indicated in the table below.

ECC4703 PD Parameters in Phase I Trial

Day 15 PCFB (%) mean (SD)	PBO n = 6	ECC4703 B1: 40 mg n = 6	ECC4703 B2: 40 mg n = 8	ECC4703 B1+2: 40 mg n = 14	ECC4703 B3: 80 mg n = 8
LDL (mmol/L)	8.175 (33.1146)	-37.094 (8.0309)	-21.414 (14.5192)	-28.134 (14.2535)	-27.180 (20.3661)
TG (mmol/L)	-14.735 (50.1105)	-28.924 (14.4519)	-35.721 (11.4248)	-32.808 (12.7593)	-31.429 (12.5990)
TC (mmol/L)	-4.978 (21.7656)	-29.247 (6.5472)	-16.965 (11.6059)	-22.229 (11.3488)	-21.627 (12.0481)
ApoB (mg/dL)	4.50 (23.14)	-23.07 (5.52)	-16.90 (10.42)	-19.54 (8.96)	-19.49 (19.88)
HDL (mmol/L)	-13.371 (14.9668)	-20.426 (12.3708)	-6.941 (16.3778)	-12.720 (15.8509)	-13.532 (8.9763)
SHBG (nmol/L)	8.70 (28.578)	204.43 (236.274)	97.56 (49.212)	146.89 (165.972)	178.72 (117.897)

Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC4703, a Highly Selective Liver Targeting Thyroid Hormone Receptor-beta (THR- β) Full Agonist for MASH in a Phase I Trial” by Samuel Pak. M.D., et al, *The Liver Meeting*.

Abbreviation: PCFB = percentage change from baseline; SD = standard deviation; PBO = placebo

Conclusion. ECC4703 was safe and well tolerated following single and repeated daily dosing in healthy volunteers and in participants with treatment-unnecessary LDL-C <160 mg/dL. Its pharmacokinetic profile supports a once-daily regimen. ECC4703 produced effect across a panel of atherogenic lipids, with significant LDL-C lowering over 14 days. Collectively, these findings support continued development of ECC4703 as a potential oral therapy for patients with MASH and obesity/overweight.

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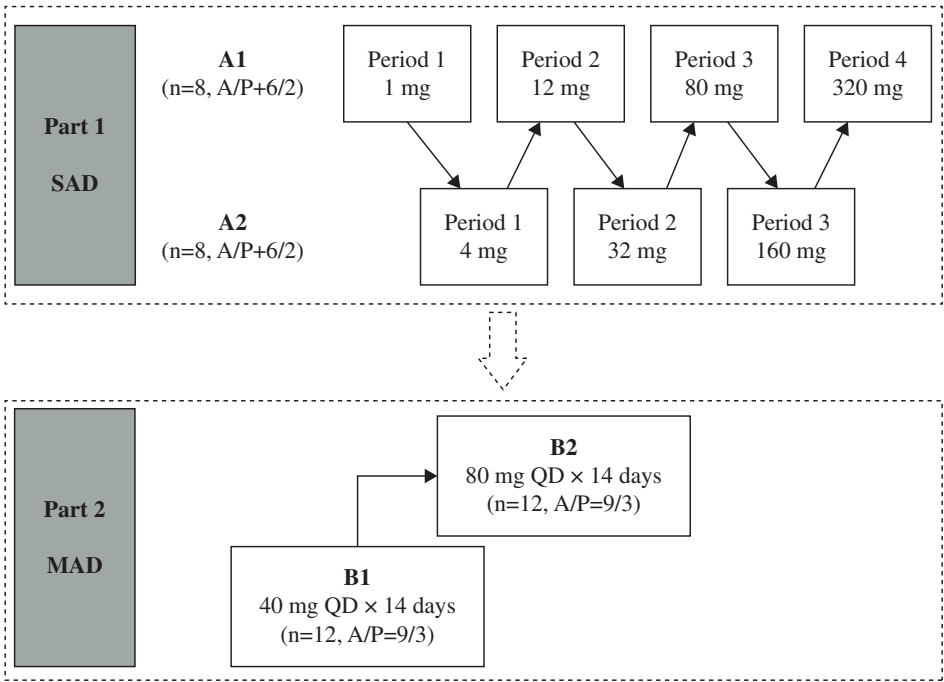
Completed Phase I study of ECC4703 in Healthy Volunteers in China

This was a Phase 1, randomized, double-blind, placebo-controlled study designed to evaluate the safety, tolerability, pharmacokinetics, and pharmacodynamics of ECC4703 in healthy volunteers.

Trial Design.

This Phase I double-blind, randomized, placebo-controlled study of ECC4703 included both SAD and MAD parts. In the SAD arm, 17 healthy adults received a single oral dose of 1-320 mg or placebo under fasting, with safety monitored for 48 hours and follow-up through Day 8. In the MAD arm, 26 participants received 40 mg, 80 mg, once daily for 14 days or placebo, with monitoring through 48 hours post-dose and follow-up to Day 21. The primary objective was safety and tolerability, with pharmacokinetics as a secondary objective.

See the diagram below for an illustration of the Phase I trial design.



Source: Company Data

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The SAD portion enrolled healthy adults (18-65 years, BMI 18-32 kg/m²; weight ≥50 kg men/≥45 kg women) with contraception required. Major exclusions: pregnancy, recent illness or vaccination, substance use, recent trial participation, infectious disease, significant blood loss, prohibited meds, or abnormal ECG. The MAD portion enrolled adults (18-65 years, BMI 18-32 kg/m²), including generally healthy participants with mildly elevated LDL-C. Eligibility mirrored SAD with similar key exclusions.

Trial Status. We submitted the IND application in October 2022 and received the IND approval from the NMPA in January 2023. Subsequently, we initiated the trial in April 2023 and completed the trial in November 2023.

Safety Results.

ECC4703 was safe and well tolerated, with no deaths, serious adverse events. Most adverse events were mild and not dose related.

Adverse Events-Multiple Administration

	40 mg N=9	80 mg N=9	Placebo N=6	Total N=24
	Cases (%)	Cases (%)	Cases (%)	Cases (%)
TEAE	6 (66.7)	5 (55.6)	4 (66.7)	15 (62.5)
TRAE	6 (66.7)	4 (44.4)	2 (33.3)	12 (50.0)
TEAE of Grade≥2	2 (22.2)	0	1 (16.7)	3 (12.5)
TRAE of Grade≥2	2 (22.2)	0	0	2 (8.3)
TEAE of Grade≥3	0	0	0	0
TEAE leading to dose discontinuation	0	0	0	0
TEAE leading to withdrawal from the study	0	0	0	0

Notes: TRAE: correlations between the study drug and adverse events are denoted as “definitely related”, “probably related”, “possibly related”, “unlikely related” and “definitely not related” events. TRAE includes “definitely related”, “probably related”, “possibly related” events.

Severe TEAE: severe treatment emergent adverse event occurring during the trial.

Severe TRAE: severe treatment-related adverse event in relation to study drug.

Source: Company Data

Conclusion. ECC4703 demonstrated a generally acceptable safety and tolerability profile.

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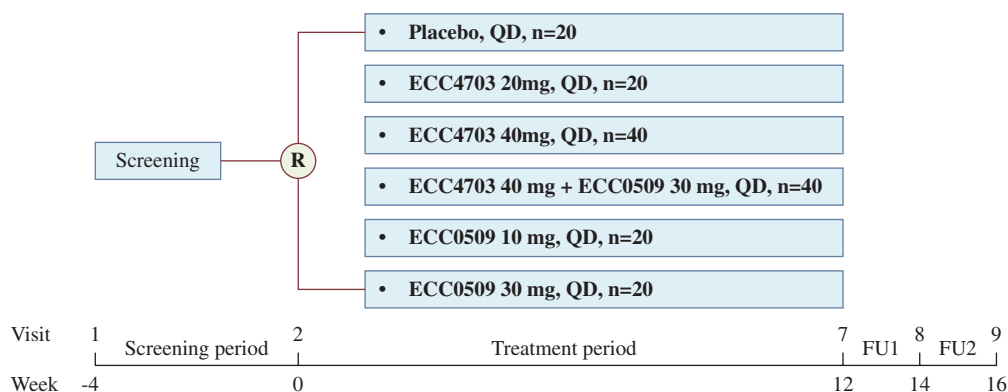
Planned Phase IIa trial to evaluate the efficacy and safety of ECC4703, ECC0509, and the combination in adults with presumed MASH in the United States

This is a U.S.-based, multicenter, randomized, double-blind, placebo-controlled Phase IIa trial that will evaluate the efficacy, safety, PK, and PD of ECC4703, ECC0509 as monotherapy and the combination of ECC4703 and ECC0509 for the treatment of MASH.

Trial Design.

This is designed as multicenter, randomized, double-blind, placebo-controlled Phase IIa trial of ECC4703 and ECC0509 as monotherapy and the combination of ECC4703 and ECC0509 for the treatment of MASH. Approximately 160 participants are randomized into six arms. The primary endpoint is change in liver fat content.

See the diagram below for an illustration of the Phase IIa trial design.



Abbreviation: FU = follow-up; QD = once daily; R = randomization.

Source: Company Data

Eligible participants are ≥ 18 years with presumed MASH, hepatic steatosis confirmed by imaging, and features of metabolic syndrome or biopsy evidence of active disease. Key exclusions include other chronic liver diseases, advanced/decompensated cirrhosis, heavy alcohol use, prior THR- β therapy, and conditions likely to confound efficacy or safety assessments.

The 12-week treatment phase will measure change in liver fat by MRI-PDFF as the primary endpoint. Safety will be monitored through adverse events, liver function, DILI signals, ECGs, and labs.

Trial Status. We submitted the IND application in August 2025 and have received the IND approval from the FDA in October 2025. Subsequently, we plan to initiate the trial in the fourth quarter of 2025.

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Material Communications with Competent Authorities

The following table sets forth a summary of our material communications with regulatory authorities regarding ECC4703:

Trial	Milestone/Stage	Timeline
Phase I first-in-human study of ECC4703 in healthy volunteers and participants with treatment-unnecessary LDL-C under 160 mg/dL	Submission of IND application to the FDA IND approval from the FDA	June 2022 July 2022
Phase I study of ECC4703 in healthy volunteers in China	Submission of IND application to the NMPA IND approval from the NMPA	October 2022 January 2023
Phase IIa study to evaluate the efficacy and safety of ECC4703, ECC0509, and the combination in adults with presumed MASH	Submission of IND application to the FDA IND approval from the FDA	August 2025 October 2025

As of the Latest Practicable Date, ECC4703 did not receive any major concerns or objections from the above-mentioned regulatory authorities to its clinical development plans.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ECC4703 SUCCESSFULLY

ECC0509, our Key Product

Overview

ECC0509 is an oral, once-daily, peripherally distributed, highly selective small-molecule inhibitor of SSAO (also known as vascular adhesion protein-1 (“**VAP-1**”) being advanced as a first-in-class therapy for OA pain and as a combination agent for MASH. We are advancing ECC0509 as a non-opioid, non-steroidal oral analgesic for OA pain. ECC0509 may also be evaluated in combination with GLP-1RA in obese and overweight patients with joint pain.

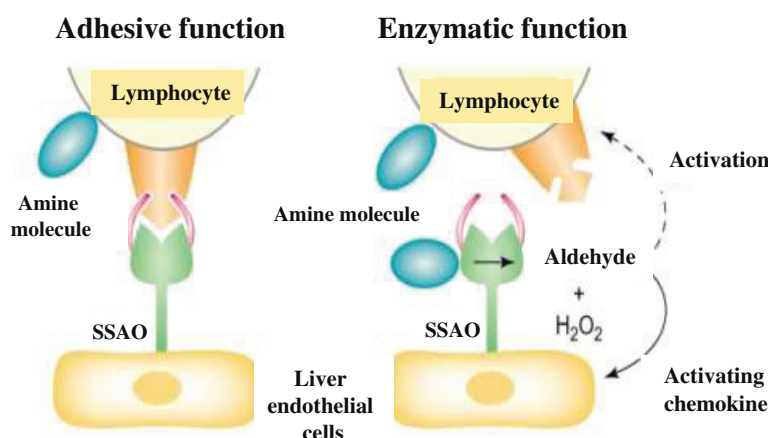
In parallel, we are further exploring ECC0509 in combination with ECC4703 for the treatment of MASH, where SSAO inhibition’s immuno-vascular biology may unlock additional clinical benefit. This combination is designed to unite complementary mechanisms — THR-β-driven reductions in hepatic steatosis and atherogenic lipids with ECC0509’s inhibition of SSAO-mediated leukocyte trafficking and oxidative injury — to target the inflammation-fibrosis axis that persists despite metabolic correction.

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Drug Design and Mechanism of Action

ECC0509 was intentionally engineered to achieve potent, mechanism-based SSAO inhibition in peripheral tissues with minimal brain exposure, thereby preserving robust target engagement in plasma and liver while mitigating central nervous system amine-oxidase drug — drug interaction risk that limited prior agent. Guided by TRANDD, a highly selective, *in vivo* potent, peripherally distributed profile was established as the key target product profile.

Mechanistically, ECC0509 reduces the formation of SSAO-derived reactive aldehydes and hydrogen peroxide and suppresses VAP-1-mediated leukocyte tethering and extravasation, collectively attenuating chemotaxis, endothelial activation, and stellate cell and fibroblast profibrotic responses. The following diagram illustrates such mechanism of action of ECC0509.



Source: Literature Review, Frost & Sullivan

Market Opportunity and Competition

OA Pain. OA pain typically worsens with activity and eases with rest, in severe cases it can become constant due to cartilage breakdown in the knees, hips, and hands. Management of OA pain focuses on symptom control with physical therapy and weight management alongside medications such as NSAIDs, though chronic use of NSAIDs might lead to increased risks of gastrointestinal bleeding, renal impairment, and cardiovascular events. The global prevalence of OA pain increased from 433.6 million cases in 2020 to 473.9 million cases in 2024 and is estimated to reach 528.5 million cases by 2029 and 587.0 million cases by 2034. In China, OA pain prevalence increased from 77.5 million cases in 2020 to 85.2 million cases in 2024 and is expected to reach 95.6 million cases by 2029 and 107.2 million cases by 2034.

SSAO, is an upstream target that integrates oxidative injury and leukocyte trafficking, key drivers of OA pain and damage. This combined anti-inflammatory and antioxidative strategy offers an novel path to relieve OA pain.

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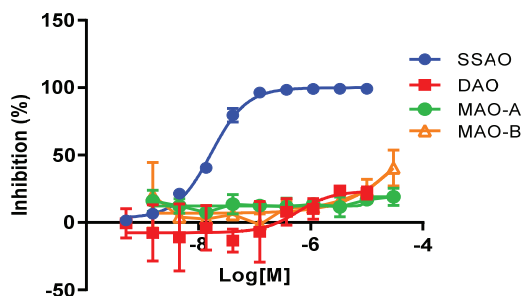
MASH. SSAO protein expression is upregulated in MASH patients and correlates with fibrosis stage and disease progression. Recent research suggests the potential for enhanced efficacy in the treatment of MASH when SSAO inhibitor is combined with THR- β agonist.

As of the Latest Practicable Date, there was no approved SSAO inhibitor for the treatment of OA pain and MASH, ECC0509 remains the only clinical stage SSAO candidate targeted for the treatment of OA pain and MASH. For more details, please refer to “Industry Overview — Overview of Cardiometabolic and Inflammatory Diseases Drug Market — OA Pain Drug Market — Competitive Landscape of Small Molecule SSAO Drug Market.”

Key Advantages

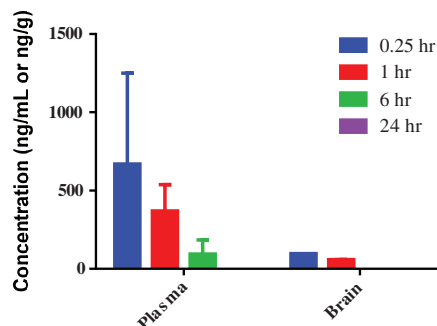
- **High Selectivity and Peripheral Distribution Profile to Mitigate Drug to Drug Interaction (“DDI”) Concerns.** Across *in vitro* and *in vivo* evaluations, ECC0509 demonstrates excellent SSAO selectivity and minimal brain distribution to mitigate the DDI risk associated with monoamine oxidases.

In vitro activity for ECC0509



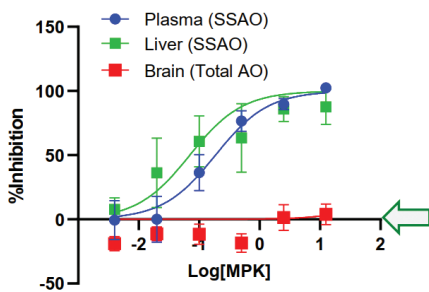
ECC0509 is a potent and highly selective SSAO inhibitor

Plasma/Brain exposure of ECC0509 (rat, single PO dose, 6 mpk)



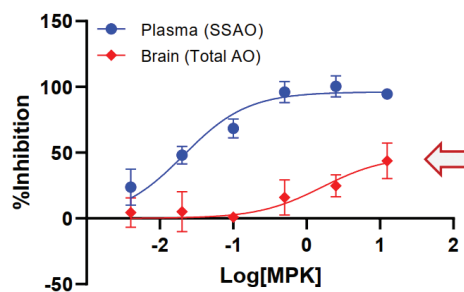
Peripheral distribution

SD Rat Dose-response PD at 24h (ECC0509)



Robust peripheral PD without inhibition of brain Amine Oxidases by ECC0509 (brain K_p 0.018)

SD-Rat Dose-response PD at 24h (PXS-4728)

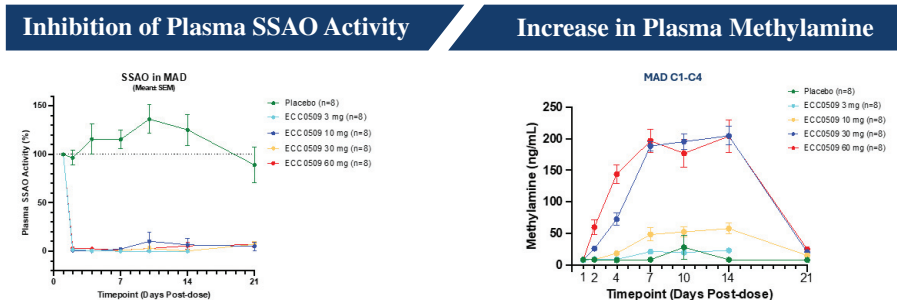


Significant brain Amine Oxidase inhibition by PXS-4728 (brain K_p 0.28)

Source: Company Data

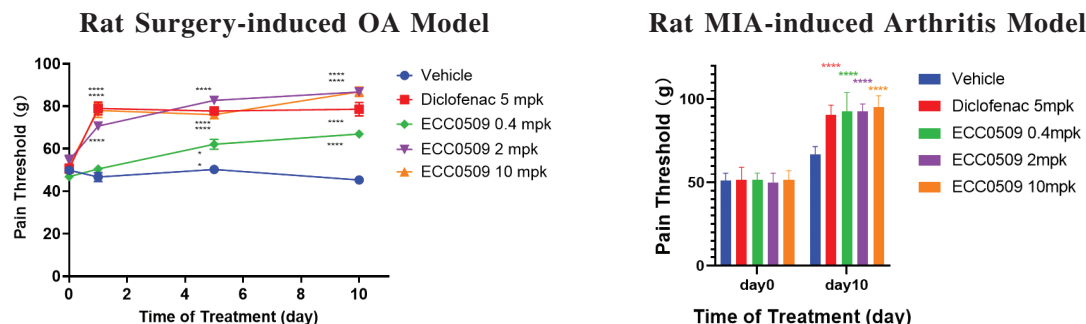
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- Robust and Sustained Target Engagement Demonstrated in Humans.** In the Phase I trial, ECC0509 produced rapid onset and near-complete suppression of plasma SSAO activity and sustained this effect over time, indicating durable target coverage at clinically feasible doses. A dose-dependent increase in plasma methylamine was also observed, these pharmacodynamic effects can guide the dose selection of subsequent clinical trials.



Source: Company Data

- First-in-Class Opportunity in OA Pain.** ECC0509 stands out as potential first-in-class candidate with robust and rapid pain relief in two distinct OA animal models as shown below, with clear efficacy observed at doses as low as ~0.4 mpk.



, *: $p < 0.01$ or $p < 0.0001$ compared to Vehicle using 2-way ANOVA followed by Dunnett's test.

*, **, ***: $p < 0.05$, $p < 0.01$, $p < 0.0001$ compared to Vehicle using 2-way ANOVA followed with Dunnett's test.

Source: Company data

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Clinical Development Plan

Following acknowledgment from the Therapeutic Goods Administration (the “TGA”), we commenced a Phase I clinical trial for ECC0509 in healthy volunteers in Australia in July 2021 and completed the trial in July 2023.

The table below sets forth details of ECC0509’s clinical development plan:

Study Population	Mono/ Combo	Trial Phase	Trial Status	(Expected) Trial Start Date	(Expected) Trial Completion Date
Healthy participants . .	Mono	Phase I	Completed	July 2021	July 2023
OA Pain	Mono	Phase IIa	IND approved by the FDA	2027	To be determined
Presumed MASH	Mono/Combo with ECC4703	Phase IIa	IND approved by the FDA	Q4 2025	H2 2026

Summary of Clinical Trial Results

Completed Phase I first-in-human study of ECC0509 in Healthy Volunteers

This is a Phase 1, randomized, double-blind, placebo-controlled, first-in-human, single-center study evaluating the safety, tolerability, pharmacokinetics, and pharmacodynamics of ECC0509 in healthy volunteers.

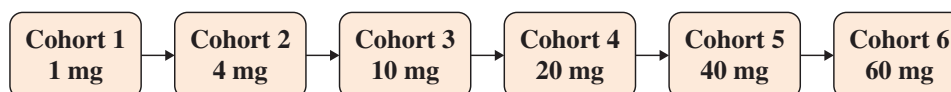
Trial Design. This was a single-center, Phase 1, randomized, double-blind, placebo-controlled study of ECC0509 in healthy subjects, including sequential SAD and MAD parts with a food-effect assessment. The primary objective was to evaluate the safety and tolerability of ECC0509 following oral administration of single and multiple ascending doses of ECC0509. The secondary objectives were to characterize the PK and PD profiles of ECC0509 following single and multiple dose administrations.

The SAD portion of the Phase 1 study evaluated six dose levels of ECC0509 (1-60 mg) in healthy volunteers. A total of 48 participants were enrolled and completed the SAD part. The MAD portion evaluated ECC0509 at 3, 10, 30, and 60 mg once daily for 14 days in cohorts of 10 participants (8 active, 2 placebo), enrolling a total of 41 healthy adults.

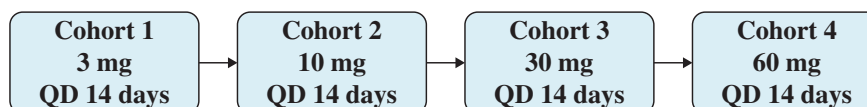
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See the diagram below for an illustration of the Phase I trial design.

Part 1: SAD in healthy participants (in each cohort, n = 8; A/P = 6/2)



Part 2: MAD in healthy participants (in each cohort, n = 10; A/P = 8/2)



Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC0509, an SSAO Inhibitor for MASH, in a Phase I trial” by Angela Rowland, et al, *The Liver Meeting, AASLD*, Nov. 15-19, 2024.

Primary endpoints assessed safety, including TEAEs/SAEs and clinically significant changes in labs, ECGs, vitals, and physical exams — through Day 8 in SAD and Day 21 in MAD. Secondary endpoints evaluated pharmacokinetics at both single and multiple doses, including measures of exposure (AUC, Cmax), time course (Tmax, t_{1/2}), accumulation, and clearance.

Trial Status. We Submitted the clinical trial notification to the TGA and received the acknowledgment from the TGA in June 2021. We initiated the trial in July 2021 and completed the trial in July 2023.

Safety Results. ECC0509 was generally well tolerated.

The most commonly reported TEAEs for participants receiving ECC0509 were general disorder and catheter site conditions (21.2% vs. 25.0% for participants receiving placebo in the MAD phase), nervous system disorders such as headaches and somnolence (21.2% vs. 25.0% for participants receiving placebo in the MAD phase), and infections and infestations (21.2% vs. 12.5% for participants receiving placebo in the MAD phase). The majority of the TEAEs were considered mild in severity. No deaths had been reported with ECC0509. In the MAD phase of the first-in-human study, 1 participant (60-mg dose level) decided to withdraw from the study and thereafter experienced 3 severe and serious TEAEs: auditory hallucination, visual hallucination, and suicidal ideation. These SAEs were determined to be unlikely related to the study drug and were considered resolved. The subject had a history of mental health disorders which was not disclosed at screening and were unknown to the clinical research unit at enrolment.

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Overall Summary of Adverse Events — MAD

	Placebo (N=8)	ECC0509 3 mg QD (N=8)	ECC0509 10 mg QD (N=8)	ECC0509 30 mg QD (N=9)	ECC0509 60 mg QD (N=8)
Number of TEAEs, E	6 (75.0) 13	3 (37.5) 10	6 (75.0) 8	5 (55.6) 11	3 (37.5) 16
Number of serious TEAEs, E	0	0	0	0	1 (12.5) 31
Number of severe TEAEs, E	0	0	0	0	1 (12.5) 3
Number of study drug related TEAEs, E	1 (12.5) 3	0	2 (25.0) 2	1 (11.1) 1	3 (37.5) 11
Number of subjects who discontinued due to TEAEs, N (%)	0	0	1 (12.5) 1	1 (11.1) 3	0
TEAEs Leading to Death, E (%)	0	0	0	0	0

Abbreviation: N: No of subjects; E = Events; TEAE = Treatment Emergent Adverse Event; Placebo is the pooled results of subjects in all dose level cohorts who received the placebo.

Source: Company Data

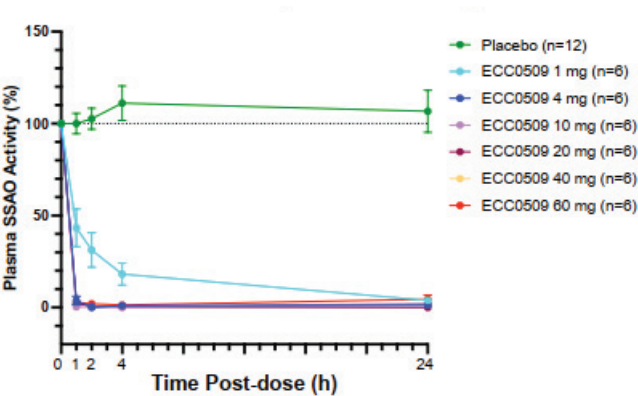
Pharmacokinetics results.

Collectively, the SAD and MAD results establish that ECC0509 demonstrated PK profile compatible with once-daily dosing regimen.

Pharmacodynamic results.

In the SAD portion of the trial, ECC0509 produced rapid, potent, and near-complete inhibition of plasma SSAO activity across all single-dose levels, indicating target engagement after first exposure.

SSAO in SAD (mean±SEM)

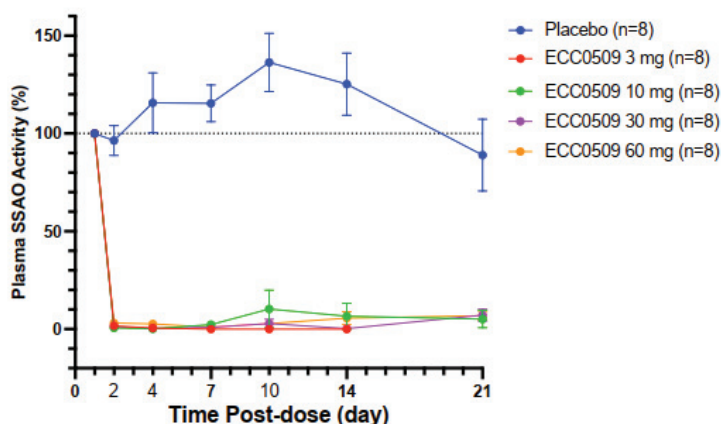


Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC0509, an SSAO Inhibitor for MASH, in a Phase 1 trial” by Angela Rowland, et al, The Liver Meeting, AASLD, Nov. 15-19, 2024.

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In the MAD portion of the trial, ECC0509 maintained nearly complete inhibition of plasma SSAO activity from Day 2 onward across all daily dose levels from 3 mg to 60 mg and sustained this inhibition throughout the 14-day dosing period and up to the Day 21 follow-up, demonstrating durable target suppression with once-daily administration. Pharmacodynamic substrate responses mirrored the enzymatic readout: plasma methylamine accumulated progressively over the dosing days and reached a steady state by Day 7, with maximal increases observed at once-daily doses of 30 mg and higher. This plateau at ≥ 30 mg indicates that SSAO activity was broadly inhibited in peripheral tissues at these dose levels, providing pharmacologic rationale for dose selection in subsequent Phase II trials.

SSAO in MAD (mean $\pm$ SEM)



Source: “Safety, Tolerability, Pharmacokinetics and Pharmacodynamics of ECC0509, an SSAO Inhibitor for MASH, in a Phase I trial” by Angela Rowland, et al, *The Liver Meeting*, AASLD, Nov. 15-19, 2024.

Conclusion. ECC0509 demonstrated a favorable safety and tolerability profile in the Phase I trial. Pharmacodynamic assessments showed near-complete inhibition of plasma SSAO activity at low doses, while plasma methylamine levels increased in a dose-dependent manner and reached a plateau at 30 mg. Collectively, these findings support the continued development of ECC0509 as a potential once-daily oral therapy for patients with MASH and OA pain.

We also plan to initiate the Phase IIa trial of ECC4703 and ECC0509 as monotherapy and the combination of ECC4703 and ECC0509 for the treatment of MASH in the fourth quarter 2025. For details of the trial, see “ECC4703, our Core Product — Summary of Clinical Trial Results — Planned Phase IIa trial to evaluate the efficacy and safety of ECC4703, ECC0509, and the combination in adults with presumed MASH in the United States” in this section.

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Material Communications with Competent Authorities

The following table sets forth a summary of our material communications with regulatory authorities regarding ECC0509:

Trial	Milestone/Stage	Timeline
Phase I first-in-human study of ECC0509 in healthy volunteers	Submission of clinical trial notification to the TGA Received acknowledgment from the TGA	June 2021 June 2021
Phase IIa study to evaluate safety, tolerability and efficacy of ECC0509 in patients with OA pain . .	Submission of IND application to the FDA IND approval from the FDA	February 2025 April 2025
Phase IIa study to evaluate the efficacy and safety of ECC4703, ECC0509, and the combination in adults with presumed MASH	Submission of IND application to the FDA IND approval from the FDA	August 2025 October 2025

As of the Latest Practicable Date, ECC0509 did not receive any major concerns or objections from the aforementioned regulatory authorities to its clinical development plans.

WE MAY NOT BE ABLE TO ULTIMATELY DEVELOP AND MARKET ECC0509 SUCCESSFULLY

Our Preclinical Programs

GIP Receptor Modulator

Our GIP receptor modulator program applies the TRANDD platform to discover a novel oral small molecule for weight management, T2D, and related comorbidities. Anchored by human validation of the GIP axis (e.g., Tirzepatide and Maritide), our lead molecule exhibits potent, selective GIPR antagonist activity that complements GLP-1RA. Our GIPR receptor modulator is currently in preclinical stage.

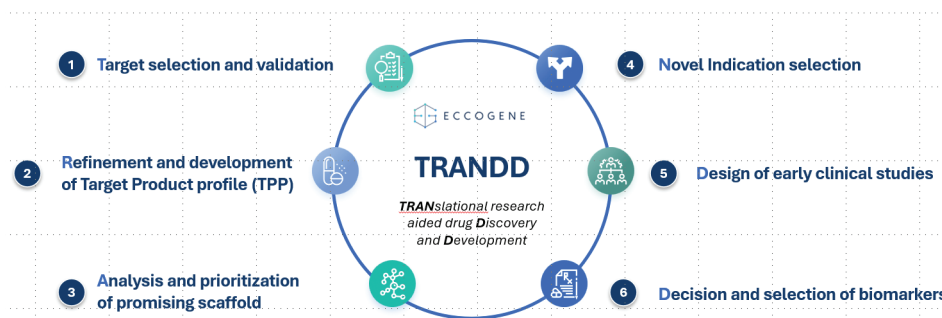
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Amylin Receptor Agonist

Our Amylin receptor agonist program leverages the TRANDD platform to create oral small molecule agonists designed for monotherapy and combination with GLP-1RAs. Mechanistically, the molecule delivers Amylin receptor activation that produces potent, dose-dependent appetite suppression and delayed gastric emptying, which can synergize with GLP-1RAs to amplify weight loss and improve glucose homeostasis. Our Amylin receptor agonist is currently in preclinical stage.

OUR PLATFORM

Translational Research-Aided Drug Discovery and Development Platform



Our proprietary TRANDD platform is an integrated engine designed to accelerate discovery and improve decision-making in our clinical development process. Anchoring early trials around carefully chosen biomarkers and patient subgroups has enabled us to advance three distinct drug candidates into clinical development in just four years from the start of the programs — demonstrating TRANDD’s ability to translate translational science into strategically valuable assets.

Drug discovery and development is a complex process with high attrition rates accompanied by substantial and escalating investment along the development journey. Our TRANDD platform is designed to greatly enhance the efficiency and lower the attrition rates by integrating the following comprehensive capabilities:

- **Target selection and validation.** We prioritize mechanisms with strong human genetic evidence or clinical relevance, such as GLP-1R and THR- β , which have already demonstrated therapeutic utility. By grounding our discovery decisions in targets that possess clear, translatable biology, we lower scientific risk while retaining ample room for pharmacological differentiation.

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- **Refinement and development of TPP.** We view the disciplined determination and refinement of TPP as equally important. At the inception of programs, cross-functional teams benchmark the current standard of care, quantify unmet medical needs, and integrate physician, payer, and regulatory insights to define clinical and commercial objectives. These TPPs guide medicine-chemistry optimization, non-clinical strategy and early-phase designs. For example, earlier THR- β agonist programs suffer from cardiac and bone effects, likely due to lack of isoform selectivity and tissue targeting. By limiting systemic exposure together with THR- β biased selectivity, we could mitigate unwanted effects which is largely mediated by THR- α in the related organs. We also identify the advantage of a full agonist over a partial agonist to maximize the efficacy. Through detailed analysis of clinical data, we draft the TPP in the beginning of the program, and implement relevant medicinal chemistry strategy and biology assays to achieve the targeted profile.
- **Analysis and prioritization of chemical scaffold.** Our scaffold prioritization showcases the analytical rigor of the TRANDD platform. In our small molecule GLP-1RA program, we deliberately selected a scaffold with strong *in vivo* potency and favorable drug-like properties, while deprioritizing the other scaffold that is more prone to off-target liabilities that resulted in program termination, according to Frost & Sullivan. Our selection of the chemical scaffold underscores how early, disciplined scaffold assessment can translate into a tangible clinical and competitive advantage.
- **Novel indication selection.** Our approach to indication selection is based on a deep understanding of human disease biology, supported by preclinical models that are both translatable and mechanistically relevant. For example, muscle loss and limited efficacy remain key challenges with GLP-1RA monotherapies. A liver targeting THR- β full agonist can independently activate robust fatty acid oxidation, which may help sustain energy expenditure by preferentially utilizing fat when used in combination with a GLP-1RA. It was indeed shown in our preclinical models that profound additional weight loss was achieved when combining our THR- β agonist with GLP-1RA and the weight loss is dominated by fat mass reduction. These compelling results highlight a significant therapeutic opportunity in obesity/overweight and generate testable hypotheses for clinical evaluation. Insights drawn from both human disease biology and animal model data could inform our clinical study design, supporting our broader strategy for indication expansion with clear clinical and strategic value.

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- **Design of early clinical trials.** We design adaptive, biomarker-enriched protocols that generate high-quality pharmacokinetic and pharmacodynamic data for informing later-phase trial design. These protocols are developed in close collaboration with biostatisticians and in accordance with GCP as applicable to ensure scientific integrity and regulatory compliance. Our approach integrates insights from preclinical research, including animal studies, into clinical trial design, enabling a seamless transition from bench to bedside. Coupled with rapid go/no-go decision points, this approach supports efficient resource allocation while maintaining the highest standards of scientific rigor.
- **Determination of biomarkers and patient stratification.** For each asset, we prospectively select translational biomarkers — such as body weight, glucose, and LDL-C — that confirm target engagement, elucidate mechanisms in humans, and serve as predictors of downstream clinical effects. These pharmacodynamic biomarker changes could be used to guide dose selection and refine patient stratification strategies, ultimately increasing confidence in our trial design and accelerating the path to pivotal studies.

Our TRANDD platform, combined with our deep expertise in disease biology, drug discovery and translational medicine, drives the discovery and development of oral small molecule therapeutics. This integrated approach enables the rational design and optimization of compounds, with the right balance of potency, selectivity, safety, pharmacokinetics, and manufacturability. The result is a proven drug discovery engine that has successfully delivered a differentiated pipeline of drug candidates and continues to generate quality assets positioned to achieve long-term success.

OUR COLLABORATION AND LICENSING AGREEMENT

In November 2023, we entered into the AstraZeneca Agreement concerning the licensing, development, manufacturing and commercialization of our oral small molecule GLP-1RA compound, ECC5004, and any other small molecule GLP-1RA compound covered by the AstraZeneca Agreement (collectively, the “**Licensed Compounds**”) and any pharmaceutical or biologic product that contains a Licensed Compound (the “**Licensed Products**”) and related technologies (the “**Licensed Technology**”). We believe this collaboration enables us to leverage AstraZeneca’s global resources, expertise and infrastructure to accelerate the development and commercialization of ECC5004, while effectively managing associated costs and risks.

Pursuant to the AstraZeneca Agreement, we granted AstraZeneca a transferable, sublicensable license to the Licensed Compounds and Licensed Products on a worldwide basis (the “**AstraZeneca Territory**”), except for (i) mainland China, the Special Administrative Region of Hong Kong, the Special Administrative Region of Macau and Taiwan (collectively, the “**Licensors Territory**”) for so long as we retain our rights to participate in the development and commercialization of the Licensed Compounds and Licensed Products in the Licensors Territory, and (ii) any country where the AstraZeneca Agreement has been terminated. Within

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the AstraZeneca Territory, AstraZeneca holds exclusive rights to exploit and manufacture the Licensed Compounds and Licensed Products. In the Licensor Territory, we and AstraZeneca share co-exclusive rights for the development and commercialization of the Licensed Compounds and Licensed Products, while AstraZeneca’s rights for non-clinical development in the Licensor Territory are non-exclusive and limited to activities supporting development in the AstraZeneca Territory.

AstraZeneca also granted us a co-exclusive, royalty-free, sublicensable, and transferrable license for certain AstraZeneca’s know-how, patents, product-specific technology, and AstraZeneca’s interest in jointly developed technology, as well as a grant-back license under AstraZeneca’s rights in Licensed Technology, to enable us to fulfill our obligations under the AstraZeneca Agreement. We expressly reserved and retained co-exclusive rights under the Licensed Technology to develop the Licensed Compounds and Licensed Products in the Licensor Territory in accordance with the Annual Joint Development Plan (as defined below), and to commercialize the Licensed Products in the Licensor Territory in accordance with the joint commercialization plans set forth in the Joint Commercialization Agreement (as defined below).

Development

Under the AstraZeneca Agreement, AstraZeneca has the sole right to undertake any development of the Licensed Compounds and Licensed Products that is solely and specifically intended to support or maintain regulatory approval in one or more countries in the AstraZeneca Territory. In addition, AstraZeneca has the sole right to undertake any development of Licensed Compounds and Licensed Products in or for the AstraZeneca Territory that would be useful or necessary to, or the data from which could be used to, support further development of Licensed Compounds and Licensed Products in, or to support or maintain regulatory approval in, one or more countries in the AstraZeneca Territory and the Licensor Territory (collectively, the “**Global Development Activities**”). For the avoidance of doubt, except for any clinical studies or clinical trials in the Licensor Territory that form part of a global clinical study or trial within the Global Development Activities (the “**China-Specific Global Development Activities**”), no Global Development Activities are included in any Annual Joint Development Plan (as defined below).

Development activities that are conducted solely in or for the Licensor Territory, including China-Specific Global Development Activities and other development activities agreed by the parties, are undertaken pursuant to a binding written annual plan (the “**Annual Joint Development Plan**”) prepared and approved by the JSC (as defined below). The parties jointly develop Licensed Products in the Licensor Territory in accordance with the then-current Annual Joint Development Plan, and each party is responsible for the operational execution of the development activities assigned to it under the plan. The JSC is responsible for agreeing on all protocols for, among others, non-clinical studies and clinical trials, all statistical analysis plans, and the selection of contractors for material development activities (with contractors to be selected from either party’s preferred vendors unless otherwise agreed).

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The Annual Joint Development Plan, as prepared and agreed by the JSC, includes the regulatory strategy, development strategy, plans, goals, timelines, and activities of each party with respect to the non-clinical and clinical development of Licensed Compounds and Licensed Products in the Licensor Territory, as well as a detailed budget. The JSC also prepares a long-term joint development plan, which is non-binding and covers a multi-year period following the current annual plan.

Under the AstraZeneca Agreement, we agreed not to develop or manufacture the Licensed Product in the Licensor Territory in any new indication or new line of therapy, or as part of any combination product or any therapeutic regimen that includes the administration of one more or more Licensed Products together with other active agents, unless such development is specifically provided in an Annual Joint Development Plan approved by the JSC. Any such additional development activities require the agreement of the parties and inclusion in the Annual Joint Development Plan.

Commercialization

AstraZeneca has the exclusive right to commercialize Licensed Products in the AstraZeneca Territory at its sole cost and expense. AstraZeneca is solely responsible for all activities related to the preparation for sale, offering for sale, and sale of the Licensed Products in the AstraZeneca Territory, including but not limited to invoice and book sales, establish terms of sale, warehouse and distribution, and subcontracting commercialization activities as long as such subcontracting does not relieve AstraZeneca of its obligations under the agreement.

In the Licensor Territory, the parties are required to use reasonable and good faith efforts to negotiate and agree upon the terms and conditions for co-commercialization of the Licensed Products. These negotiations must commence no later than 24 months prior to the earliest possible end date of the NMPA drug registration review period for the first Licensed Product in the Licensor Territory, with the goal of reaching agreement, through the JSC, no later than 18 months (or such shorter period as the parties may mutually agree) in advance of such date. The agreed terms will be memorialized in a separate commercialization agreement or as an amendment to the main agreement (the “**Joint Commercialization Agreement**”). This agreement will address, among others, the sharing and calculation of net profits and losses in the Licensor Territory, with us entitled to 51% and AstraZeneca entitled to 49%, as well as governance structure, commercialization budget and plan, marketing initiatives, personnel training and recruitment, and other matters relating to the commercialization of the Licensed Products in the Licensor Territory. We expect to begin negotiations on the Joint Commercialization Agreement as we progress toward registration review from the NMPA.

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Regulatory activities

AstraZeneca has the exclusive responsibilities for all regulatory activities in the AstraZeneca Territory, including (i) preparing, filing, obtaining and maintaining marketing authorization applications (“MAAs”) and other regulatory approvals, including IND filings; (ii) managing all correspondence and communications with regulatory authorities; and (iii) reporting all AEs as required by applicable law. We are obligated to provide reasonable support to AstraZeneca as needed for these activities.

With respect to regulatory activities in the Licensor Territory, we are responsible for the communications with the relevant regulatory authorities but required to provide AstraZeneca with prior written notice of any scheduled meeting, conference or discussion with a regulatory authority relating to the Licensed Compounds or Licensed Products, and allowing AstraZeneca the opportunity to attend at its own cost and making commercially reasonable efforts to facilitate AstraZeneca’s participation.

Milestones and Payments

Pursuant to the AstraZeneca Agreement, AstraZeneca paid us a one-time, non-refundable upfront payment of US\$185 million in November 2023. In addition, AstraZeneca paid us one-time, non-refundable milestone payments totaling US\$60 million for successfully achieving milestones related to the development of ECC5004 including the first patient dosed in the Phase IIb program. We are also eligible to receive up to US\$275.0 million in near-term development and regulatory milestone payments, including (i) US\$50.0 million upon the initiation of the first Phase III clinical trial for a Licensed Product, (ii) US\$150.0 million upon receipt of the first FDA approval, and (iii) US\$75.0 million upon receipt of the first European approval. Furthermore, we may receive up to an aggregate of US\$290.0 million upon the achievement of certain post-approval development and regulatory milestones. Additionally, we are eligible to receive milestone payments totaling up to US\$1.2 billion upon the achievement of specified sales milestones, including, but not limited to, reaching certain thresholds in total net sales of all Licensed Products in the AstraZeneca Territory in any calendar year in which such thresholds are met.

AstraZeneca agreed to pay us tiered royalties of high-single to mid-teen percentage of annual net sales of all Licensed Products containing the same active ingredient sold in the AstraZeneca Territory during each calendar year, subject to certain adjustments. AstraZeneca is obligated to pay royalties during the royalty term (the “**Royalty Term**”), which is defined as the period beginning on the date of the first commercial sale of a Licensed Product in a country in the AstraZeneca Territory and ending on the latest to occur of: (i) the expiration of the last-to-expire patent controlled by us or our affiliates (the “**Licensed Patent**”) that claims or covers, or shares priority to or with a patent that claims or covers, a Licensed Compound or a Licensed Product, or is necessary or reasonably useful for the exploitation of a Licensed Compound or a Licensed Product, excluding any Joint Agreement Patents (as defined below) in such country, (ii) the expiration of the Regulatory Exclusivity Period (as defined below) in such country and (c) the 12th anniversary of the first commercial sale of such Licensed Product

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in such country. For the purpose of the AstraZeneca Agreement, the “**Regulatory Exclusivity Period**” is defined as any period of data, market or other regulatory exclusivity (other than patent exclusivity) granted or afforded by the applicable law or by a regulatory authority in such country that confers exclusive marketing rights with respect to such Licensed Product in such country in the AstraZeneca Territory.

JSC

In accordance with the AstraZeneca Agreement, we and AstraZeneca established a joint steering committee (“**JSC**”) to oversee and manage the collaborative development and commercialization activities for Licensed Products within the Licensor Territory, which includes Greater China. The JSC is composed of representatives from each party, and is currently constituted by two representatives from Eccogene and three representatives from AstraZeneca. The primary responsibilities of the JSC include, but are not limited to, overseeing the strategic relationship between the parties, reviewing and approving the Annual Joint Development Plan and associated budgets for activities in the Licensor Territory, establishing timelines and procedures for public disclosure of clinical data, implementing manufacturing plans, and providing oversight on compliance. The JSC convenes at least three times per year and is authorized to establish subcommittees or working teams as necessary to address specified areas of responsibility.

The JSC operates on a consensus basis, with both parties making good faith efforts to reach agreement on all matters within its jurisdiction. If any subcommittee or working team cannot reach consensus on a matter within 30 days, then the matter is referred to JSC. If the JSC is unable to reach consensus on a particular issue within 10 business days, the matter is further escalated to senior officers of both parties. If consensus is still not achieved within an additional 10 business days, the AstraZeneca Agreement provides for a final decision-making mechanism as discussed below.

We have final decision-making authority over matters relating to the Joint Development Plans for the Licensed Products in the Licensor Territory, subject to certain limitations. Specifically, we cannot unilaterally approve the budget for any Annual Joint Development Plan or authorize any other shared costs or shared revenues for the Licensor Territory without AstraZeneca’s approval, nor act in a manner that AstraZeneca reasonably believes would raise serious health or safety concerns, or materially and negatively impact the development or commercialization of the Licensed Compound or Licensed Product in the AstraZeneca Territory, the manufacture of the Licensed Product in either the AstraZeneca Territory or Licensor Territory, or would violate applicable laws.

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Conversely, AstraZeneca retains final decision-making authority for certain additional development activities, such as new indications or combination products, but AstraZeneca cannot require us to include any other component or active agent owned by us or our affiliate within the scope of any additional development, unless both parties have agreed to do so. We believe this structure ensures a balanced and collaborative approach, with primary control and final decision-making power over the joint development plans in the Licensor Territory residing with us, while AstraZeneca safeguarding both parties’ interests in key financial and strategic decisions.

Under the AstraZeneca Agreement, we and AstraZeneca have agreed to share all costs and expenses for joint development activities and China-Specific Global Development Activities in the Licensor Territory, with us responsible for 51% and AstraZeneca for 49% of such costs, calculated quarterly. Shared costs include regulatory, clinical and manufacturing expenses (excluding any commercial supply) and other mutually agreed items as set out in the Annual Joint Development Plan, subject to AstraZeneca’s approval each calendar year. The shared costs exclude any general corporate costs, costs attributable to any breach of either party or commercial manufacturing activities. All shared costs are subject to detailed reporting, reconciliation, and true-up to maintain transparency and accountability.

In addition, we and AstraZeneca have agreed to a separate cost reimbursement arrangement for Global Development Activities, excluding any China-Specific Global Development Activities. Under this arrangement, we are responsible for 4.5% and AstraZeneca is responsible for 95.5% of all identifiable and reasonably allocable expenses (which generally include clinical trial costs, regulatory activities and other developed expenses outlined in the Annual Joint Development Plan and exclude commercialization-related manufacturing costs, general corporate costs and costs arising from any breach under the AstraZeneca Agreement, (the “**Shared Project Expenses**”)) and costs for the Ongoing Development Activities (as defined below). Our 4.5% share excludes (i) costs for China-Specific Global Development Activities, and (ii) costs associated with developing the Licensed Products as part of a combination product, i.e. a Licensed Product combined with other active ingredients, in the AstraZeneca Territory. AstraZeneca may not include such costs in Shared Project Expenses.

Manufacturing

Following the execution of the AstraZeneca Agreement, we performed agreed and documented ongoing development activities (the “**Ongoing Development Activities**”). AstraZeneca paid for clinical supplies at a price equal to 105% of our pass-through costs of manufacturing costs, excluding any full-time employee costs. In connection with this arrangement, we also provided AstraZeneca with our then-current manufacturing plan for the supply of Licensed Compounds and Licensed Products for Phase I and Phase II clinical trials.

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We agreed to, at AstraZeneca's request, to transfer, and have completed such transfer, to AstraZeneca of all licensed know-how relating to the manufacture of the Licensed Compound and Licensed Products, including the manufacturing process and any improvements (the "**Manufacturing Technology Transfer**"). This transfer included, but was not limited to, providing all necessary documentation, standard operating procedures, specification and analytical methods; making available appropriate personnel and our third-party manufacturers.

Pursuant to the AstraZeneca Agreement, we and AstraZeneca established a joint manufacturing committee (the "**Joint Manufacturing Committee**") responsible for reviewing and discuss the status of our current manufacturing plan, developing and approving a comprehensive manufacturing plan, overseeing the ongoing manufacturing activities and recommending updates annually. While the committee operates collaboratively, AstraZeneca retains final decision-making authority over the manufacturing plan and any amendments, except where such decisions would conflict with our contractual rights or obligations under any existing third-party manufacturing agreements.

Upon completion of the Manufacturing Technology Transfer, AstraZeneca has the sole right, at its own expenses, to manufacture and supply the Licensed Compound and Licensed Products for the AstraZeneca Territory and, under certain supply agreement, for the Licensor Territory. For the Licensor Territory, AstraZeneca is also responsible for manufacturing and supplying of the Licensed Compounds and Licensed Products as needed for development and commercialization activities, pursuant to one or more supply agreements to be negotiated and entered into between the parties. The supply price for such compounds and products provided by AstraZeneca to us for use in the Licensor Territory will be determined so that the costs associated with such manufacturing activities are shared between the parties, with us bearing 51% and AstraZeneca bearing 49% of those costs.

Intellectual Property

The ownership of any intellectual property, including any know-how or other inventions conceived, discovered, developed or otherwise made by a party, is determined in accordance with the applicable intellectual property laws of the United States, regardless of where such conception, discovery, developing or making occurs. Each party has agreed to assign, and cause its affiliates and licensees to assign, to the other party, without additional compensation, all rights, title and interest in and to any know-how or other inventions, as well as any intellectual property rights related thereto, as necessary to fully effect the provisions of the AstraZeneca Agreement. However, each party retains all right, title and interest in and to any know-how or other inventions (and any related patents or other intellectual property rights) that are controlled by such party at or prior to the effective date of the AstraZeneca Agreement, or that are developed or acquired independently (without use of the other party's confidential information) and outside the activities under or in connection with the AstraZeneca Agreement.

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Each party also owns any know-how or other inventions that are conceived, discovered, developed or otherwise made solely by or on behalf of itself under or in connection with the AstraZeneca Agreement. Notwithstanding the foregoing, AstraZeneca will own and retain all right, title and interest in and to: (i) any and all know-how that is conceived, discovered, developed, or otherwise made solely by or on behalf of AstraZeneca (or its affiliates or licensees) under the AstraZeneca Agreement, and any and all patents claiming such know-how; (ii) any and all know-how that is (a) conceived, discovered, developed or otherwise made by or on behalf of either party (or their respective affiliates or licensees), or jointly by or on behalf of both parties (or their respective affiliates or licensees), and (b) describes or constitutes the composition of matter, formulation, method of use, or method of manufacture of the Licensed Compound, any Licensed Product, or the exploitation of any of the foregoing (but not a generally applicable method of manufacture that is not principally applicable to Licensed Compounds), whether or not patented or patentable, in each case under or in connection with the AstraZeneca Agreement (the "**AstraZeneca Product-Specific Know-How**"), and any and all patents claiming such know-how (the "**AstraZeneca Product-Specific Patents**"), as well as any other intellectual property rights related thereto. We are required to assign, and to cause our affiliates and licensees to assign, to AstraZeneca all right, title and interest in and to the AstraZeneca Product-Specific Know-How and AstraZeneca Product-Specific Patents.

In addition, the parties will jointly own (i) all know-how, whether patentable or not, that is conceived, discovered, developed or otherwise made jointly by or on behalf of us or our affiliates or licensees, on the one hand, and AstraZeneca or its affiliates or licensees, on the other hand, under or in connection with the AstraZeneca Agreement (the "**Joint Agreement Know-How**"), and (ii) any patents claiming such know-how (the "**Joint Agreement Patents**") and, together with the Joint Agreement Know-How, the "**Joint Agreement Technology**"). Each party owns an equal, undivided one-half interest in such Joint Agreement Technology and has the right to exploit and grant licenses under such Joint Agreement Technology without the duty of accounting or seeking consent from the other party, to the extent permitted under applicable law and subject to the terms of the AstraZeneca Agreement.

Governing Law and Termination Rights

The AstraZeneca Agreement is governed by the laws of the state of New York, the United States. Either party may provide a termination notice to the other party in the event of a material breach of the AstraZeneca Agreement by the other party. Such termination will become effective 90 days after the delivery of the termination notice (or 60 days in the case of a material breach of a payment obligation) (the "**Notice Period**"), unless (i) the breaching party cures the breach within the Notice Period (or, other than payment obligation, if such default cannot be cured during the Notice Period, if the breaching party commences actions to cure such breach within the Notice Period and thereafter diligently continues such actions); (ii) with respect to any alleged breach by AstraZeneca of its certain diligence obligations, we will deliver a written notice to AstraZeneca and the parties will meet within 30 days of such notice to discuss the alleged breach in good faith, and we will only deliver the termination notice when the discussions have concluded; or (iii) if either party initiates the dispute resolution procedure as permitted under the AstraZeneca Agreement.

BUSINESS

AstraZeneca has the right to terminate the AstraZeneca Agreement in its entirety immediately upon written notice to us if, in AstraZeneca’s good faith judgment, it is not advisable to continue developing or commercializing the Licensed Products due to safety or efficacy concerns. Additionally, AstraZeneca may terminate the AstraZeneca Agreement in its entirety or on a Licensed Product-by-Licensed Product or country-by-country basis, for any or no reason, upon 90 days’ prior written notice to us, or 180 days’ prior written notice if such termination occurs after the first commercial sale of any Licensed Product in the AstraZeneca Territory or Licensors Territory. We have the right to terminate the AstraZeneca Agreement on a Licensed Patent-by-Licensed Patent basis by providing 30 days’ prior written notice to AstraZeneca if AstraZeneca or its affiliates or sublicensees contests or assists a third party in contesting the scope, validity or enforceability of any Licensed Patent, in any qualified legal proceeding, subject to certain exceptions. In addition, the AstraZeneca Agreement may also be terminated in the event where either party becomes insolvent or files for bankruptcy, in accordance with the terms of the agreement.

Under the AstraZeneca Agreement, in the event where AstraZeneca has the right to terminate the AstraZeneca Agreement for a material breach by us in accordance with its terms, then AstraZeneca may elect to continue the AstraZeneca Agreement as modified by providing written notice to us. In such a case, we will be entitled to substantially reduced development, sales and Opt-Out milestone and royalty payments, as applicable.

Side Letter

In November 2023, Eccogene USA and Eccogene Shanghai entered into a side letter with AstraZeneca, pursuant to which Eccogene Shanghai agreed to abide by the terms and obligations set forth in the AstraZeneca Agreement as if it were Eccogene USA, and not to act in any manner that is inconsistent with the terms and conditions of the AstraZeneca Agreement.

RESEARCH AND DEVELOPMENT

Research and development supports our ability to foster innovation, advance pipeline assets, and maintain a competitive edge in the global pharmaceutical market. We conduct research and development activities primarily through our in-house scientific and development teams, supplemented by our partners (including but not limited to CDMOs and CROs) engaged from time to time to support preclinical research and clinical trials. In addition, we have established strategic partnerships to accelerate pipeline development across key global markets, enhance our clinical execution capabilities, and facilitate long-term sustainable growth. For more details, see “— Our Collaboration and Licensing Agreement.”

BUSINESS

In-house R&D Team

Our in-house R&D team is composed of seasoned industry experts with deep experience across drug discovery and development. As of June 30, 2025, our in-house R&D team consisted of 41 members, including 15 Ph.D. and M.D. holders, mainly in medical science, pharmacology, biology and chemistry. During the Track Record Period and up to the Latest Practicable Date, substantially all key R&D personnel involved in the research and development of our Core Product and Key Products remained employed by us.

Our R&D leadership team is distinguished by deep scientific expertise and a proven track record in drug discovery and development, including:

- **Dr. Jingye Zhou**, our co-founder and CEO, brings decades of experience in small molecule drug discovery and a profound understanding of cardiometabolic diseases. Prior to founding our Company, he served as Head of Chemistry at Lilly China R&D Center, where he led teams to achieve candidate selection milestones for T2D and its complications. Earlier in his career, he was an investigator at GlaxoSmithKline, contributing to drug discovery efforts using disruptive technology, and co-invented Eravacycline, an FDA-approved antibiotic, during his time at Tetrphase Pharmaceuticals. Dr. Zhou holds a Ph.D. in chemistry from Brandeis University and a B.S. in life sciences from Fudan University.
- **Dr. Jianfeng Xu**, our co-founder and CSO, brings over 20 years of R&D experience in metabolic diseases, with deep expertise in the interplay between metabolic and immune systems. Prior to founding our Company, he was a Principal Scientist at Lilly China R&D Center, where he led teams through key milestones from target validation to clinical development. Dr. Xu obtained his bachelor’s degree in biochemistry and his Ph.D. in molecular biology and biochemistry from Fudan University, and completed his postdoctoral training at the Salk Institute for Biological Studies and at University of California, San Diego.
- **Dr. Jaikrishna Patel**, our CMO, brings more than 30 years of experience in global clinical drug development across cardiovascular and metabolic diseases. Before joining our Company, Dr. Patel was the Chief Medical Officer at Imbria Pharmaceuticals, a private, clinical-stage biotechnology company developing innovative therapies for the treatment of cardiometabolic disorders. Previously, he served as Chief Medical Officer at Enterome and NephroGenex. Prior to that, Dr. Patel spent over 20 years at GlaxoSmithKline in positions of increasing responsibility, holding leadership positions across multiple R&D functions including Clinical Development, Medical Affairs, Regulatory Affairs and Project Management. Dr. Patel received a Bachelor of Science in Experimental Pathology from the University of London and completed his medical training at St. Bartholomew’s Hospital and Kings College Hospitals, University of London. Dr. Patel is a member of the Royal College of Physicians.

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R&D Process

Our R&D process is structured across three key stages:

- ***Preclinical Stage.*** The discovery phase lays the scientific foundation for the entire development pipeline. We integrate TRANDD end to end, from target validation and selection through TPP designation and R&D flow chart optimization, to ensure differentiation by design. We rapidly screen candidate compounds for identity, potency, and purity, to accelerate early evaluations while rigorously characterizing compounds to align with TPP. Throughout this phase, we embrace agile, data driven decision making to enhance execution efficiency and increase the success of translation, enabling the identification of promising therapeutic candidates with optimal pharmacological properties.
- ***Early Clinical Stage.*** Our approach is distinguished by the unique strengths of our TRANDD platform in designing adaptive, biomarker-enriched early clinical trial protocols that generate high-quality pharmacokinetic and pharmacodynamic data, including critical insights to inform subsequent trial design. This strategy is complemented by the implementation of clear, rapid go/no-go decision points, enabling efficient resource allocation without compromising scientific rigor. Alongside these clinical innovations, we establish robust analytical frameworks and quality controls to underpin initial human trials, continuously improving processes and optimizing methods for efficiency and reliability. Collectively, these efforts ensure that investigational products are positioned to achieve target product profile while prioritizing patient safety throughout early development.
- ***Late Clinical Stage.*** The clinical late stage centers on assessing efficacy and safety in broader, more diverse patient populations to meet global regulatory requirements, while simultaneously finalizing development activities for commercialization.

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Collaboration with CROs

In addition to our in-house R&D activities, we also collaborate with reputable CROs to support our preclinical research and clinical trials. The services they provide under our oversight include project management, site management, data management, biostatistics, medical monitoring, medical writing, bioanalysis, patient recruitment and pharmacovigilance for our clinical trials, as well as pre-clinical and clinical laboratory testing and other specialized tasks aligned with our needs.

We select CROs based on their professional qualifications, relevant research experience, service quality, operational efficiency, and industry reputation. We typically enter into a master service agreement with each CRO, under which individual work orders define the scope of work, participant numbers (or sample size), procedures, deliverables, timelines, and payment terms for each pre-clinical or clinical project. CROs are required to comply with all applicable laws and regulations and to adhere to our established protocols, ensuring the accuracy and authenticity of clinical trial results. To maintain data integrity and regulatory compliance, we oversee our CRO partners through regular progress meetings and deliverable reviews. Under our master service agreements, we also reserve the contractual right to conduct both scheduled and for-cause audits when necessary. This oversight approach ensures adherence to our protocols and regulatory requirements while enforcing the quality and reliability of data generated from our trials. In turn, this supports the advancement of our pipeline and strengthens our overall clinical development strategy.

Key terms of agreements that we typically enter into with our CROs are set forth below:

- **Services.** The CROs shall provide high-quality services to us, including the implementation and management of a preclinical or clinical research project as specified in the agreement.
- **Term.** The CROs are required to perform their services and complete the research project within the prescribed time limit set out in each agreement or work order, usually on a project basis.
- **Payments.** We are required to make payments to the CROs in accordance with the payment schedule agreed by the parties.
- **Intellectual property rights.** We own all intellectual property rights arising from the clinical research projects conducted by the CROs within the stipulated work scope.

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- **Confidentiality.** Our CROs are not allowed to disclose confidential information, including but not limited to, any information or data related to research, development, processes and protocols as specified in the agreement, and such obligation generally survives for a specified period.
- **Risk allocation.** We are generally responsible for the risks associated with the research project, while the CROs should indemnify us for losses caused by their fault or gross negligence.

MANUFACTURING

As of the Latest Practicable Date, we did not have any in-house manufacturing facility. To date, all of our manufacturing activities have been conducted through our partners (including but not limited to CDMOs) to support our drug development programs. We currently outsource our manufacturing activities to our partners (including but not limited to several globally recognized CDMOs) with extensive expertise in research, development, and production. We consider a number of factors when selecting a partner for our manufacturing activities, such as their manufacturing capacity and qualifications, relevant expertise, reputation, regulatory track record with applicable regulations and guidelines, geographic proximity, product quality, cost efficiency, as well as alignment with our R&D objectives. We have adopted, and will continue to implement, procedures to ensure that our partners’ production qualifications, facilities, and processes comply with the applicable regulatory requirements and our internal guidelines and quality standards. This oversight includes quality audits, qualification reviews, and ongoing monitoring.

We did not experience any material product quality issues in respect of the products manufactured by our partners during the Track Record Period. Under the relevant agreements, they provide manufacturing services based on specified deliverables, location, unit price, volume, and delivery timelines. They are responsible for ensuring product quality in accordance with the agreed standards, cGMP requirements, and applicable regulations, and provide certificates of analysis. Payments are made according to a predefined schedule, typically linked to manufacturing milestones and deliverables. All intellectual property rights related to the products arising from the outsourced manufacturing remain with us. Our partners are also bound by confidentiality obligations, prohibiting the disclosure of technical materials, research data, or other project-related information, with such obligations generally surviving for a defined period. In cases where a partner fails to deliver products or fulfill key obligations due to their own fault, we reserve the right to terminate the agreement and seek liquidated damages and compensation for resulting losses.

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QUALITY CONTROL

Quality control and assurance are fundamental to our sustained success. Since we do not operate in-house manufacturing facilities, we rely on the comprehensive quality management systems of our partners (including but not limited to CDMOs), which are designed to align with stringent regulatory requirements and recognized industry guidelines.

Our internal team, with extensive industry experience, provides oversight of relevant activities by reviewing and approving key manufacturing documents, providing product specifications and, when necessary, process control instructions, and actively participating in and following up on significant quality events, deviations, and related investigations.

To ensure ongoing compliance and continuous improvement, we conduct audits of our CDMOs. These audits confirm that manufacturing processes remain compliant with cGMP standards, that quality systems are updated in line with evolving global regulations, and that best practices are consistently applied.

By combining rigorous oversight with proactive monitoring of regulatory and scientific developments, we ensure the consistent manufacture of high-quality products to support our development programs and clinical studies. This approach safeguards patient safety, ensures regulatory compliance, and strengthens the reliability of our clinical pipeline.

COMMERCIALIZATION

As of the Latest Practicable Date, we had not obtained marketing approval for any drug candidates, nor had we generated any revenue from product sales. However, we are strategically developing our commercial planning and portfolio management capabilities. Our strategy dictates a meticulous assessment of various pivotal factors, including the dimensions of the market, the intricacies of clinical needs, the dynamics of the competitive landscape, and the labyrinthine regulatory pathways. This comprehensive evaluation will serve as the bedrock for our determination to either embark upon independent commercialization or to cultivate strategic commercialization partnerships, thereby mitigating inherent risks at the nascent product selection stage while maximizing the market potential.

INTELLECTUAL PROPERTY

Intellectual property rights are important to the success of our business, and we are committed to the development and protection of our intellectual properties. We rely on a combination of patent and other intellectual property rights, as well as confidentiality procedures, non-disclosure agreements, employee non-disclosure and invention assignment agreements, and other contractual restrictions to establish and protect our commercially important technologies, inventions and know-how related to our business.

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We have a global portfolio of patents to protect our drug candidates and technologies. As of the Latest Practicable Date, we owned (i) five issued patents in China, (ii) six issued patents in the U.S., (iii) 10 issued patents in other jurisdictions, including Japan, Saudi Arabia, Macau, South Africa, Israel and the jurisdictions covered by the Eurasian Patent Organization, and (iv) 68 pending patent applications, including two in China, three in the U.S., five under the PCT which have not entered into national phases, six under the PCT which may serve as the basis for claiming priority and 52 in other jurisdictions. For more details, see the paragraph headed “Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights” in Appendix IV to this document.

As of the Latest Practicable Date, with respect to our Core Product, ECC4703, and our Key Products, ECC5004 and ECC0509, we owned two issued patents in China, six issued patents in the U.S., and 10 issued patents in other jurisdictions, along with 59 patent applications, including one in China, three in the U.S., one under the PCT which has not entered into national phase, two under the PCT which may serve as the basis for claiming priority, and 52 in other jurisdictions. The following table sets forth the portfolio of patents and patent applications material to our business operations as of the Latest Practicable Date:

Drug Candidate	Patent/Patent Application	Patent Holder/ Applicant	Jurisdiction	Status	Patent Expiration*
ECC5004	US12037339B2	Eccogene USA	U.S.	Granted	2041-07-20
	US11584751B1	Eccogene USA	U.S.	Granted	2041-07-20
	CN116390926A	Eccogene USA	China	Pending	N/A
ECC4703	US11780825B2	Eccogene USA	U.S.	Granted	2041-01-13
	US12291518B2	Eccogene USA	U.S.	Granted	2041-01-13
	CN115244037B	Eccogene USA	China	Granted	2041-01-13
ECC0509	US11472769B2	Eccogene USA	U.S.	Granted	2040-10-28
	US11964942B2	Eccogene USA	U.S.	Granted	2040-10-28
	CN114901649B	Eccogene USA	China	Granted	2040-10-28

Note: * Patent expiration date does not include any applicable patent term extensions.

The actual protection afforded by a patent varies on a claim-by-claim and jurisdiction-by-jurisdiction basis and depends on many factors, including the type of patent, the scope of its coverage, the availability of any patent term extensions or adjustments, the availability of legal remedies in a particular jurisdiction, and the validity and enforceability of the patent. We cannot provide any assurance that patents will be issued with respect to any of our patent applications or any such patent applications that may be filed in the future, nor can we provide any assurance that any of our issued patents or any such patents that may be issued in the future will be commercially useful in protecting our drug candidates and methods of manufacturing the same. See “Risk Factors — Risks Relating to Our Intellectual Property Rights” for a description of risks related to our intellectual property.

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As of the Latest Practicable Date, we had (i) four registered trademarks in China and (ii) four trademark applications in other jurisdictions. We are also the registered owner of two domain name.

We enter into license and collaboration agreements and other relationships with biopharmaceutical companies and other industry participants, through which we may grant access to our own intellectual property, or gain access to the intellectual property of others. See “— Our Collaboration and Licensing Agreement” for more details.

During the Track Record Period and up to the Latest Practicable Date, (i) we were not involved in any legal, arbitral or administrative proceedings in respect of, and we had not received notice of any material claims of infringement, misappropriation or other violations of third-party intellectual property; and (ii) we were not involved in any proceedings in respect of any intellectual property rights that may be threatened or pending and that may have an influence on the research and development for any of our drug candidates in which we may be a claimant or a respondent.

A freedom-to-operate searches and analyses (“**FTO Analysis**”) has been conducted in China and the United States in relation to our Core Product and Key Products. Based on the FTO Analysis, our Directors are of the view that there are no valid and enforceable patents of any third party in China and the United States covering the chemical structures or indications currently under development of our Core Product and Key Products.

SUPPLIERS AND PROCUREMENT

During the Track Record Period, our suppliers primarily consisted of CROs, CDMOs, business partner, and suppliers of R&D materials. Our suppliers typically offer us a credit period ranging from 30 days to 60 days during the Track Record Period. Purchases from our five largest suppliers for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 were US\$13.4 million, US\$15.2 million and US\$10.2 million, respectively, representing 70.5%, 79.6% and 82.9% of our total purchases for the same periods. Purchases from our single largest supplier for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 were RMB5.7 million, RMB5.9 million and RMB6.4 million, respectively, representing 29.9%, 30.6% and 52.1% of our total purchases for the same periods.

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We select our suppliers based on our assessment of their quality, cost-effectiveness, delivery performance, industry reputation, and compliance with relevant regulations and industry standards. We believe that we maintain strong and stable relationships with our major suppliers. During the Track Record Period, we did not experience any material disputes with our suppliers, difficulties in the procurement of raw materials or services, disruptions to our operations due to a shortage of or delay in supply of raw materials or services, or significant fluctuations in raw material and/or service prices.

The following table sets forth details of our five largest suppliers during the Track Record Period:

Supplier	Supplier background	Products/service purchased	Commencement of business relationship	Credit terms	Purchase amount	% of total purchases
(US\$'000)						
<i>For the six months ended June 30, 2025</i>						
AstraZeneca	A leading global pharmaceutical company, listed on LSE, STO and Nasdaq.	Clinical research Services	2023	60 days	6,412.4	52.1
Supplier A	A CRO services provider headquartered in shanghai, established in 2000, and dual listed on SSE and HKSE.	Clinical technology services, including toxicology and pharmacology testing services	2018	30 days	2,302.2	18.7
Supplier B	A global CRO, established in 1996 and headquartered in the U.S., listed on the Nasdaq.	Clinical Research Services	2024	30 days	693.8	5.6
Supplier C	A CRO and CDMO services provider headquartered in the US, founded in 1996.	Contract development and manufacturing services	2018	60 days	493.4	4.0
Supplier D	A pharmaceutical R&D services provider headquartered in Beijing, established in 2004, and dual listed on SZSE and HKSE.	Clinical technology services, including toxicology and pharmacology testing services	2019	30 days	297.2	2.4
					10,199.7	82.9

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Supplier	Supplier background	Products/service purchased	Commencement of business relationship	Credit terms	Purchase amount	% of total purchases
						(US\$'000)
<i>For the year ended December 31, 2024</i>						
Supplier E	A CRO services provider based in US, established in 1982 and listed on NYSE.	Clinical research Services	2022	30 days	5,903.7	30.6
AstraZeneca	A global pharmaceutical company, listed on the LSE, STO and Nasdaq.	Clinical research Services	2023	60 days	4,276.6	22.4
Supplier A	A CRO services provider headquartered in shanghai, established in 2000, and dual listed on SHSE and HKSE.	Clinical technology services, including toxicology and pharmacology testing services	2018	30 days	3,138.6	16.5
Supplier D	A pharmaceutical R&D services provider headquartered in Beijing, established in 2004, and dual listed on SZSE and HKSE.	Clinical technology services, including toxicology and pharmacology testing services	2019	30 days	1,577.6	8.3
Supplier F	A CRO and CDMO services provider headquartered in Nanjing, established in 2006 and listed on SZSE.	Contract development and manufacturing services	2019	20 days	346.4	1.8
					<u>15,242.9</u>	<u>79.6</u>

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Supplier	Supplier background	Products/service purchased	Commencement of business relationship	Credit terms	Purchase amount	% of total purchases
						(US\$'000)
<i>For the year ended December 31, 2023</i>						
Supplier E	A CRO services provider based in US, established in 1982 and listed on NYSE.	Clinical research Services	2022	30 days	5,707.0	29.9
Supplier G	A CRO services provider headquartered in the United States, established in 1991.	Clinical research Services	2022	30 days	2,801.1	14.7
Supplier A	A CRO services provider headquartered in shanghai, established in 2000, and dual listed on SSE and the Hong Kong Stock Exchange.	Clinical technology services, including toxicology and pharmacology testing services	2018	30 days	1,785.1	9.4
Dongsheng Chiral Pharmaceuticals Technology Co., Ltd. (東晟凱瑞(上海)醫藥科技有限公司)	A CDMO services provider headquartered in Shanghai, established in 2013.	Contract development and manufacturing services	2023	10 days	1,689.7	8.9
Supplier D	A pharmaceutical R&D services provider headquartered in Beijing, established in 2004, and dual listed on SZSE and HKSE.	Clinical technology services, including toxicology and pharmacology testing services	2019	30 days	1,452.3	7.6
					<u>13,435.3</u>	<u>70.5</u>

To monitor the quality of supplies, we generally follow a defined procedure for the selection of critical Good Practices (“GxP”) suppliers. We verify the qualifications and applicable certificates before entering into procurement agreements or equivalent engagements. A list of qualified key GxP suppliers is maintained and is subject to regular review and update.

All of our five largest suppliers during the Track Record Period were Independent Third Parties. None of our Directors or their close associates or, to the knowledge of our Directors, any Shareholder with over 5% of the share capital of our Company (except AstraZeneca), has any interest in any of our five largest suppliers during the Track Record Period.

BUSINESS

CUSTOMER

During the Track Record Period, our revenue was primarily derived from payments we received from AstraZeneca in accordance with the AstraZeneca Agreement. For further details, see “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Revenue.”

For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025, we only had one customer, revenue generated from our customer for each period amounted to US\$36.1 million, US\$221.3 million and US\$0.6 million, respectively.

Customer	Customer background	Products/service provided	Commencement of business relationship	Revenue contribution (US\$'000)	% of total revenue
<i>For the six months ended June 30, 2025</i>					
AstraZeneca	A leading global pharmaceutical company, listed on the LSE, STO and Nasdaq.	License and related services	2023	36,058.8	100.0
				<u>36,058.8</u>	<u>100.0</u>

Customer	Customer background	Products/service provided	Commencement of business relationship	Revenue contribution (US\$'000)	% of total revenue
<i>For the year ended December 31, 2024</i>					
AstraZeneca	A leading global pharmaceutical company, listed on the LSE, STO and Nasdaq.	License and related services	2023	221,291.2	100.0
				<u>221,291.2</u>	<u>100.0</u>

Customer	Customer background	Products/service provided	Commencement of business relationship	Revenue contribution (US\$'000)	% of total revenue
<i>For the year ended December 31, 2023</i>					
AstraZeneca	A leading global pharmaceutical company, listed on the LSE, STO and Nasdaq.	License and related services	2023	556.8	100.0
				<u>556.8</u>	<u>100.0</u>

To the best of our knowledge, we only had one customer during each period of the Track Record Period which was AstraZeneca, who owned more than 5% of our issued share capital as of the Latest Practicable Date. See “History, Reorganization and Corporate Structure — Pre-[REDACTED] Investors — Information of Pre-[REDACTED] Investors — AstraZeneca UK Limited” for more details on AstraZeneca’s shareholder relationship to us.

BUSINESS

OVERLAPPING OF CUSTOMER AND SUPPLIERS

AstraZeneca, being our only customer during the Track Record Period, was also our supplier in 2024 and the six months ended June 30, 2025. We entered into an exclusive collaboration and licensing with AstraZeneca in November 2023, and we paid AstraZeneca for clinical research services that they undertook in 2024 and the six months ended June 30, 2025 pursuant to the AstraZeneca Agreement. See “— Our Collaboration and Licensing Agreement” and “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Revenue” for more details. All of our revenue during the Track Record Period was derived from payments we received from AstraZeneca in accordance with the AstraZeneca Agreement. Our purchases from AstraZeneca as a percentage of our total purchases was 22.4% and 52.1% in 2024 and the six months ended June 30, 2025, respectively. See “Financial Information — Description of Selected Components of Consolidated Statements of Comprehensive Income — Research and Development Expenses” for more details. Our Directors confirm that all of our sales to and purchases from AstraZeneca were conducted in the ordinary course of business under normal commercial terms and on arm’s length basis. Our Directors confirm that, saved as disclosed above, none of our major suppliers was our customers, or vice versa, during the Track Record Period.

COMPETITION

Our industry is highly competitive and subject to rapid and significant change. While we believe our pipeline of clinical and preclinical stage proprietary assets, leading R&D capability, technology platforms and seasoned management team provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, academic institutions, and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing drugs and new drugs that may become available in the future.

We focus on leveraging our industry experience and established R&D capabilities for the in-house discovery and development of differentiated therapeutics primarily for cardiometabolic diseases and inflammatory disorders. We face fierce competition from existing products and product candidates under development in the market. We face uncertainties in preclinical and clinical trial development which are subject to a variety of factors, including satisfactory safety and efficacy results from preclinical studies, clinical trials, successful enrollment of patients, and performance of CROs and other parties involved in preclinical and clinical trial development and others. For more information on the competitive landscape of our drug candidates, see “— Our Pipeline” and “Industry Overview.”

BUSINESS

EMPLOYEES

As of June 30, 2025, we had a total of 55 full-time employees. The following table sets forth a breakdown of our employees categorized by function as of June 30, 2025:

Function	Number	Percentage
Research and development.	42	76.4%
General and administrative.	13	23.6%
Total	55	100.0%

We enter into individual employment contracts with our employees that cover key terms such as compensation, bonuses, benefits, workplace safety, confidentiality obligations, intellectual property assignment, and termination conditions. For senior management, key R&D personnel, and other employees with access to sensitive information, we have signed confidentiality and non-competition agreements, or included such clauses within their employment contracts.

To maintain a high level of expertise and operational excellence, we offer ongoing education and training programs — both internal and external — focused on enhancing technical, professional, and managerial skills. We also conduct regular training to ensure employee awareness and compliance with our internal policies and procedures. In addition, we provide competitive compensation packages, including performance-based bonuses and incentive schemes, particularly for key talent.

As of the Latest Practicable Date, we have not established a labor union. We believe that we have maintained good working relationships with our employees. During the Track Record Period and up to the Latest Practicable Date, we did not experience any material labor disputes or strikes that may have a material and adverse effect on our business, financial condition, or results of operations.

DATA PRIVACY AND PROTECTION

We routinely receive, collect, generate, store, process, transmit and maintain medical data treatment records and other personal details of the subjects enrolled in our clinical trials, along with other personal or sensitive information. As such, we are subject to the relevant local, state, national and international data protection and privacy laws, directives regulations and standards that apply to the collection, use, retention, protection, disclosure, transfer and other processing of personal data in the various jurisdictions in which we operate and conduct our clinical trials, as well as contractual obligations.

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We have designed strict data protection policies to ensure that the collection, use, storage, and processing of medical data comply with applicable laws and prevalent industry practices, including our detailed data management plan for each clinical project. We, and our third-party collaborators, collect personal data only with the explicit consent of the data subject. Specifically, we execute informed consent forms with each individual, which clearly outline the purposes for collecting and using their personal information. Furthermore, we de-identify all personal data in accordance with relevant laws and regulations. As a result, we have no access to patients’ personally identifiable information, such as their names, identity numbers, phone numbers or home addresses.

Furthermore, we require that all internal employees and external parties involved in our clinical trials adhere to strict confidentiality requirements. We generally require CROs to keep all documents, data, records, and information we provide or that they generate during the contract period strictly confidential. CROs also need to ensure their employees, consultants, and other professionals with access to this information are bound by the same confidentiality rules. CROs are usually prohibited from sharing any confidential information with third parties without our prior written consent. Whenever possible, we also require CROs to implement protective measures at least as robust as those they use for their own confidential information to prevent any unauthorized use, disclosure, or leakage of our data.

Any data transfers related to our product development and regulatory communications are conducted in compliance with applicable data protection and privacy laws, including those governing cross-border data transfers. We have established appropriate control measures and governance structures to support secure and compliant data handling. We have completed the standard contract filing for cross-border transfer of personal information for our current data transfer activities with the Shanghai Office of Cyberspace Administration of China. Despite the evolving nature of data privacy regulations and the potential expansion of our clinical trial activities, we have not encountered any significant issues with data transfers to date. We believe our practices for handling and transferring clinical trial data are consistent with industry standards. As of the Latest Practicable Date, we were in material compliance with all relevant PRC data privacy and protection laws and regulations.

INSURANCE

We maintain insurance policies that we consider to be in line with market practice and adequate for our business to safeguard against risks and unexpected events. Our insurance policies cover clinical trial liability insurance to ensure comprehensive protection against adverse effects as well as director & officer liability insurance. We also maintain social insurance for our employees in accordance with relevant PRC laws and regulations, and we provide supplemental commercial accident and medical insurance for our employees and senior management as well. We believe that our insurance coverage is adequate to cover our programs, facilities, and liabilities. See “Risk Factors — Risks Relating to Our Operations — We have limited insurance coverage, and any claims beyond our insurance coverage may result in our incurring substantial costs and a diversion of resources, which may negatively impact our R&D progress and overall operations.”

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SOCIAL, HEALTH, WORK SAFETY AND ENVIRONMENTAL MATTERS

We have deeply integrated Environmental, Social and Governance (“ESG”) considerations into the core of our business development, establishing them as the foundation for all corporate decision-making and day-to-day operations. We pay attention to the potential impacts of climate-related issues on our business, actively fulfill our environmental and social responsibilities, with the ultimate goal of fully embedding sustainable development principles into our long-term growth strategy.

We adhere to all applicable laws and regulations concerning social responsibility, health, safety, and the environment. Our operations are subject to regular supervision and inspection by relevant local authorities. During the Track Record Period and up to the Latest Practicable Date, we have been in material compliance with all applicable health, occupational safety, and environmental laws and regulations. We have not incurred any material penalties, fines, or claims for violations thereof that could have a material adverse effect on our business, financial condition or results of operations.

ESG Governance Matters

We place a high priority on ESG governance. The Board of Directors, as the highest decision-making body, bears ultimate responsibility for setting the overall direction, strategy, and objectives for ESG matters, monitoring performance, and overseeing disclosure. We also provide guides and oversees management in the execution of relevant initiatives. Management is responsible for assisting the Board in coordinating the implementation of ESG initiatives and submitting regular reports to the Board on such matters. At the operational level, we have designated an ESG officer, who is responsible for managing and executing specific ESG tasks. These duties include formulating ESG objectives and strategies, identifying material ESG risks and opportunities, and preparing and publishing ESG reports. This officer reports to management on a quarterly basis to ensure the effective implementation of ESG matters.

We monitor environmental and climate-related risks that may affect our business, strategy and financial performance. To effectively identify, assess and manage ESG risks, we have established standardized management procedures, which are documented in policies covering the entire business process. These include, for example, the *Mechanism for Identification, Assessment and Control of Safety Risks* and the *Safety Accountability System*. In addition, we have formulated various risk contingency plans, such as the *Emergency Response Plan for Hazardous Chemical Incidents* and the *Emergency Response Plan for High-Pressure Sterilization Equipment*, to standardize our approach to ESG risk control. To enhance this framework, we engage qualified independent third-party institutions to identify and assess ESG-related risks, review existing strategies, objectives and internal control systems, and implement necessary improvement measures based on the assessed risk level, with the aim of continuously mitigating risks. In particular, with respect to key areas such as environmental

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protection, occupational health and workplace safety, we have, with the support of third-party institutions, established management ledgers, conducted regular monitoring, and implemented rectification and supervision measures for identified risks to ensure closed-loop risk management.

We also attach importance to cultivating ESG compliance culture. Through cross-departmental collaboration, we have established communication and training mechanisms to help employees fully understand and strictly comply with relevant ESG laws and requirements. This enables compliance awareness to be embedded into daily business operations and fosters a collaborative ESG management environment across all levels of our Company.

Environmental Matters

We fully recognize that sound environmental stewardship is essential to long-term value creation and has incorporated “green operations” into our corporate strategy. We have identified carbon emissions, waste management and resource consumption as priority environmental topics and begun systematically collecting and consolidating the relevant data. In the future, we will establish improvement targets to drive continuous enhancement of our environmental performance.

Air Emissions, Wastewater and Waste Management

Our air emissions primarily consist of laboratory exhaust gases. To reduce and control such emissions, we have installed air treatment devices such as activated carbon adsorption systems, with regular replacement of consumables. The treated exhaust gases, which comply with all regulatory standards, are discharged through dedicated exhaust ducts in compliance with relevant requirements.

Our wastewater primarily includes experimental wastewater and domestic sewage. Laboratory wastewater is treated to achieve compliance with applicable standards prior to being discharged into storage tanks, from which it is subsequently released into the industrial park’s sewage pipeline network. At our office premises, only domestic sewage is generated, which is discharged into the municipal sewage treatment system in accordance with local requirements.

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Our solid waste mainly consists of laboratory solid waste, medical waste and domestic refuse. We have established waste management systems and procedures, including the *Hazardous Waste Management System* and the *Emergency Response Plan for Laboratory Hazardous Waste* and strictly comply with applicable laws and regulations in our operating locations to minimize environmental impact. A complete process has been implemented for classification, labeling, temporary storage, and disposal through licensed third-party service providers, ensuring that the treatment of all hazardous and non-hazardous waste is in full compliance with national environmental standards. Our disposal methods for major categories of waste are as follows:

Types of Waste	Compliance Disposal Methods
Laboratory Waste	Collected and packaged by category, and subsequently transferred to qualified third-party institutions for disposal.
Medical Waste	Sterilized and deactivated through high-temperature and high-pressure autoclaving, and then handed over to qualified third-party institutions for disposal.
Domestic Waste	Collected in a classified manner and removed in a centralized manner by the industrial park.

We have established an internal monitoring program for emissions compliance. Under this program, air emissions, wastewater and noise emissions are tested on a quarterly basis to ensure strict adherence to discharge standards.

Greenhouse Gas Emissions Management

We recognize the potential impact of climate change on global public health and the biopharmaceutical industry, and are committed to progressively developing a carbon emissions management mechanism. Presently, we do not have significant Scope 1 greenhouse gas emissions directly generated from energy sources. Our Scope 2 indirect energy emissions primarily include greenhouse gas emissions generated from our use of purchased electricity. In support of the national carbon neutrality target, we actively reduce GHG emissions generated during our operations by enhancing energy efficiency, adopting clean energy sources, and implementing carbon reduction initiatives to minimize the environmental impact of our activities.

We also attach importance to Scope 3 emissions, which include both upstream and downstream emissions such as those generated by suppliers during the production of raw materials and consumables, emissions from product transportation, employee commuting and business travel, as well as emissions resulting from the electricity consumption of municipal wastewater treatment facilities. Although our direct control over Scope 3 emission-generating activities is limited, we remain committed to fostering an environmental culture across our

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operations and to reducing the carbon footprint of our value chain through the following measures: implementing virtual meetings to replace non-essential business travel; encouraging employees to prioritize the use of public transportation for commuting and business trips to achieve more eco-friendly transportation methods, among others.

Resource Consumption

We have embedded the principle of resource conservation into our corporate culture as well as the daily operations of our laboratories and offices. We monitor resource consumption and implement resource-saving measures in laboratories and offices. By formulating standardized operating procedures, providing employee training, and implementing office-specific policies, we cultivate environmental awareness and achieve tangible reductions in resource consumption.

Environmental Performance

We fully recognize the importance of ESG in supporting sustainable development. We track the environmental impact of our operations through relevant metrics, and conduct environmental impact assessments to monitor emission levels, evaluate environmental risks, and consider the establishment of future environmental targets to further mitigate our impact on the environment. The following table sets forth key metrics relating to our energy consumption and waste emissions during the Track Record Period.

	Year ended December 31,		Six months ended June 30,
	2023	2024	2025
Energy consumption			
Electricity (MWh)	313.24	376.03	216.23
Water (m ³)	1,196.00	951.00	313.00
Waste			
Hazardous waste (tons)	8.19	7.39	5.25

Note: At our Cambridge premises, utilities such as water and electricity are centrally managed by the property owner, with utility charges included in property management fees. As such, electricity and water consumption at this location cannot be separately measured, and the data presented in the above table only covers operations in Shanghai.

As our business continues to expand and our clinical development and trial activities advance, we expect resource consumption and emissions to increase correspondingly. In anticipation, we remain committed to implementing comprehensive measures to optimize resource utilization efficiency and reduce pollutant emissions. We consistently uphold our commitment to improving environmental performance across the value chain, encompassing key aspects such as optimizing office operations, ensuring supplier compliance, promoting

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laboratory-based green initiatives, and enhancing waste management practices. On this basis, we also strive to foster a corporate culture guided by environmental protection, while deepening collaboration with business partners to help build a sustainable and environmentally responsible industry ecosystem.

Social Matters

We ensure a mutually beneficial outcome for employees, partners, and communities through institutionalized employment and labor standards, occupational health and safety systems, talent development pathways, and supplier responsibility management. We also place a high priority on patient data protection, anti-corruption, animal welfare and community investment, thereby ensuring multi-stakeholder value creation and strengthening social trust through transparent governance.

Employment and Labor Standards

We strictly comply with the *Labour Law of the People’s Republic of China*, the *Labor Contract Law of the People’s Republic of China*, the *Social Insurance Law of the People’s Republic of China*, as well as other applicable employment-related laws and regulations in the jurisdictions where we operate, including the United States. We have established an employment management system covering standardized recruitment, compensation policies, career development and promotion pathways, and termination. All of our employees are required to study and sign the Employee Handbook to safeguard their lawful rights and interests.

We are committed to fostering an inclusive, open and equitable workplace. Our recruitment practices strictly follow merit-based selection, ensuring equal opportunities for all employees regardless of gender, age, ethnicity, religion or other social or personal attributes. We expressly prohibit all forms of discrimination, harassment or forced labor. As of June 30, 2025, women accounted for over 30% of our workforce. We are dedicated to maintaining fair and transparent employment management and to enhancing gender and age diversity within our workforce.

Occupational Health and Safety

We attach great importance to occupational health and safety, and are committed to providing employees with a safe and healthy working environment. We strictly comply with applicable local laws, regulations and occupational disease prevention requirements, and have formulated policies such as the *Laboratory Safety Management System* and the *Emergency Response Plan for Fire Incidents*, which cover laboratory operations, equipment usage and emergency response procedures.

Our laboratory facilities are equipped with ventilation systems, biosafety cabinets and first-aid equipment. In addition, employees are provided with personal protective equipment to minimize occupational exposure risks. In addition to providing employees in Shanghai with

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supplemental commercial insurance that covers outpatient services and medical treatment, we also arrange annual occupational health examinations for laboratory R&D scientists, along with annual health screenings for non-laboratory staff. In addition, we engage third-party institutions to conduct regular professional assessments of workplace safety and employee health, and require the issuance of corresponding reports issued. To reinforce these measures in practice, we enhance employees’ safety awareness and emergency response capabilities through activities including annual fire drills and annual hazardous waste leak emergency exercise. These efforts are designed to ensure that the concept of health and safety is deeply embedded in our daily operations.

During the Track Record Period and up to the Latest Practicable Date, no material safety incidents occurred in our operations, nor have we been notified of any material claims relating to occupational health and safety.

Employee Development and Training

We regard employees as the cornerstone of our ongoing innovation efforts. We have established a comprehensive training system that includes onboarding, professional skills development, managerial capacity building and compliance education. We encourage employees to participate in industry conferences, academic seminars and external training programs to broaden their professional horizons. We have also established performance evaluation and incentive mechanisms to support career advancement through multiple pathways, including scientific research and management.

Supply Chain Management

Our operations are guided by an internal policy framework to ensure adherence to high compliance standards across all supplier partnerships. We implement standardized supplier management procedures to select reputable partners, including CDMOs, CROs and GLP-certified vendors. We conduct due diligence, performance evaluation and compliance oversight for the main suppliers providing raw materials, laboratory services and purchased equipment.

As part of the vendor qualification process, we ask potential suppliers to complete a *Vendor Qualification Questionnaire*, which includes opportunities to provide information on initiatives and ethical considerations, such as environmental protection and business ethics. Suppliers may also share ESG-related certifications or active ESG initiatives, which we take into account during the selection process. Additionally, we clearly define supplier responsibilities for quality, delivery, and compliance in contractual agreements. Currently, all of our CDMOs and our GLP vendor have established ESG programs and published annual ESG reports, and all CROs have made public commitments to ESG principles. Many suppliers have already implemented mature ESG programs with validated targets and regular reporting, while others are developing ESG governance frameworks and disclosure mechanisms to align with industry best practices.

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Product Quality and Safety Management

Although our business is primarily research-oriented and does not involve large-scale production, we are committed to maintaining product quality and safety. We strictly adhere to GMP requirements and international regulatory standards, and have established a quality management system to support these activities. Our independent Quality Department and CMC Department are responsible for developing standard operating procedures (“SOPs”), reviewing batch records, and managing deviations and changes.

We also impose strict regulatory requirements on contract manufacturers to ensure that product and service quality meet contractual and regulatory standards. We sign quality agreements with major CDMOs to confirm and assure compliance with our quality specifications and applicable regulations. These agreements include a responsibility matrix that clearly defines the review responsibilities for critical manufacturing documents. The matrix specifies which documents require review only and which require formal review and approval by us as sponsor. By establishing this structured framework, we promote transparency and accountability across all stages of the manufacturing and quality oversight.

Patient Data Protection and Prevention of Data Manipulation

We are committed to protecting Company data as well as the personal information of patients and study participants in accordance with applicable laws, regulations and industry standards. We have established relevant compliance management policies on personal data protection, including *Personal Information Protection Compliance Management Policy* and dedicated “Data Privacy and Confidentiality” sections in our *Quality Manual* and *Vendor Qualification Questionnaire*. We implement full-process controls for data collection, storage, transmission and access, incorporating appropriate permission management and encryption. We strictly prohibit any manipulation or falsification of clinical data, and all data modifications require authorization and maintenance of traceable records.

In addition to our internal safeguards, we rely on the information systems of certain suppliers to support our operations. The security of these systems — including encryption, confidentiality provisions, and access rights management — is managed under each supplier’s quality management system, internal policies, and SOPs. We oversee supplier compliance with these controls through our vendor management processes, which include initial qualification, ongoing monitoring, and periodic assessments, supporting the protection of patient data during clinical trial data collection.

Anti-Corruption

We uphold integrity and ethical business conduct in our operations, and maintain active integrity-building programs. We explicitly prohibit unethical practices such as bribery, fraud, corruption, extortion and money laundering, having established a whistleblowing mechanism to encourage employees and third parties to anonymously report suspicious activities. Our Employee Handbook sets out clear anti-corruption and anti-bribery requirements. Through the

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Vendor Qualification Questionnaire, we require suppliers and business partners to provide anti-corruption commitments. We provide regular anti-corruption training to employees, and we plan to introduce third-party compliance audits in the future to further strengthen our internal controls.

Animal Welfare

We are committed to ensuring that animal testing is only used in drug discovery and early safety assessments when no alternative scientific methods are available, in full compliance with the international “3Rs” principle of Replacement, Reduction and Refinement. We outsource preclinical research to reputable vendors to support our key preclinical projects. For preclinical animal studies, CROs must obtain certification from the Association for Assessment and Accreditation of Laboratory Animal Care, and research protocols must be reviewed and approved by the Institutional Animal Care and Use Committee. We ensure all studies are conducted in strict compliance with applicable animal care and welfare regulations and guidelines.

Social Responsibility

We are committed to improving the quality of life for patients with chronic metabolic diseases worldwide through scientific innovation. We actively participate in public health education, public health outreach and community health promotion programs to enhance public awareness of diseases such as obesity/overweight and diabetes. We encourage employees to participate in volunteer services and charitable projects, which contribute to sustainable development for both us and society.

PROPERTIES

We currently do not own any land use rights or properties in China and the United States. As of the Latest Practicable Date, we leased one property in the United States for office use, and one property for research and development in Shanghai, each of these two properties has an aggregate gross floor area of approximately 1,400 square meters. We believe that our existing leased premises are adequate for our current business operations and that, should it be needed, suitable additional or alternative space will be available to accommodate our operations.

LICENSES, PERMITS AND APPROVALS

Our PRC Legal Advisor has advised that, we have obtained all material licenses, permits, approvals and certificates from the relevant government authorities that are material for the business operations of our Group in the PRC as of the Latest Practicable Date.

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LEGAL PROCEEDING AND COMPLIANCE

As of the Latest Practicable Date, there was no litigation, arbitration or administrative proceedings pending or threatened against the Company or any of our Directors which could have a material and adverse effect on the research and development of our product candidates, our financial condition or results of operations. Potential future litigation or any other legal or administrative proceeding, regardless of the merit or outcome, is likely to result in substantial costs, diversion of our resources, and have a negative impact on our reputation and brand image, which in turn, would have negative impact on our business, financial condition, and results of operations. For potential impact of legal or administrative proceedings on us, see “Risk Factors — Risks Relating to Our Operations — We may become involved in lawsuits or other legal proceedings, which could adversely affect our business, financial conditions, results of operations and reputation.”

During the Track Record Period and up to the Latest Practicable Date, we had complied, in all material respects, with all relevant laws and regulations in the jurisdictions we operate in. We had not been and were not involved in any non-compliance incidents that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our Group’s business operations.

RISK MANAGEMENT AND INTERNAL CONTROL

We are committed to developing and maintaining risk management and internal control systems comprised of policies and procedures tailored to our business operations. Our dedication lies in the continual enhancement of these systems to ensure their effectiveness.

Risk Management

We are subject to various risks during our operations. We have established a consolidated risk management system and relevant policies and procedures which we consider suitable for our business operations. Our policies and procedures are aimed at managing and monitoring our business performance.

To monitor the continuous implementation of risk management policies and corporate governance measures after the [REDACTED], we have adopted or will continue to adopt, among other things, the following risk management measures:

- establish an audit committee to review and supervise our financial reporting process and internal control system;
- adopt various policies to ensure the compliance with the Listing Rules, including but not limited to policies in respect of risk management, connected transactions and information disclosure;

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- provide anti-corruption and anti-bribery compliance training for senior management and employees in order to enhance their knowledge of and compliance of applicable laws and regulations; and
- arrange our Directors and senior management to attend training seminars on Listing Rules requirements and the responsibilities as directors of a Hong Kong-[REDACTED] company.

We consider that our Directors and members of our senior management possess the necessary knowledge and experience in providing good corporate governance oversight in connection with risk management and internal control.

Internal Control

Our Board is responsible for establishing our internal control system and reviewing its effectiveness. We have engaged an internal control consultant to review the effectiveness of our internal control measures related to our major business processes, to identify the deficiencies for improvement, advise on the rectification measures and review the implementation of such measures. During the review process of our internal control consultant, certain internal control matters were identified, and we have adopted corresponding internal control measures to improve on these matters. We have adopted the recommendations made by the internal control consultant and our internal control consultant has completed the follow-up procedures on our internal control system and had no further recommendations.

FINANCIAL INFORMATION

The following discussion and analysis should be read in conjunction with the consolidated financial information together with the accompanying notes in the Accountant’s Report set out in Appendix I to this document. Our consolidated financial information has been prepared in accordance with the IFRS Accounting Standards, which may differ in certain material aspects from generally accepted accounting principles in other jurisdictions. You should read the whole Appendix I and not rely merely on the information contained in this section.

The following discussion and analysis contain forward-looking statements that reflect our current views with respect to the future events and financial performance that involve risks and uncertainties. These statements are based on our assumptions and analysis made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors we believe are appropriate under the circumstances. However, our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. In evaluating our business, you should carefully consider the information provided in the section headed “Risk Factors” in this document.

Unless the context otherwise requires, financial information described in this section is described on a consolidated basis.

OVERVIEW

We are a global clinical-stage biotechnology company and an industry trailblazer dedicated to discovering and developing oral small molecule medicines to address significant unmet medical needs in cardiometabolic diseases and inflammatory disorders worldwide.

We currently have no products approved for commercial sales and have not generated any revenue from product sales during the Track Record Period. For the years ended December 31, 2023, 2024 and the six months ended June 30, 2024 and 2025, we recorded a net loss of US\$52.2 million, a net profit of US\$138.8 million, a net profit of US\$86.5 million and a net loss of US\$20.1 million, respectively.

We expect to record significant losses for at least the next several years as we continue to advance our clinical development of our Core Product and Key Products, as well as pre-clinical programs. Subsequent to the [REDACTED], our financial performance may fluctuate from period to period due to, among other factors, the development status of our drug candidates, regulatory approval timeline, and commercialization of our drug candidates after approval.

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BASIS OF PREPARATION

Our historical financial information has been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”). The historical financial information has been prepared under the historical cost convention, except for certain financial liabilities measured at fair value.

The preparation of historical financial information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires our management to exercise its judgement in the process of applying our accounting policies. The accounting policies applied in the preparation of historical financial information have been consistently applied to the Track Record Period, unless otherwise stated. The historical financial information is presented in United States dollar (“USD” or “US\$”), unless indicated otherwise.

SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our Ability to Successfully Develop and Commercialize Our Pipeline Candidates

Our business and results of operations depend on our ability to successfully advance our drug development programs, demonstrate favorable safety and efficacy clinical trial results, obtain the requisite regulatory approvals, secure adequate manufacturing capacity, and commercialize our products in targeted markets as planned. By harnessing our proprietary TRANDD platform, we have advanced three oral small molecule programs into clinical development, including ECC5004, ECC4703, and ECC0509. We are also advancing preclinical programs for cardiometabolic diseases, such as GIPR modulator and Amylin receptor agonist. See “Business — Our Pipeline” for more information on the development status of our drug candidates.

Although we currently have no product approved for commercial sales and have not generated any revenue from product sales, we expect to commercialize one or more of our drug candidates over the coming years as they move towards the final stages of development. To successfully develop and launch our drug candidates, we intend to continue investing in the research and development of our pipeline candidates, strengthening our TRANDD platform to continuously support our R&D activities, pursuing global collaboration with leading global partners and enhancing our operation capabilities for commercial launch of our drug candidates. For more details, see “Business — Our Strategies” and “Risk Factors — Risks Relating to the Development of Our Drug Candidates.”

Our Existing and Future License and Collaboration Arrangements

During the Track Record Period, all of our revenue was derived from payments from AstraZeneca in accordance with the AstraZeneca Agreement we entered into in November 2023. Our revenue amounted to US\$36.1 million, US\$221.3 million, US\$135.6 million and US\$0.6 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

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We are eligible to receive further payments upon the achievement of specified development, regulatory and sales milestones, subject to terms and conditions of the AstraZeneca Agreement. Upon commercialization, we will also be eligible to receive high-single to mid-teens tiered royalties on net sales outside of Greater China. This collaboration allows us to maximize the global value of our assets and provide capital support for our other pipeline assets and sustainable long-term growth. See “Business — Our Collaboration and Licensing Agreement” for details.

Based on the success of our existing out-licensing agreement and collaboration partnership, we will continue to pursue value-accretive collaborations to accelerate clinical development and enable earlier market entry for our drug candidates. The timing and amounts of our milestone payments, royalties and other considerations in relation to our existing and future collaboration and licensing arrangements could have an impact on our future results of operations.

Our Cost and Expense Structure

Our results of operations are significantly affected by our cost and expense structure, which primarily consists of cost of revenue, research and development expenses and general and administrative expenses.

During the Track Record Period, our cost of revenue was primarily related to R&D services we provided in accordance with the AstraZeneca Agreement. In 2023, 2024 and the six months ended June 30, 2024 and 2025, our cost of revenue was US\$2.0 million, US\$8.8 million, US\$7.4 million and US\$16 thousand, respectively. In 2023, 2024 and the six months ended June 30, 2024 and 2025, our research and development expenses were US\$22.5 million, US\$16.2 million, US\$5.8 million and US\$15.7 million, respectively, accounting for 59.0%, 45.6%, 36.3% and 71.9% of our total operating expenses (which equals the sum of cost of revenue, research and development expenses and general and administrative expenses), respectively. In 2023, 2024 and the six months ended June 30, 2025, our general and administrative expenses was US\$13.7 million, US\$10.6 million, US\$2.9 million and US\$6.1 million, respectively, accounting for 35.9%, 29.8%, 17.8% and 28.0% of our total operating expenses (as defined above).

We expect our cost and expense structure to evolve as we continue to develop and expand our business. As the preclinical studies and clinical trials of our drug candidates continue to progress and as we gradually bring our pipeline products to commercialization, we expect to incur additional costs in relation to research and development, manufacturing, regulatory affairs, and sales and marketing efforts, among other things. Additionally, we anticipate increasing legal, compliance, accounting, insurance, and [REDACTED] and public relations expenses associated with being a [REDACTED] company in Hong Kong.

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Funding for Our Operations

During the Track Record Period, we funded our operations primarily through equity and debt financing and revenue from the AstraZeneca Agreement. Upon successful commercialization of one or more of our drug candidates, we expect to fund our operations in part with income generated from sales of our commercialized drug products. As our business continues to expand, we may require further funding through equity [REDACTED], debt financing, out-license and collaboration arrangements, and other sources. Any fluctuation in the funding for our operations will impact on our cash flow and our results of operations. See also “Risk Factors — Risks Relating to Our Financial Position and Need for Additional Capital — We may need to obtain substantial additional financing to fund our operations and expansion, and if we fail to do so, we may be unable to complete the development and commercialization of our drug candidates.”

Changes in our ability to fund our operations may affect our cash flow and results of operations. If we are unable to raise capital when needed or on acceptable terms, we could be forced to delay, limit, reduce or terminate our research and development programs or any future commercialization efforts.

MATERIAL ACCOUNTING POLICIES AND SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

We have identified certain accounting policies that are significant to the preparation of our consolidated financial statements. Some of our accounting policies involve subjective assumptions and estimates, as well as complex judgments relating to accounting items. Estimates and judgments are continually re-evaluated and are based on historical experience and other factors, including industry practices and expectations of future events that we believe to be reasonable under the circumstances. Nevertheless, actual results may differ from these estimates. We have not changed our assumptions or estimates in the past and have not noticed any material errors regarding our assumptions or estimates. When reviewing our consolidated financial statements, you should consider (i) our material accounting policies, (ii) the judgments and other uncertainties affecting the application of such policies, and (iii) the sensitivity of reported results to changes in conditions and assumptions.

We set forth below those accounting policies that we believe are material to us or involve the most significant estimates and judgments used in the preparation of our consolidated financial statements. Our material accounting policies are set out in respective notes in the Accountant’s Report and key estimation uncertainty are set forth in details in Note 7 of the Accountant’s Report included in Appendix I to this document.

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Revenue Recognition

We recognize revenue to depict the transfer of promised services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those services. We recognize revenue when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services are transferred to customers. We measure revenue as the amount of consideration we expect to receive in exchange for transferring products or services to a customer, known as the transaction price. A performance obligation represents a product and service (or a bundle of products or services) that is distinct or a series of distinct products or services that are substantially the same. Depending on the terms of the contract and the laws applicable, control of the products and services may be transferred overtime or at a point in time. Control of the promised products and services may be transferred over time if it meets one of the following criteria:

- The customer simultaneously receives and consumes the benefits provided by our performance as we perform.
- Our performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- Our performance does not create an asset with an alternative use to us and we have an enforceable right to payment for performance completed to date.

If control of the products and services transfer over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. We adopt an appropriate method of measuring progress for the purpose of recognizing revenue. We evaluate the measure of progress at the end of each period comprising the Track Record Period and, if necessary, adjust the measure of performance and related revenue recognition.

We provide license of our intellectual property (“IP”) and related research and development services to our customers.

As part of the accounting for these arrangements, we use the following significant judgments:

(i) Identification of performance obligations and allocation of transaction price

We have identified the performance obligations within the contracts and evaluated which performance obligations are distinct, which require the use of judgment. We have determined that both the license of IP and related research and development services are not capable of being distinct. The transaction price is therefore entirely allocated to the identified combined performance obligation. We recognize revenue over time, by reference to the progress towards complete satisfaction of that combined performance obligation.

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(ii) Estimation of variable consideration

The consideration within the contracts includes variable considerations such as milestone payments and sales-based royalties. We use judgment to determine whether such variable consideration should be included in the transaction price.

- **Milestone payments:** At the inception of each arrangement that includes milestone payments, we assess whether the milestones are considered highly probable of being achieved and estimate the amount to be included in the transaction price using the most likely amount method. In making these assessments, we consider various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. Milestone payments that are subject to regulatory approvals and commercialization stages are not considered highly probable of being achieved until those approvals are received or commercialization stages are achieved. At the end of each subsequent reporting period, we re-evaluate the probability of achievement of all milestones subject to constraint and, if necessary, adjust its estimate of the overall transaction price.
- **Royalties:** For arrangements that include sales-based royalties, we recognize revenue when the occurrence of the subsequent sales.

Share-based Compensation Expenses

As mentioned in Note 12 to the Accountant’s Report set out in Appendix I to this document, we have granted share awards and share options to our employees. We have engaged an external valuation specialist to determine the grant date fair value of the share options to employees using the binomial option pricing model, which is to be expensed over the vesting period. Various assumptions are involved in the model and significant estimate on assumptions is required to be made by management, including the discount rate, risk-free interest, expected price volatility, expected dividend payout, expected option life, fair value of ordinary shares, and subjective judgments regarding projected financial and operating results, its unique business risks, and its operating history and prospects at the time the grants are made, but excluding the impact of any service and non-market performance vesting conditions (for example, the requirement for employee to serve). We apply judgments and estimate on those significant assumptions in determining the fair value of the share options and share awards to our employees.

At the end of each period comprising the Track Record Period, we reassess estimated number of equity instruments expected to vest based on assessment of all relevant non-market performance vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses mainly include the costs paid to CROs, CDMOs and our partner. We mainly engage these third parties for project management, site management, data management, biostatistics, medical monitoring, medical writing, bioanalysis, patient recruitment and pharmacovigilance for our clinical trials, as well as pre-clinical and clinical laboratory testing and other specialized tasks aligned with our needs. Development expenditures incurred on our research and development activities are capitalized as intangible assets only when they meet capitalization criteria. Expenditures that do not meet this capitalization principles are recognized as research and development expenses. Our research and development expenses incurred for the Track Record Period did not meet these capitalization principles and were expensed as incurred.

Fair Value Estimation

(i) Financial Instruments at Fair Value

To provide an indication about the reliability of the inputs used in determining fair value, we have classified our financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the Track Record Period. The quoted market price used for financial assets held by us is the current bid price.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rates; and
- A combination of observable and unobservable inputs, including discount rate, risk-free interest rate, discount for lack of marketability (“**DLOM**”), and expected volatility, etc.

FINANCIAL INFORMATION

As of December 31, 2023 and 2024, and June 30, 2025, we had convertible redeemable preferred shares in level 3 with a fair value of US\$119.5 million, US\$128.8 million, and US\$131.2 million, respectively. The fair value changes in level 3 instruments for the Track Record Period are presented in Note 25 to the Accountant’s Report set out in Appendix I to this document.

We have no financial instruments in level 1 and level 2. There were no transfers between levels 1, 2, and 3 for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025.

(ii) Financial Instruments at Amortized Cost

The carrying amounts of our financial instruments measured at amortized costs consists of trade receivables, investments, cash and cash equivalents, trade and other payables, borrowings and lease liabilities; these financial instruments approximate fair value due to their short-term nature or the interest rates are close to the market interest rates.

Financial Assets at Amortized Cost

We classify our financial assets at amortized cost. The classification depends on our business model for managing financial assets and the contractual terms of the cash flow.

We recognize regular purchases and sales of financial assets on trade-date, the date on which we commit to purchase or sell the asset. We derecognize financial assets when the rights to receive cash flows from the financial assets have expired or have been transferred and we transferred substantially all the risks and rewards of ownership.

At initial recognition, we measure our financial assets at fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

We measure assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest at amortized cost. Interest income from these financial assets is included in the consolidated statements of comprehensive income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other losses, net together with foreign exchange gains and losses. Impairment losses are presented as separate line items in the consolidated statements of comprehensive income. There was no impairment losses for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025.

We assess on a forward-looking basis the expected credit loss associated with our financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

FINANCIAL INFORMATION

DESCRIPTION OF SELECTED COMPONENTS OF CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

The following table sets forth a summary of our consolidated statements of comprehensive income for the years/periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2023	2024	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
			(unaudited)	
Revenue	36,059	221,291	135,641	557
Cost of revenue	(1,960)	(8,774)	(7,375)	(16)
Research and development expenses	(22,474)	(16,224)	(5,831)	(15,734)
General and administrative expenses	(13,685)	(10,605)	(2,850)	(6,129)
Operating (loss)/profit	(2,060)	185,688	119,585	(21,322)
Finance income	634	5,977	3,341	3,501
Finance costs	(136)	(28)	(18)	(68)
Change in fair value of convertible redeemable preferred shares	(41,688)	(6,061)	(106)	(1,024)
Other (losses)/gains, net	(418)	648	364	(808)
(Loss)/profit before tax	(43,668)	186,224	123,166	(19,721)
Income tax expense	(8,559)	(47,382)	(36,637)	(392)
(Loss)/profit for the year/period	(52,227)	138,842	86,529	(20,113)
Other comprehensive income/(loss)				
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Currency translation differences	638	(1,026)	(419)	957
Changes in fair value of financial liabilities from own credit risk	(1,167)	(3,235)	(1,829)	(1,401)
Other comprehensive income/(loss) for the year/period, net of tax . .	(529)	(4,261)	(2,248)	(444)
Total comprehensive (loss)/income for the year/period	(52,756)	134,581	84,281	(20,557)

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Revenue

During the Track Record Period, all of our revenue was derived from payments we received from AstraZeneca in accordance with the AstraZeneca Agreement. In 2023, 2024 and the six months ended June 30, 2024 and 2025, our revenue amounted to US\$36.1 million, US\$221.3 million, US\$135.6 million and US\$0.6 million. These revenues during the Track Record Period primarily comprised income in relation to upfront payments, milestone payments, and reimbursement for R&D activities we undertook for ECC5004. See “Business — Our Collaboration and Licensing Agreement” for details.

Cost of Revenue

During the Track Record Period, our cost of revenue was primarily related to the R&D activities we conducted in accordance with the AstraZeneca Agreement. In 2023, 2024 and the six months ended June 30, 2024 and 2025, our cost of revenue was US\$2.0 million, US\$8.8 million, US\$7.4 million and US\$16 thousand, respectively.

Research and Development Expenses

During the Track Record Period, our research and development expenses primarily consisted of (i) external preclinical and clinical costs related to our drug candidates, (ii) staff costs, including salary, wages, as well as share-based payment expenses in relation to the Equity Incentive Plan for our R&D personnel, and (iii) others, such as costs of lab supplies, depreciation and amortization of property, as well as rental and office expenses for research and development purpose.

The following table sets forth a breakdown of our research and development expenses in absolute amounts and as percentages of the total research and development expenses for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2023		2024		2024		2025	
	(US\$'000)	%	(US\$'000)	%	(US\$'000)	%	(US\$'000)	%
	(unaudited)							
External preclinical								
and clinical costs . .	17,309	77.0	10,131	62.5	3,578	61.4	11,040	70.2
Staff costs	3,903	17.4	4,820	29.7	1,604	27.5	3,706	23.6
Others	1,262	5.6	1,273	7.8	649	11.1	988	6.2
Total	22,474	100.0	16,224	100.0	5,831	100.0	15,734	100.0

FINANCIAL INFORMATION

In 2023, 2024 and the six months ended June 30, 2025, research and development expenses incurred for our Core Product ECC4703 were US\$6.6 million, US\$4.0 million, and US\$3.3 million, respectively, accounting for 29.4%, 24.5%, and 21.1% of our total research and development expenses for the corresponding periods, respectively.

General and Administrative Expenses

During the Track Record Period, our general and administrative expenses consisted of (i) staff costs, including salary, wages, as well as share-based payment expenses in relation to the Equity Incentive Plan for our administrative personnel, (ii) professional service fees in relation to the advisory services, and (iii) others, such as depreciation and amortization of property, as well as rental and office expenses for general and administrative purpose.

The following table sets forth a breakdown of our general and administrative expenses in absolute amounts and as percentages of the total general and administrative expenses for the periods indicated:

	Year Ended December 31,				Six Months Ended June 30,			
	2023		2024		2024		2025	
	(US\$'000)	%	(US\$'000)	%	(US\$'000)	%	(US\$'000)	%
	(unaudited)							
Staff costs	1,184	8.7	4,252	40.1	1,492	52.4	3,034	49.5
Professional service fees	12,089	88.3	5,751	54.2	1,052	36.9	2,378	38.8
Others	412	3.0	602	5.7	306	10.7	717	11.7
Total	13,685	100.0	10,605	100.0	2,850	100.0	6,129	100.0

Finance Income

During the Track Record Period, our finance income represented our interest income from cash and cash equivalents, and other financial assets at amortized cost. Our finance income amounted to US\$0.6 million, US\$6.0 million, US\$3.3 million and US\$3.5 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

Finance Costs

During the Track Record Period, our finance costs were in relation to interest expenses on lease liabilities and borrowings. Our finance costs amounted to US\$0.1 million, US\$28 thousand, US\$18 thousand and US\$68 thousand in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

FINANCIAL INFORMATION

Change in Fair Value of Convertible Redeemable Preferred Shares

During the Track Record Period, our change in fair value of convertible redeemable preferred shares recognized in profit or loss represented the fair value change of convertible redeemable preferred shares we issued to our Pre-[REDACTED] investors, which did not arise from our own credit risks. In 2023, 2024 and the six months ended June 30, 2024 and 2025, the increase in fair value of convertible redeemable preferred shares recognized as loss amounted to US\$41.7 million, US\$6.1 million, US\$0.1 million and US\$1.0 million, respectively. Changes in the fair value that arises from our own credit risk are recognized in other comprehensive income.

We do not expect to record further gains or losses in relation to valuation changes in such instruments after the [REDACTED] as these convertible redeemable preferred shares will be reclassified as ordinary shares upon the [REDACTED] on a one-to-one basis. For details of our change in fair value of convertible redeemable preferred shares, see “— Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Convertible Redeemable Preferred Shares” and Note 25 to the Accountant’s Report set out in Appendix I to this document.

Other (Losses)/Gains, Net

During the Track Record Period, our other gains or losses, net consisted of exchange gains or losses, mainly in relation to the fluctuations in the exchange rate of U.S. dollar against Renminbi, and other miscellaneous expenses. We recorded other losses, net of US\$0.4 million and US\$0.8 million in 2023 and the six months ended June 30, 2025, and other gains, net of US\$0.6 million and US\$0.4 million in 2024 and the six months ended June 30, 2024, respectively.

Income Tax Expenses

All of our income tax expenses incurred during the Track Record Period derived from the payments we received from AstraZeneca in accordance with the AstraZeneca Agreement. We incurred income tax expenses of US\$8.6 million, US\$47.4 million, US\$36.6 million, and US\$0.4 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted at the end of each period comprising the Track Record Period in the countries where we and our subsidiaries operate and generate taxable income. Our management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. We measure our tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

FINANCIAL INFORMATION

Our principal applicable taxes and tax rates are as follows:

- Cayman Islands: Our Company is incorporated in the Cayman Islands and is not subject to corporate income taxes.
- The United States: Under the tax laws of the United States, the subsidiary which operates in the United States was subject to federal tax rate of 21% for the years ended December 31, 2023, and 2024 and the six months ended June 30, 2024, and 2025. Additionally, the state tax blended rate for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024, and 2025 was 4.8%.

Under the tax laws of the United States, United States sourced commercial milestone payments to foreign corporations related to the transfer of patents that are contingent on productivity, use or disposition, are generally subject to a withholding tax of 30% on the seller.

- PRC: Under the tax laws of the PRC, the subsidiaries which operate in PRC are subject to a tax rate of 25% for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ended December 31, 2023, 2024, and the six months ended June 30, 2024 and 2025. The additional deduction of 100% of qualified research and development expenses is subject to the approval from the relevant tax authorities in the annual corporate income tax filling. We have made our best estimate for the additional deduction to be claimed in ascertaining the assessable profits for the year ended December 31, 2023, 2024 and the six months ended June 30, 2024 and 2025.

For details of our income tax expense, see Note 15 to the Accountant’s Report set out in Appendix I to this document.

During the Track Record Period and up to the Latest Practicable Date, we had made all the required tax filings with the relevant tax authorities in the PRC and we are not aware of any outstanding or potential disputes with such tax authorities.

(Loss)/Profit for the Year/Period

As a result of the foregoing, we recorded a loss of US\$52.2 million, a profit of US\$138.8 million, a profit of US\$86.5 million and a loss of US\$20.1 million in 2023, 2024 and the six months ended June 30, 2024 and 2025, respectively.

FINANCIAL INFORMATION

PERIOD-TO-PERIOD COMPARISON OF RESULTS OF OPERATIONS

Six Months Ended June 30, 2025 Compared to Six Months Ended June 30, 2024

Revenue

Our revenue decreased from US\$135.6 million in the six months ended June 30, 2024 to US\$0.6 million in the six months ended June 30, 2025, primarily as we recognized a large portion of the upfront payments received from AstraZeneca as revenue in the first half of 2024, upon fulfillment of the related performance obligation in accordance with the AstraZeneca Agreement.

Cost of Revenue

Our cost of revenue decreased from US\$7.4 million in the six months ended June 30, 2024 to US\$16 thousand in the six months ended June 30, 2025, as we fulfilled most of our performance obligation under the AstraZeneca Agreement in 2024.

Research and Development Expenses

Our research and development expenses increased from US\$5.8 million in the six months ended June 30, 2024 to US\$15.7 million in the six months ended June 30, 2025, primarily due to an increase of US\$7.5 million in our external preclinical and clinical costs, mainly driven by the advancements of our clinical trials.

General and Administrative Expenses

Our general and administrative expenses increased from US\$2.9 million in the six months ended June 30, 2024 to US\$6.1 million in the six months ended June 30, 2025, primarily due to (i) an increase of US\$1.5 million in staff costs, mainly driven by the increased headcounts, (ii) an increase of US\$1.3 million in professional service fees, mainly due to the increased advisory services.

Finance Income

Our finance income amounted to US\$3.3 million and US\$3.5 million in the six months ended June 30, 2024 and 2025.

Finance Costs

Our finance costs amounted to US\$18 thousand and US\$68 thousand in the six months ended June 30, 2024 and 2025, respectively. The finance costs in the six months ended June 30, 2025 all represented interest expenses on lease liabilities.

FINANCIAL INFORMATION

Change in Fair Value of Convertible Redeemable Preferred Shares

The increase in fair value of convertible redeemable preferred shares recognized as loss amounted to US\$0.1 million and US\$1.0 million in the six months ended June 30, 2024 and 2025, respectively.

Other (Losses)/Gain, Net

We recorded other losses, net of US\$0.8 million in the six months ended June 30, 2025, compared to other gains, net of US\$0.4 million in the same period in 2024. This change was primarily attributable to the fluctuations in the exchange rate between the U.S. dollar and Renminbi.

Income Tax Expenses

Our income tax expenses decreased from US\$36.6 million in the six months ended June 30, 2024 to US\$0.4 million in the six months ended June 30, 2025, primarily due to the lower revenue and profit during the six months ended June 30, 2025. See Note 15 to the Accountant’s Report set out in Appendix I to this document.

(Loss)/Profit for the Period

As a result of the foregoing, we recorded a profit of US\$86.5 million in the six months ended June 30, 2024 and a loss of US\$20.1 million in the six months ended June 30, 2025, respectively.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Revenue

Our revenue increased from US\$36.1 million in 2023 to US\$221.3 million in 2024, primarily as we recognized the majority of the upfront payment received from AstraZeneca as revenue in 2024, as well as milestone payments received in October 2024 relating to the development of ECC5004 including the first patient dosed in the Phase IIb program.

Cost of Revenue

Our cost of revenue increased from US\$2.0 million in 2023 to US\$8.8 million in 2024, as most of our performance obligation under the AstraZeneca Agreement was fulfilled in 2024.

FINANCIAL INFORMATION

Research and Development Expenses

Our research and development expenses decreased from US\$22.5 million in 2023 to US\$16.2 million in 2024, primarily due to a decrease of US\$7.2 million in external preclinical and clinical costs. Such decrease was because we were responsible for all preclinical and clinical costs for ECC5004 prior to entering into the AstraZeneca Agreement in 2023.

General and Administrative Expenses

Our general and administrative expenses decreased from US\$13.7 million in 2023 to US\$10.6 million in 2024, primarily due to a decrease of US\$6.3 million in our professional service fees. Such decrease was partially offset by an increase of US\$3.1 million in our staff costs, mainly attributable to our increased headcounts.

Finance Income

Our finance income significantly increased from US\$0.6 million in 2023 to US\$6.0 million in 2024, primarily due to the increased finance assets and related interest income.

Finance Costs

Our finance costs amounted to US\$0.1 million and US\$28 thousand in 2023 and 2024.

Change in Fair Value of Convertible Redeemable Preferred Shares

The increase in fair value of convertible redeemable preferred shares recognized as loss amounted to US\$41.7 million in 2023 and US\$6.1 million in 2024, primarily due to the significant increase in the valuation of our Company in 2023, resulting from the substantial clinical progress and corporate development.

Other (Losses)/Gains, net

We recorded other losses, net of US\$0.4 million in 2023 and other gains, net of US\$0.6 million in 2024. This change was primarily attributable to the fluctuations in the exchange rate between the U.S. dollar and Renminbi.

Income Tax Expenses

Our income tax expenses increased from US\$8.6 million in 2023 to US\$47.4 million in 2024, primarily due to the higher revenue and profit in 2024. See Note 15 to the Accountant’s Report set out in Appendix I to this document.

(Loss)/Profit for the Year

As a result of the foregoing, we recorded a loss of US\$52.2 million in 2023 and a profit of US\$138.8 million in 2024, respectively.

FINANCIAL INFORMATION

DISCUSSION OF CERTAIN SELECTED ITEMS FROM THE CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

The table below sets forth a summary of our consolidated statements of financial position as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)
Non-current assets			
Property and equipment, net	297	868	841
Right-of-use assets	168	2,412	2,098
Other financial assets at amortized cost	–	34,577	16,098
Other non-current assets	87	206	266
Total non-current assets	552	38,063	19,303
Current assets			
Trade receivables	2,583	5,143	–
Other current assets	2,394	4,749	8,362
Other financial assets at amortized cost	35,000	57,794	101,864
Cash and cash equivalents	166,858	96,022	56,428
Total current assets	206,835	163,708	166,654
Current liabilities			
Trade and other payables	5,594	9,000	13,652
Contract liabilities	149,595	409	–
Borrowings	1,398	–	–
Convertible redeemable preferred shares	119,502	128,798	131,223
Income taxes payable	8,562	2,612	–
Lease liabilities	160	562	625
Total current liabilities	284,811	141,381	145,500
Net current (liabilities)/assets	(77,976)	22,327	21,154
Non-current liabilities			
Contract liabilities	281	–	–
Lease liabilities	–	1,931	1,612
Deferred tax liabilities	–	–	–
Total non-current liabilities	281	1,931	1,612
Net (liabilities)/assets	(77,705)	58,459	38,845

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Property and Equipment

During the Track Record Period, our property and equipment primarily consisted of computer equipment, furniture and fixture, and laboratory. Our property and equipment increased from US\$0.3 million as of December 31, 2023 to US\$0.9 million as of December 31, 2024, primarily due to our purchases of laboratory equipment to further support our R&D activities. Our property and equipment remained relatively stable at US\$0.8 million as of June 30, 2025.

Right-of-use Assets

During the Track Record Period, our right-of-use assets represent our leases of laboratory and offices. Our right-of-use assets increased from US\$0.2 million as of December 31, 2023 to US\$2.4 million as of December 31, 2024, primarily due to the renewal of the lease in Shanghai and additional lease in the United States. Our right-of-use assets decreased from US\$2.4 million as of December 31, 2024 to US\$2.1 million as of June 30, 2025, primarily due to the depreciation of these assets.

Other Financial Assets at Amortized Cost

Other financial assets at amortized cost represent our investment-grade financial instruments that are held within a business model with the objective of collecting contractual cash flows, which consist solely of payments of principal and interest. We classify our other financial assets at amortized cost only if the asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest.

Our other financial assets at amortized cost increased from US\$35.0 million as of December 31, 2023 to US\$92.4 million as of December 31, 2024, and further increased to US\$118.0 million as of June 30, 2025, primarily due to an increase in short-term investments. The following table sets forth the analysis of the expected recovery dates of our other financial assets at amortized cost as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)
Within 12 months	35,000	57,794	101,864
More than 12 months and less than			
24 months	—	34,577	16,098
Total	35,000	92,371	117,962

FINANCIAL INFORMATION

For details, see Note 22 to the Accountant’s Report set out in Appendix I to this document.

Cash and Cash Equivalents

Our cash and cash equivalents decreased from US\$166.9 million as of December 31, 2023 to US\$96.0 million as of December 31, 2024, and further decreased to US\$56.4 million as of June 30, 2025, in line with the increase in our short-term investments.

Trade Receivables

During the Track Record Period, our trade receivables derived from the AstraZeneca Agreement. We recorded trade receivables of US\$2.6 million, US\$5.1 million, and nil as of December 31, 2023, 2024 and June 30, 2025, respectively.

Other Current Assets

During the Track Record Period, our other current assets mainly consisted of (i) tax recoverable, (ii) interest receivables derived from our financial assets, (iii) cash advance in relation to retention bonus, (iv) VAT receivables in relation to our purchases, (v) prepaid research and development service fees to certain research and development service providers, and (vi) others.

The following table sets forth a breakdown of our other current assets as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)
Tax recoverable	–	–	5,131
Interest receivables	71	791	1,216
Cash advance	1,514	1,215	987
VAT receivables	384	678	734
Prepaid research and development service fees	321	1,711	113
Others	104	354	181
Total	2,394	4,749	8,362

Our other current assets increased from US\$2.4 million as of December 31, 2023 to US\$4.7 million as of December 31, 2024, primarily due to (i) an increase of US\$1.4 million in our prepaid research and development service fees, and (ii) an increase of US\$0.7 million in our interest receivables, in line with our increased financial assets. Our other current assets increased from US\$4.7 million as of December 31, 2024 to US\$8.4 million as of June 30, 2025, primarily as we are eligible for a preferential tax rate, under which we expect to receive a tax refund.

FINANCIAL INFORMATION

Trade and Other Payables

During the Track Record Period, our trade and other payables mainly consisted of (i) accrued expenses, (ii) trade payables, and (iii) accrued staff costs. The following table sets forth a breakdown of our trade and other payables as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)
Accrued expenses	4,080	5,332	7,093
Trade payables	267	1,496	4,738
Accrued staff costs	1,247	2,172	1,821
Total	5,594	9,000	13,652

Our trade and other payables increased from US\$5.6 million as of December 31, 2023 to US\$9.0 million as of December 31, 2024, and further increased to US\$13.7 million as of June 30, 2025, primarily due to increases of accrued expenses and trade payables, in line with the growth of our business.

As of August 31, 2025, approximately US\$4.7 million, representing 98.6% of our trade payables as of June 30, 2025, had been subsequently settled.

Contract Liabilities

We recorded contract liabilities of US\$149.9 million, US\$0.4 million and nil as of December 31, 2023, 2024 and June 30, 2025, respectively. The contract liabilities primarily reflected our obligation to provide services over time to AstraZeneca for which we have received payments under the AstraZeneca Agreement. See “Business — Our Collaboration and Licensing Agreement” for details.

Convertible Redeemable Preferred Shares

Our convertible redeemable preferred shares issued to our Pre-[REDACTED] investors were recognized as liabilities due to the preferential rights attached to such shares. As of December 31, 2023 and 2024, and June 30, 2025, we had convertible redeemable preferred shares of US\$119.5 million, US\$128.8 million and US\$131.2 million, respectively.

Convertible redeemable preferred shares issued by us are redeemable upon occurrence of certain future events. This instrument can be converted into ordinary shares of us at any time at the option of the holders or automatically converted into ordinary shares either upon occurrence of an qualified [REDACTED] of our Company, or when we obtain the vote or written consent of the holders of no less than fifty percent of such series of the preferred shares.

FINANCIAL INFORMATION

During the Track Record Period, we designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. We initially recognize the convertible redeemable preferred shares at fair value, after which the convertible redeemable preferred shares are carried at fair value with changes in fair value recognized in the statements of profit or loss and other comprehensive income. The fair values of our convertible redeemable preferred shares or derivative financial instruments at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgements and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting period. Changing the key assumptions used by management could materially affect the fair values of these financial liabilities and as a result, affect our financial position and results of operation.

For details, see Note 25 to the Accountant’s Report set out in Appendix I to this document.

Lease Liabilities

Our lease liabilities primarily consisted of leases of offices and laboratory. Our lease liabilities increased from US\$0.2 million as of December 31, 2023 to US\$2.5 million as of December 31, 2024, primarily due to the renewal of the lease in Shanghai and additional lease in the United States. Our lease liabilities remained relatively stable at US\$2.2 million as of June 30, 2025.

LIQUIDITY AND CAPITAL RESOURCES

Our primary uses of cash during the Track Record Period were to fund the research and development of our Key Products, Core Product and other pipeline programs. During the Track Record Period and up to the Latest Practicable Date, we primarily funded our working capital requirements through equity offering, debt financing and payments received under our collaboration and licensing arrangement.

Our management closely monitors the use of cash and bank balances and strives to maintain healthy liquidity for our operations. Going forward, we believe our liquidity requirements will be satisfied by a combination of [REDACTED] from the [REDACTED], equity [REDACTED], debt financing, funds to be received from existing and potential collaboration arrangements and cash to be generated from our operations after the commercialization of our drug candidates. With the continuing expansion of our business, we may require further funding through public or private [REDACTED], debt financing, collaboration arrangements or other sources.

FINANCIAL INFORMATION

Current Assets and Liabilities

The following table sets forth our current assets and current liabilities as of the dates indicated:

	As of December 31,		As of	As of
	2023	2024	June 30,	August 31,
	(US\$'000)	(US\$'000)	2025	(US\$'000)
				(unaudited)
Current assets				
Trade receivables	2,583	5,143	–	–
Other current assets	2,394	4,749	8,362	8,396
Other financial assets at amortized cost	35,000	57,794	101,864	98,845
Cash and cash equivalents . . .	166,858	96,022	56,428	50,815
Total current assets	206,835	163,708	166,654	158,056
Current liabilities				
Trade and other payables	5,594	9,000	13,652	9,733
Contract liabilities	149,595	409	–	–
Borrowings	1,398	–	–	–
Convertible redeemable preferred shares	119,502	128,798	131,223	131,319
Income tax payable	8,562	2,612	–	–
Lease liabilities	160	562	625	648
Total current liabilities	284,811	141,381	145,500	141,700
Net current (liabilities)/assets	(77,976)	22,327	21,154	16,356

Our net current assets decreased from US\$21.2 million as of June 30, 2025 to US\$16.4 million as of August 31, 2025, primarily attributable to a decrease of US\$5.6 million in cash and cash equivalents.

Our net current assets decreased from US\$22.3 million as of December 31, 2024 to US\$21.2 million as of June 30, 2025, primarily attributable to (i) a decrease of US\$39.6 million in cash and cash equivalents, (ii) a decrease of US\$5.1 million in trade receivables, (iii) an increase of US\$2.4 million in convertible redeemable preferred shares, and (iv) an increase of US\$4.7 million in trade and other payables. These increases was partially offset by an increase of US\$44.1 million in other financial assets at amortized cost.

FINANCIAL INFORMATION

We recorded net current liabilities of US\$78.0 million as of December 31, 2023, compared to net current assets of US\$22.3 million as of December 31, 2024, primarily attributable to (i) a decrease of US\$149.2 million in contract liabilities, and (ii) an increase of US\$22.8 million in other financial assets at amortized cost, which was partially offset by a decrease of US\$70.8 million in cash and cash equivalents.

Cash Flows

The following table sets forth a summary of our cash flows for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,	
	2023	2024	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000)
			(unaudited)	
Operating cash flows before movement in working capital	(1,103)	188,041	120,335	(19,927)
Changes in working capital	154,941	(150,268)	(128,592)	11,240
Income tax paid	(8,561)	(53,200)	(41,600)	(8,134)
Net cash generated/(used in) from operating activities	145,277	(15,427)	(49,857)	(16,821)
Net cash used in investing activities	(34,628)	(52,845)	(71,467)	(22,588)
Net cash generated from/(used in) financing activities	49,491	(1,804)	(1,547)	(324)
Net increase/(decrease) in cash and cash equivalents	160,140	(70,076)	(122,871)	(39,733)
Cash and cash equivalents at beginning of the year/period	6,672	166,858	166,858	96,022
Effect of foreign exchange rate changes, net	46	(760)	(158)	139
Cash and cash equivalents at end of the year/period	166,858	96,022	43,829	56,428

FINANCIAL INFORMATION

Net Cash Generated from/(Used in) Operating Activities

In the six months ended June 30, 2025, our net cash used in operating activities was US\$16.8 million, which was primarily attributable to our loss before taxation of US\$19.7 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily resulted from a decrease in trade receivables, other receivables and prepayments of US\$5.1 million, an increase in trade and other payables of US\$4.6 million, a decrease in other assets of US\$1.9 million, and fair value losses on financial liabilities at fair value through profit or loss of US\$1.0 million, and (ii) negative adjustments, which primarily resulted from an income tax paid of US\$8.1 million and interest income from other financial assets at amortized cost of US\$3.5 million.

In 2024, our net cash used in operating activities was US\$15.4 million, which was primarily attributable to our profit before taxation of US\$186.2 million adjusted by certain non-cash and working capital items, including (i) negative adjustments, which primarily resulted from an increase in contract liabilities of US\$149.5 million, income tax paid of US\$53.2 million, and interest income from other financial assets at amortized cost of US\$6.0 million, and (ii) positive adjustments, which primarily resulted from fair value losses on financial liabilities at fair value through profit or loss of US\$6.1 million.

In 2023, our net cash generated from operating activities was US\$145.3 million, which was primarily attributable to our loss before taxation of US\$43.7 million adjusted by certain non-cash and working capital items, including (i) positive adjustments, which primarily resulted from an increase in contract liabilities of US\$149.9 million, fair value losses on financial liabilities at fair value through profit or loss of US\$41.7 million and an increase in trade and other payables of US\$9.3 million, and (ii) negative adjustments, which primarily resulted from income tax paid of US\$8.6 million.

Net Cash Used in Investing Activities

In the six months ended June 30, 2025, our net cash used in investing activities was US\$22.6 million, which was primarily attributable to payments for other financial assets at amortized cost of US\$44.3 million, partially offset by redemption of other financial assets at amortized cost of US\$19.4 million.

In 2024, our net cash used in investing activities was US\$52.8 million, which was primarily attributable to payments for other financial assets at amortized cost of US\$137.3 million, partially offset by proceeds from redemption of other financial assets at amortized cost of US\$80.1 million.

In 2023, our net cash used in investing activities was US\$34.6 million, which was primarily attributable to payments for other financial assets at amortized cost of US\$36.0 million, partially offset by redemption of other financial assets at amortized cost of US\$1.0 million.

Net Cash Generated from/(Used in) Financing Activities

In the six months ended June 30, 2025, our net cash used in financing activities was US\$0.3 million, which was primarily attributable to principal element of lease payments of US\$0.3 million.

FINANCIAL INFORMATION

In 2024, our net cash used in financing activities was US\$1.8 million, which was primarily attributable to repayments of our short-term loan of US\$1.4 million.

In 2023, our net cash generated from financing activities was US\$49.5 million, which was primarily attributable to proceeds from issuance of convertible preferred shares of US\$48.5 million and issuance of loans of US\$5.5 million, partially offset by repayments of loans of US\$4.0 million.

CASH OPERATING COSTS

The following table sets forth key information relating to our cash operating costs for the periods indicated:

	Year Ended December 31,		Six Months Ended June 30,
	2023	2024	2025
	(US\$'000)	(US\$'000)	(US\$'000)
Costs relating to research and development of our Core Product			
External preclinical and clinical costs . .	6,588	3,473	3,323
Others	10	—	—
Subtotal	6,598	3,473	3,323
Costs relating to research and development of our Key Products and other products			
External preclinical and clinical costs . .	13,331	14,091	879
Others	167	401	20
Subtotal	13,498	14,492	899
Other costs			
Staff costs (excluding share-based compensation expenses)	3,565	5,260	3,033
Total	23,661	23,225	7,255

FINANCIAL INFORMATION

WORKING CAPITAL CONFIRMATION

Our Directors are of the opinion that, taking into account the financial resources available to our Group, including cash and bank balances, financial assets held by us, and the estimated [REDACTED] from the [REDACTED], we have sufficient working capital to cover at least 125% of our costs, including research and development expenses and administrative expenses, for at least the next 12 months from the expected date of this document.

Our cash burn rate refers to the average monthly amount of cash used in operations, purchase of property, plant and equipment, and payment for lease liabilities. We estimate that we will receive [REDACTED] of approximately HK\$[REDACTED] million in the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the low end of the [REDACTED] stated in this document. Assuming an average cash burn rate going forward of 1.5 times the level in the six months ended June 30, 2025, we estimate that (i) our financial resources available to us, including cash and cash equivalents and current other financial assets at amortized cost as of June 30, 2025 will be able to maintain our financial viability for [REDACTED] months, (ii) if we take into account 10.0% of the estimated [REDACTED] from the [REDACTED] (namely, the portion allocated for our working capital and other general corporate purposes), [REDACTED] months, or, (iii) if we take into account all estimated [REDACTED] from the [REDACTED], [REDACTED] months. We will continue to monitor our cash flows used in operations closely and expect to raise our next round of financing no earlier than six months after the completion of the [REDACTED].

INDEBTEDNESS

During the Track Record Period, we had indebtedness in the form of lease liabilities. The following table sets forth a breakdown of our indebtedness as of the dates indicated:

	As of December 31,		As of June 30,	As of August 31,
	2023	2024	2025	
	(US\$'000)	(US\$'000)	(US\$'000)	(US\$'000) (unaudited)
Current				
Convertible redeemable				
preferred shares	119,502	128,798	131,223	131,319
Borrowings	1,398	—	—	—
Lease liabilities	160	562	625	648
Non-current				
Lease liabilities	—	1,931	1,612	1,477
Total	121,060	131,291	133,460	133,444

FINANCIAL INFORMATION

Lease Liabilities

Our lease liabilities primarily comprise leases of offices and laboratory. As of December 31, 2023 and 2024, June 30, 2025 and August 31, 2025, we had a total of current and non-current lease liabilities of US\$0.2 million, US\$2.5 million, US\$2.2 million and US\$2.1 million, respectively.

Borrowings

As of December 31, 2023, our borrowings amounted to US\$1.4 million, representing a one-year working capital loan we entered into with the Bank of Shanghai Co., Ltd.. This short-term borrowing bore a fixed interest rate of 3.45% per year, and we made interest payments on a quarterly basis. We repaid this short-term loan in 2024.

As of December 31, 2024, June 30, 2025 and August 31, 2025, we had no borrowings.

Convertible Redeemable Preferred Shares

Our convertible redeemable preferred shares were recognized for preferential rights issued to Pre-[REDACTED] investors. As of December 31, 2023 and 2024, June 30, 2025 and August 31, 2025, we had convertible redeemable preferred shares of US\$119.5 million, US\$128.8 million, US\$131.2 million and US\$131.3 million, respectively. For details of our convertible redeemable preferred shares, see “— Discussion of Certain Selected Items from the Consolidated Statements of Financial Position — Convertible Redeemable Preferred Shares.”

Indebtedness Statement

Except as discussed above, we did not have any other material mortgages, charges, debentures, loan capital, debt securities, loans, bank overdrafts or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptances (other than normal trade bills), acceptance credits, which are either guaranteed, unguaranteed, secured or unsecured, or guarantees or other contingent liabilities as of the Latest Practicable Date. Our Directors confirm that our Group did not experience any difficulty in obtaining bank loans and other borrowings, default in payment of bank loans and other borrowings or material breach of covenants during the Track Record Period and up to the Latest Practicable Date.

Our Directors confirm that there have been no material changes in our indebtedness since August 31, 2025, being the latest practicable date for determining our indebtedness, up to the date of this document.

FINANCIAL INFORMATION

CAPITAL EXPENDITURES

In 2023, 2024 and the six months ended June 30, 2024 and 2025, we incurred capital expenditures of US\$0.2 million, US\$0.7 million, US\$0.1 million and US\$0.1 million, respectively, in connection with the purchase of property and equipment in order to enhance our development capabilities and expand our business operations.

We plan to fund our planned capital expenditures mainly through a combination of the [REDACTED] from the [REDACTED], equity [REDACTED], debt financing, funds from existing and potential collaboration arrangements, revenue expected to be generated from sales of our products in the future and others. See “Future Plans and Use of [REDACTED]” for more details. We may adjust our capital expenditures for any given period according to our development plans or in light of market conditions and other factors as appropriate.

CAPITAL COMMITMENTS

As of December 31, 2023, 2024 and June 30, 2025, we did not have any capital commitment.

CONTINGENT LIABILITIES

As of December 31, 2023, 2024 and June 30, 2025, we did not have any contingent liabilities. As of the Latest Practicable Date, there had been no material changes or arrangements to our contingent liabilities.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the Latest Practicable Date, we had not entered into any off-balance sheet transactions.

RELATED PARTY TRANSACTIONS

We did not have any material related party transactions during the Track Record Period. For details, see Note 29 to the Accountant’s Report set out in Appendix I to this document.

KEY FINANCIAL RATIO

The following table sets forth our key financial ratio as of the dates indicated:

	As of December 31,		As of June 30,
	2023	2024	2025
Current ratio ⁽¹⁾	0.7	1.2	1.1

Note:

(1) Current ratio equals to current assets divided by current liabilities.

FINANCIAL INFORMATION

FINANCIAL RISK DISCLOSURE

Our activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. Our overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance. Risk management is carried out by our senior management.

Market Risk

Foreign Exchange Risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective group entities’ functional currency.

We have entities primarily operating in the United States and the PRC. There are certain cash and bank balances and trade and other payables denominated in foreign currencies of our respective group entities that are exposed to foreign currency risk. We constantly review the economic situation and our foreign exchange risk profile, and consider appropriate hedging measures in the future, as may be necessary.

We are primarily exposed to changes in Renminbi (“RMB”) and the US\$ exchange rates in our entities operating in the PRC that have functional currency in RMB. As of December 31, 2023 and 2024 and June 30, 2025, if RMB strengthened/weakened by 5% against the US\$ with all other variables held constant, loss before income tax expense for the year ended December 31, 2023 would have been approximately US\$0.6 million higher/lower, profit before income tax expense for the year ended December 31, 2024 would have been approximately US\$1.0 million lower/higher, and loss before income tax expense for the period ended June 30, 2025 would have been approximately US\$1.1 million higher/lower, respectively, mainly as a result of foreign exchange gains and losses on the translation of US\$ denominated cash and cash equivalents in the entities operating in the PRC.

We do not hedge against any fluctuation in foreign currencies.

Cash flow and fair value interest rate risk

Other than interest-bearing time deposits and debt instruments classified at amortized cost, we have no other significant interest-bearing assets. Our directors do not anticipate any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates are not expected to change significantly.

FINANCIAL INFORMATION

Credit Risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to us. The carrying amounts of trade receivables, rental deposits (see Note 21 to the Accountant’s Report), cash and cash equivalents (see Note 23 to the Accountant’s Report), interest receivables (see Note 21 to the Accountant’s Report), and other financial assets at amortized cost (see Note 22 to the Accountant’s Report) represent our maximum exposure to credit risk in relation to financial assets.

Liquidity Risk

We aim to maintain sufficient cash and cash equivalents and other financial assets at amortized cost. Due to the dynamic nature of the underlying businesses, our policy is to regularly monitor our liquidity risk and to maintain adequate cash and cash equivalents and other financial assets at amortized cost to meet our liquidity requirements.

DIVIDEND

We did not declare or pay any dividend during the Track Record Period. We do not currently have a formal dividend policy or a fixed dividend payout ratio. We currently intend to retain all available funds and earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. [REDACTED] should not purchase our ordinary shares with the expectation of receiving cash dividends. Any future determination to pay dividends will be made at the discretion of our Directors and may be based on a number of factors, including our future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that our Directors may deem relevant.

As advised by our Cayman counsel, under the Cayman Companies Act, a Cayman Islands company may pay a dividend out of either profits or share premium account, provided that in no circumstances may a dividend be paid if this would result in the company being unable to pay its debts as they fall due in the ordinary course of business. There is no assurance that dividends of any amount will be declared to be distributed in any year.

DISTRIBUTABLE RESERVES

As of June 30, 2025, we had distributable reserves of US\$24.5 million, representing the retained profits of our Group as of the same date.

FINANCIAL INFORMATION

[REDACTED]

[REDACTED] to be borne by us are estimated to be approximately HK\$[REDACTED] million (including [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share), which represent [REDACTED]% of the gross [REDACTED] from the [REDACTED], assuming no Shares are issued pursuant to the [REDACTED]. The above [REDACTED] are comprised of (i) [REDACTED]-related expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), and (ii) non-[REDACTED]-related expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), including (a) the legal advisors and the reporting accountant’s expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million), and (b) other fees and expenses of HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million). During the Track Record Period, we did not incur any [REDACTED]. We expect to incur [REDACTED] after the Track Record Period, approximately HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million) of which is expected to be charged to our consolidated statements of comprehensive income, and approximately HK\$[REDACTED] million (equivalent to approximately US\$[REDACTED] million) of which is attributable to the issue of Shares and will be deducted from equity upon [REDACTED]. The [REDACTED] above are the latest practicable estimate for reference only, and the actual amount may differ from this estimate.

UNAUDITED [REDACTED] STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

FINANCIAL INFORMATION

[REDACTED]

NO MATERIAL ADVERSE CHANGE

Our Directors confirm that, there has been no material adverse change in our financial or trading position prospects since June 30, 2025 and up to the date of this document and there is no event since June 30, 2025 which would materially affect the information shown in our consolidated financial statements included in the Accountant’s Report set out in Appendix I to this document.

DISCLOSURE UNDER RULES 13.13 TO 13.19 OF THE LISTING RULES

Our Directors confirm that, except as otherwise disclosed in this document, as of the Latest Practicable Date, there was no circumstance that would give rise to a disclosure requirement under Rules 13.13 to 13.19 of the Listing Rules.

SHARE CAPITAL

AUTHORIZED AND ISSUED SHARE CAPITAL

As of the Latest Practicable Date, the authorized share capital of the Company is US\$50,000 divided into 500,000,000 shares of par value US\$0.0001 each, consisting of (i) 422,255,947 Ordinary Shares of par value US\$0.0001 each, (ii) 25,575,940 Series A Preferred Shares of par value US\$0.0001 each, (iii) 21,728,930 Series A-1 Preferred Shares of par value US\$0.0001 each, (iv) 18,418,167 Series B Preferred Shares of par value US\$0.0001 each, (v) 6,152,586 Series C-1 Preferred Shares of par value US\$0.0001 each, and (vi) 5,868,430 Series C-2 Preferred Shares of par value US\$0.0001 each. The Preferred Shares will be converted into the Shares on a one-to-one basis by way of re-designation and re-classification immediately before the [REDACTED].

Assuming that the [REDACTED] is not exercised, the share capital of our Company immediately following the completion of the [REDACTED] will be as follows.

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital of our Company (%)
Shares in issue (including the Shares to be converted from the Preferred Shares)	116,899,141	11,689.91	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

Assuming that the [REDACTED] is fully exercised, the share capital of our Company immediately following the completion of the [REDACTED] will be as follows.

Description of Shares	Number of Shares	Aggregate nominal value of Shares (US\$)	Approximate percentage of issued share capital of our Company (%)
Shares in issue (including the Shares to be converted from the Preferred Shares)	116,899,141	11,689.91	[REDACTED]
Shares to be issued pursuant to the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total	[REDACTED]	[REDACTED]	100.00

SHARE CAPITAL

The above tables assume that the [REDACTED] becomes unconditional, the Shares are issued pursuant to the [REDACTED], and that the Preferred Shares are converted into the Shares on a one-to-one basis.

RANKING

The [REDACTED] are Shares in the share capital of our Company and will rank equally with all the Shares currently in issue or to be issued (including all the Preferred Shares to be converted into the Shares immediately before the [REDACTED]) and, in particular, will rank equally for all dividends or other distributions declared, made or paid on the Shares in respect of a record date which falls after the date of this document.

CIRCUMSTANCES UNDER WHICH GENERAL MEETINGS ARE REQUIRED

Pursuant to the Cayman Companies Act and the Articles of Association, our Company may from time to time by ordinary resolution of Shareholders: (i) increase its share capital, (ii) consolidate and divide its share capital into shares of a larger amount, (iii) sub-divide the Shares into shares of a smaller amount, (iv) cancel any Shares which have not been taken or agreed to be taken, (v) make provision for the allotment and issue of shares which do not carry any voting rights, (vi) change the currency of denomination of its share capital, and/or (vii) reduce its share premium account in any manner authorized, and subject to any conditions prescribed by law. In addition, our Company may, subject to the provisions of the Cayman Companies Act, reduce its share capital by our Shareholders passing a special resolution. See “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Laws — 2. Articles of Association — 2.1 Shares — (c) Alteration of Capital” for details.

GENERAL MANDATE TO ISSUE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to allot, issue and deal with Shares with a total nominal value of not more than the sum of:

- 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED] (excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED]); and
- the aggregate nominal value of the Shares repurchased by us under the authority referred to in “— General Mandate to Repurchase Shares” in this section.

SHARE CAPITAL

This general mandate to issue Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- the time when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

See “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders” for details of the general mandate to allot, issue and deal with Shares.

GENERAL MANDATE TO REPURCHASE SHARES

Subject to the [REDACTED] becoming unconditional, our Directors have been granted a general unconditional mandate to exercise all the powers of our Company to repurchase our own securities up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED].

The repurchase mandate only relates to repurchases made on the Stock Exchange, or on any other stock exchange on which our Shares are [REDACTED] (and which are recognized by the SFC and the Stock Exchange for this purpose), and which are in accordance with the Listing Rules. A summary of the relevant Listing Rules is set out in “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 5. Repurchase of Our Own Shares.”

The general mandate to repurchase Shares will expire at the earliest of:

- the conclusion of the next annual general meeting of our Company;
- the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- the time when it is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

See “Appendix IV — Statutory and General Information — A. Further Information about Our Group — 4. Resolutions of Our Shareholders” for details of the general mandate to repurchase Shares.

SHARE CAPITAL

EQUITY INCENTIVE PLAN

We adopted the Equity Incentive Plan. For details, see “Appendix IV — Statutory and General Information — D. Equity Incentive Plan” in this document.

SUBSTANTIAL SHAREHOLDERS

SUBSTANTIAL SHAREHOLDERS

So far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), the following persons will have interests or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

Shareholder	Nature of interest	Number of Shares interested in as of the Latest Practicable Date ⁽¹⁾	Approximate percentage of interest in our Company as of the Latest Practicable Date ⁽¹⁾	Number of Shares interested in immediately following the completion of the [REDACTED] ⁽¹⁾	Approximate percentage of interest in our Company immediately following the completion of the [REDACTED] ⁽²⁾
			(%)		(%)
Dr. Zhou	Interest in controlled corporation; interest jointly held with another person	45,307,674 (L) ⁽³⁾	38.76	[REDACTED] (L) ⁽⁴⁾	[REDACTED]
Zeccogene	Beneficial owner	23,121,065 (L)	19.78	[REDACTED] (L)	[REDACTED]
Ecoforest	Beneficial owner	18,919,464 (L)	16.18	[REDACTED] (L)	[REDACTED]
Sinopharm Innovation ⁽⁵⁾	Beneficial owner	8,104,697 (L)	6.93	[REDACTED] (L)	[REDACTED]
Infotech Ventures ⁽⁵⁾	Interest in controlled corporation	8,104,697 (L)	6.93	[REDACTED] (L)	[REDACTED]
Shanghai Jianyi ⁽⁵⁾	Interest in controlled corporation	11,421,077 (L)	9.77	[REDACTED] (L)	[REDACTED]
CNPIC ⁽⁵⁾	Interest in controlled corporation	11,421,077 (L)	9.77	[REDACTED] (L)	[REDACTED]
Shanghai Shenghui ⁽⁵⁾	Interest in controlled corporation	11,421,077 (L)	9.77	[REDACTED] (L)	[REDACTED]
Mr. Wu Aimin (吳愛民) ⁽⁶⁾	Interest in controlled corporation	11,447,607 (L)	9.79	[REDACTED] (L)	[REDACTED]

Notes:

- (1) On the basis that the Preferred Shares will be converted into the Shares on a one-to-one basis by way of re-designation and re-classification immediately before the [REDACTED]. The letter “L” denotes the person’s long position in the Shares.
- (2) Based on the assumption that the [REDACTED] is not exercised.

SUBSTANTIAL SHAREHOLDERS

- (3) As of the Latest Practicable Date, both Zeccogene and Eccoforest are wholly owned by Dr. Zhou. As such, Dr. Zhou is deemed to be interested in the Shares held by Zeccogene and Eccoforest under the SFO.

Pursuant to an acting-in-concert agreement dated December 16, 2021 (the “**AIC Agreement**”) entered into among Dr. Zhou, Zeccogene, Dr. Xu, and JFSE, Dr. Xu (including JFSE) (i) agreed to act in concert with Dr. Zhou (including Zeccogene) in relation to the exercise of their voting rights on matters in Shareholders’ meeting of the Company; and (ii) acknowledged and confirmed that Dr. Zhou and Zeccogene’s decision on such matters shall prevail. The AIC agreement shall be effective from the date of its execution and shall remain in force until the earlier of Dr. Xu or JFSE ceasing to be a Shareholder.

Yansun Holdings Limited (“**Yansun**”) and Zeccogene entered into a voting proxy agreement dated December 16, 2021 (the “**Voting Proxy**”). Pursuant to the Voting Proxy, Yansun irrevocably and unconditionally appointed Zeccogene as its true and lawful attorney and proxy to vote the Shares held by Yansun or act for Yansun as its proxy, on all matters submitted to a vote at the Shareholders’ meeting. The Voting Proxy shall be effective during the period commencing from the execution of such agreement and ending on the earliest of (i) the day that Yansun ceasing to hold any Shares or the day that Yansun transferred all the Shares it held; or (ii) the closing of any qualified [REDACTED] as stipulated under the effective Shareholders’ agreement of the Company.

- (4) Immediately following the completion of the [REDACTED], Eccoforest which holds unvested Shares is required under Rule 17.05A of the Listing Rules to abstain from voting on matters that require Shareholders’ approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner’s direction and such a direction is given. As such, Dr. Zhou will not be entitled to control the voting rights of Eccoforest upon the completion of the [REDACTED] and therefore is no longer deemed to be interested in the Shares held by Eccoforest.
- (5) As of the Latest Practicable Date, Shanghai Sinopharm Innovation Equity Investment Fund Partnership (Limited Partnership) (上海國藥創新股權投資基金合夥企業(有限合夥)) (“**Sinopharm Innovation**”) held 8,104,697 Series A Preferred Shares.

Sinopharm Innovation is a limited partnership established in the PRC and is managed by Shanghai Jianyi Chuangxin Private Equity Fund Management Co., Ltd. (上海健壹創信私募基金管理有限公司) (“**Jianyi Chuangxin**”). Jianyi Chuangxin is owned by Sinopharm Capital Management Co., Ltd. (上海健壹私募基金管理有限公司) (“**Shanghai Jianyi**”) and Infotech Ventures Co., Ltd. (盈富泰克創業投資有限公司) (“**Infotech Ventures**”) as to 35% and 35% of the equity interest, respectively. As such, each of Shanghai Jianyi and Infotech Ventures is interested in the Shares held by Sinopharm Innovation under the SFO.

As of the Latest Practicable Date, Sinopharm Zhongsheng (Shanghai) Biological Equity Investment Fund Partnership (Limited Partnership) (國藥中生(上海)生物股權投資基金合夥企業(有限合夥)) (“**Sinopharm Zhongsheng**”) held 3,316,380 Series A-1 Preferred Shares. Sinopharm Zhongsheng is a limited partnership established in the PRC and is managed by Shanghai Jianyi. Shanghai Jianyi is owned by Shanghai Shenghui Investment Management Partnership (Limited Partnership) (上海聖匯投資管理合夥企業(有限合夥)) (“**Shanghai Shenghui**”) and China National Pharmaceutical Investment Co., Ltd. (中國醫藥投資有限公司) (“**CNPIC**”) CNPIC as to 65% and 35% of the equity interest, respectively. Shanghai Shenghui is owned by Mr. Wu Aimin (吳愛民) (“**Mr. Wu**”) as to 95% of the equity interest. Therefore, each of Shanghai Jianyi, Shanghai Shenghui, CNPIC, and Mr. Wu is deemed to be interested in the Shares held in aggregate by Sinopharm Innovation and Sinopharm Zhongsheng under the SFO.

- (6) As of the Latest Practicable Date, Shanghai Shengcheng Investment Management Partnership (Limited Partnership) (上海聖成投資管理合夥企業(有限合夥)) (“**Shanghai Shengcheng**”) held 26,530 Series A-1 Preferred Shares. Shanghai Shengcheng is a limited partnership established in the PRC and is managed by its general partner, Mr. Wu, holding approximately 58.00% of the partnership interest. Therefore, Mr. Wu is deemed to be interested in the Shares held in aggregate by Sinopharm Innovation, Sinopharm Zhongsheng and Shanghai Shengcheng under the SFO.

Save as disclosed above, our Directors are not aware of any person who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have any interest and/or short position in the Shares or underlying Shares of our Company which will fall to be disclosed to our Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group.

DIRECTORS AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Upon the [REDACTED], our Board will comprise seven Directors, including two executive Directors, two non-executive Directors and three independent non-executive Directors. Our Directors serve a term of three years and may be re-elected for successive re-appointments.

The table below sets out certain information of our Directors:

Name	Age	Position	Time of appointment as Director	Time of joining our Company	Responsibilities
Executive Directors					
Dr. Jingye Zhou.	46	Chairman of our Board, Executive Director, CEO and co-founder	May 2018	May 2018	Overall strategic planning, business direction and operational management
Dr. Jianfeng Xu (徐劍鋒).	47	Executive Director, CSO and co-founder	September 2022	June 2018	Overall scientific strategy, drug discovery and preclinical development
Non-executive Directors					
Mr. Henry Lin Chen (陳林正).	54	Non-executive Director	August 2025	August 2025	Providing guidance and advice on corporate strategy and governance
Dr. Xiaojie Zang (臧筱潔).	34	Non-executive Director	September 2022	September 2022	Providing guidance and advice on corporate strategy and governance
Independent Non-executive Directors					
Dr. David Elkins Moller	69	Independent non-executive Director	July 2024	July 2024	Supervising and providing independent judgment to our Board
Mr. Kwok Tai Law (羅國泰).	54	Independent non-executive Director	[REDACTED]	[REDACTED]	Supervising and providing independent judgment to our Board
Mr. Yi Li (李一).	64	Independent non-executive Director	[REDACTED]	[REDACTED]	Supervising and providing independent judgment to our Board

Notes:

- As of the Latest Practicable Date, Ms. Huijuan Qian (錢慧娟), Ms. Wujuan Lei (雷舞娟), Mr. Yifeng Yang (楊一峰), Mr. Yang Bai (白陽), Mr. Lei Cai (蔡磊) and Ms. Min Zou (鄒敏) were Directors of the Company. Each of them has tendered his/her resignation as Director of our Company effective upon [REDACTED]. Each of Ms. Huijuan Qian (錢慧娟), Ms. Wujuan Lei (雷舞娟), Mr. Yifeng Yang (楊一峰), Mr. Yang Bai (白陽), Mr. Lei Cai (蔡磊) and Ms. Min Zou (鄒敏) has confirmed that he/she has no disagreement with the Board and there are no other matters in relation to his or her resignation that need to be brought to the attention of the Shareholders of the Company.
- Dr. Moller will be redesignated as an independent non-executive Director on the [REDACTED].

DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Dr. Jingye Zhou, aged 46, is our co-founder, chairman of our Board, executive Director and CEO. He was also appointed as Chairman of our Board and redesignated as our executive Director in September 2025. Dr. Zhou is responsible for our overall strategic planning, business direction and operational management. Since the inception of our Group, Dr. Zhou has been instrumental in building our proprietary TRANDD platform, building our clinical pipeline, and positioning us as an industry trailblazer in the next generation GLP-1 based therapy space.

Dr. Zhou is a distinguished scientist and biotech entrepreneur with more than 18 years of experience in translational research and small molecule drug discovery. From October 2007 to February 2009, he served as a research scientist at Tetrphase Pharmaceuticals, Inc. where he co-invented Eravacycline, an FDA-approved antibiotic. From February 2009 to September 2012, he served as principal scientist, discovery chemistry in Molecular Discovery Research at GlaxoSmithKline plc. From September 2012 to February 2018, he successively served as principal scientist II and the head of chemistry at the Lilly China Research and Development Center (禮來中國研發中心) in Shanghai, with his last position as head of chemistry, where he led project teams to achieve candidate selection milestones for T2D and its complications.

Dr. Zhou obtained his bachelor’s degree in life sciences from Fudan University (復旦大學) in the PRC in July 2002, and his master’s degree in chemistry and his Ph.D. in chemistry from Brandeis University in the United States in May 2004 and February 2008, respectively.

Dr. Jianfeng Xu (徐劍鋒), aged 47, is our co-founder, executive Director and CSO. He was redesignated as our executive Director in September 2025. He is primarily responsible for our overall scientific strategy, drug discovery and preclinical development.

Dr. Xu has over 20 years of research and development experience in metabolic diseases, with deep expertise in the interplay between metabolic and immune systems. He began his career as a research associate at the Salk Institute for Biological Studies from January 2006 to August 2008 and then as postdoctoral fellow at the University of California, San Diego from July 2008 to November 2011. From December 2011 to December 2017, Dr. Xu worked at the Lilly China Research and Development Center (禮來中國研發中心) in Shanghai, with his last position as principal scientist II.

Dr. Xu obtained his bachelor’s degree in biochemistry and his Ph.D. in molecular biology and biochemistry from Fudan University (復旦大學) in the PRC in July 2000 and June 2005, respectively.

DIRECTORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Henry Lin Chen (陳林正), aged 54, was appointed as a Director in August 2025 and was re-designated as a non-executive Director of our Company in September 2025. Mr. Chen is responsible for providing guidance and advice on corporate strategy and governance.

Mr. Chen has over 25 years of experience in investment banking, private equity and life sciences investment. From 1999 to August 2008, he worked in the Investment Banking Division (Asia ex-Japan) at The Goldman Sachs Group, Inc. From October 2008 to November 2014, he was co-head of Asia at Permira Advisers Limited, a global investment firm. Since 2015, he has served as managing partner at Delos Advisers Limited. He is also a co-founder of Curamir Therapeutics Inc. and Tulavi Therapeutics. Mr. Chen previously served as chairman and chief executive officer of Tanvex BioPharma Inc.

Mr. Chen obtained a bachelor of arts and a master of arts in the history of science from Harvard University in the United States in June 1993 and a juris doctorate degree from Harvard Law School in the United States in May 1996.

Dr. Xiaojie Zang (臧筱潔), aged 34, was appointed as Director in September 2022 and was re-designated as a non-executive Director of our Company in September 2025. She is responsible for providing guidance and advice on corporate strategy and governance.

Dr. Zang has over seven years of experience in healthcare venture capital and biotechnology investment, with a focus on innovative drug discovery and biopharmaceutical technologies. Since January 2021, she successively served as senior investment manager and investment director at Oriza Seed Fund Management Co. Ltd. (蘇州工業園區元禾原點創業投資管理有限公司), where she led due diligence and portfolio management for more than ten early-stage biotechnology companies and coordinated cross-functional teams to support portfolio company growth, including strategic licensing and capital raising. Dr. Zang has also served as a supervisor at Suzhou Tennor Therapeutics Co., Ltd. (蘇州丹諾醫藥股份有限公司) from June 2020 to January 2023 and Pheno Thera Biopharmaceuticals Technology (Hangzhou) Co., Ltd. (輝諾生物醫藥科技(杭州)有限公司) from December 2018 to September 2021.

Dr. Zang obtained a bachelor's degree in pharmacy in June 2013 and a Ph.D. in pharmacology from China Pharmaceutical University (中國藥科大學) in the PRC in June 2018.

DIRECTORS AND SENIOR MANAGEMENT

Independent Non-executive Directors

Dr. David Elkins Moller, aged 69, was appointed as Director in July 2024 and will be re-designated as an independent non-executive Director with effect from the [REDACTED]. He is responsible for supervising and providing independent judgment to our Board.

Dr. Moller has extensive experience in pharmaceutical research, drug development and biotechnology innovation across metabolic diseases, immunology and rare disorders. From July 1986 to June 1988, he was an endocrinology postdoctoral fellow and trainee at Beth Israel Hospital and Harvard Medical School in Boston. He progressed through roles of increasing responsibility in molecular endocrinology at Merck from 1995, eventually becoming a vice president at Merck Research Labs. In this role, he led global discovery programs in diabetes and obesity, contributing to the development of sitagliptin (Januvia™). After his tenure at Merck, Dr. Moller held multiple senior leadership roles at Eli Lilly and Company, including global therapeutic area research and development leader for endocrine, musculoskeletal, urology and CV-Renal diseases, and vice president of emerging technology and innovation within corporate business development. From April 2018 to 2020, Dr. Moller served as chief scientific officer at Sigilon Therapeutics, Inc., a Flagship Pioneering-founded biotechnology company. He also previously served as the chief scientific officer at Poxel S.A., a clinical-stage company focused on rare metabolic and renal disorders.

Dr. Moller has been serving as an independent non-executive director since June 2025 and served as chief scientific officer from May 2023 to June 2025 at Variant Bio, Inc., a biopharmaceutical company. Since 2025, Dr. Moller has been serving as a venture partner at Third Rock Ventures, LLC, where he helps guide the firm’s strategy. Dr. Moller has been certified by the American Board of Internal Medicine since November 1989. His medical licenses include those granted by the Massachusetts Board of Registration in Medicine in September 1986, the Virginia Board of Medicine in November 1984, and the District of Columbia Health in January 1985.

Dr. Moller obtained his bachelor of science from Brown University in the United States in June 1978 and his doctor’s degree in medicine from the University of Cincinnati College of Medicine in the United States in June 1983.

Mr. Kwok Tai Law (羅國泰), aged 54, was appointed as an independent non-executive Director with effect from the [REDACTED]. He is responsible for supervising and providing independent judgment to our Board.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Law has over 20 years of experience in corporate finance, investment banking and financial industry. Mr. Law was an executive director at Morgan Stanley Asia Limited from September 2018 to May 2023 and a director at Credit Suisse (Hong Kong) Limited from September 2015 to August 2018. From August 2006 to August 2015, He worked at BNP Paribas Capital (Asia Pacific) Limited with his last position as a director. He was an assistant vice president at BOCI Asia Limited from February 2005 to August 2006. From March 2000 to February 2005, He was at Anglo Chinese Corporate Finance, Limited, where his last position was senior manager. From December 1996 to February 2000, He was at KPMG, where his last position was assistant manager.

Mr. Law has been serving as chief financial officer and company secretary at Palasino Holdings Limited (百樂皇宮控股有限公司) (HKSE: 2536) since September 2023 and an independent non-executive director of G-Vision International (Holdings) Limited (HKSE: 0657) since June 2024.

Mr. Law graduated from Hong Kong Polytechnic with an honorary bachelor of science in nursing in November 1994 and obtained his master of business administration from Monash University in Melbourne, Australia in August 1997. Mr. Law is qualified as a Certified Public Accountant in Australia and in Hong Kong and was certified as a Chartered Financial Analyst in September 2001. He is also a fellow of the Hong Kong Securities and Investment Institute and a life member of the Hong Kong Independent Non-Executive Director Association.

Mr. Yi Li (李一), aged 64, was appointed as an independent non-executive Director with effect from the [REDACTED]. He is responsible for supervising and providing independent judgment to our Board.

Mr. Li has extensive experience in global financial services, investment banking and corporate operations. From 2001 to 2005, he was the managing director of China Merchants Holdings (International) Company Limited. Then he held positions as chairman and president of UBS Group AG China and chairman of UBS Securities Co., Ltd. from 2005 to 2014. Mr. Li joined J.P. Morgan Securities (China) Company Limited in October 2014 as chairman and chief executive officer. He was appointed as the chairman of J.P. Morgan Chase Bank (China) Company Limited in April 2015, and was promoted to vice chairman of Global Banking, J.P. Morgan in May 2018. In September 2019, he assumed the role of chairman of J.P. Morgan Securities (China) Company Limited. From 2020 to 2022, he served as chief executive officer at Sino Biopharmaceutical Limited (中國生物製藥有限公司) (HKSE: 1177), where he led the establishment of the company’s risk compliance framework, ESG strategy and expert decision-making platform.

DIRECTORS AND SENIOR MANAGEMENT

Mr. Li obtained his bachelor’s degree in education from Beijing Sport University (北京體育大學) in the PRC in July 1984, a bachelor’s degree in law from China University of Political Science and Law (中國政法大學) in the PRC in June 1988, and a master of business administration degree from The Wharton School, University of Pennsylvania in the United States in May 1992. He has been enrolled in the doctor of business administration program, a joint initiative between The University of Hong Kong (香港大學) in Hong Kong and Peking University (北京大學) in the PRC since 2024.

SENIOR MANAGEMENT

Upon the [REDACTED], our senior management will comprise four members. The following table sets out certain information of our senior management.

Name	Age	Position	Time of appointment as senior management	Time of joining our Company	Responsibilities
Dr. Jingye Zhou.	46	CEO	August 2018	May 2018	Overall strategic planning, business direction and operational management
Dr. Jianfeng Xu (徐劍鋒).	47	CSO	June 2018	June 2018	Overall scientific strategy, drug discovery and preclinical development
Dr. Jaikrishna Patel . . .	63	CMO	May 2025	May 2025	Overseeing clinical strategy, trial design and management
Mr. Ting Xiao (肖汀) . .	38	CFO	September 2025	September 2025	Overseeing financing strategy, accounting and financial operations

Dr. Jingye Zhou, aged 46, our co-founder, was appointed as our CEO in August 2018. For details of his biography, see “— Board of Directors” above.

Dr. Xu Jianfeng (徐劍鋒), aged 47, our co-founder, was appointed as our CSO in June 2018. For details of his biography, see “— Board of Directors” above.

Dr. Jaikrishna Patel, aged 63, was appointed as CMO in May 2025. He is primarily responsible for overseeing our clinical strategy, trial design and management.

Dr. Patel has over 30 years of experience in global clinical drug development across cardiovascular and metabolic diseases. He held progressive leadership roles at GlaxoSmithKline plc and legacy companies within the group from May 1991, including senior director of global clinical development. From July 2015, he served as chief medical officer at

DIRECTORS AND SENIOR MANAGEMENT

NephroGenex, Inc., overseeing clinical operations and regulatory planning for kidney disease programs. From August 2016, he was chief medical officer at Enterome USA. From October 2018, he served as chief medical officer at Imbria Pharmaceuticals, Inc., a clinical-stage biopharmaceutical company.

Dr. Patel obtained his bachelor’s degree in biological sciences with honors in June 1983, and a bachelor’s degree in medicine and surgery in July 1986, and the Membership of the Royal College of Physicians (MRCP) from the University of London in the United Kingdom in July 1989.

Mr. Ting Xiao (肖汀), aged 38, was appointed as our CFO in September 2025. He is responsible for overseeing our financing strategy, accounting and financial operations.

Mr. Xiao has over 17 years of experience as a venture capital investor and advisor to life science companies. He served as an analyst at China International Capital Corporation Limited (中國國際金融股份有限公司) from July 2008 to December 2010. and as a senior associate in the investment banking department at The Goldman Sachs Group, Inc. from December 2010 to November 2014. In June 2015, he joined Delos Capital as a founding member, where he was instrumental in growing the firm’s presence in innovative life sciences companies globally. From May 2024 to June 2025, he was a director of Zenas Biopharma, Inc. (Nasdaq: ZBIO).

Mr. Xiao obtained his bachelor’s degree in international economics and trade from Shanghai Jiao Tong University (上海交通大學) in the PRC in July 2008 and his master’s degree in biotechnology from Johns Hopkins University in the United States in May 2024. He is also a CFA charterholder.

INTERESTS OF OUR DIRECTORS AND SENIOR MANAGEMENT

Save as otherwise disclosed in this document, to the best knowledge, information and belief of our Directors having made all reasonable enquiries, as of the Latest Practicable Date:

- (i) none of our Directors and senior management has held any other directorship in any public company the securities of which are listed on any securities market in Hong Kong or overseas during the three years immediately preceding the date of this document;
- (ii) none of our Directors and senior management was related to other Directors and senior management;

DIRECTORS AND SENIOR MANAGEMENT

- (iii) save as disclosed in “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 3. Disclosure of Interests,” none of our Directors and chief executive held any interest in the shares and underlying shares of our Company and our associated corporations which should be disclosed pursuant to Part XV of the SFO; and
- (iv) there was no other matter with respect to the appointment of our Directors that needs to be brought to the attention of our Shareholders, and there was no information relating to our Directors that is required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

CONFIRMATION FROM OUR DIRECTORS

Each of our Directors confirms that as of the Latest Practicable Date, he or she did not have any interest in a 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. From time to time our non-executive Directors may serve on the boards of both private and public companies within the broader healthcare industry. However, as our non-executive Directors are not members of our executive management team and not involved in the daily operation of our Company, we do not believe that their interests in such companies as directors would render us incapable of carrying on our business independently from such other companies in which our non-executive Directors may hold directorships from time to time.

Each of our Directors confirms that he or she (i) has obtained the legal advice referred to under Rule 3.09D of the Listing Rules in September 2025, and (ii) understands his or her obligations as a director of a [REDACTED] issuer.

Each of our independent non-executive Directors has confirmed (i) his/her independence as regards each of the factors referred to in Rule 3.13(1) to (8) of the Listing Rules, (ii) he/she had no past or present financial or other interest in the business of our Company or our subsidiaries or any connection with any core connected person of our Company as of the Latest Practicable Date, and (iii) that there have been no other factors that might affect his/her independence at the time of his/her appointment.

REMUNERATION OF OUR DIRECTORS AND THE FIVE HIGHEST PAID INDIVIDUALS

For details of the service contracts and appointment letters we entered into with our Directors, see “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors’ Service Contracts and Appointment Letters.”

DIRECTORS AND SENIOR MANAGEMENT

The aggregate amount of emoluments of our Directors for the two years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 amounted to approximately US\$0.90 million, US\$2.21 million and US\$1.11 million, respectively. The five individuals whose emoluments were the highest in the Group include 2 Directors for the year ended December 31, 2023 and 2024 and the six months ended June 30, 2025. The aggregate amount of emoluments of remaining 3 individuals for the two years ended December 31, 2023 and 2024 and the six months ended June 30, 2025 amounted to approximately US\$1.21 million, US\$1.64 million and US\$1.33 million, respectively.

Under the current compensation arrangement, we estimate the total compensation before taxation, including estimated share-based compensation, to be accrued to our Directors for the year ending December 31, 2026 to be approximately US\$4.06 million. The actual remuneration of our Directors in 2026 may be different from the expected remuneration set out above.

Save as disclosed above, no other payments have been paid, or are payable, by our Company to our Directors or the five highest paid individuals during the Track Record Period. No remuneration was paid by our Company to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company, or as compensation for loss of office in connection with the management positions of any member of our Company. During the Track Record Period, none of our Directors waived any emoluments.

JOINT COMPANY SECRETARIES

Mr. Ting Xiao (肖汀), for details of his biography, see “— Senior Management” above.

Ms. Ka Ying Pun (盤嘉盈), a senior manager of company secretarial services of Tricor Services Limited. Ms. Pun possesses more than 15 years of experience in the company secretary profession. She is familiar with the Listing Rules, the Companies Ordinance as well as compliance work for offshore companies. She has been providing corporate secretarial, corporate governance and compliance services to Hong Kong [REDACTED] companies as well as multinational, private and offshore companies. Ms. Pun is a Chartered Secretary, a Chartered Governance Professional and an associate of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.

CORPORATE GOVERNANCE

We have established three Board committees, namely the Audit Committee, the Nomination Committee and the Remuneration Committee. Our Board committees operate in accordance with the terms of reference established by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Audit Committee

We have established the Audit Committee with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph D.3 of the Corporate Governance Code. The Audit Committee comprises two independent non-executive Directors and one non-executive Director, namely Mr. Kwok Tai Law (羅國泰) (chairperson), Mr. Yi Li (李一) and Mr. Henry Lin Chen (陳林正), with Mr. Kwok Tai Law (羅國泰) serving as the chairperson. Mr. Kwok Tai Law (羅國泰) has the appropriate accounting or related financial management expertise as required under Rules 3.10(2) and 3.21 of the Listing Rules. The primary duties of the Audit Committee include, among others, assisting our Board by providing an independent view of the effectiveness of our financial reporting process, internal control and risk management systems of our Company, overseeing the audit process, and performing other duties and responsibilities assigned by our Board.

Nomination Committee

We have established the Nomination Committee with written terms of reference in compliance with Rule 3.27A of the Listing Rules and paragraph B.3 of the Corporate Governance Code. The Nomination Committee comprises two independent non-executive Directors and one non-executive Director, namely Dr. David Elkins Moller, Dr. Xiaojie Zang (臧筱潔), Mr. Yi Li (李一), with Dr. David Elkins Moller serving as the chairperson. The primary duties of the Nomination Committee include, among others, reviewing the structure, size, diversity and composition of our Board, assisting our Board in maintaining a Board skills matrix, assessing the independence of our independent non-executive Directors, making recommendations to our Board on matters relating to the appointment of Directors, and performing other duties and responsibilities assigned by our Board.

Remuneration Committee

We have established the Remuneration Committee with written terms of reference in compliance with Rule 3.25 of the Listing Rules and paragraph E.1 of the Corporate Governance Code. The Remuneration Committee comprises two independent non-executive Directors and one executive Director, namely Mr. Yi Li (李一), Dr. Jingye Zhou and Mr. Kwok Tai Law, with Mr. Yi Li (李一) serving as the chairperson. The primary duties of the Remuneration Committee include, among others, making recommendations to our Board on our policy and structure for the remuneration of all Directors and senior management, determining specific remuneration packages of all Directors and senior management, reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by our Board from time to time, and performing other duties and responsibilities assigned by our Board.

DIRECTORS AND SENIOR MANAGEMENT

Corporate Governance Code

Our Company is committed to achieving high standards of corporate governance with a view to safeguarding the interests of our Shareholders. To accomplish this, our Company intends to comply with the Corporate Governance Code after the [REDACTED] save for the matter disclosed below.

Pursuant to code provision C.2.1 in Part 2 of the Corporate Governance Code, companies listed on the Stock Exchange are expected to comply with, but may choose to deviate from, the requirement that the roles of chairman and chief executive should be separate and should not be performed by the same individual. We do not have separate chairman of our Board and CEO, and Dr. Zhou currently performs these two roles. Our Board believes that vesting the roles of both the chairman of our Board and CEO in the same person has the benefit of ensuring consistent leadership within our Company and enabling more effective and efficient overall strategic planning and execution of strategic initiatives for our Company. Our Board considers that the balance of power and authority for the present arrangement will not be impaired, and this structure will enable our Company to make and implement decisions promptly and effectively. Our Board will continue to review and consider splitting the roles of the chairman of our Board and CEO at a time when it is appropriate taking into account the circumstances of our Company as a whole.

Diversity Policy

We are committed to promoting diversity within our Company to the extent practicable by taking into consideration a number of factors in respect of our corporate governance structure. We have adopted a diversity policy which sets out the objective and approach for achieving and maintaining the diversity of our Board and our workforce (including senior management). In accordance with the diversity policy, we seek to achieve Board diversity by taking into account a number of factors, including but not limited to gender, age, ethnicity, culture and educational background, professional experience, skills, knowledge and length of service. The ultimate selection of Board candidates will be based on merit and potential contribution to our Board having due regard to the benefits of diversity on our Board and also the specific needs of our Company without focusing on a single diversity aspect. We are also committed to promoting diversity within our workforce (including senior management) to enhance the effectiveness of our corporate governance as a whole.

Our Directors have a balanced mix of knowledge and skills, including overall management and strategic development as well as knowledge and experience in areas such as translational research, small molecule drug discovery, clinical research, pharmaceutical research, drug development, investment banking, private equity and corporate finance. They obtained degrees in various fields including life sciences, chemistry, biochemistry, law, pharmacy, pharmacology, medicine and education. Furthermore, our Board has a diverse age and gender representation with one female Director and six male Directors ranging from 34 years old to 69 years old.

DIRECTORS AND SENIOR MANAGEMENT

After the [REDACTED], we will from time to time discuss and agree on expected goals to ensure diversity, and review and, where necessary, update the diversity policy to ensure its continued effectiveness. We will report on the implementation of the diversity policy in our corporate governance report on an annual basis.

EQUITY INCENTIVE PLAN

We adopted the Equity Incentive Plan. For details, see “Appendix IV — Statutory and General Information — D. Equity Incentive Plan” in this document.

KEY TERMS OF EMPLOYMENT CONTRACT

We normally enter into (i) an employment contract and (ii) a confidential information and inventions assignment agreement, which contain arrangements relating to intellectual property and non-competition with certain of our key management members and technical personnel, either for a fixed term of three years or on an indefinite basis. The key terms of such contracts are set forth below.

Confidentiality

Confidentiality: The employee shall maintain in strict confidence all confidential information obtained during and after employment. Confidential information includes trade secrets, inventions, ideas, processes, proprietary data, customer and partner information, financials, R&D, and any non-public information. The employee shall not disclose, use, or retain such information except as required for Company duties. Upon termination, all confidential materials must be returned or destroyed.

Intellectual Property Rights

All intellectual property, including inventions, trade secrets, copyrights, trademarks, and other proprietary rights created by an employee during their employment and related to Company business shall be exclusively owned by the Company.

Non-competition

The non-competition obligations shall subsist throughout the employee’s period of employment and up to one year after termination of employment. During the non-competition period, the employee shall not, directly or indirectly, engage in or become interested in (whether as a shareholder, partner, director, employee, agent, consultants, etc.) any business or enterprise that competes with any part of the Group’s business.

DIRECTORS AND SENIOR MANAGEMENT

COMPLIANCE ADVISOR

We have appointed Rainbow Capital (HK) Limited as our Compliance Advisor pursuant to Rule 3A.19 of the Listing Rules. The Compliance Advisor will provide us with guidance and advice as to compliance with the Listing Rules and applicable laws and regulations. Pursuant to Rule 3A.23 of the Listing Rules, the Compliance Advisor will advise our Company in certain circumstances, including:

- (i) before the publication of any regulatory announcement, circular or financial report;
- (ii) where a transaction, which might be a notifiable or connected transaction, is contemplated, including share issues, sales or transfer of treasury shares and share repurchases;
- (iii) where we propose to use the [REDACTED] from the [REDACTED] in a manner different from that detailed in this document or where our business activities, developments or results deviate from any forecast, estimate or other information in this document; and
- (iv) where the Stock Exchange makes an inquiry to our Company under Rule 13.10 of the Listing Rules.

Pursuant to the Note to Rule 3A.24 of the Listing Rules, the Compliance Adviser must, on a timely basis, inform our Company of any amendment or supplement to the Listing Rules and any new or amended laws and regulations in Hong Kong applicable to us.

The term of appointment of our Compliance Advisor will commence on the [REDACTED] and is expected to end on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of our financial results for the first full financial year commencing after the [REDACTED].

FUTURE PLANS AND USE OF [REDACTED]

FUTURE PLANS

See “Business — Our Strategies” for a detailed description of our future business plans.

USE OF [REDACTED]

We estimate that we will receive net [REDACTED] from the [REDACTED] of approximately HK\$[REDACTED] million, after deducting [REDACTED], fees and estimated expenses payable by us in connection with the [REDACTED], assuming an [REDACTED] of HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] stated in this document, and assuming the [REDACTED] is not exercised.

We currently intend to apply these net [REDACTED] from the [REDACTED] for the following purposes:

- (a) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the research and development of our Core Product, ECC4703, of which:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the global Phase IIa clinical trial of ECC4703 for weight management in combination with GLP-1RA. We expect to submit an IND application to the FDA for this trial in 2026;
 - (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the global Phase IIa clinical trial of ECC4703 as monotherapy and in combination with ECC0509 for MASH. We obtained the IND approval from the FDA for this trial in October 2025 and expect to initiate the trial in the fourth quarter of 2025; and
 - (iii) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the CMC activities of ECC4703.

For details of ECC4703’s clinical development plan, see “Business — Our Pipeline — ECC4703, Our Core Product, a liver targeting THR- β full agonist with best-in-class and second to global market for MASH, and first-in-class for weight management — Clinical Development Plan.”

- (b) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the research and development of our Key Products, ECC5004 and ECC0509, of which:
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the further development of ECC5004 for weight management and T2D. As of the Latest Practicable Date, ECC5004 was undergoing two global Phase IIb trials for obesity/overweight (VISTA) and T2D (SOLSTICE), and a bridging Phase Ib trial in China. All of these three trials are expected to be completed in the fourth quarter of 2025. Upon the completion of these trials, we expect to participate in the global Phase III trials as part of a multinational clinical trial for ECC5004 in weight management and T2D; and

FUTURE PLANS AND USE OF [REDACTED]

- (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund the global Phase IIa clinical trial of ECC0509 for OA pain. We initiated the Phase I trial of ECC0509 in healthy volunteers in July 2021 and completed the trial in July 2023. We expect to initiate its global Phase IIa clinical trial in patients with OA pain in 2027.

For details of the clinical development plan for ECC5004 and ECC0509, see “Business — Our Pipeline — ECC5004, Our Key Product — Clinical Development Plan” and “Business — Our Pipeline — ECC0509, our Key Product — Clinical Development Plan.”

- (c) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund our preclinical programs, and continued development of our TRANDD platform.
 - (i) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to fund our preclinical programs. Currently, we are strategically advancing our preclinical programs, such as GIPR modulator and Amylin receptor agonist, toward clinical stage; and
 - (ii) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used to strengthen our propriety TRANDD platform, aiming to discover and develop next-generation therapeutics in cardiometabolic diseases and inflammatory disorders.

For details of our strategies on discovery programs and technology platforms, see “Business — Our Strategies — Strategically Advance Our Pipeline Programs and Unlock their Full Potential via Indication Expansion and Combination Therapies” and “Business — Our Strategies — Continue to Strengthen Our Proprietary TRANDD Platform and Enhance Our R&D Capabilities.”

- (d) Approximately [REDACTED]%, or HK\$[REDACTED] million, will be used for working capital and general corporate purposes.

The above allocation of the net [REDACTED] from the [REDACTED] will be adjusted on a pro rata basis in the event that the [REDACTED] is fixed at a higher or lower level compared to the mid-point of the [REDACTED] stated in this document. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the high end of the [REDACTED], the net [REDACTED] from the [REDACTED] will increase by approximately HK\$[REDACTED] million. If the [REDACTED] is set at HK\$[REDACTED] per Share, being the low end of the [REDACTED], the net [REDACTED] from the [REDACTED] will decrease by approximately HK\$[REDACTED] million.

FUTURE PLANS AND USE OF [REDACTED]

If the [REDACTED] is exercised in full, the net [REDACTED] that we will receive will be approximately HK\$[REDACTED] million, assuming an [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the [REDACTED]). In the event that the [REDACTED] is exercised in full, we intend to apply the additional net [REDACTED] to the above purposes in the proportions stated above.

To the extent that the net [REDACTED] from the [REDACTED] are not immediately applied to the above purposes and to the extent permitted by applicable laws and regulations, we will only deposit the net [REDACTED] in short-term interest-bearing accounts at licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or applicable laws and regulations in other jurisdictions). We will issue an appropriate announcement if there is any material change to the above proposed use of [REDACTED].

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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STRUCTURE OF THE [REDACTED]

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HOW TO APPLY FOR [REDACTED]

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APPENDIX I

ACCOUNTANT’S REPORT

The following is the text of a report set out on pages I-[1] to I-[3], received from the Company’s reporting accountant, [PricewaterhouseCoopers], Certified Public Accountants, Hong Kong, for the purpose of incorporation in this document. It is prepared and addressed to the directors of the Company and to the Joint Sponsors pursuant to the requirements of HKSIR 200 Accountants’ Reports on Historical Financial Information in Investment Circulars as issued by the Hong Kong Institute of Certified Public Accountants.

[Letterhead of PricewaterhouseCoopers]

[Draft]

ACCOUNTANT’S REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF ECCOGENE INC. AND JEFFERIES HONG KONG LIMITED, MERRILL LYNCH (ASIA PACIFIC) LIMITED AND CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED

Introduction

We report on the historical financial information of Eccogene Inc. (the “Company”) and its subsidiaries (together, the “Group”) set out on pages I-[4] to I-[55], which comprises the consolidated and the company statements of financial position as at December 31, 2023, 2024 and June 30, 2025, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for each of the years ended December 31, 2023 and 2024 and for the six months ended June 30, 2025 (the “Track Record Period”) and material accounting policy information and other explanatory information (together, the “Historical Financial Information”). The Historical Financial Information set out on pages I-[4] to I-[55] forms an integral part of this report, which has been prepared for inclusion in the document of the Company dated [date of the document] (the “Document”) in connection with the initial [REDACTED] of shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited.

Directors’ responsibility for the Historical Financial Information

The directors of the Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountant’s responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200, *Accountants’ Reports on Historical Financial Information in Investment Circulars* as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

APPENDIX I

ACCOUNTANT’S REPORT

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountant’s judgment, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountant considers internal control relevant to the entity’s preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountant’s report, a true and fair view of the financial position of the Company and the consolidated financial position of the Group as at December 31, 2023, 2024 and June 30, 2025 and of its consolidated financial performance and its consolidated cash flows for the Track Record Period in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

Review of stub period comparative financial information

We have reviewed the stub period comparative financial information of the Group which comprises the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2024 and other explanatory information (the “Stub Period Comparative Financial Information”). The directors of the Company are responsible for the preparation of the Stub Period Comparative Financial Information in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information. Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the International Auditing and Assurance Standards Board (“IAASB”). A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion. Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purposes of the accountant’s report, is not prepared, in all material respects, in accordance with the basis of preparation set out in Note 2 to the Historical Financial Information.

APPENDIX I

ACCOUNTANT’S REPORT

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Companies (Winding Up and Miscellaneous Provisions) Ordinance

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page I-4 have been made.

Dividends

We refer to Note 31 to the Historical Financial Information which states that no dividends have been paid by the Company in the Track Record Period.

No statutory financial statements for the Company

No statutory financial statements have been prepared for the Company since its date of incorporation.

[PricewaterhouseCoopers]
Certified Public Accountants
Hong Kong
[Date]

APPENDIX I

ACCOUNTANT’S REPORT

I. HISTORICAL FINANCIAL INFORMATION

Preparation of Historical Financial Information

Set out below is the Historical Financial Information which forms an integral part of this accountant’s report.

The consolidated financial statements of the Group for the Track Record Period, on which the Historical Financial Information is based, were audited by PricewaterhouseCoopers in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board (the “Underlying Financial Statements”).

The Historical Financial Information is presented in United States Dollar (“US\$”) and all values are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated.

APPENDIX I

ACCOUNTANT’S REPORT

Consolidated statements of comprehensive income

	Note	Year ended December 31,		Six months ended June 30,	
		2023	2024	2024	2025
		US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Revenue	9	36,059	221,291	135,641	557
Operating expenses:					
Cost of revenue	10	(1,960)	(8,774)	(7,375)	(16)
Research and development expenses	10	(22,474)	(16,224)	(5,831)	(15,734)
General and administrative expenses	10	(13,685)	(10,605)	(2,850)	(6,129)
Operating (loss)/profit		(2,060)	185,688	119,585	(21,322)
Finance income	13	634	5,977	3,341	3,501
Finance costs	13	(136)	(28)	(18)	(68)
Change in fair value of convertible redeemable preferred shares	25	(41,688)	(6,061)	(106)	(1,024)
Other (losses)/gains, net	14	(418)	648	364	(808)
(Loss)/profit before tax		(43,668)	186,224	123,166	(19,721)
Income tax expense	15	(8,559)	(47,382)	(36,637)	(392)
(Loss)/profit for the year/period		(52,227)	138,842	86,529	(20,113)
Other comprehensive income/(loss)					
<i>Items that may be reclassified to profit or loss in subsequent periods (net of tax):</i>					
Currency translation differences		638	(1,026)	(419)	957
Changes in fair value of financial liabilities from own credit risk		(1,167)	(3,235)	(1,829)	(1,401)
Other comprehensive loss for the year/period, net of tax		(529)	(4,261)	(2,248)	(444)
Total comprehensive (loss)/income for the year/period		(52,756)	134,581	84,281	(20,557)
(Loss)/earnings per share					
Basic	16	(1.98)	5.26	3.28	(0.76)
Diluted	16	(1.98)	1.45	0.87	(0.76)

The accompanying notes are an integral part of these financial information.

APPENDIX I

ACCOUNTANT’S REPORT

Consolidated statements of financial position

		As at December 31,		As at June 30,
	Note	2023	2024	2025
		US\$'000	US\$'000	US\$'000
Assets				
Non-current assets				
Property and equipment, net	17	297	868	841
Right-of-use assets	18	168	2,412	2,098
Other financial assets at amortized cost	22	—	34,577	16,098
Other non-current assets	21	87	206	266
Total non-current assets		552	38,063	19,303
Current assets				
Trade receivables	9	2,583	5,143	—
Other current assets	21	2,394	4,749	8,362
Other financial assets at amortized cost	22	35,000	57,794	101,864
Cash and cash equivalents	23	166,858	96,022	56,428
Total current assets		206,835	163,708	166,654
Total assets		207,387	201,771	185,957
Equity				
Share capital	24	3	3	3
Share premium		178	178	178
Other reserves		14,404	13,812	14,311
(Accumulated losses)/retained earnings		(92,290)	44,466	24,353
Total (deficit)/equity		(77,705)	58,459	38,845
Liabilities				
Non-current liabilities				
Contract liabilities	9	281	—	—
Lease liabilities	18	—	1,931	1,612
Deferred tax liabilities	19	—	—	—
Total non-current liabilities		281	1,931	1,612
Current liabilities				
Trade and other payables	27	5,594	9,000	13,652
Contract liabilities	9	149,595	409	—
Borrowings	26	1,398	—	—
Convertible redeemable preferred shares	25	119,502	128,798	131,223
Income taxes payable	15	8,562	2,612	—
Lease liabilities	18	160	562	625
Total current liabilities		284,811	141,381	145,500
Total liabilities		285,092	143,312	147,112
Total equity and liabilities		207,387	201,771	185,957

The accompanying notes are an integral part of these financial information.

APPENDIX I

ACCOUNTANT’S REPORT

Statements of financial position of the Company

	<i>Note</i>	As at December 31,		As at
		2023	2024	June 30,
		US\$'000	US\$'000	2025
				US\$'000
Assets				
Non-current assets				
Investments in subsidiaries		5,794	7,340	8,196
Amounts due from subsidiaries	29	54,840	43,664	44,245
Total non-current assets		<u>60,634</u>	<u>51,004</u>	<u>52,441</u>
Current assets				
Other current assets	21	39	–	–
Other financial assets at amortized cost	22	25,000	–	–
Cash and cash equivalents	23	142	36,135	36,620
Total current assets		<u>25,181</u>	<u>36,135</u>	<u>36,620</u>
Total assets		<u>85,815</u>	<u>87,139</u>	<u>89,061</u>
Equity				
Share capital	24	3	3	3
Share premium		178	178	178
Other reserve		(13,852)	(9,034)	(6,690)
Accumulated losses		<u>(20,016)</u>	<u>(32,806)</u>	<u>(35,653)</u>
Total deficit		<u>(33,687)</u>	<u>(41,659)</u>	<u>(42,162)</u>
Liabilities				
Current liabilities				
Convertible redeemable preferred shares	25	119,502	128,798	131,223
Total current liabilities		<u>119,502</u>	<u>128,798</u>	<u>131,223</u>
Total liabilities		<u>119,502</u>	<u>128,798</u>	<u>131,223</u>
Total equity and liabilities		<u>85,815</u>	<u>87,139</u>	<u>89,061</u>

The accompanying notes are an integral part of these financial information.

APPENDIX I

ACCOUNTANT’S REPORT

Consolidated statements of changes in equity

	Share capital	Share premium	Other reserves	Accumulated losses	Total deficit
	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Note 24)</i>				
Balance at January 1, 2023	3	178	14,553	(40,063)	(25,329)
Comprehensive loss:					
Loss for the year	—	—	—	(52,227)	(52,227)
Other comprehensive loss:					
Changes in fair value of financial liabilities from own credit risk	—	—	(1,167)	—	(1,167)
Currency translation differences	—	—	638	—	638
Total comprehensive loss for the year	—	—	(529)	(52,227)	(52,756)
Transactions with owners in their capacity as owners:					
Equity-settled share-based payments	—	—	380	—	380
Total transactions with owners	—	—	380	—	380
Balance at December 31, 2023	<u>3</u>	<u>178</u>	<u>14,404</u>	<u>(92,290)</u>	<u>(77,705)</u>

The accompanying notes are an integral part of these financial information.

APPENDIX I

ACCOUNTANT’S REPORT

	Share capital	Share premium	Other reserves	(Accumulated losses)/ retained earnings	Total (deficit)/ equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>(Note 24)</i>					
Balance at January 1,					
2024	3	178	14,404	(92,290)	(77,705)
Comprehensive income:					
Profit for the year.	–	–	–	138,842	138,842
Other comprehensive loss:					
Changes in fair value of financial liabilities from own credit risk	–	–	(3,235)	–	(3,235)
Currency translation differences	–	–	(1,026)	–	(1,026)
Total comprehensive (loss)/income for the year	–	–	(4,261)	138,842	134,581
Transactions with owners in their capacity as owners:					
Equity-settled share-based payments.	–	–	1,583	–	1,583
Total transactions with owners	–	–	1,583	–	1,583
Profit appropriation to statutory reserve	–	–	2,086	(2,086)	–
Balance at December 31,					
2024	3	178	13,812	44,466	58,459

The accompanying notes are an integral part of these financial information.

APPENDIX I

ACCOUNTANT’S REPORT

	Share capital	Share premium	Other reserves	Accumulated losses	Total (deficit)/ equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
(Note 24)					
(Unaudited)					
Balance at January 1,					
2024	3	178	14,404	(92,290)	(77,705)
Comprehensive income:					
Profit for the period	–	–	–	86,529	86,529
Other comprehensive loss:					
Changes in fair value of financial liabilities from own credit risk	–	–	(1,829)	–	(1,829)
Currency translation differences	–	–	(419)	–	(419)
Total comprehensive (loss)/income for the period.	–	–	(2,248)	86,529	84,281
Transactions with owners in their capacity as owners:					
Equity-settled share-based payments	–	–	511	–	511
Total transactions with owners	–	–	511	–	511
Balance at June 30, 2024 .	<u>3</u>	<u>178</u>	<u>12,667</u>	<u>(5,761)</u>	<u>7,087</u>

The accompanying notes are an integral part of these financial information.

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	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
	(Note 24)				
Balance at January 1,					
2025	3	178	13,812	44,466	58,459
Comprehensive income:					
Loss for the period	—	—	—	(20,113)	(20,113)
Other comprehensive income:					
Changes in fair value of financial liabilities from own credit risk	—	—	(1,401)	—	(1,401)
Currency translation differences	—	—	957	—	957
Total comprehensive loss for the period	—	—	(444)	(20,113)	(20,557)
Transactions with owners in their capacity as owners:					
Equity-settled share-based payments	—	—	943	—	943
Total transactions with owners	—	—	943	—	943
Balance at June 30, 2025 .	3	178	14,311	24,353	38,845

The accompanying notes are an integral part of these financial information.

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Consolidated statements of cash flows

	<i>Note</i>	Year ended December 31,		Six months ended June 30,	
		2023	2024	2024	2025
		<i>US\$'000</i>	<i>US\$'000</i>	<i>US\$'000</i> <i>(Unaudited)</i>	<i>US\$'000</i>
Cash flows from operating activities					
Cash generated from/(used in) operation		153,838	37,773	(8,257)	(8,687)
Income tax paid		<u>(8,561)</u>	<u>(53,200)</u>	<u>(41,600)</u>	<u>(8,134)</u>
Net cash generated from/(used) in operating activities		145,277	(15,427)	(49,857)	(16,821)
Cash flows from investing activities					
Payments for other financial assets at amortised cost . . .		(36,000)	(137,286)	(115,486)	(44,320)
Proceeds from other financial assets at amortised cost . .		1,000	80,086	42,000	19,437
Purchases of property, plant and equipment		(191)	(731)	(144)	(72)
Interest received on financial assets		<u>563</u>	<u>5,086</u>	<u>2,163</u>	<u>2,367</u>
Net cash used in investing activities		(34,628)	(52,845)	(71,467)	(22,588)
Cash flows from financing activities					
Proceeds from issuance of convertible redeemable preferred shares		48,450	—	—	—
Repayments of borrowings . .		(4,033)	(1,369)	(1,369)	—
Proceeds from borrowings . .		5,515	—	—	—
Interest paid		(99)	(14)	(14)	—
Deposits in relation to lease agreement		—	(107)	—	—
Payment for lease liabilities, principal portion		(305)	(300)	(160)	(256)
Payment for lease liabilities, interest portion		<u>(37)</u>	<u>(14)</u>	<u>(4)</u>	<u>(68)</u>
Net cash generated from/(used in) financing activities		49,491	(1,804)	(1,547)	(324)
Net increase/(decrease) in cash and cash equivalents		160,140	(70,076)	(122,871)	(39,733)
Cash and cash equivalents at beginning of the year/period		6,672	166,858	166,858	96,022
Effect of foreign exchange rate changes on cash and cash equivalents		<u>46</u>	<u>(760)</u>	<u>(158)</u>	<u>139</u>
Cash and cash equivalents at end of the year/period		<u>166,858</u>	<u>96,022</u>	<u>43,829</u>	<u>56,428</u>

The accompanying notes are an integral part of these financial information.

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II NOTES TO THE HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

Eccogene Inc. (“Eccogene” or the “Company”) was incorporated in the Cayman Islands on February 8, 2018 with its registered office located at P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Company, an investment holding company and its subsidiaries (collectively, the “Group”) is a clinical-stage biopharmaceutical company dedicated to developing small molecule therapeutics for chronic cardiometabolic and inflammatory conditions.

As of the date of this report, the Group consists of the following principal subsidiaries:

Company name	Country/place and date of incorporation/establishment	Issued and fully paid share capital/registered capital	Principal activities	Attributable equity interest of the Group				Notes
				As at December 31,		As at June 30,	As of the date of this report	
				2023	2024	2025		
Directly held by the Company:								
Eccometa Holdings Limited	British Virgin Islands, January 17, 2022	50,000 shares of US\$1 per share	Investment holding	100%	100%	100%	100%	(ii)
Eccogene HK Limited	Hong Kong, March 5, 2018	10,000 shares of HK\$1 per share	Investment holding	100%	100%	100%	100%	(ii)
Indirectly held by the Company								
Eccogene Inc	United States, January 19, 2022	100,000 shares of US\$0.0001 per share	Research and development of molecules with focus on clinical development	100%	100%	100%	100%	(ii)
Eccogene (Shanghai) Co., Ltd	People’s Republic of China, April 25, 2018	RMB25,671,116	Research and development of molecules with focus on pre-clinical development	100%	100%	100%	100%	(i), (iii)
Ecconova HK Limited	Hong Kong, September 25, 2019	10,000 shares of HK\$1 per share	Investment holding	100%	100%	100%	100%	(ii)
Eccanga Pty Ltd	Australia, July 1, 2020	600,000 shares of AU\$2 per share	Research and development of molecules	100%	100%	100%	100%	(ii)

- (i) This entity is limited liability enterprise established under the laws of People’s Republic of China (the “PRC”). The English name of this entity represents the best effort made by the directors of the Company, as it had not been registered with official English names.
- (ii) No statutory financial statements have been issued for these companies.
- (iii) The financial statements of this company for the years ended December 31, 2023 and 2024 were audited by PricewaterhouseCoopers Zhong Tian LLP.

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2. BASIS OF PREPARATION AND CONSOLIDATION

Basis of preparation

The material accounting policies applied in the preparation of the Historical Financial Information are set out below. These policies have been consistently applied to all the years/periods presented, unless otherwise stated.

The Historical Financial Information of the Group has been prepared in accordance with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The Historical Financial Information has been prepared under the historical cost convention, except for certain financial liabilities measured at fair value.

The preparation of the Historical Financial Information in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Historical Financial Information are disclosed in Note 7 below. The accounting policies applied in the preparation of the Historical Financial Information have been consistently applied throughout the Track Record Period, unless otherwise stated. Other than those material accounting policies information as disclosed in the notes to the relevant financial line items or transactions in the Historical Financial Information, a summary of the other potentially material accounting policies information has been set out in Note 34 to the Historical Financial Information.

The Historical Financial Information is presented in United States Dollar (“US\$”), unless indicated otherwise.

Basis of consolidation

Subsidiaries are all entities over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

Intercompany transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated, unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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3. NEW STANDARDS AND AMENDMENTS TO EXISTING STANDARDS NOT YET ADOPTED

All new standards and amendments to existing standards that are effective during the Track Record Period have been adopted by the Group consistently throughout the Track Record Period.

The following new standards and amendments to existing standards have been issued but are not effective during the Track Record Period, and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
Amendments to IFRS 9 and IFRS 7 . . .	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 9 and IFRS 7 . . .	Contracts Referencing Nature — dependent Electricity	January 1, 2026
IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	Annual Improvements to IFRS — Accounting Standards	January 1, 2026
IFRS 18	Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Amendments to IFRS 10 and IAS 28. . .	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group plans to adopt the above new standards and amendments to existing standards when they become effective. According to the preliminary assessment made by the directors of the Company, expected for the impact of IFRS 18 as set out below, these new standards and amendments to existing standards are either not relevant to the Group or not significant to the financial performance and positions of the Group when they become effective.

IFRS 18 *Presentation and Disclosure in Financial Statements* (“IFRS 18”) (effective for annual periods beginning on or after January 1, 2027):

IFRS 18 will replace IAS 1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

Management is currently assessing the detailed implications of applying the new standard on the Group’s consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group’s profit for the year, the Group expects that grouping items of income and expenses in the consolidated statements of comprehensive income into the new categories will impact how operating profit is calculated and reported. Foreign exchange differences currently aggregated in the line item ‘other (losses)/gains, net’ might need to be disaggregated, with some foreign exchange gains or losses presented below operating profit.
- Line items presented on the primary financial statements might change as a result of the application of the concept of ‘useful structured summary’ and the enhanced principles on aggregation and disaggregation.
- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
 - management-defined performance measures;

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- a break-down of the nature of expenses for line items presented by function in the operating category of the consolidated statements of comprehensive income — this break-down is only required for certain nature of expenses; and
- for the first annual period of application of IFRS 18, a reconciliation for each line item in the consolidated statements of comprehensive income between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply IFRS 18 from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

4. FINANCIAL RISK MANAGEMENT

The Group’s activities are exposed to a variety of financial risks: market risk, credit risk, and liquidity risk. The Group’s overall financial risk management policy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group’s financial performance. Risk management is carried out by the senior management of the Group.

Market Risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions or recognized assets and liabilities are denominated in a currency that is not the respective group companies’ functional currency.

The Group has entities primarily operating in the United States and the PRC. There are certain cash and bank balances and trade and other payables denominated in foreign currencies of the respective group companies that are exposed to foreign currency risk. The Group constantly reviews the economic situation and its foreign exchange risk profile, and considers appropriate hedging measures in the future, as may be necessary.

The Group is primarily exposed to changes in Renminbi (“RMB”) and the US\$ exchange rates in its entities operating in the PRC that have functional currency in RMB. As at December 31, 2023 and 2024 and June 30, 2025, if RMB strengthened/weakened by 5% against the US\$ with all other variables held constant, loss before income tax expense for the year ended December 31, 2023 would have been approximately US\$0.6 million higher/lower, profit before income tax expense for the year ended December 31, 2024 would have been approximately US\$1.0 million lower/higher, and loss before income tax expense for the period ended June 30, 2025 would have been approximately US\$1.1 million higher/lower, respectively, mainly as a result of foreign exchange gains and losses on the translation of US\$ denominated cash and cash equivalents in the entities operating in the PRC.

The Group does not hedge against any fluctuation in foreign currencies.

(b) Cash flow and fair value interest rate risk

Other than interest-bearing time deposits and debt instruments classified at amortized cost, the Group has no other significant interest-bearing assets. The directors of the Company do not anticipate there is any significant impact to interest-bearing assets resulted from the changes in interest rates, because the interest rates are not expected to change significantly.

Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The carrying amounts of trade receivables, rental deposits (see Note 21), cash and cash equivalents (see Note 23), interests receivable (see Note 21), and other financial assets at amortized cost (see Note 22) represent the Group’s maximum exposure to credit risk in relation to financial assets.

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(a) Trade receivables

For trade receivables, the Group applies the IFRS 9 simplified approach to measure expected credit losses, using a lifetime expected credit loss allowance. As at December 31, 2023 and 2024, the Group consider the expected credit loss to be immaterial because the trade receivables are not yet overdue and the customer has a strong credit profit with no history of default. There were no trade receivables as at June 30, 2025.

(b) Rental deposits

The Group’s rental deposits are considered financial assets subject to expected credit loss assessment. Given the high credit quality of the lessor, the expected credit losses are assessed as immaterial in the Track Record Period.

(c) Cash and cash equivalents

The Group expects that there is no significant credit risk associated with cash and cash equivalents held by banks and other financial institutions because they are substantially deposited at state-owned banks or reputable commercial banks which are high-credit quality financial institutions. The Group considers that the expected credit loss for cash and cash equivalents to be immaterial.

(d) Interest receivables and other financial assets at amortized cost

The interest receivables are primarily from the other financial assets at amortized cost and as such, its credit risk will be evaluated with the other financial assets at amortized cost.

Other financial assets at amortized costs consist of time deposits and debt instruments; these instruments are measured as either 12-month expected credit losses or lifetime expected credit loss, depending on whether there has been significant increase in credit risk since initial recognition. Financial assets that are not credit-impaired on initial recognition are classified in Stage 1 and the expected credit losses are measured as 12-month expected credit losses. If a significant increase in credit risk of other financial asset has occurred since initial recognition, the financial asset is moved to Stage 2 but is not yet deemed to be credit-impaired; the expected credit losses are measured as lifetime expected credit loss. If any financial asset is credit-impaired, it is then moved to Stage 3 and the expected credit loss is measured as lifetime expected credit loss. As at December 31, 2023, 2024 and June 30, 2025, the Group considers these instruments to be at Stage 1 because the instruments are rated investment grade by reputable credit rating agencies with low probability of default by the financial institutions; the Group considers the expected credit loss to be immaterial.

Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents and other financial assets at amortized cost. Due to the dynamic nature of the underlying businesses, the policy of the Group is to regularly monitor the Group’s liquidity risk and to maintain adequate cash and cash equivalents and other financial assets at amortized cost to meet the Group’s liquidity requirements.

The table below analyses the Group’s non-derivative financial liabilities that will be settled into relevant maturity grouping based on the remaining period at each balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Total
	US\$'000	US\$'000	US\$'000	US\$'000
As at December 31, 2023				
Trade and other payables (excluding non-financial payables)	4,347	—	—	4,347
Convertible redeemable preferred shares (<i>Note</i>)	—	—	118,047	118,047
Lease liabilities and interest payments	165	—	—	165
Borrowings and interest payments . .	1,434	—	—	1,434
Total	5,946	—	118,047	123,993

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	Less than 1 year	Between 1 year and 2 years	Between 2 years and 5 years	Total
	US\$'000	US\$'000	US\$'000	US\$'000
As at December 31, 2024				
Trade and other payables (excluding non-financial payables)	6,828	–	–	6,828
Convertible redeemable preferred shares (<i>Note</i>)	–	–	118,047	118,047
Lease liabilities and interest payments	703	751	1,370	2,824
Total	<u>7,531</u>	<u>751</u>	<u>119,417</u>	<u>127,699</u>
As at June 30, 2025				
Trade and other payables (excluding non-financial payables)	11,831	–	–	11,831
Convertible redeemable preferred shares (<i>Note</i>)	–	118,047	–	118,047
Lease liabilities and interest payments	751	762	989	2,502
Total	<u>12,582</u>	<u>118,809</u>	<u>989</u>	<u>132,380</u>

Note: The liquidity risk of the convertible redeemable preferred shares is the original issue price plus the respective predetermined interest, assuming that no consummation of public [REDACTED] of the Company’s shares before January 6, 2027, and the holders of the convertible redeemable preferred shares request the Company to redeem all of the preferred shares.

5. CAPITAL MANAGEMENT

The objective of the Group’s capital management is to ensure that entities within the Group will be able to maintain an optimal capital structure to support its businesses and maximize shareholders’ value. To achieve this objective, the Group maintains a prudent level of total current assets to total current liabilities ratio to optimize shareholders’ value. The Group also monitors capital (including share capital, share premium, and preferred shares on an as-if-converted basis) by regularly reviewing the capital structure. As part of this review, the Group may adjust the amount of return capital to shareholders, issue new shares, or sell assets to reduce debt. In the opinion of the directors of the Company, the Group’s capital risk is low.

The current ratios are as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Total current assets	206,835	163,708	166,654
Total current liabilities	284,811	141,381	145,500
Current ratio*	<u>0.7</u>	<u>1.2</u>	<u>1.1</u>

* Current ratios are calculated by dividing total current assets by total current liabilities.

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6. FAIR VALUE ESTIMATION

Financial instruments at fair value

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards.

- Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price.
- Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments
- Discounted cash flow model and unobservable inputs mainly including assumptions of expected future cash flows and discount rates; and
- A combination of observable and unobservable inputs, including discount rate, risk-free interest rate, discount for lack of marketability (“DLOM”), and expected volatility, etc.

As at December 31, 2023 and 2024, and June 30, 2025, the Group had convertible redeemable preferred shares in level 3 with a fair value of US\$119.5 million, US\$128.8 million, and US\$131.2 million, respectively. The changes in level 3 instruments for the Track Record Period are presented in Note 25.

The Group has no financial instruments in level 1 and level 2. There were no transfers between levels 1, 2, and 3 for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025.

Financial instruments at amortized cost

The carrying amounts of the Group’s financial instruments measured at amortized costs consists of trade receivables, other financial assets at amortized cost (see Note 22), cash and cash equivalents, trade and other payables, borrowings and lease liabilities; these financial instruments approximate fair value due to their short-term nature or the interest rates are close to the market interest rates.

7. CRITICAL ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires the use of accounting estimates which, by definition, will likely differ from the actual results. The Group also needs to exercise judgment in applying its accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Nevertheless, actual results may differ from these estimates.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are discussed below.

(a) Fair value measurement of convertible redeemable preferred shares

The fair values of the Group’s convertible redeemable preferred shares at fair value through profit or loss, which are not traded in an active market, are determined by using valuation techniques. Significant judgments and assumptions are exercised by management in selecting valuation models and unobservable inputs at the end of each reporting period. Changing the key assumptions used by management could materially affect the fair values of these financial liabilities and as a result, affect the Group’s financial position and results of operation. Details of the valuation models, key assumptions and inputs are disclosed in Notes 6 and 25.

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(b) Share-based compensation expenses

As mentioned in Note 12, the Company has granted share options to the Group’s employees. The Group has engaged an external valuation specialist to determine the grant date fair value of the share options to employees using the binomial option pricing model, which is to be expensed over the vesting period. Various assumptions are involved in the model and significant estimate on assumptions is required to be made by management, including the discount rate, risk-free interest, expected price volatility, expected dividend payout, expected option life, fair value of ordinary shares, and subjective judgments regarding projected financial and operating results, its unique business risks, and its operating history and prospects at the time the grants are made, but excluding the impact of any service and non-market performance vesting conditions (for example, the requirement for employees to serve). The Company applies judgments and estimates on those significant assumptions in determining the fair value of the share options to the Group’s employees.

At the end of each reporting period, the Group reassesses estimated number of equity instruments expected to vest based on assessment of all relevant non-market performance vesting conditions. The impact of the revision of the original estimates, if any, is recognized in the consolidated statements of comprehensive income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share-based payment reserve.

(c) Research and development expenses

Research and development expenses mainly include the costs paid to contract research organizations (“CRO”), contract development and manufacturing organizations (“CDMO”) and partner. The Group mainly engage these third parties for project management, site management, data management, biostatistics, medical monitoring, medical writing, bioanalysis, patient recruitment and pharmacovigilance for clinical trials, as well as pre-clinical and clinical laboratory testing and other specialized tasks aligned with the needs. Development expenditures incurred on the Group’s research and development activities are capitalized as intangible assets only when they meet the capitalization criteria. Expenditures that do not meet these capitalization principles are recognized as research and development expenses. The Group’s research and development expenditures incurred for the Track Record Period did not meet these capitalization principles and were expensed as incurred.

(d) Revenue recognition

(i) *Identification of performance obligations and allocation of transaction price*

The Group had identified the performance obligations within the contracts and evaluated which performance obligations were distinct, which required the use of judgment. The Group had determined that both the license of IP and related research and development services are not capable of being distinct. The transaction price is therefore entirely allocated to the identified combined performance obligation. The Group recognized revenue over time, by reference to the progress towards complete satisfaction of that combined performance obligation.

(ii) *Estimation of variable consideration*

The consideration within the contracts includes variable consideration such as milestone payments and sales-based royalties. The Group uses judgment to determine whether such variable consideration should be included in the transaction price.

- **Milestone payments:** At the inception of each arrangement that includes milestone payments, the Group assesses whether the milestones are considered highly probable of being achieved and estimates the amount to be included in the transaction price using the most likely amount method. In making these assessments, the Group considers various factors such as the scientific, clinical, regulatory, commercial, and other risks that must be overcome to achieve a particular milestone. Milestone payments that are subject to regulatory approvals and commercialization stages are not considered highly probable of being achieved until those approvals are received or commercialization stages are achieved. At the end of each subsequent reporting period, the Group re-evaluates the probability of achievement of all milestones subject to constraint and, if necessary, adjusts its estimate of the overall transaction price.
- **Royalties:** For arrangements that include sales-based royalties, the Group recognizes revenue when the occurrence of the subsequent sales.

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8. SEGMENT INFORMATION

Operating segment is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors of the Company that makes strategic decisions.

The chief executive officer is identified as the chief operating decision makers (“CODM”) of the Group who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM identifies operating segments based on the internal organization structure, management requirements, and internal reporting system, and discloses segment information of reportable segments which is determined on the basis of operating segments. The Group is principally engaged in the research and developments of small molecule therapeutics for chronic cardiometabolic and inflammatory conditions. The CODM assesses the performance of the Group based on a measure of operating results and considers the Group as a single operating segment. Information reported to the CODM for the purposes of resources allocation and performance assessment focuses on the operation results of the Group as a whole as the Group’s resources are integrated. Based on management’s assessment, the Group has one operating segment and therefore, one reportable segment.

Selected financial information

The total of non-current assets other than financial instruments, broken down by location of the assets, are as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
PRC	552	1,537	1,407
United States	—	1,949	1,798
Total	<u>552</u>	<u>3,486</u>	<u>3,205</u>

All of the Group’s revenue is generated from the United States which is the geographical location of where the sale is originated.

For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025 revenue from customers contributing over 10% of the Group’s total revenue is as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Customer A	<u>36,059</u>	<u>221,291</u>	<u>135,641</u>	<u>557</u>

9. REVENUE

Revenue recognition

Revenue is recognized to depict the transfer of promised services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services. Revenue is recognized when, or as, obligations under the terms of a contract are satisfied, which occurs when control of the promised products or services are transferred to customers. Revenue is measured as the amount of consideration the Group expects to receive in exchange for transferring products or services to a customer, known as the transaction price. A performance obligation represents a product and service (or a bundle of products or services) that is distinct or a series of distinct products or services that are substantially the same. Depending on the terms of the contract and the laws applicable, control of the products and services may be transferred over time or at a point in time. Control of the promised products and services may be transferred over time if it meets one of the following criteria:

- The customer simultaneously receives and consumes the benefits provided by the Group’s performance as the Group performs.
- The Group’s performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

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If control of the products and services transfers over time, revenue is recognized over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group adopts an appropriate method of measuring progress for the purpose of recognizing revenue. The Group evaluates the measure of progress at the end of each reporting period and, if necessary, adjusts the measure of performance and related revenue recognition.

Contract balances

A contract asset represents the Group’s right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with using the same approach as for trade receivables. In contrast, a receivable represents the Group’s unconditional right to consideration; only the passage of time is required before payment of that consideration is due. There is normally no significant costs to obtain a contract.

A contract liability represents the Group’s obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Revenue from contracts with customers

The Group provides license of its clinical stage IP and related research and development services to its customers. As the Group is involved in developing the new generation of the formulation, which is not easily executable by other companies, the license of the IP and the research and development service are a combined performance obligation as they are not capable of being distinct. The terms of these arrangements typically include non-refundable upfront payments, reimbursements for costs incurred, milestone payments, and royalties on net sales of licensed products. The contracts generally do not include a significant financing component.

The consideration comprises fixed and variable elements. Initially, only fixed consideration is included in the transaction price; the amount of the variable consideration is only included in the transaction price when it is highly probable that there is no significant reversal of revenue when the uncertainty is resolved — see Note 7 for the judgment involved in estimating variable consideration.

The Group has applied the input method in recognising the revenue. Control of the license of the IP and the related research and development service is transferred over time based on the progress measured towards complete satisfaction of that performance obligation on the basis of the actual costs incurred by the Group up to the year/period end date as a percentage of the total estimated costs for the Track Record Period.

Contract balances from contracts with customers

The following table provides information about the trade receivables and contract liabilities from contracts with customers:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Trade receivables — billed	—	5,143	—
Trade receivables — unbilled	2,583	—	—
Total	2,583	5,143	—
Contract liabilities	149,876	409	—

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Trade receivables — unbilled represent amounts for which the Group has an unconditional right to consideration, and billing is expected to occur after the year/period end dates. The carrying values of trade receivables approximate their fair values and are denominated in US\$. The Group generally allows an average credit period of 30 to 60 days to its customer.

Revenue recognized from contract liabilities was nil, US\$149.5 million, US\$125.7 million and US\$0.4 million for the years ended December 31, 2023, 2024 and six months ended June 30, 2024 and 2025, respectively, representing contract liabilities recognized in the prior year.

The ageing analysis of trade receivables — billed based on invoice date and net of expected credit losses is as follows:

	As at December 31,		As at June 30,	
	2023	2024	2025	
	US\$'000	US\$'000	US\$'000	
Within 30 days	—	5,143	—	—
	—	—	—	—

10. EXPENSES BY NATURE

The Group’s cost of revenue, general and administrative expenses and research and development expenses by nature are as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
External research service expenses. .	19,801	18,387	10,099	11,603
Employee benefit expenses (including directors’ remunerations) (Note 11)	5,077	9,927	4,257	6,494
Auditor’s remunerations — audit services	4	56	55	41
Depreciation of property and equipment (Note 17)	189	152	89	109
Depreciation of right-of-use assets (Note 18)	290	372	140	314
Legal and professional fees	11,989	5,584	1,019	2,417
Other expenses	769	1,125	397	901
Total cost of revenue, general and administrative and research and development expenses	38,119	35,603	16,056	21,879

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11. EMPLOYEE BENEFIT EXPENSES (INCLUDING DIRECTORS’ REMUNERATIONS)

Employee benefit expenses consist of the following:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000
			(Unaudited)	
Salaries, wages and bonuses.	3,952	7,430	3,296	4,842
Pension costs — defined contribution plan	603	659	353	571
Other welfare and allowances.	142	255	97	138
Share-based payment expenses (Note 12).	380	1,583	511	943
Total	<u>5,077</u>	<u>9,927</u>	<u>4,257</u>	<u>6,494</u>

(a) Short-term obligations

Liabilities for wages and salaries are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statements of financial position.

(b) Pension obligations

The subsidiary in the United States maintains a qualified contributory savings plans as allowed under Section 401(k) of the Internal Revenue Code in the United States (the “401(k) Plan”). The 401(k) Plan is a defined contribution plan covering substantially all qualifying employees of that subsidiary and provide for voluntary contributions by employees, subject to certain limits. The contributions are made by both the employees and the employer. The employees’ contributions are primarily based on specified dollar amounts or percentages of employee compensation. The employers’ contributions is based on a percentage of the employee’s contribution. The only obligation of the subsidiary in the United States with respect to the 401(k) Plan is to make the specified contributions under the plan.

The subsidiaries in the PRC participate in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organized and administered by the relevant governmental authorities for employees in the PRC. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

During the Track Record Period, no forfeited contributions were utilized by the Group to reduce its contributions for the years.

(c) Bonus

The Group recognizes a liability and an expense for bonus where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Employee leave entitlements

Employee entitlements to accumulating annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for accumulating annual leave as a result of services rendered by employees up to the reporting date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

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(e) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group entity can no longer withdraw the offer of the termination benefit and when it recognizes any related restructuring costs.

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include 2 directors for the Track Record Period, and the directors’ emoluments are reflected in the analysis shown in Note 30. The emoluments paid/payable to the remaining 3 individuals during the Track Record Period are as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000
			(Unaudited)	
Salaries, wages and bonuses	1,037	1,272	696	923
Pension costs — defined contribution plans	59	53	32	46
Other welfare and allowances	29	64	33	73
Share-based payment expenses	82	361	33	304
Total	<u>1,207</u>	<u>1,750</u>	<u>794</u>	<u>1,346</u>

The emoluments of these individuals are within the following bands:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	Number of individuals	Number of individuals	Number of individuals	Number of individuals
			(Unaudited)	
HK\$1,500,001-HK\$2,000,000	1	—	2	—
HK\$2,000,001-HK\$2,500,000	—	—	1	1
HK\$2,500,001-HK\$3,000,000	—	—	—	1
HK\$3,000,001-HK\$3,500,000	—	—	—	—
HK\$3,500,001-HK\$4,000,000	1	—	—	—
HK\$4,000,001-HK\$4,500,000	1	1	—	—
HK\$4,500,001-HK\$5,000,000	—	2	—	—
HK\$5,000,001-HK\$5,500,000	—	—	—	1
Total	<u>3</u>	<u>3</u>	<u>3</u>	<u>3</u>

12. SHARE-BASED PAYMENTS

The Group provides benefits to its employees in the form of share-based payments, whereby employees render services in exchange for rights over ordinary shares; the Group determined these share-based payments to be classified as equity-settled transactions. The fair value of the employee services received in exchange for the grant of the share-based payments is recognized as an expense during the Track Record Period. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions (for example, the requirement for employees to serve);
- including the impact of any non-vesting conditions.

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At the end of each reporting period, the Group revised its estimates of the number of equity instruments that are expected to vest based on the service conditions. It recognized the impact of the revision to original estimates, if any, in the statements of comprehensive income, with a corresponding adjustment to other reserves.

The Group has engaged an external valuation specialist to determine the grant date fair value of share options granted to employees using the Binomial Option Pricing Model (“BOPM”). The resulting fair value is expensed over the vesting period. The valuation model involves various assumptions, and significant estimates are required by management, including the discount rate, risk-free interest rate, expected price volatility, expected dividend yield, expected option life, fair value of ordinary shares, and subjective judgments regarding projected financial and operating results, its unique business risks, and its operating history, and prospects at the time of the grant are made, but excluding the impact of any service and non-market performance vesting conditions (for example, the requirement for employees to serve).

For the Group, the cost of equity-settled transactions is recognized in the consolidated statements of comprehensive income, together with a corresponding increase in other reserves, over the period during which the service conditions are fulfilled (the vesting period), ending on the date when the employees become fully entitled to the awards (the vesting date).

The expense recognized is based on the best available estimate of the number of equity instruments expected to vest and is adjusted at each reporting date to reflect actual and expected forfeitures.

On October 8, 2022 (the “Effective Date”), the Group adopted the 2022 Equity Incentive Plan (the “2022 Plan”). The purpose of the 2022 Plan is to provide employees and service providers with incentives to contribute to the growth and financial performance of the Group. Administered by the Group’s board of directors, the 2022 Plan allows the Group to grant share options and other share-based awards to eligible employees and service providers. The initial aggregate number of ordinary shares authorized for issuance under the 2022 Plan was 8,594,020. On December 18, 2023, the Group amended and restated the 2022 Plan to increase the ordinary shares authorized for issuance to 18,919,464. As at December 31, 2023 and 2024 and June 30, 2025, 13,657,650, 9,763,971 and 9,609,643 ordinary shares, respectively, were available for issuance under the 2022 Plan.

Under the 2022 Plan, the Group granted equity-settled share options to eligible employees. Awards are subject to varying vesting schedules and conditions, as outlined below:

Service-Vesting Awards

These options vest over a four-year period: 25% on the first anniversary of the grant date, and the remaining 75% in twelve equal quarterly installments. Vested options are exercisable at any time. The Group recognizes compensation expense over the vesting period based on continued service and estimated forfeitures.

Set out below are summaries of options granted under the 2022 Plan with service-based vesting condition:

Grant date	Total share option
December 1, 2020	555,000
August 1, 2021	690,000
December 28, 2022	985,731
August 21, 2023	1,457,875
March 21, 2024	2,337,982
July 16, 2024	1,344,340
October 29, 2024	137,127
January 24, 2025	168,141

Options subject to Non-Vesting Condition

These options include a non-vesting condition requiring the occurrence of an [REDACTED] for exercisability. The vesting schedule is identical to service-vesting awards. In accordance with IFRS 2, the fair value of these awards was measured at the grant date, incorporating the estimated probability of an [REDACTED]. Compensation expense is recognized over the service period regardless of whether the [REDACTED] occurs.

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Set out below are summaries of options granted under the 2022 Plan that are subject to non-vesting conditions:

Grant date	Total share option
December 1, 2020	495,000
August 1, 2021	110,000
December 28, 2022	752,156
August 21, 2023	195,251
March 21, 2024	7,890
July 16, 2024	29,225
January 24, 2025	2,192

Options subject to Non-Market Performance Vesting Condition

These options require continued service until the [REDACTED] for exercisability. In accordance with IFRS 2, the Group recognizes expenses over the service period based on the estimated number of awards expected to vest, which is reassessed at each reporting date. Vested options become exercisable upon the occurrence of an [REDACTED].

Set out below are summaries of options granted under the 2022 Plan with non-market performance vesting condition:

Grant date	Total share option
December 28, 2022	250,719
August 21, 2023	65,084
March 21, 2024	7,890
July 16, 2024	29,225
January 24, 2025	4,822

Set out below are summaries of options activity under the 2022 Plan:

	2023 Number of Options	Weighted Average Exercise Price	2024 Number of Options	Weighted Average Exercise Price
As at January 1	3,543,605	\$0.93	5,261,814	\$0.68
Granted	1,718,209	\$0.16	3,893,679	\$0.71
As at December 31, ...	5,261,814	\$0.68	9,155,493	\$0.69
Vested and exercisable at December 31, ...	1,463,401	\$0.79	2,936,243	\$0.71
	2024 Number of Options	Weighted Average Exercise Price	2025 Number of Options	Weighted Average Exercise Price
As at January 1	5,261,814	\$0.68	9,155,493	\$0.69
Granted	2,353,762	\$0.71	175,155	\$0.71
Forfeited	—	—	(11,715)	—
Expired	—	—	(9,112)	—
As at June 30	7,615,576	\$0.69	9,309,821	\$0.69
Vested and exercisable at June 30 . .	1,463,401	\$0.79	4,265,409	\$0.71

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Options outstanding at the end of the year/period have the following expiration dates:

Grant date	Expiry date	Weighted average exercise price	Number of share options as at December 31, 2023	Number of share options as at December 31, 2024	Number of share options as at June 30, 2024	Number of share options as at June 30, 2025
December 1, 2020 . . .	December 1, 2028	\$0.44	755,000	755,000	755,000	755,000
August 1, 2021	August 1, 2029	\$0.81	800,000	800,000	800,000	800,000
December 28, 2022 . .	December 28, 2030	\$1.16	1,988,605	1,988,605	1,988,605	1,988,605
August 21, 2023	August 21, 2028	\$0.16	1,041,339	1,041,339	1,041,339	1,041,339
August 21, 2023	August 21, 2031	\$0.16	676,870	676,870	676,870	656,043
March 21, 2024.	March 21, 2029	\$0.71	–	1,168,991	1,168,991	1,168,991
March 21, 2024.	March 21, 2032	\$0.71	–	1,184,771	1,184,771	1,184,771
July 16, 2024	July 16, 2032	\$0.71	–	1,402,790	–	1,402,790
October 29, 2024. . . .	October 29, 2032	\$0.71	–	137,127	–	137,127
January 24, 2025	January 24, 2033	\$0.71	–	–	–	175,155
Total			<u>5,261,814</u>	<u>9,155,493</u>	<u>7,615,576</u>	<u>9,309,821</u>
Weighted average remaining contractual life of options outstanding at end of period . .			5.68	6.10	5.80	5.23

Stock options granted to the employees were measured at fair value on the dates of grant using the BOPM. Key assumptions are set as below:

	December 1, 2020	August 1, 2021	December 28, 2022	August 21, 2023	March 21, 2024	July 16, 2024	October 29, 2024	January 24, 2025
Weighted average grant date fair value	\$0.39	\$0.26	\$0.26	\$0.30	\$0.88	\$0.91	\$0.87	\$1.00
Weighted average expected volatility . . .	74%	69%	72%	68%	77%	77%	77%	78%
Risk-free interest rate .	0.76%	1.07%	3.94%	4.44%	4.26%	3.91%	4.19%	4.56%
Dividend yield .	0%	0%	0%	0%	0%	0%	0%	0%

The expected volatility was estimated based on the historical volatility of comparable peer public companies with a time horizon close to the expected term of the Group’s options. The risk-free interest rate was estimated based on the yield to maturity for a term consistent with the expected term of the Group’s options in effect at the option valuation date. The expected term used in the BOPM has been adjusted based on management’s best estimate for the effects of non-transferability, exercise restrictions, and behavioral considerations. The expected dividend yield is zero as the Group has never declared or paid any cash dividends on its shares, and the Group does not anticipate any dividend payments in the foreseeable future.

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Share-based compensation expenses related to the share-based options of the 2022 Plan are included in the consolidated statements of comprehensive income as follow:

	Year Ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Research and development expenses.	266	232	117	88
General and administrative expenses	114	1,351	394	855
Total	380	1,583	511	943

- a) On July 7, 2025, the Group granted 2,373,634 share options to eligible employees pursuant to the 2022 Plan. Of these share options, 593,409 are subject to non-vesting conditions, and 1,780,226 are subject to non-market vesting conditions. The weighted average exercise price of these share options is US\$1.08 per share.
- b) On September 1, 2025, the Group granted 1,168,991 share options to eligible employees pursuant to the 2022 Plan. Of these share options, 292,248 are subject to non-vesting conditions, and 876,743 are subject to non-market vesting conditions. The weighted average exercise price of these share options is US\$1.08 per share.
- c) On September 30, 2025, the Group granted 8,025,661 share options to eligible employees pursuant to the 2022 Plan. Of these share options, 8,025,661 are subject to non-market vesting conditions. The weighted average exercise price of these share options is US\$1.24 per share.

13. FINANCE INCOME AND FINANCE COSTS

The composition of finance income and finance costs are as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Finance income:				
Interest income from other financial assets at amortized cost (Note 22).	634	5,977	3,341	3,501
Finance costs:				
Interest expense on borrowings	(99)	(14)	(14)	–
Interest expense on lease liabilities . .	(37)	(14)	(4)	(68)
	(136)	(28)	(18)	(68)
Finance income, net.	498	5,949	3,323	3,433

14. OTHER (LOSSES)/GAINS, NET

The Group’s other (losses)/gains, net consist of the following:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Foreign exchange (losses)/gains, net.	(516)	402	354	(837)
Others	98	246	10	29
Other (losses)/gains, net	(418)	648	364	(808)

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15. INCOME TAX EXPENSE

Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted for the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

The Group’s principal applicable taxes and tax rates are as follows:

(a) *Cayman Islands*

The Company is incorporated in the Cayman Islands and is not subject to corporate income taxes.

(b) *British Virgin Islands*

Under the laws of the British Virgin Islands, the subsidiary is not subject to tax on income or capital gains for the years ended December 31, 2023, and 2024 and the six months ended June 30, 2024, and 2025.

(c) *Hong Kong*

Under the tax laws of Hong Kong, the subsidiary which operates in Hong Kong is subject to the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits were taxed at 8.25% and the remaining assessable profits were taxed at 16.5% for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

(d) *The United States*

Under the tax laws of the United States, the subsidiary which operates in the United States is subject to federal tax rate of 21% for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024, and 2025. Additionally, the state tax blended rate for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024, and 2025 is 4.8%.

Under the tax laws of the United States, United States sourced commercial milestone payments to foreign corporations related to the transfer of patents that are contingent on productivity, use or disposition, are generally subject to a withholding tax of 30% on the seller.

(e) *PRC*

Under the tax laws of the PRC, the subsidiaries which operate in PRC are subject to a tax rate of 25% for the years ended December 31, 2023, and 2024 and the six months ended June 30, 2024 and 2025.

According to relevant laws and regulations promulgated by the State Administration of Tax of the PRC, enterprises engaging in research and development activities are entitled to claim 200% of their qualified research and development expenses so incurred as tax deductible expenses when determining their assessable profits for the year ended December 31, 2023, 2024, and the six months ended June 30, 2024 and 2025. The additional deduction of 100% of qualified research and development expenses is subject to the approval from the relevant tax authorities in the annual CIT filling. The Group has made its best estimate for the additional deduction to be claimed in ascertaining the assessable profits for the year ended December 31, 2023, 2024 and the six months ended June 30, 2024 and 2025.

(f) *Australia*

Under the tax laws of Australia, the subsidiary which operates in Australia is subject to a tax rate of 30% for the years ended December 31, 2023, and 2024 and the six months ended June 30, 2024, and 2025.

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The income tax expenses for the year/period can be reconciled to the (loss)/profit before income tax per the consolidated statements of comprehensive income as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
(Loss)/profit before income tax	(43,668)	186,224	123,166	(19,721)
Statutory income tax rate applicable under US tax law	(11,254)	48,321	31,959	(5,014)
Effect of tax rate differences and preferential tax rate in other countries and regions	9,022	(635)	(1,558)	791
US research and development credit .	(944)	(234)	(117)	(117)
US Foreign-Derived intangible income deductions	(523)	(4,575)	(2,255)	–
Effect of non-deductible expenses . .	26	190	53	122
PRC R&D super deduction	(1,990)	(1,290)	(645)	–
Tax losses and deductible temporary differences not recognized	9,936	5,337	8,860	4,252
Withholding tax	4,200	–	–	–
Others	86	268	340	358
Tax charge at the Company’s effective rate.	<u>8,559</u>	<u>47,382</u>	<u>36,637</u>	<u>392</u>

16. (LOSS)/EARNINGS PER SHARE

(i) Basic (loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Basic (loss)/earnings per share is calculated by dividing the (loss)/earnings of the Group attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the Track Record Period.

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
			US\$'000 (Unaudited)	
(Loss)/earnings attributable to the ordinary equity holders of the Company (US\$'000)	(52,227)	138,842	86,529	(20,113)
Weighted average number of ordinary shares in issue (in thousands)	<u>26,388</u>	<u>26,388</u>	<u>26,388</u>	<u>26,388</u>
Basic (loss)/earnings per share (US\$)	<u>(1.98)</u>	<u>5.26</u>	<u>3.28</u>	<u>(0.76)</u>

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(ii) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated by dividing:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares
- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Diluted (loss)/earnings per share is calculated by dividing:

- the (loss)/earnings of the Group attributable to the equity holders of the Company adjusted by the after-income tax effect of costs associated with dilutive potential ordinary shares
- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

For the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025, the Company had certain potential ordinary shares: convertible redeemable preferred shares (Note 25) and share options granted under the 2022 Plan (Note 12). As the Group incurred losses for the year ended December 31, 2023 and the six months ended June 30, 2025, the potential ordinary shares were not included in the calculation of the diluted losses per share as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the year ended December 31, 2023 and the six months ended June 30, 2025 are the same as basic losses per share. The diluted earnings per share for the year ended December 31, 2024 and six months ended June 30, 2024 is calculated as follows:

	For the year ended December 31, 2024	For the six months ended June 30, 2024
		(Unaudited)
Earnings attributable to the ordinary equity holders of the Company for diluted earnings per share:		
Used in calculating basic earnings per share (US\$'000) . . .	138,842	86,529
Add: change in fair value of convertible redeemable preferred shares (US\$'000)	6,061	106
Earnings attributable to the ordinary equity holders of the Company	144,903	86,635
Weighted average number of ordinary shares in issue for diluted earnings per share (in thousands):		
Used in calculating basic earnings per share	26,388	26,388
Add: convertible redeemable preferred shares	71,591	71,591
Add: share options	2,135	1,984
Weighted average number of ordinary shares in issue for diluted earnings per share (in thousands)	100,114	99,963
Diluted earnings per share (US\$)	1.45	0.87

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17. PROPERTY AND EQUIPMENT, NET

Property and equipment, net, comprising computer equipment, furniture and fixture and laboratory equipment are stated at historical cost less depreciation and impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the consolidated statements of comprehensive income during the periods in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements, the lease term if shorter, as follows

	<u>Estimated useful lives</u>
Computer equipment	3 years
Furniture and fixture	5 years
Laboratory equipment	5 years

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount. For the Track Record Period, there were no impairments.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amounts. These are included in the consolidated statements of comprehensive income.

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Property and equipment, net consists of the following:

	Computer equipment	Furniture and fixture	Laboratory equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<i>As at January 1, 2023</i>				
Cost	10	90	734	834
Accumulated depreciation	(1)	(62)	(468)	(531)
Net book amount	9	28	266	303
<i>Year ended December 31, 2023</i>				
Opening net book amount	9	28	266	303
Additions	–	–	191	191
Depreciation	(3)	(18)	(168)	(189)
Currency translation	–	(1)	(7)	(8)
Net book amount	6	9	282	297
<i>As at December 31, 2023</i>				
Cost	10	90	925	1,025
Accumulated depreciation	(4)	(81)	(643)	(728)
Net book amount	6	9	282	297
<i>Year ended December 31, 2024</i>				
Opening net book amount	6	9	282	297
Additions	235	–	496	731
Depreciation	(21)	(9)	(122)	(152)
Currency translation	–	–	(8)	(8)
Net book amount	220	–	648	868
<i>As at December 31, 2024</i>				
Cost	245	90	1,421	1,756
Accumulated depreciation	(25)	(90)	(773)	(888)
Net book amount	220	–	648	868
	Computer equipment	Furniture and fixture	Laboratory equipment	Total
	US\$'000	US\$'000	US\$'000	US\$'000
(Unaudited)				
<i>Six months ended June 30, 2024</i>				
Opening net book amount	6	9	282	297
Additions	61	–	83	144
Depreciation	(7)	(4)	(78)	(89)
Currency translation	–	–	(8)	(8)
Net book amount	60	5	279	344
<i>As at June 30, 2024</i>				
Cost	71	90	1,008	1,169
Accumulated depreciation	(11)	(85)	(729)	(825)
Net book amount	60	5	279	344
<i>Six months ended June 30, 2025</i>				
Opening net book amount	220	–	648	868
Additions	46	–	26	72
Depreciation	(30)	–	(79)	(109)
Currency translation	–	–	10	10
Net book amount	236	–	605	841
<i>As at June 30, 2025</i>				
Cost	291	90	1,447	1,828
Accumulated depreciation	(55)	(90)	(842)	(987)
Net book amount	236	–	605	841

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Depreciation expenses related to property and equipment, net have been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Research and development expenses.	188	137	77	79
General and administrative expenses	<u>1</u>	<u>15</u>	<u>12</u>	<u>30</u>
Total depreciation expenses	<u><u>189</u></u>	<u><u>152</u></u>	<u><u>89</u></u>	<u><u>109</u></u>

18. LEASES

As a lessee, the Group leases two properties, an office in the United States and an office and laboratory in the PRC. The Group does not have any short-term leases nor variable lease costs for the Track Record Period.

The Group presents right-of-use assets and lease liabilities as a separate line item in the consolidated statements of financial position.

The following table discloses the carrying amount of the right-of-use assets recognized and the movements during the year/period:

	Offices and laboratory US\$'000
Balance as at January 1, 2023	458
Depreciation of right-of-use assets	<u>(290)</u>
Balance as at December 31, 2023	<u><u>168</u></u>
Balance as at January 1, 2024	168
Additions to right-of-use assets	2,616
Depreciation of right-of-use assets	<u>(372)</u>
Balance as at December 31, 2024	<u><u>2,412</u></u>
(Unaudited)	
Balance as at January 1, 2024	168
Depreciation of right-of-use assets	<u>(140)</u>
Balance as at June 30, 2024.	<u><u>28</u></u>
Balance as at January 1, 2025	2,412
Depreciation of right-of-use assets	<u>(314)</u>
Balance as at June 30, 2025.	<u><u>2,098</u></u>

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The following table discloses the carrying amount of the lease liabilities recognized and the movements during the year/period:

	US\$'000
Balance as at January 1, 2023	465
Accretion of interest	37
Payments	(342)
Balance as at December 31, 2023	<u>160</u>
Balance as at January 1, 2024	160
New leases	2,633
Accretion of interest	14
Payments	(314)
Balance as at December 31, 2024	<u>2,493</u>
	US\$'000
(Unaudited)	
Balance as at January 1, 2024	160
Accretion of interest	4
Payments	(164)
Balance as at June 30, 2024.	<u>—</u>
Balance as at January 1, 2025	2,493
Accretion of interest	68
Payments	(324)
Balance as at June 30, 2025.	<u>2,237</u>

Refer to Note 4 for the maturity analysis of the lease liabilities related to the contractual undiscounted cash flows.

Amounts recognized in the consolidated statements of comprehensive income are as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000
			(Unaudited)	
Depreciation of right-of-use assets (Note 10)	290	372	140	314
Interest expenses on lease liabilities (Note 13)	37	14	4	68

Depreciation expenses related to right-of-use assets have been charged to the consolidated statements of comprehensive income as follows:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000	US\$'000
			(Unaudited)	
Research and development expenses	260	276	123	141
General and administrative expenses	30	96	17	173
Total depreciation expenses	<u>290</u>	<u>372</u>	<u>140</u>	<u>314</u>

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19. DEFERRED TAX

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of statement of financial position and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available to utilize those temporary differences and losses.

Deferred tax liabilities and assets are not recognized for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current income tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current income tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. The offset amounts are as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Deferred tax assets	–	468	417
Set-off of deferred tax liabilities pursuant to set-off provisions	–	(468)	(417)
Net deferred tax assets	–	–	–
Deferred tax liabilities	–	(468)	(417)
Set-off of deferred tax assets pursuant to set-off provisions	–	468	417
Net deferred tax liabilities	–	–	–

The movements in deferred tax assets during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Lease liability	Accrued expense	Total
	US\$'000	US\$'000	US\$'000
At January 1, 2023	–	–	–
Deferred tax credited/(charged) to the consolidated statements of comprehensive income during the year	–	–	–
At December 31, 2023	–	–	–
At January 1, 2024	–	–	–
Deferred tax credited to the consolidated statements of comprehensive income during the year	455	13	468
At December 31, 2024	455	13	468

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	Lease liability	Accrued expense	Total
	US\$'000	US\$'000	US\$'000
(Unaudited)			
At January 1, 2024	–	–	–
Deferred tax credited/(charged) to the consolidated statements of comprehensive income during the period	–	–	–
At June 30, 2024	–	–	–
At January 1, 2025	455	13	468
Deferred tax charged to the consolidated statements of comprehensive income during the period	(38)	(13)	(51)
At June 30, 2025	417	–	417

The movements in deferred tax liabilities during the Track Record Period, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

	Fixed asset	Right-of-use asset	Total
	US\$'000	US\$'000	US\$'000
At January 1 2023	–	–	–
Deferred tax credited/(charged) to the consolidated statement of comprehensive income during the year	–	–	–
At December 31, 2023	–	–	–
At January 1, 2024	–	–	–
Deferred tax charged to the consolidated statement of comprehensive income during the year	(43)	(425)	(468)
At December 31, 2024	(43)	(425)	(468)
(Unaudited)			
At January 1, 2024	–	–	–
Deferred tax credited/(charged) to the consolidated statement of comprehensive income during the period	–	–	–
At June 30, 2024	–	–	–
At January 1, 2025	(43)	(425)	(468)
Deferred tax credited to the consolidated statement of comprehensive income during the period	5	46	51
At June 30, 2025	(38)	(379)	(417)

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity respectively.

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The Company does not have any deferred tax liabilities as of the end of the reporting year. The Group’s gross deferred tax assets have not been recognized in respect of the following items as of the end of the reporting year:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Deductible temporary differences	44,684	86,766	85,883
Tax losses and credits	42,300	21,483	47,141
Total	<u>86,984</u>	<u>108,249</u>	<u>133,024</u>

20. FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Financial assets measured at amortized cost:			
Rental deposits (<i>Note 21</i>)	63	170	170
Interest receivables (<i>Note 21</i>)	71	791	1,216
Trade receivables (<i>Note 9</i>)	2,583	5,143	–
Other financial assets at amortized cost (<i>Note 22</i>)	35,000	92,371	117,962
Cash and cash equivalents (<i>Note 23</i>)	<u>166,858</u>	<u>96,022</u>	<u>56,428</u>
Total	<u>204,575</u>	<u>194,497</u>	<u>175,776</u>
Financial liabilities measured at amortized cost:			
Trade and other payables (<i>Note 27</i>)	4,347	6,828	11,831
Lease liabilities (<i>Note 18</i>)	160	2,493	2,237
Borrowings (<i>Note 26</i>)	<u>1,398</u>	<u>–</u>	<u>–</u>
Total	<u>5,905</u>	<u>9,321</u>	<u>14,068</u>
Financial liabilities measured at fair value through profit or loss:			
Convertible redeemable preferred shares (<i>Note 25</i>)	<u>119,502</u>	<u>128,798</u>	<u>131,223</u>

21. OTHER NON-CURRENT AND CURRENT ASSETS

In the consolidated statements of financial position, the Group’s other non-current and current assets comprise the following:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Other non-current assets:			
Rental deposits	63	170	170
Other	<u>24</u>	<u>36</u>	<u>96</u>
Total	<u>87</u>	<u>206</u>	<u>266</u>
Other current assets:			
Tax recoverable	–	–	5,131
Prepaid research and development services	321	1,711	113

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	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Cash advance	1,514	1,215	987
Prepaid subscriptions	37	181	118
Prepaid insurance	17	82	16
Other prepayments	50	91	47
Interest receivables	71	791	1,216
Value-added taxes (“VAT”) receivables	384	678	734
Total	<u>2,394</u>	<u>4,749</u>	<u>8,362</u>
Total other non-current and current assets	<u>2,481</u>	<u>4,955</u>	<u>8,628</u>

The other non-current and current assets are denominated in the following currencies:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
US\$	230	2,542	6,692
RMB	2,251	2,413	1,927
Others	—	—	9
Total	<u>2,481</u>	<u>4,955</u>	<u>8,628</u>

In the Company’s statements of financial position, the Company’s other current assets comprise of interest receivables as at December 31, 2023. The Company did not have any other current assets as at December 31, 2024 and June 30, 2025.

22. OTHER FINANCIAL ASSETS AT AMORTIZED COST

(a) Classification

The Group classifies its financial assets at amortized cost. The classification depends on the entity’s business model for managing financial assets and the contractual terms of the cash flows.

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures its financial asset at its fair value plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in the consolidated statements of comprehensive income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other losses, net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statements of comprehensive income; there were no impairment losses for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2024 and 2025.

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(d) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its financial assets carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group classifies its financial assets at amortized cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

See Note 34 for the remaining relevant accounting policies.

The Group’s other financial assets at amortized cost include the following instruments:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Corporate bonds	–	53,602	64,427
Commercial paper	–	12,756	12,162
Government bonds	–	5,774	10,224
Treasury bills	–	–	2,926
Certificates of deposits	–	3,167	7,224
Other debt instruments	–	3,360	3,138
Time deposits	35,000	13,712	17,861
Total	35,000	92,371	117,962

The expected recovery dates of the Group’s other financial assets at amortized cost are analyzed as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Within 12 months	35,000	57,794	101,864
More than 12 months and less than 24 months	–	34,577	16,098
Total	35,000	92,371	117,962

The Company’s other financial assets at amortized cost as at December 31, 2023 consisted of time deposits of US\$25 million. The Company did not have any other financial assets measured at amortized cost as at December 31, 2024 and June 30, 2025.

The Group’s exposure to various risks associated with financial instruments is discussed in Note 4.

23. CASH AND CASH EQUIVALENTS

The Group’s cash and cash equivalents consists of:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	166,858	96,022	56,428

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Cash and cash equivalents are denominated in the following currencies:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
US\$	158,789	87,025	53,477
RMB	7,683	8,280	2,197
Others	386	717	754
Total	<u>166,858</u>	<u>96,022</u>	<u>56,428</u>

Cash and cash equivalents of the Group amounting to US\$12.9 million, US\$0.5 million, and US\$0.3 million were placed with certain banks in the PRC as at December 31, 2023 and 2024 and June 30, 2025, respectively. The remittance of these balances is subject to the foreign exchange control restrictions imposed by the PRC government.

The Company’s cash and cash equivalents consists of:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Cash and cash equivalents	<u>142</u>	<u>36,135</u>	<u>36,620</u>

24. SHARE CAPITAL, SHARE PREMIUM AND OTHER RESERVES

(a) Share capital and share premium — Group and Company

The Company’s authorized share capital (including the convertible redeemable preferred shares) is US\$50,000 divided into 500,000,000 shares of par value US\$0.0001 each during the Track Record Period.

Movement of issued and outstanding share capital, the treasury shares and share premium is as below.

	Number of shares issued and outstanding	Number of treasury shares (Note)	Number of ordinary shares excluding treasury shares	Share capital	Share premium
				US\$'000	US\$'000
As at January 1, 2023 . . .	38,410,859	(12,022,649)	26,388,210	3	178
Issuance of shares	<u>6,896,815</u>	<u>(6,896,815)</u>	<u>—</u>	<u>—</u>	<u>—</u>
As at December 31, 2023, 2024 and June 30, 2025 .	<u>45,307,674</u>	<u>(18,919,464)</u>	<u>26,388,210</u>	<u>3</u>	<u>178</u>

Note: The Company has issued and allotted shares to Eccoforest Holdings Limited which is the platform of the Company’s equity incentive plan. The shares held by Eccoforest is deemed as treasury shares of the Company.

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(b) Other reserves — Company

	Other reserves
	<i>US\$'000</i>
Balance at January 1, 2023	(15,399)
Changes in fair value of financial liabilities from own credit risk.	1,167
Equity-settled share-based payments.	380
Balance at December 31, 2023	<u>(13,852)</u>
Balance at January 1, 2024	(13,852)
Changes in fair value of financial liabilities from own credit risk.	3,235
Equity-settled share-based payments.	1,583
Balance at December 31, 2024	<u>(9,034)</u>
(Unaudited)	
Balance at January 1, 2024	(13,852)
Changes in fair value of financial liabilities from own credit risk.	1,829
Equity-settled share-based payments.	511
Balance at June 30, 2024	<u>(11,512)</u>
Balance at January 1, 2025	(9,034)
Changes in fair value of financial liabilities from own credit risk.	1,401
Equity-settled share-based payments.	943
Balance at June 30, 2025	<u>(6,690)</u>

25. CONVERTIBLE REDEEMABLE PREFERRED SHARES

Convertible redeemable preferred shares issued by the Company are redeemable upon occurrence of certain future events. This instrument can be converted into ordinary shares of the Company at any time at the option of the holders or automatically converted into ordinary shares by one of the following events: i) upon occurrence of a qualified [REDACTED] of the Company or ii) when the Company obtains the vote or written consent of the holders of no less than fifty percent of such series of the preferred shares.

The Group designated the convertible redeemable preferred shares as financial liabilities at fair value through profit or loss. They are initially recognized at fair value. Subsequent to initial recognition, the convertible redeemable preferred shares are carried at fair value with changes in fair value recognized in the statements of comprehensive income. If the Company’s own credit risk results in fair value changes in financial liabilities designated as at fair value through profit or loss, they are recognized in other comprehensive income.

The movements of the convertible redeemable preferred shares during the year/period are set out below:

	Series A		Series A-1		Series B		Series C		Total
	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>US\$'000</i>
January 1, 2023	25,575,940	11,174	21,728,930	13,402	2,678,617	3,621	–	–	28,197
Issuance of convertible preferred shares	–	–	–	–	15,739,550	21,750	5,868,430	26,700	48,450
Change in fair value of convertible redeemable preferred shares.	–	17,925	–	12,759	–	10,020	–	984	41,688
Changes in fair value of financial liabilities from own credit risk	–	2,080	–	3,409	–	(3,284)	–	(1,038)	1,167
December 31, 2023	25,575,940	31,179	21,728,930	29,570	18,418,167	32,107	5,868,430	26,646	119,502

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	Series A		Series A-1		Series B		Series C		Total
	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>Numbers of shares</i>	<i>US\$'000</i>	<i>US\$'000</i>
January 1, 2024	25,575,940	31,179	21,728,930	29,570	18,418,167	32,107	5,868,430	26,646	119,502
Change in fair value of convertible redeemable preferred shares	–	1,143	–	1,080	–	2,092	–	1,746	6,061
Changes in fair value of financial liabilities from own credit risk	–	557	–	898	–	1,249	–	531	3,235
December 31, 2024	25,575,940	32,879	21,728,930	31,548	18,418,167	35,448	5,868,430	28,923	128,798
(Unaudited)									
January 1, 2024	25,575,940	31,179	21,728,930	29,570	18,418,167	32,107	5,868,430	26,646	119,502
Change in fair value of convertible redeemable preferred shares	–	198	–	(167)	–	(44)	–	119	106
Changes in fair value of financial liabilities from own credit risk	–	329	–	507	–	690	–	303	1,829
June 30, 2024	25,575,940	31,706	21,728,930	29,910	18,418,167	32,753	5,868,430	27,068	121,437
January 1, 2025	25,575,940	32,879	21,728,930	31,548	18,418,167	35,448	5,868,430	28,923	128,798
Change in fair value of convertible redeemable preferred shares	–	186	–	358	–	376	–	104	1,024
Changes in fair value of financial liabilities from own credit risk	–	303	–	436	–	508	–	154	1,401
June 30, 2025	25,575,940	33,368	21,728,930	32,342	18,418,167	36,332	5,868,430	29,181	131,223

The rights, preferences and privileges of the above convertible redeemable preferred shares are as follows:

Conversion feature

Each convertible redeemable preferred share may, at the option of the holder thereof, be converted at any time after the date of issuance of such convertible redeemable preferred shares into ordinary shares, or shall automatically be converted into ordinary shares by one of the following events: i) upon occurrence of an [REDACTED] of the Company or ii) when the Company obtains the vote or written consent of the holders of no less than fifty percent of such series of the preferred shares. The conversion ratio for the convertible redeemable preferred shares to the ordinary shares is 1:1 if no adjustments to conversion price have occurred. As at June 30, 2025, each convertible redeemable preferred share is convertible into one ordinary share.

Liquidation preferences

Each holder of convertible redeemable preferred shares shall be entitled to receive for each series of convertible redeemable preferred shares the holder holds on the preferential basis, prior and in preference to any distribution of any of the assets or surplus funds of the Company to the holders of other series of convertible redeemable preferred shares and ordinary shares or any other class or series of shares by reason of their ownership of such shares, the amount equal to one hundred percent of the respective applicable issue price, plus all declared but unpaid dividends, plus a ten percent compound interest or simple interest rate per annum on the applicable issue price, beginning on the applicable issue date, and ending on the redemption closing date; provided that, the redemption price shall be proportionally adjusted for share splits, share combinations, share dividends, reclassifications, recapitalization and the like.

If the assets and funds available for distribution shall be insufficient to permit the payment to such holders of the full preferred preference amount, the liquidation preference amount will be paid to the holders of convertible redeemable preferred shares in the following order: first to holders of Series C Preferred Shares, second to holders of Series B Preferred Shares, third to holders of Series A-1 Preferred Shares, fourth to holders of Series A Preferred Shares, and lastly to the holders of ordinary shares. After distributing or paying in full the liquidation preference amount to all of the holders of convertible redeemable preferred shares, the remaining assets of the Company available for distribution to members, if any, shall be distributed to the holders of the ordinary shares on a pro rata basis.

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Redemption feature

The shareholders of Series C Preferred Shares, Series B Preferred Shares and Series A-1 Preferred Shares may give a written notice to the Company requesting redemption of all or part of their convertible redeemable preferred shares upon any of the following events:

- the Company fails to consummate a Qualified [REDACTED] within six years after January 6, 2021;
- there is a material change of the founders or the key employees (as defined in the Shareholders Agreement), which shall cause material adverse effect to the business and operation of the Company or the Qualified [REDACTED] of the Company;
- the occurrence of any material breach, material misrepresentation or inaccuracy or fraud by any of the warrantors of any representations, warranties, agreements, covenants, undertakings or obligations under the Transaction Documents causing material losses to the holder of Series C Preferred Shares, Series B Preferred Shares and Series A-1 Preferred Shares;
- the occurrence of any material breach or non-compliance with any applicable laws or the Transaction Documents by any of the warrantors, which, if curable, is not cured within fifteen business days after the receipt of written notice by the holder of Series C Preferred Shares, Series B Preferred Shares and Series A-1 Preferred Shares;
- uses of consideration for Series C Preferred Shares for purposes other than those agreed before without approval of the Board, causing material losses to the holder of Series C Preferred Shares, Series B Preferred Shares and Series A-1 Preferred Shares;
- key IP owned or used by the Group (except for any key IP that is exclusively licensed to any third party as approved by the Board of Directors in accordance with the Shareholders Agreement) is revoked by relevant governmental authority or is finally determined by judicial decision to infringe with third party’s IP right, which shall cause material adverse effect to the business and operation of the Company or the Qualified [REDACTED] of the Company;
- business of the founders and/or their affiliates is in competition with the Company, which may cause material adverse effect to the Qualified [REDACTED] of the Company;
- in any time within six years after the January 6, 2021, the Company has received the proposal about [REDACTED] by the holders of Series C Preferred Shares, and the quantitative indicators of the Company have met the requirements for the Qualified [REDACTED] (as evidenced by the independent certified public accountant), but the Company fails to adopt the resolution to grant the [REDACTED] due to reasons attributable to the founders, or the Company fails to carry out the Qualified [REDACTED] as scheduled due to the failure of the management of the Company to use their best efforts to cooperate; and
- the exercise of the redemption right held by any other holder of Series C Preferred Shares, Series B Preferred Shares and Series A-1 Preferred Shares or any other class or series of shares.

The shareholders of Series A Preferred Shares may give a written notice to the Company requesting redemption of all or part of their convertible redeemable preferred shares upon any of the following events:

- the occurrence of any material breach, material misrepresentation or inaccuracy or fraud by any of the warrantors;
- the occurrence of clear evidence of commercial bribery by the Company and/or the founders, or material administrative or judicial penalty of the Group and/or the founders, either shall have material effect to the Qualified [REDACTED].

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With the assistance from an external valuation specialist appointed by the Group, the Group applied the back-solve method and discounted cash flow method to determine the underlying equity value of the Company and adopted the equity allocation model to determine the fair value of the financial instruments issued to [REDACTED]. Key assumptions are set out as below:

Unobservable inputs	As at December 31,		As at June 30,	Relationship of unobservable inputs to fair value
	2023	2024	2025	
Discount rate	4.1%	4.2%	3.8%	The higher the discount rate, the lower the fair value of financial instrument to [REDACTED].
Volatility	73.3%	77.1%	83.2%	Nonlinear relationships
DLOM for Series A Preferred Shares . . .	27.8%	25.8%	24.5%	The higher the DLOM, the lower the fair value of financial instrument to [REDACTED].
DLOM for Series A -1 Preferred Shares . . .	25.9%	23.9%	22.2%	The higher the DLOM, the lower the fair value of financial instrument to [REDACTED].
DLOM for Series B Preferred Shares . . .	22.6%	18.6%	17.1%	The higher the DLOM, the lower the fair value of financial instrument to [REDACTED].
DLOM for Series C Preferred Shares . . .	8.8%	5.8%	5.3%	The higher the DLOM, the lower the fair value of financial instrument to [REDACTED].

26. BORROWINGS

In 2023, the Group entered into a working capital loan with a PRC bank and with a term of one year. (the “Short-Term Loan”). As at December 31, 2023, the Short-Term Loan was amounted to US\$1.4 million and denominated in RMB. It bears a fixed interest rate of 3.45% per year and interest payments were due quarterly at the fixed interest rate.

The Short-Term Loan had been repaid in 2024 and the Group did not have any other borrowings as at December 31, 2024 and June 30, 2025.

27. TRADE AND OTHER PAYABLES

The Group’s trade and other payables consists of:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Trade payables	267	1,496	4,738
Accrued staff costs	1,247	2,172	1,821
Accrued expenses	4,080	5,332	7,093
Total	<u>5,594</u>	<u>9,000</u>	<u>13,652</u>

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The carrying amounts of trade and other payables are denominated in the following currencies:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
US\$	4,168	6,595	11,512
RMB	1,423	2,357	2,088
Other	3	48	52
Total	<u>5,594</u>	<u>9,000</u>	<u>13,652</u>

The ageing analysis of the trade payables based on invoice date is as follows:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
Within 30 days	179	843	4,519
31 days to 60 days	43	335	156
More than 60 days	45	318	63
Total	<u>267</u>	<u>1,496</u>	<u>4,738</u>

28. CASH FLOW INFORMATION

(a) Cash generated from/(used in) operations:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
(Loss)/profit before income tax expense	(43,668)	186,224	123,166	(19,721)
Adjustments for:				
Interest income from financial assets at amortized cost . . .	(634)	(5,977)	(3,341)	(3,501)
Depreciation of property, plant and equipment	189	152	89	109
Share-based compensation expenses	380	1,583	511	943
Depreciation of right-of-use asset	290	372	140	314
Finance costs	136	28	18	68
Fair value losses on financial liabilities at fair value through profit or loss	41,688	6,061	106	1,024
Net foreign exchange gains/(losses)	<u>516</u>	<u>(402)</u>	<u>(354)</u>	<u>837</u>
Operating (loss)/profit before changes in working capital .	(1,103)	188,041	120,335	(19,927)

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	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Changes in working capital: . .				
(Increase)/decrease in trade receivables, other receivables and prepayments	(2,583)	(2,560)	(2,955)	5,143
(Increase)/decrease in other assets	(1,661)	(1,647)	(565)	1,883
Increase/(decrease) in contract liabilities	149,875	(149,467)	(125,733)	(409)
Increase in trade and other payables	9,310	3,406	661	4,623
Cash generated from/(used in) operations	<u>153,838</u>	<u>37,773</u>	<u>(8,257)</u>	<u>(8,687)</u>

(b) Net debt reconciliation

Below sets out an analysis and movements in the net debt for each year presented:

	Liabilities from financing activities			
	Borrowings	Convertible redeemable preferred shares	Lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
At January 1, 2023	–	28,197	458	28,655
Foreign exchange adjustment	(84)	–	7	(77)
Net cash inflows/(outflows) — financing activities	1,383	48,450	(342)	49,491
<u>Non-cash transaction:</u>				
Interest expenses	99	–	37	136
Change in fair value of convertible redeemable preferred shares	–	41,688	–	41,688
Change in fair value of financial liabilities from own credit risk	–	1,167	–	1,167
At December 31, 2023	<u>1,398</u>	<u>119,502</u>	<u>160</u>	<u>121,060</u>
At January 1, 2024	1,398	119,502	160	121,060
Foreign exchange adjustment	(29)	–	31	2
Net cash outflows — financing activities . .	(1,383)	–	(314)	(1,697)
<u>Non-cash transaction:</u>				
Addition of leases	–	–	2,602	2,602
Interest expenses	14	–	14	28
Change in fair value of convertible redeemable preferred shares	–	6,061	–	6,061
Change in fair value of financial liabilities from own credit risk	–	3,235	–	3,235
At December 31, 2024	<u>–</u>	<u>128,798</u>	<u>2,493</u>	<u>131,291</u>

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	Liabilities from financing activities			
	Borrowings	Convertible redeemable preferred shares	Lease liabilities	Total
	US\$'000	US\$'000	US\$'000	US\$'000
(Unaudited)				
As at January 1, 2024	1,398	119,502	160	121,060
Foreign exchange adjustment	(29)	–	–	(29)
Net cash outflows — financing activities . .	(1,383)	–	(164)	(1,547)
<u>Non-cash transaction:</u>				
Interest expenses	14	–	4	18
Change in fair value of convertible redeemable preferred shares	–	106	–	106
Change in fair value of financial liabilities from own credit risk	–	1,829	–	1,829
At June 30, 2024	<u>–</u>	<u>121,437</u>	<u>–</u>	<u>121,437</u>
 At January 1, 2025	–	128,798	2,493	131,291
Foreign exchange adjustment	–	–	–	–
Net cash outflows — financing activities . .	–	–	(324)	(324)
<u>Non-cash transaction:</u>				
Interest expenses	–	–	68	68
Change in fair value of convertible redeemable preferred shares	–	1,024	–	1,024
Change in fair value of financial liabilities from own credit risk	–	1,401	–	1,401
At June 30, 2025	<u>–</u>	<u>131,223</u>	<u>2,237</u>	<u>133,460</u>

29. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. The following is a summary of the significant transactions carried out between the Group and its related parties in the ordinary course of business during the Track Record Period.

Amounts due from subsidiaries

As at December 31, 2023 and 2024 and June 30, 2025, non-trade receivables from group companies are unsecured, interest-free and repayable on demand. The carrying values of the balance approximate their fair value. As at December 31, 2023 and 2024 and June 30, 2025, the directors of the Company do not expect the balances to be repaid by its subsidiaries within 12 months of the reporting period and classified the balances as non-current assets.

The carrying amounts of the amounts due from subsidiaries are denominated in the following currencies:

	As at December 31,		As at June 30,
	2023	2024	2025
	US\$'000	US\$'000	US\$'000
US\$	42,527	32,038	32,030
RMB	12,313	11,626	12,215
Total	<u>54,840</u>	<u>43,664</u>	<u>44,245</u>

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Key management compensation

Key management includes directors (executives and non-executives) and senior management of the Group. The compensation paid or payable to key management for employee services is shown below:

	Year ended December 31,		Six months ended June 30,	
	2023	2024	2024	2025
	US\$'000	US\$'000	US\$'000 (Unaudited)	US\$'000
Salaries, wages and bonuses	565	1,157	509	884
Pension costs — defined contribution plans	71	91	42	65
Other welfare and allowances	98	165	58	108
Share-based payment expenses	168	1,330	413	739
Total	<u>902</u>	<u>2,743</u>	<u>1,022</u>	<u>1,796</u>

30. BENEFITS AND INTEREST OF DIRECTORS

Directors’ emoluments

The remuneration of each director paid/payable for the Track Record Period are as follows:

Year ended December 31, 2023						
	Director's fee	Salaries, wages and bonus	Pension scheme contributions	Allowances and benefits in kind	Share-based compensation expense	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Executive director and chief executive:</i>						
Dr. Jingye Zhou	—	280	26	94	56	456
<i>Executive directors:</i>						
Dr. Jianfeng Xu	—	201	23	2	84	310
Ms. Wujuan Lei	—	84	22	2	28	136
<i>Non-executive directors:</i>						
Mr. Yang Bai	—	—	—	—	—	—
Ms. Huijuan Qian	—	—	—	—	—	—
Mr. Ting Xiao	—	—	—	—	—	—
Ms. Yifeng Yang	—	—	—	—	—	—
Dr. Xiaojie Zang	—	—	—	—	—	—
Ms. Min Zou	—	—	—	—	—	—
Mr. Lei Cai	—	—	—	—	—	—
Ms. Huiling Qian	—	—	—	—	—	—
	—	565	71	98	168	902

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Year ended December 31, 2024						
	Director's fee	Salaries, wages and bonus	Pension scheme contributions	Allowances and benefits in kind	Share-based compensation expense	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Executive director and chief executive:</i>						
Dr. Jingye Zhou	—	470	33	114	531	1,148
<i>Executive directors:</i>						
Dr. Jianfeng Xu	—	371	23	2	475	871
Ms. Wujuan Lei	—	86	23	2	22	133
<i>Non-executive directors:</i>						
Mr. Yang Bai	—	—	—	—	—	—
Ms. Huijuan Qian	—	—	—	—	—	—
Mr. Ting Xiao	—	—	—	—	—	—
Mr. Yifeng Yang	—	—	—	—	—	—
Dr. Xiaojie Zang	—	—	—	—	—	—
Ms. Min Zou	—	—	—	—	—	—
Ms. Lei Cai	—	—	—	—	—	—
Ms. Huiling Qian	—	—	—	—	—	—
<i>Independent non- executive director:</i>						
Dr. David Elkins Moller .	17	—	—	—	38	55
	<u>17</u>	<u>927</u>	<u>79</u>	<u>118</u>	<u>1,066</u>	<u>2,207</u>

Six months ended June 30, 2024 (Unaudited)						
Director's fee	Salaries, wages and bonus	Pension scheme contributions	Allowances and benefits in kind	Share-based compensation expense	Total	
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
<i>Executive director and chief executive:</i>						
Dr. Jingye Zhou	—	253	20	56	220	549
<i>Executive directors:</i>						
Dr. Jianfeng Xu	—	208	11	1	181	401
Ms. Wujuan Lei	—	48	11	1	12	72
<i>Non-executive directors:</i>						
Mr. Yang Bai	—	—	—	—	—	—
Ms. Huijuan Qian	—	—	—	—	—	—
Mr. Ting Xiao	—	—	—	—	—	—
Mr. Yifeng Yang	—	—	—	—	—	—
Dr. Xiaojie Zang	—	—	—	—	—	—
Ms. Min Zou	—	—	—	—	—	—
Mr. Lei Cai	—	—	—	—	—	—
Ms. Huiling Qian	—	—	—	—	—	—
	—	509	42	58	413	1,022

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Six months ended June 30, 2025						
	Director's fee	Salaries, wages and bonus	Pension scheme contributions	Allowances and benefits in kind	Share-based compensation expense	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<i>Executive director and chief executive:</i>						
Dr. Jingye Zhou	–	312	22	56	226	616
<i>Executive directors:</i>						
Dr. Jianfeng Xu	–	132	12	1	209	354
Ms. Wujuan Lei	–	51	12	1	7	71
<i>Non-executive directors:</i>						
Mr. Yang Bai	–	–	–	–	–	–
Ms. Huijuan Qian	–	–	–	–	–	–
Mr. Ting Xiao	–	–	–	–	–	–
Mr. Yifeng Yang	–	–	–	–	–	–
Dr. Xiaojie Zang	–	–	–	–	–	–
Ms. Min Zou	–	–	–	–	–	–
Mr. Lei Cai	–	–	–	–	–	–
<i>Independent non- executive director:</i>						
Dr. David Elkins Moller .	20	–	–	–	45	65
	<u>20</u>	<u>495</u>	<u>46</u>	<u>58</u>	<u>487</u>	<u>1,106</u>

As of the date of this report, Ms. Wujuan Lei, Mr. Yang Bai, Ms. Huijuan Qian, Mr. Ting Xiao, Mr. Yifeng Yang, Ms. Min Zou and Mr. Lei Cai have tendered his/her resignation as executive/non-executive director of the Company effective upon [REDACTED]. Each of them have confirmed that they have no disagreement with the board of directors and there are no other matters in relation to his or her resignation that need to be brought to the attention to the shareholders of the Company.

Ms. Huiling Qian was appointed as a non-executive director of the Company on March 31, 2023 and resigned on July 22, 2024. There was no disagreement with the board of directors and there was no other matters in relation to her resignation that need to be brought to the attention to the shareholders of the Company.

Dr. David Elkins Moller was appointed as an independent non-executive director of the Company on July 22, 2024. Mr. Henry Lin Chen was appointed as non-executive director of the Company on August 31, 2025. Mr. Kwok Tai Law and Mr. Yi Li were appointed as independent non-executive directors of the Company with effect from the [REDACTED].

Mr. Ting Xiao was appointed as a non-executive director of the Company on September 6, 2022 and resigned on August 31, 2025. There was no disagreement with the board of directors and there was no other matters in relation to his resignation that need to be brought to the attention to the shareholders of the Company.

During the Track Record Period, the independent non-executive directors, except Dr. David Elkins Moller, have not yet been appointed and did not receive directors’ remuneration in the capacity of independent non-executive directors. All of these individuals, except Dr. David Elkins Moller, have not received any emoluments from the Group as an inducement to join or upon joining the Group or as compensation for the loss of office during the Track Record Period. Dr. David Elkins Moller received 175,349 stock options as emoluments upon joining as an independent non-executive director of the Company.

Directors’ retirement and termination benefits

No retirement or termination benefits have been paid to the Company’s directors during the Track Record Period.

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Consideration provided to third parties for making available directors’ services

No consideration was provided to third parties for making available directors’ services during the Track Record Period.

Information about loans, quasi-loans or other dealings in favor of directors, controlled bodies corporate by and connected entities with such directors

No loans, quasi-loans or other dealings were entered into by the Group in favor of directors, controlled body corporates by and connected entities with such directors during the Track Record Period.

Directors’ material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group’s business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted during the Track Record Period.

31. DIVIDENDS

No dividend has been paid or declared by the Group during the Track Record Period.

32. COMMITMENTS

As at December 31, 2023 and 2024 and June 30, 2025, the Group did not have any material commitments.

33. SUBSEQUENT EVENTS

Other than the share options granted to eligible employees pursuant to the 2022 Plan as disclosed in Note 12, there are no other material subsequent events undertaken by the Group after June 30, 2025.

34. SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

The Group has consistently applied the following accounting policies to all periods presented in these consolidated financial statements, except if mentioned otherwise.

Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount of the investee’s net assets including goodwill in the financial statements.

Foreign currency translation

(a) *Functional and presentation currency*

Items included in the consolidated financial statements of each of the Group’s entities are measured using functional currency, which is the currency of the primary economic environment in which the entity operates. The functional currency of the Company is US\$. As the major operations of the Group are within United States, the Group determined to present its consolidated financial statements in US\$.

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss.

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Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other gains, net.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of position presented are translated at the closing rate at the date of that statement of financial position; and
- income and expenses for each consolidated statements of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated at the rate on the dates of the transactions); and
- all resulting currency translation differences are recognized in other comprehensive income.

Impairment of non-financial assets

Non-financial financial assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

Leases

At inception of a contract, the Group assesses whether a contract is or contains a lease. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group’s incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The Group determines its incremental borrowing rate by developing its synthetic credit rating and making certain adjustments to reflect the term of the lease and characteristics of the lessee.

Lease payments included in the measurement of the lease liability comprise fixed payments that escalate on a yearly basis by a fixed amount. The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group’s estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

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Cash and cash equivalents

The Group considers all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents.

Trade and other receivables

Trade and other receivables are amounts due from customer in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If no, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

Trade and other payables

These amounts represent liabilities for services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

Interest income

Interest income on financial assets at amortized cost calculated using the effective interest method is recognized in the consolidated statements of comprehensive income as part of finance income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Convertible redeemable preferred shares are classified as financial liabilities based on the respective contract terms.

III SUBSEQUENT FINANCIAL STATEMENT

No audited financial statements have been prepared for the Company or any of the companies comprising the Group in respect of any period subsequent to June 30, 2025 and up to the date of this report. No dividend or distribution has been declared, made or paid by the Company or any of the companies comprising the Group in respect of any period subsequent to June 30, 2025.

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIA UNAUDITED [REDACTED] FINANCIAL INFORMATION

[REDACTED]

APPENDIX IIB

[REDACTED]

[REDACTED]

APPENDIX III

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAWS

Set out below is a summary of certain provisions of the constitution of the Company and certain aspects of the company laws of the Cayman Islands.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 February 2018 under the Companies Act. The Company's constitutional documents consist of the Memorandum of Association and the Articles of Association.

1. MEMORANDUM OF ASSOCIATION

The Memorandum provides, *inter alia*, that the liability of the members of the Company is limited, that the objects for which the Company is established are unrestricted (and therefore include acting as an investment holding company) and that the Company shall have full power and authority to carry out any object not prohibited by the Companies Act or any other law of the Cayman Islands.

2. ARTICLES OF ASSOCIATION

The Articles were conditionally adopted on [●] and will become effective on the [REDACTED]. A summary of certain provisions of the Articles is set out below.

2.1 Shares

(a) *Classes of Shares*

The share capital of the Company consists of a single class of ordinary shares.

(b) *Variation of Rights of Existing Shares or Classes of Shares*

If at any time the share capital of the Company is divided into different classes of Shares, all or any of the rights attached to any class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be varied with the consent in writing of the holders of at least three-fourths of the issued Shares of that class, or with the approval of a resolution passed by at least three-fourths of the votes cast by the holders of the Shares of that class present and voting in person (whether physically or by virtual attendance with the use of technology) or by proxy at a separate meeting of such holders. The provisions of the Articles relating to general meetings shall apply *mutatis mutandis* to every such separate meeting, except that the necessary quorum shall be two persons together holding (or, in the case of a member being a corporation, by its duly authorised representative), or representing by proxy, at least one-third of the issued Shares of that class. Every holder of Shares of the class shall be entitled on a poll to one vote for every such Share held by him, and any holder of Shares of the class present in person (whether physically or by virtual attendance with the use of technology), or by proxy may demand a poll.

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For the purposes of a separate class meeting, the Board may treat two or more classes of Shares as forming one class of Shares if the Board considers that such classes of Shares would be affected in the same way by the proposals under consideration, but in any other case shall treat them as separate classes of Shares.

Any rights conferred upon the holders of Shares of any class shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.

(c) *Alteration of Capital*

The Company may by ordinary resolution:

- (i) increase its share capital by the creation of new Shares of such amount and with such rights, priorities and privileges attached to such Shares as it may determine;
- (ii) consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares. On any consolidation of fully paid Shares and division into Shares of a larger amount, the Board may settle any difficulty which may arise as it thinks expedient and, in particular (but without prejudice to the generality of the foregoing), may as between the holders of Shares to be consolidated determine which particular Shares are to be consolidated into a consolidated Share, and if it shall happen that any person shall become entitled to fractions of a consolidated Share or Shares, such fractions may be sold by some person appointed by the Board for that purpose and the person so appointed may transfer the Shares so sold to the purchaser(s) thereof and the validity of such transfer shall not be questioned, and the net proceeds of such sale (after deduction of the expenses of such sale) may either be distributed among the persons who would otherwise be entitled to a fraction or fractions of a consolidated Share or Shares rateably in accordance with their rights and interests or may be paid to the Company for the Company's benefit;
- (iii) sub-divide its Shares or any of them into Shares of an amount smaller than that fixed by the Memorandum; and
- (iv) cancel any Shares which, as at the date of passing of the resolution, have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution reduce its share capital or any undistributable reserve, subject to the provisions of the Companies Act.

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(d) Transfer of Shares

Subject to the terms of the Articles, any member of the Company may transfer all or any of his Shares by an instrument of transfer. If the Shares in question were issued in conjunction with rights, options, warrants or units issued pursuant to the Articles on terms that one cannot be transferred without the other, the Board shall refuse to register the transfer of any such Share without evidence satisfactory to it of the like transfer of such right, option, warrant or unit.

Subject to the Articles and the requirements of the Stock Exchange, all transfers of Shares shall be effected by an instrument of transfer in the usual or common form or in such other form as the Board may approve and may be under hand or, if the transferor or transferee is a recognised clearing house or its nominee(s), under hand or by machine imprinted signature, or by such other manner of execution as the Board may approve from time to time.

Execution of the instrument of transfer shall be by or on behalf of the transferor and the transferee, provided that the Board may dispense with the execution of the instrument of transfer by the transferor or transferee or accept mechanically executed transfers. The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the register of members of the Company in respect of that Share.

Subject to the provisions of the Companies Act, if the Board considers it necessary or appropriate, the Company may establish and maintain a branch register or registers of members at such location or locations within or outside the Cayman Islands as the Board thinks fit. The Board may, in its absolute discretion, at any time transfer any Share on the principal register to any branch register or any Share on any branch register to the principal register or any other branch register.

The Board may, in its absolute discretion, decline to register a transfer of any Share (not being a fully paid Share) to a person of whom it does not approve or on which the Company has a lien, or a transfer of any Share issued under any share option scheme upon which a restriction on transfer subsists or a transfer of any Share to more than four joint holders. It may also decline to recognise any instrument of transfer if the proposed transfer does not comply with the Articles or any requirements of the Listing Rules.

The Board may decline to recognise any instrument of transfer unless a certain fee, up to such maximum sum as the Stock Exchange may determine to be payable, is paid to the Company, the instrument of transfer is properly stamped (if applicable), is in respect of only one class of Share and is lodged at the relevant registration office or the place at which the principal register is located accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require is provided to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

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SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAWS

The register of members may, subject to the Listing Rules and the relevant section of the Companies Ordinance, be closed at such time or for such period not exceeding in the whole 30 days in each year as the Board may determine (or such longer period as the members of the Company may by ordinary resolution determine, provided that such period shall not be extended beyond 60 days in any year).

Fully paid Shares shall be free from any restriction on transfer (except when permitted by the Stock Exchange) and shall also be free from all liens.

(e) Redemption of Shares

Subject to the provisions of the Companies Act, the Listing Rules and any rights conferred on the holders of any Shares or attaching to any class of Shares, the Company may issue Shares that are to be redeemed or are liable to be redeemed at the option of the members or the Company. The redemption of such Shares shall be effected in such manner and upon such other terms as the Company may by special resolution determine before the issue of such Shares.

(f) Power of the Company to Purchase its own Shares

Subject to the Companies Act, or any other law or so far as not prohibited by any law and subject to any rights conferred on the holders of any class of Shares, the Company shall have the power to purchase or otherwise acquire all or any of its own Shares (which includes redeemable Shares), provided that the manner and terms of purchase have first been authorised by ordinary resolution and that any such purchase shall only be made in accordance with the relevant code, rules or regulations issued from time to time by the Stock Exchange and/or the Securities and Futures Commission of Hong Kong from time to time in force.

(g) Power of any Subsidiary of the Company to own Shares in the Company

There are no provisions in the Articles relating to the ownership of Shares in the Company by a subsidiary.

(h) Calls on Shares and Forfeiture of Shares

Subject to the terms of allotment and issue of any Shares (if any), the Board may, from time to time, make such calls as it thinks fit upon the members in respect of any monies unpaid on the Shares held by them (whether in respect of par value or share premium). A member who is the subject of the call shall (subject to receiving at least 14 clear days' notice specifying the time or times for payment) pay to the Company at the time or times so specified the amount called on his Shares. A call may be made payable either in one sum or by instalments, and shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed. The joint holders of a Share shall be severally as well as jointly liable for the payment of all calls and instalments due in respect of such Share.

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If a call remains unpaid after it has become due and payable, the member from whom the sum is due shall pay interest on the unpaid amount at such rate as the Board shall determine (together with any expenses incurred by the Company as a result of such non-payment) from the day it became due and payable until it is paid, but the Board may waive payment of such interest or expenses in whole or in part.

If a member fails to pay any call or instalment of a call after it has become due and payable, the Board may, for so long as any part of the call or instalment remains unpaid, give to such member not less than 14 clear days' notice requiring payment of the unpaid amount together with any interest which may have accrued and which may still accrue up to the date of payment (together with any expenses incurred by the Company as a result of such non-payment). The notice shall specify a further day on or before which the payment required by the notice is to be made. The notice shall also state that, in the event of non-payment at or before the appointed time, the Shares in respect of which the call was made will be liable to be forfeited.

If such notice is not complied with, any Share in respect of which the notice was given may, before the payment required by the notice has been made, be forfeited by a resolution of the Board. Such forfeiture shall include all dividends, other distributions and other monies payable in respect of the forfeited Share and not paid before the forfeiture.

A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, shall surrender to the Company for cancellation the certificate(s) for the Shares forfeited and shall remain liable to pay to the Company all monies which, as at the date of forfeiture, were payable by him to the Company in respect of the Shares together with (if the Board shall in its discretion so require) interest thereon from the date of forfeiture until the date of payment as the Board may determine and any expenses incurred by the Company as a result of such non-payment.

2.2 Directors

(a) Appointment, Retirement and Removal

The Company may by ordinary resolution of the members elect any person to be a Director. The Board may also appoint any person to be a Director at any time, either to fill a casual vacancy or as an additional Director subject to any maximum number fixed by the members in general meeting or the Articles. Any Director so appointed shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Any Director so appointed by the Board shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting.

There is no shareholding qualification for Directors nor is there any specified age limit for Directors.

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The members may by ordinary resolution remove any Director (including a managing or executive Director) before the expiration of his term of office, notwithstanding anything in the Articles or any agreement between the Company and such Director, and may by ordinary resolution elect another person in his stead. Nothing shall be taken as depriving a Director so removed of any compensation or damages payable to such Director in respect of the termination of his appointment as Director or of any other appointment or office as a result of the termination of his appointment as Director.

The office of a Director shall be vacated if:

- (i) the Director gives notice in writing to the Company that he resigns from his office as Director;
- (ii) the Director is absent, without being represented by proxy or an alternate Director appointed by him, for a continuous period of 12 months without special leave of absence from the Board, and the Board passes a resolution that he has by reason of such absence vacated his office;
- (iii) the Director becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors generally;
- (iv) the Director dies or an order is made by any competent court or official on the grounds that he is or may be suffering from mental disorder or is otherwise incapable of managing his affairs and the Board resolves that his office be vacated;
- (v) the Director is prohibited from being or ceases to be a Director by operation of law;
- (vi) the Director has been required by the Stock Exchange to cease to be a Director or no longer qualifies to be a Director pursuant to the Listing Rules; or
- (vii) the Director is removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of the Directors (including himself) then in office.

At each annual general meeting, one-third of the Directors for the time being shall retire from office by rotation. If the number of Directors is not a multiple of three, then the number nearest to but not less than one-third shall be the number of retiring Directors, provided that every Director shall be subject to retirement by rotation at least once every three years. The Directors to retire at each annual general meeting shall be those who have been in office longest since their last re-election or appointment and, as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

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(b) Power to Allot and Issue Shares and other Securities

Subject to the provisions of the Companies Act, the Memorandum and Articles and, where applicable, the Listing Rules, and without prejudice to any rights or restrictions for the time being attached to any Shares, the Board may allot, issue, grant options over or otherwise dispose of Shares with or without preferred, deferred or other rights or restrictions, whether with regard to dividend, voting, return of capital or otherwise, to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, provided that no Shares shall be issued at a discount to their par value.

The Company may issue rights, options, warrants or convertible securities or securities of a similar nature conferring the right upon the holders thereof to subscribe for, purchase or receive any class of Shares or other securities in the Company on such terms as the Board may from time to time determine.

Neither the Company nor the Board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of Shares, to make, or make available, any such allotment, offer, option or Shares to members or others whose registered addresses are in any particular territory or territories where, in the absence of a registration statement or other special formalities, this is or may, in the opinion of the Board, be unlawful or impracticable. However, no member affected as a result of the foregoing shall be, or be deemed to be, a separate class of members for any purpose whatsoever.

(c) Power to Dispose of the Assets of the Company or any of its Subsidiaries

Subject to the provisions of the Companies Act and the Memorandum and Articles, the Board may exercise all powers and do all acts and things which may be exercised or done by the Company to dispose of the assets of the Company or any of its subsidiaries. No alteration to the Memorandum or Articles shall invalidate any prior act of the Board which would have been valid if such alteration or direction had not been made or given.

(d) Borrowing Powers

The Board may exercise all the powers of the Company to raise or borrow money, secure the payment of any sum or sums of money for the purposes of the Company, mortgage or charge all or any part of its undertaking, property and uncalled capital of the Company, and, subject to the Companies Act, issue debentures, debenture stock, bonds and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

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(e) Remuneration

A Director shall be entitled to receive such sums as shall from time to time be determined by the Board or the Company in general meetings. The Directors shall also be entitled to be repaid all expenses reasonably incurred by them in connection with attendance at meetings of the Board or committees of the Board, or general meetings of the Company or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company and the discharge of their duties as Directors, and/or to receive fixed allowances in respect thereof as may be determined by the Board.

The Board or the Company in general meetings may also approve additional remuneration to any Director for any services which in the opinion of the Board or the Company in general meetings go beyond such Director's ordinary routine work as a Director.

(f) Compensation or Payments for Loss of Office

There are no provisions in the Articles relating to compensation or payment for loss of office.

(g) Loans to Directors

There are no provisions in the Articles relating to making of loans to Directors.

(h) Disclosure of Interest in Contracts with the Company or any of its Subsidiaries

With the exception of the office of auditor of the Company, a Director may hold any other office or place of profit with the Company in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration for that other office or place of profit, in whatever form, in addition to any remuneration provided for by or pursuant to the Articles. A Director may be or become a director, officer or member of any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration or other benefits received by him as a director, officer or member of such other company.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, nor shall any such contract or any other contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director is in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by or arising in connection with any such contract or transaction by reason of such Director or alternate Director holding such office or of the fiduciary relationship established by it, provided that the nature of interest of any Director or alternate Director in any such contract or transaction shall be disclosed by such Director or alternate Director at or prior to the consideration and vote thereon.

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A Director shall not vote on (or be counted in the quorum in relation to) any resolution of the Board in respect of any contract or arrangement or other proposal in which he or any of his close associate(s) has a material interest, and if he shall do so his vote shall not be counted and he shall not be counted in the quorum for such resolution. This prohibition shall not apply to any of the following matters:

- (i) the giving of any security or indemnity to the Director or his close associate(s) in respect of money lent or obligations incurred or undertaken by him or any of them at the request of or for the benefit of the Company or any of its subsidiaries;
- (ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his close associate(s) has/have himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning an offer of Shares, debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his close associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (iv) any proposal or arrangement concerning the benefit of employees of the Company or any of its subsidiaries, including the adoption, modification or operation of (A) any employees' share scheme or any share incentive or share option scheme under which the Director or his close associate(s) may benefit or (B) any pension fund or retirement, death or disability benefits scheme which relates to the Director, his close associates and employees of the Company or any of its subsidiaries and does not provide in respect of any Director or his close associate(s) any privilege or advantage not generally accorded to the class of persons to which such scheme or fund relates; and
- (v) any contract or arrangement in which the Director or his close associate(s) is/are interested in the same manner as other holders of Shares, debentures or other securities of the Company by virtue only of his/their interest in those Shares, debentures or other securities.

2.3 Proceedings of the Board

The Board may meet anywhere in the world for the despatch of business and may adjourn and otherwise regulate its meetings as it thinks fit. Unless otherwise determined, two Directors shall be a quorum. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have a second or casting vote.

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2.4 Alterations to the Constitutional Documents and the Company's Name

The Memorandum and Articles may only be altered or amended, and the name of the Company may only be changed, by special resolution of the Company.

2.5 Meetings of Members

(a) *Special and Ordinary resolutions*

A special resolution must be passed by a majority of not less than two-thirds (other than in relation to any resolution approving changes to the Company's constitutional documents or a voluntary winding up of the Company, in which case a special resolution must be passed by a majority of not less than three-fourths) of the voting rights held by such members as, being entitled so to do, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any members which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given. A special resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

An ordinary resolution, in contrast, is a resolution passed by a simple majority of the voting rights held by such members as, being entitled to do so, vote in person (whether physically or by virtual attendance with the use of technology), or by proxy or, in the case of any member which is a corporation, by its duly authorised representative(s) or by proxy, at a general meeting. An ordinary resolution may also be approved in writing by all the members entitled to vote at a general meeting in one or more instruments each signed by one or more of such members.

The provisions of special resolutions and ordinary resolutions shall apply *mutatis mutandis* to any resolutions passed by the holders of any class of shares.

(b) *Voting Rights and Right to Demand a Poll*

Subject to any rights, restrictions or privileges as to voting for the time being attached to any class or classes of Shares, at any general meeting: (a) on a poll every member present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote for every Share and (b) on a show of hands every member who is present in person (whether physically or by virtual attendance with the use of technology), or, in the case of a member being a corporation, by its duly authorised representative or by proxy shall have one vote. For the avoidance of doubt, votes may be cast by members by electronic means, if such means are provided.

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In the case of joint holders, the vote of the senior holder who tenders a vote, whether in person or by proxy shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members of the Company.

No person shall be counted in a quorum or be entitled to vote at any general meeting unless he is registered as a member on the record date for such meeting, nor unless all calls or other monies then payable by him in respect of the relevant Shares have been paid.

At any general meeting a resolution put to the vote of the meeting shall be decided by way of poll save that the chairman of the meeting may, pursuant to the Listing Rules, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands (whether physically or by virtual attendance with the use of technology).

Any corporation or other non-natural person which is a member of the Company may in accordance with its constitutional documents, or in the absence of such provision by resolution of its directors or other governing body or by power of attorney, authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members, and the person so authorised shall be entitled to exercise the same powers as the corporation or other non-natural person could exercise as if it were a natural person member of the Company.

If a recognised clearing house or its nominee(s) is a member of the Company, it may appoint proxies or authorise such person or persons as it thinks fit to act as its representative(s), who enjoy rights equivalent to the rights of other members, at any meeting of the Company (including but not limited to general meetings and creditors meetings) or at any meeting of any class of members of the Company, provided that if more than one person is so authorised, the authorisation shall specify the number and class of Shares in respect of which each such person is so authorised. A person so authorised shall be entitled to exercise the same rights and powers on behalf of the recognised clearing house or its nominee(s) as if such person were a natural person member of the Company, including the right to speak and vote individually on a show of hands or on a poll (whether physically or by virtual attendance with the use of technology).

All members of the Company (including a member which is a recognised clearing house (or its nominee(s))) shall have the right to (i) speak at a general meeting and (ii) and vote at a general meeting (whether physically or by virtual attendance with the use of technology), except where a member is required by the Listing Rules to abstain from voting to approve the matter under consideration. Where any member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

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(c) Annual General Meetings and Extraordinary General Meetings

The Company must hold a general meeting as its annual general meeting in each financial year. Such meeting shall be specified as such in the notices calling it, and must be held within six months after the end of the Company's financial year. A meeting of the members or any class thereof may be held by telephone, tele-conferencing or other electronic means, provided that all participants are able to communicate contemporaneously with one another, and participation in a meeting in such manner shall constitute presence at such meetings.

The Board may convene an extraordinary general meeting whenever it thinks fit. In addition, one or more members holding, as at the date of deposit of the requisition, in aggregate not less than one-tenth of the voting rights (on a one vote per Share basis) in the share capital of the Company may make a requisition to convene an extraordinary general meeting and/or add resolutions to the agenda of a meeting. Such requisition, which must state the objects and the resolutions to be added to the agenda of the meeting and must be signed by the requisitionists, shall be deposited at the principal place of business of the Company in Hong Kong or, in the event the Company ceases to have such a principal place of business, the registered office of the Company. If the Board does not within 21 days from the date of deposit of such requisition duly proceed to convene a general meeting to be held within the following 21 days, the requisitionists or any of them representing more than one-half of the total voting rights of all the requisitionists may themselves convene a general meeting, but any such meeting so convened shall be held no later than the day falling three months after the expiration of the said 21-day period. A general meeting convened by requisitionists shall be convened in the same manner as nearly as possible as that in which general meetings are to be convened by the Board, and all reasonable expenses incurred by the requisitionists shall be reimbursed to the requisitionists by the Company.

(d) Notices of Meetings and Business to be Conducted

An annual general meeting of the Company shall be called by at least 21 days' notice in writing, and any other general meeting of the Company shall be called by at least 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and must specify the date, time, place and agenda of the meeting, the particulars of the resolution(s) to be considered at the meeting, the general nature of the business to be considered at the meeting and details for members to attend the meeting virtually with the use of technology (if applicable).

Except where otherwise expressly stated, any notice or document (including a share certificate) to be given or issued under the Articles shall be in writing, and may be served by the Company on any member personally, by post to such member's registered address, (to the extent permitted by the Listing Rules and all applicable laws and regulations) by electronic means or (in the case of a notice) by advertisement published in the manner prescribed under the Listing Rules.

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Notwithstanding that a meeting of the Company is called by shorter notice than as specified above, if permitted by the Listing Rules, such meeting may be deemed to have been duly called if it is so agreed:

- (i) in the case of an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of an extraordinary general meeting, by a majority in number of the members having a right to attend and vote at the meeting holding not less than 95% of the total voting rights held by such members.

If, after the notice of a general meeting has been sent but before the meeting is held, or after the adjournment of a general meeting but before the adjourned meeting is held (whether or not notice of the adjourned meeting is required), the Board in its absolute discretion consider that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time and place specified in the notice calling such meeting, it may change or postpone the meeting to another date, time and place.

The Board also has the power to provide in every notice calling a general meeting that in the event of a gale warning, a black rainstorm warning or extreme conditions is/are in force at any time on the day of the general meeting (unless such warning is cancelled at least a minimum period of time prior to the general meeting as the Board may specify in the relevant notice), the meeting shall be postponed without further notice to be reconvened on a later date.

Where a general meeting is postponed:

- (A) the Company shall endeavour to cause a notice of such postponement, which shall set out the reason for the postponement in accordance with the Listing Rules, to be placed on the Company's website and published on the Stock Exchange's website as soon as practicable, provided that failure to place or publish such notice shall not affect the automatic postponement of a general meeting due to a gale warning, a black rainstorm warning or extreme conditions being in force on the day of the general meeting;
- (B) the Board shall determine the date, time, place and details for members to attend virtually with the use of technology for the reconvened meeting and at least seven clear days' notice shall be given for the reconvened meeting. Such notice shall specify the date, time and place at which the postponed meeting will be reconvened, details for members to attend such postponed meeting virtually with the use of technology (if applicable) and the date and time by which proxies shall be submitted in order to be valid at such reconvened meeting (provided that any proxy submitted for the original meeting shall continue to be valid for the reconvened meeting unless revoked or replaced by a new proxy); and

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- (C) only the business set out in the notice of the original meeting shall be considered at the reconvened meeting, and notice given for the reconvened meeting does not need to specify the business to be considered at the reconvened meeting, nor shall any accompanying documents be required to be recirculated. Where any new business is to be considered at such reconvened meeting, the Company shall give a fresh notice for such reconvened meeting in accordance with the Articles.

(e) Quorum for Meetings and Separate Class Meetings

No business shall be considered at any general meeting unless a quorum is present when the meeting proceeds to business, and continues to be present until the conclusion of the meeting.

The quorum for a general meeting shall be two members present in person (whether physically or by virtual attendance with the use of technology), or in the case of a member being a corporation, by its duly authorised representative or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to approve the variation of class rights, the necessary quorum shall be two persons holding or representing by proxy not less than one-third of the issued Shares of that class.

(f) Proxies

Any member of the Company (including a member which is a recognised clearing house (or its nominee(s))) entitled to attend and vote at a meeting of the Company is entitled to appoint another person (being a natural person) as his proxy to attend and vote in his place. A member who is the holder of two or more Shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is a natural person and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise as if it were a natural person member present in person (whether physically or by virtual attendance with the use of technology) at any general meeting. On a poll or on a show of hands, votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

The instrument appointing a proxy shall be in writing and executed under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation or other non-natural person, either under its seal or under the hand of a duly authorised representative. The appointor should be allowed to send the instrument appointing a proxy by electronic means.

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The Board shall, in the notice convening any meeting or adjourned meeting, or in an instrument of proxy sent out by the Company, specify the manner by which the instrument appointing a proxy shall be sent by electronic means (if such means are provided) or deposited and the place and time (being no later than the time appointed for the commencement of the meeting or adjourned meeting to which the instrument of proxy relates) at which such instrument shall be deposited.

Every instrument of proxy, whether for a specified meeting or otherwise, shall be in such form that complies with the Listing Rules as the Board may from time to time approve. Any form issued to a member for appointing a proxy to attend and vote at a general meeting at which any business is to be considered shall be such as to enable the member, according to his intentions, to instruct the proxy to vote in favour of or against (or, in default of instructions, to exercise the discretion of the proxy in respect of) each resolution dealing with any such business.

2.6 Accounts and Audit

The Board shall cause to be kept such books of account as are necessary to give a true and fair view of the state of the Company's affairs and to explain its transactions in accordance with the Companies Act.

The books of accounts of the Company shall be kept at the principal place of business of the Company in Hong Kong or, subject to the provisions of the Companies Act, at such other place or places as the Board thinks fit and shall always be open to inspection by any Director. No member (not being a Director) or other person shall have any right to inspect any account, book or document of the Company except as conferred by the Companies Act or ordered by a court of competent jurisdiction or as authorised by the Board or the Company in general meeting.

The Board shall cause to be prepared and laid before the Company at every annual general meeting a profit and loss account for the period since the preceding account, together with a balance sheet as at the date to which the profit and loss account is made up, a Directors' report with respect to the profit or loss of the Company for the period covered by the profit and loss account and the state of the Company's affairs as at the end of such period, an auditor's report on such accounts and such other reports and accounts as may be required by law and the Listing Rules.

The members shall at each annual general meeting appoint auditor(s) to hold office by ordinary resolution of the members until the conclusion of the next annual general meeting on such terms and with such duties as may be agreed with the Board. The auditors' remuneration shall be fixed by the members at the annual general meeting at which they are appointed by ordinary resolution of the members or in any other manner as specified in such ordinary resolution. The members may, at any general meeting convened and held in accordance with the Articles, remove the auditors by ordinary resolution at any time before the expiration of the term of office and shall, by ordinary resolution, at that meeting appoint new auditors in their place for the remainder of the term.

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The accounts of the Company shall be prepared and audited based on the generally accepted accounting principles of Hong Kong, the International Accounting Standards or such other standards as may be permitted by the Stock Exchange.

2.7 Dividends and other Methods of Distribution

Subject to the Companies Act and the Articles, the Company may by ordinary resolution resolve to declare dividends and other distributions on Shares in issue in any currency and authorise payment of the dividends or distributions out of the funds of the Company lawfully available therefor, provided that (i) no dividends shall exceed the amount recommended by the Board, and (ii) no dividends or distributions shall be paid except out of the realised or unrealised profits of the Company, out of the share premium account or as otherwise permitted by law.

The Board may from time to time pay to the members of the Company such interim dividends as appear to the Board to be justified by the financial conditions and the profits of the Company. In addition, the Board may from time to time declare and pay special dividends on Shares of such amounts and on such dates as it thinks fit.

Except as otherwise provided by the rights attached to any Shares, all dividends and other distributions shall be paid according to the amounts paid up on the Shares that a member holds during the period in respect of which the dividends and distributions are paid. No amount paid up on a Share in advance of calls shall for this purpose be treated as paid up on the Share.

The Board may deduct from any dividends or other distributions payable to any member of the Company all sums of money (if any) then payable by him to the Company on account of calls or otherwise. The Board may retain any dividends or distributions payable on or in respect of a Share upon which the Company has a lien, and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

No dividends or other distributions payable by the Company on or in respect of any Share shall carry interest against the Company.

Where the Board or the Company in general meeting has resolved that a dividend should be paid or declared, the Board may further resolve:

- (a) that such dividend be satisfied in whole or in part in the form of an allotment of Shares credited as fully paid on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee, provided that the members entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment; or

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- (b) that the members entitled to such dividend will be entitled to elect to receive an allotment of Shares credited as fully paid in lieu of the whole or such part of the dividend as the Board may think fit on the basis that the Shares so allotted shall be of the same class as the class already held by the allottee.

Upon the recommendation of the Board, the Company may by ordinary resolution resolve in respect of any one particular dividend of the Company determine that notwithstanding the foregoing, a dividend may be satisfied wholly in the form of an allotment of Shares credited as fully paid without offering any right to members to elect to receive such dividend in cash in lieu of such allotment.

Any dividends, distributions or other monies payable in cash in respect of Shares may be paid by wire transfer to the holder of such Shares or by cheque or warrant sent by post to the registered address of such holder, or in the case of joint holders, to the registered address of the holder who is first named on the register of members of the Company, or to such person and to such address as the holder or joint holders may in writing direct. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other monies payable in respect of the Shares held by them as joint holders.

Whenever the Board or the Company in general meeting has resolved that a dividend be paid or declared, the Board may further resolve that such dividend be satisfied in whole or in part by the distribution of specific assets of any kind.

Any dividends or other distributions which remain unclaimed for six years from the date on which such dividends or distributions become payable shall be forfeited and shall revert to the Company.

2.8 Inspection of Corporate Records

For so long as any part of the share capital of the Company is listed on the Stock Exchange, any member may inspect any register of members of the Company maintained in Hong Kong (except when the register of members is closed in accordance with the Companies Ordinance) without charge and require the provision to him of copies or extracts of such register in all respects as if the Company were incorporated under and were subject to the Companies Ordinance.

2.9 Rights of Minorities in relation to Fraud or Oppression

There are no provisions in the Articles concerning the rights of minority members in relation to fraud or oppression. However, certain remedies may be available to members of the Company under the Cayman Islands laws, as summarised in paragraph 3.6 below.

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2.10 Procedures on Liquidation

Subject to the Companies Act, the members of the Company may by special resolution resolve to wind up the Company voluntarily or by the court.

Subject to any rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of Shares:

- (a) if the assets available for distribution among the members of the Company are more than sufficient to repay the whole of the Company's paid up capital at the commencement of the winding up, the surplus shall be distributed *pari passu* among such members in proportion to the amount paid up on the Shares held by them at the commencement of the winding up; and
- (b) if the assets available for distribution among the members of the Company are insufficient to repay the whole of the Company's paid up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or ought to be paid up, on the Shares held by them at the commencement of the winding up.

If the Company is wound up (whether the liquidation is voluntary or compelled by the court), the liquidator may, with the approval of a special resolution and any other approval required by the Companies Act, divide among the members in kind the whole or any part of the assets of the Company, whether the assets consist of property of one kind or different kinds, and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be so divided and may determine how such division shall be carried out as between the members or different classes of members and the members within each class. The liquidator may, with the like approval, vest any part of the assets in trustees upon such trusts for the benefit of the members as the liquidator thinks fit, provided that no member shall be compelled to accept any shares or other property upon which there is a liability.

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The Company was incorporated in the Cayman Islands as an exempted company on 8 February 2018 subject to the Companies Act. Certain provisions of the company laws of the Cayman Islands are set out below but this section does not purport to contain all applicable qualifications and exceptions or to be a complete review of all matters of the company laws of the Cayman Islands, which may differ from equivalent provisions in jurisdictions with which interested parties may be more familiar.

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3.1 Company Operations

An exempted company such as the Company must conduct its operations mainly outside the Cayman Islands. An exempted company is also required to file an annual return each year with the Registrar of Companies of the Cayman Islands and pay a fee which is based on the amount of its authorised share capital.

3.2 Share Capital

Under the Companies Act, a Cayman Islands company may issue ordinary, preference or redeemable shares or any combination thereof. Where a company issues shares at a premium, whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called the share premium account. At the option of a company, these provisions may not apply to premium on shares of that company allotted pursuant to any arrangements in consideration of the acquisition or cancellation of shares in any other company and issued at a premium. The share premium account may be applied by the company subject to the provisions, if any, of its memorandum and articles of association, in such manner as the company may from time to time determine including, but without limitation, the following:

- (a) paying distributions or dividends to members;
- (b) paying up unissued shares of the company to be issued to members as fully paid bonus shares;
- (c) any manner provided in section 37 of the Companies Act;
- (d) writing-off the preliminary expenses of the company; and
- (e) writing-off the expenses of, or the commission paid or discount allowed on, any issue of shares or debentures of the company.

Notwithstanding the foregoing, no distribution or dividend may be paid to members out of the share premium account unless, immediately following the date on which the distribution or dividend is proposed to be paid, the company will be able to pay its debts as they fall due in the ordinary course of business.

Subject to confirmation by the court, a company limited by shares or a company limited by guarantee and having a share capital may, if authorised to do so by its articles of association, by special resolution reduce its share capital in any way.

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3.3 Financial Assistance to Purchase Shares of a Company or its Holding Company

There are no statutory prohibitions in the Cayman Islands on the granting of financial assistance by a company to another person for the purchase of, or subscription for, its own, its holding company's or a subsidiary's shares. Therefore, a company may provide financial assistance provided the directors of the company, when proposing to grant such financial assistance, discharge their duties of care and act in good faith, for a proper purpose and in the interests of the company. Such assistance should be on an arm's-length basis.

3.4 Purchase of Shares and Warrants by a Company and its Subsidiaries

A company limited by shares or a company limited by guarantee and having a share capital may, if so authorised by its articles of association, issue shares which are to be redeemed or are liable to be redeemed at the option of the company or a member and, for the avoidance of doubt, it shall be lawful for the rights attaching to any shares to be varied, subject to the provisions of the company's articles of association, so as to provide that such shares are to be or are liable to be so redeemed. In addition, such a company may, if authorised to do so by its articles of association, purchase its own shares, including any redeemable shares; an ordinary resolution of the company approving the manner and terms of the purchase will be required if the articles of association do not authorise the manner and terms of such purchase. A company may not redeem or purchase its shares unless they are fully paid. Furthermore, a company may not redeem or purchase any of its shares if, as a result of the redemption or purchase, there would no longer be any issued shares of the company other than shares held as treasury shares. In addition, a payment out of capital by a company for the redemption or purchase of its own shares is not lawful unless, immediately following the date on which the payment is proposed to be made, the company shall be able to pay its debts as they fall due in the ordinary course of business.

Shares that have been purchased or redeemed by a company or surrendered to the company shall not be treated as cancelled but shall be classified as treasury shares if held in compliance with the requirements of section 37A(1) of the Companies Act. Any such shares shall continue to be classified as treasury shares until such shares are either cancelled or transferred pursuant to the Companies Act.

A Cayman Islands company may be able to purchase its own warrants subject to and in accordance with the terms and conditions of the relevant warrant instrument or certificate. Thus there is no requirement under the Cayman Islands laws that a company's memorandum or articles of association contain a specific provision enabling such purchases. The directors of a company may under the general power contained in its memorandum of association be able to buy, sell and deal in personal property of all kinds.

A subsidiary may hold shares in its holding company and, in certain circumstances, may acquire such shares.

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3.5 Dividends and Distributions

Subject to a solvency test, as prescribed in the Companies Act, and the provisions, if any, of the company's memorandum and articles of association, a company may pay dividends and distributions out of its share premium account. In addition, based upon English case law which is likely to be persuasive in the Cayman Islands, dividends may be paid out of profits.

For so long as a company holds treasury shares, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the company's assets (including any distribution of assets to members on a winding up) may be made, in respect of a treasury share.

3.6 Protection of Minorities and Shareholders' Suits

It can be expected that the Cayman Islands courts will ordinarily follow English case law precedents (particularly the rule in the case of *Foss vs. Harbottle* and the exceptions to that rule) which permit a minority member to commence a representative action against or derivative actions in the name of the company to challenge acts which are ultra vires, illegal, fraudulent (and performed by those in control of the Company) against the minority, or represent an irregularity in the passing of a resolution which requires a qualified (or special) majority which has not been obtained.

Where a company (not being a bank) is one which has a share capital divided into shares, the court may, on the application of members holding not less than one-fifth of the shares of the company in issue, appoint an inspector to examine the affairs of the company and, at the direction of the court, to report on such affairs. In addition, any member of a company may petition the court, which may make a winding up order if the court is of the opinion that it is just and equitable that the company should be wound up.

In general, claims against a company by its members must be based on the general laws of contract or tort applicable in the Cayman Islands or be based on potential violation of their individual rights as members as established by a company's memorandum and articles of association.

3.7 Disposal of Assets

There are no specific restrictions on the power of directors to dispose of assets of a company, however, the directors are expected to exercise certain duties of care, diligence and skill to the standard that a reasonably prudent person would exercise in comparable circumstances, in addition to fiduciary duties to act in good faith, for proper purpose and in the best interests of the company under English common law (which the Cayman Islands courts will ordinarily follow).

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3.8 Accounting and Auditing Requirements

A company must cause proper records of accounts to be kept with respect to: (i) all sums of money received and expended by it; (ii) all sales and purchases of goods by it; and (iii) its assets and liabilities.

Proper books of account shall not be deemed to be kept if there are not kept such books as are necessary to give a true and fair view of the state of the company's affairs and to explain its transactions.

If a company keeps its books of account at any place other than at its registered office or any other place within the Cayman Islands, it shall, upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands, make available, in electronic form or any other medium, at its registered office copies of its books of account, or any part or parts thereof, as are specified in such order or notice.

3.9 Exchange Control

There are no exchange control regulations or currency restrictions in effect in the Cayman Islands.

3.10 Taxation

The Cayman Islands currently levy no taxes on individuals or corporations based upon profits, income, gains or appreciations and there is no taxation in the nature of inheritance tax or estate duty. There are no other taxes likely to be material to the Company levied by the Government of the Cayman Islands save for certain stamp duties which may be applicable, from time to time, on certain instruments.

3.11 Stamp Duty on Transfers

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

3.12 Loans to Directors

There is no express provision prohibiting the making of loans by a company to any of its directors. However, the company's articles of association may provide for the prohibition of such loans under specific circumstances.

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3.13 Inspection of Corporate Records

The members of a company have no general right to inspect or obtain copies of the register of members or corporate records of the company. They will, however, have such rights as may be set out in the company's articles of association.

3.14 Register of Members

A Cayman Islands exempted company may maintain its principal register of members and any branch registers in any country or territory, whether within or outside the Cayman Islands, as the company may determine from time to time. There is no requirement for an exempted company to make any returns of members to the Registrar of Companies in the Cayman Islands. The names and addresses of the members are, accordingly, not a matter of public record and are not available for public inspection. However, an exempted company shall make available at its registered office, in electronic form or any other medium, such register of members, including any branch register of member, as may be required of it upon service of an order or notice by the Tax Information Authority pursuant to the Tax Information Authority Act (2021 Revision) of the Cayman Islands.

3.15 Register of Directors and Officers

Pursuant to the Companies Act, the Company is required to maintain at its registered office a register of directors, alternate directors and officers. The Registrar of Companies shall make available the list of the names of the current directors of the Company (and, where applicable, the current alternate directors of the Company) for inspection by any person upon payment of a fee by such person. A copy of the register of directors and officers must be filed with the Registrar of Companies in the Cayman Islands, and any change must be notified to the Registrar of Companies within 30 days of any change in such directors or officers, including a change of the name of such directors or officers.

3.16 Winding up

A Cayman Islands company may be wound up by: (i) an order of the court; (ii) voluntarily by its members; or (iii) under the supervision of the court.

The court has authority to order winding up in a number of specified circumstances including where, in the opinion of the court, it is just and equitable that such company be so wound up.

A voluntary winding up of a company (other than a limited duration company, for which specific rules apply) occurs where the company resolves by special resolution that it be wound up voluntarily or where the company in general meeting resolves that it be wound up voluntarily because it is unable to pay its debt as they fall due. In the case of a voluntary winding up, the company is obliged to cease to carry on its business from the commencement of its winding up except so far as it may be beneficial for its winding up. Upon appointment of a voluntary liquidator, all the powers of the directors cease, except so far as the company in general meeting or the liquidator sanctions their continuance.

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In the case of a members' voluntary winding up of a company, one or more liquidators are appointed for the purpose of winding up the affairs of the company and distributing its assets.

As soon as the affairs of a company are fully wound up, the liquidator must make a report and an account of the winding up, showing how the winding up has been conducted and the property of the company disposed of, and call a general meeting of the company for the purposes of laying before it the account and giving an explanation of that account.

When a resolution has been passed by a company to wind up voluntarily, the liquidator or any contributory or creditor may apply to the court for an order for the continuation of the winding up under the supervision of the court, on the grounds that: (i) the company is or is likely to become insolvent; or (ii) the supervision of the court will facilitate a more effective, economic or expeditious liquidation of the company in the interests of the contributories and creditors. A supervision order takes effect for all purposes as if it was an order that the company be wound up by the court except that a commenced voluntary winding up and the prior actions of the voluntary liquidator shall be valid and binding upon the company and its official liquidator.

For the purpose of conducting the proceedings in winding up a company and assisting the court, one or more persons may be appointed to be called an official liquidator(s). The court may appoint to such office such person or persons, either provisionally or otherwise, as it thinks fit, and if more than one person is appointed to such office, the court shall declare whether any act required or authorised to be done by the official liquidator is to be done by all or any one or more of such persons. The court may also determine whether any and what security is to be given by an official liquidator on his appointment; if no official liquidator is appointed, or during any vacancy in such office, all the property of the company shall be in the custody of the court.

3.17 Mergers and Consolidations

The Companies Act permits mergers and consolidations between Cayman Islands companies and between Cayman Islands companies and non-Cayman Islands companies. For these purposes, (a) "merger" means the merging of two or more constituent companies and the vesting of their undertaking, property and liabilities in one of such companies as the surviving company, and (b) "consolidation" means the combination of two or more constituent companies into a consolidated company and the vesting of the undertaking, property and liabilities of such companies to the consolidated company. In order to effect such a merger or consolidation, the directors of each constituent company must approve a written plan of merger or consolidation, which must then be authorised by (a) a special resolution of each constituent company and (b) such other authorisation, if any, as may be specified in such constituent company's articles of association. The written plan of merger or consolidation must be filed with the Registrar of Companies of the Cayman Islands together with a declaration as to the solvency of the consolidated or surviving company, a list of the assets and liabilities of each

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constituent company and an undertaking that a copy of the certificate of merger or consolidation will be given to the members and creditors of each constituent company and that notification of the merger or consolidation will be published in the Cayman Islands Gazette. Dissenting members have the right to be paid the fair value of their shares (which, if not agreed between the parties, will be determined by the Cayman Islands court) if they follow the required procedures, subject to certain exceptions. Court approval is not required for a merger or consolidation which is effected in compliance with these statutory procedures.

3.18 Mergers and Consolidations involving a Foreign Company

Where the merger or consolidation involves a foreign company, the procedure is similar, save that with respect to the foreign company, the directors of the Cayman Islands exempted company are required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the merger or consolidation is permitted or not prohibited by the constitutional documents of the foreign company and by the laws of the jurisdiction in which the foreign company is incorporated, and that those laws and any requirements of those constitutional documents have been or will be complied with; (ii) that no petition or other similar proceeding has been filed and remains outstanding or order made or resolution adopted to wind up or liquidate the foreign company in any jurisdictions; (iii) that no receiver, trustee, administrator or other similar person has been appointed in any jurisdiction and is acting in respect of the foreign company, its affairs or its property or any part thereof; and (iv) that no scheme, order, compromise or other similar arrangement has been entered into or made in any jurisdiction whereby the rights of creditors of the foreign company are and continue to be suspended or restricted.

Where the surviving company is the Cayman Islands exempted company, the directors of the Cayman Islands exempted company are further required to make a declaration to the effect that, having made due enquiry, they are of the opinion that the requirements set out below have been met: (i) that the foreign company is able to pay its debts as they fall due and that the merger or consolidated is bona fide and not intended to defraud unsecured creditors of the foreign company; (ii) that in respect of the transfer of any security interest granted by the foreign company to the surviving or consolidated company (a) consent or approval to the transfer has been obtained, released or waived; (b) the transfer is permitted by and has been approved in accordance with the constitutional documents of the foreign company; and (c) the laws of the jurisdiction of the foreign company with respect to the transfer have been or will be complied with; (iii) that the foreign company will, upon the merger or consolidation becoming effective, cease to be incorporated, registered or exist under the laws of the relevant foreign jurisdiction; and (iv) that there is no other reason why it would be against the public interest to permit the merger or consolidation.

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3.19 Reconstructions and Amalgamations

Reconstructions and amalgamations may be approved by (i) 75% in value of the members or class of members or (ii) a majority in number representing 75% in value of the creditors or class of creditors, in each case depending on the circumstances, as are present at a meeting called for such purpose and thereafter sanctioned by the Grand Court of the Cayman Islands. Whilst a dissenting member has the right to express to the court his view that the transaction for which approval is being sought would not provide the members with a fair value for their shares, it can be expected that the court would approve the transaction if it is satisfied that (i) the company is not proposing to act illegally or beyond the scope of our corporate authority and the statutory provisions as to majority vote have been complied with, (ii) the members have been fairly represented at the meeting in question, (iii) the transaction is such as a businessman would reasonable approve and (iv) the transaction is not one that would more properly be sanctioned under some other provisions of the Companies Act or that would amount to a "fraud on the minority".

If the transaction is approved, no dissenting member would have any rights comparable to the appraisal rights (namely the right to receive payment in cash for the judicially determined value of his shares), which may be available to dissenting members of corporations in other jurisdictions.

3.20 Takeovers

Where an offer is made by a company for the shares of another company and, within four months of the offer, the holders of not less than 90% of the shares which are the subject of the offer accept, the offeror may, at any time within two months after the expiration of that four-month period, by notice require the dissenting members to transfer their shares on the terms of the offer. A dissenting member may apply to the Cayman Islands courts within one month of the notice objecting to the transfer. The burden is on the dissenting member to show that the court should exercise its discretion, which it will be unlikely to do unless there is evidence of fraud or bad faith or collusion as between the offeror and the holders of the shares who have accepted the offer as a means of unfairly forcing out minority members.

3.21 Indemnification

The Cayman Islands laws do not limit the extent to which a company's articles of association may provide for indemnification of officers and directors, save to the extent any such provision may be held by the court to be contrary to public policy, for example, where a provision purports to provide indemnification against the consequences of committing a crime.

APPENDIX III

SUMMARY OF THE CONSTITUTION OF OUR COMPANY AND CAYMAN ISLANDS COMPANY LAWS

3.22 Economic Substance

The Cayman Islands enacted the International Tax Co-operation (Economic Substance) Act (2024 Revision) together with the Guidance Notes published by the Cayman Islands Tax Information Authority from time to time. If a company is considered to be a “relevant entity” and is conducting one or more of the nine “relevant activities”, then such company will be required to comply with the economic substance requirements in relation to the relevant activity from 1 July 2019. All companies whether a relevant entity or not is required to file an annual report with the Registrar of Companies of the Cayman Islands confirming whether or not it is carrying on any relevant activities.

4. GENERAL

Harney Westwood & Riegels, the Company’s legal adviser on Cayman Islands laws, has sent to the Company a letter of advice summarising the aspects of the Companies Act set out in section 3 above. This letter, together with copies of the Companies Act, the Memorandum and the Articles, is on display on the websites of the Stock Exchange and the Company as referred to in the paragraph headed “Documents on display” in Appendix III. Any person wishing to have a detailed summary of the Companies Act or advice on the differences between it and the laws of any jurisdiction with which he is more familiar is recommended to seek independent legal advice.

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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of Our Company

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on February 8, 2018. Our registered office address is at the P.O. Box 31119 Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1105, Cayman Islands. Our operation is subject to the relevant laws and regulations of the Cayman Islands, the Memorandum of Association and the Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of our Memorandum of Association and the Articles of Association is set out in “Appendix III — Summary of the Constitution of Our Company and Cayman Islands Company Laws.”

Our Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on [●]. Our principal place of business in Hong Kong is at Room 1920, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Ms. Ka Ying Pun (盤嘉盈) has been appointed as our authorized representative for acceptance of service of process and notices in Hong Kong. The address for service of process and notices in Hong Kong is the same as our principal place of business in Hong Kong.

2. Changes in the Share Capital of Our Company

As of the date of incorporation of our Company, our authorized share capital was US\$50,000 divided into 500,000,000 shares of par value US\$0.0001 each.

- (a) There has been no alteration in our share capital within two years immediately preceding the date of this document.

3. Changes in the Capital of Our Subsidiaries

A summary of the particulars of our subsidiaries can be found in Note 1 to the Accountant’s Report.

There has been no alteration in the capital of any of our subsidiaries within the two years immediately preceding the issue of this document.

4. Resolutions of Our Shareholders

Our Shareholders passed resolutions on [●], pursuant to which, among others:

- (a) our Company approved and adopted the Memorandum of Association and the Articles of Association with effect from the [REDACTED];

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- (b) conditional on (i) the Stock Exchange granting the [REDACTED] of, and permission to [REDACTED], the Shares in [REDACTED] (including the Shares outstanding and to be converted from the Preferred Shares) and to be issued as stated in this document and such [REDACTED] and permission not subsequently having been revoked prior to the commencement of [REDACTED] the [REDACTED] on the Stock Exchange, (ii) the [REDACTED] having been determined, (iii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before such dates as may be specified in the [REDACTED], and (iv) the [REDACTED] having been duly executed by the [REDACTED] and our Company:
- (i) the [REDACTED] (including the [REDACTED]) was approved, and the proposed allotment and issue of the [REDACTED] under the [REDACTED] were approved, and our Directors were authorized to determine the [REDACTED] for, and to allot and issue, the [REDACTED];
- (ii) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with Shares or securities convertible into Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes, and debentures conferring any rights to [REDACTED] for or otherwise receive Shares) which might require Shares to be allotted and issued or dealt with, and/or to sell or transfer treasury shares of our Company, subject to the requirement that the aggregate nominal value of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued together with the treasury shares of our Company resold or transferred or to be resold or transferred, otherwise than by way of the [REDACTED], or any [REDACTED] rights attaching to any warrants which may be allotted and issued by our Company from time to time or allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association on a specific authority granted by our Shareholders in general meeting, shall not exceed 20% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED];
- (iii) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED]; and

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- (iv) the general unconditional mandate as mentioned in paragraph (ii) above was extended by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by our Company pursuant to the Repurchase Mandate up to 10% of the aggregate nominal value of the Shares in issue immediately following the completion of the [REDACTED], excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED].

Each of the general mandates referred to in paragraphs (b)(ii), (b)(iii), and (b)(iv) above will remain in effect until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of our Company;
- (b) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- (c) the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

5. Repurchase of Our Own Shares

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

(a) *Provision of the Listing Rules*

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

(i) *Shareholders' approval*

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

Pursuant to a resolution passed by our Shareholders on [●], the Repurchase Mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares as will represent up to 10% of the aggregate nominal

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value of the Shares in issue immediately following the completion of the [REDACTED], excluding any treasury shares of our Company and any Shares which may fall to be issued pursuant to the exercise of the [REDACTED], with such mandate to expire at the earliest of (i) the conclusion of the next annual general meeting of our Company, (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association, or (iii) the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and the Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. As a matter of Cayman Islands law, any purchases by our Company may be made out of profits or out of [REDACTED] of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Islands company laws. Any premium payable on the purchase over the nominal value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Articles of Association and subject to the Cayman Islands company laws.

(iii) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to 10% of the aggregate nominal value of the shares in issue (excluding treasury shares) on the date the repurchase mandate is granted. A listed company whose primary listing is on the Stock Exchange generally may not (i) issue new securities or sale or transfer treasury shares, or (ii) announce a proposed issue of new securities or sale or transfer of treasury shares for a period of 30 days after a repurchase without the prior approval of the Stock Exchange. A listed company whose primary listing is on the Stock Exchange may not repurchase any of its own securities on the Stock Exchange for a period of 30 days after any sale or transfer of treasury shares on the Stock Exchange without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

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The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase made on behalf of the listed company as the Stock Exchange may require.

(iv) Status of repurchased securities

The shares repurchased by a listed company shall be held as treasury shares or cancelled. The listing of all shares held as treasury shares shall be retained. The listing of all shares repurchased (whether effected on the Stock Exchange or otherwise) but not held as treasury shares shall be automatically cancelled upon repurchase. The listed company shall ensure that the documents of title of these repurchased shares are cancelled and destroyed.

Under the laws of the Cayman Islands, unless the directors resolve to hold the shares repurchased by the company as treasury shares prior to the repurchase, shares repurchased by the company shall be treated as cancelled and the amount of the company’s issued share capital shall be diminished by the nominal value of those shares. However, the repurchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Islands laws.

(v) Suspension of repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of 30 days immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and (ii) the deadline for a listed company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its securities on the Stock Exchange, unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session

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on the following Business Day. In addition, a listed company’s annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly breakdown of shares repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(vii) Core connected persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a core connected person, and a core connected person is prohibited from knowingly selling securities to the listed company on the Stock Exchange.

(b) Reasons for repurchase

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to receive the general authority from our Shareholders to repurchase Shares in the market. Repurchase of Shares will only be made when our Directors believe that such repurchase will be in the interest of our Company and our Shareholders. Such repurchase may, depending on market conditions, funding arrangements and other circumstances at the time, lead to an enhancement in the net value of our Company and our assets and/or earnings per Share.

(c) Funding of repurchase

Repurchase of Shares must be funded out of funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. Our Directors may not repurchase Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Subject to the foregoing, our Directors may make repurchase with profits of our Company or out of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles of Association and applicable laws and regulations of Hong Kong and the Cayman Islands, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to the Cayman Islands company law, out of capital.

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

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(d) Share capital

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the period until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or the Articles of Association; or
- (iii) the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to our Company or our subsidiaries.

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

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

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

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

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B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contract

We have entered into the following contract (not being contract entered into in our ordinary course of business) within the two years immediately preceding the issue of this document that is or may be material:

(a) the [REDACTED].

2. Intellectual Property Rights

(a) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we considered to be material to our business.

No.	Trademark	Owner
1.		Eccogene Shanghai
2.		Eccogene Shanghai

(b) Patents

For a discussion of the details of the material patents and patent applications of our Group, see “Business — Intellectual Property.”

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(c) *Domain Names*

As of the Latest Practicable Date, we had registered the following internet domain name which we considered to be material to our business.

No.	Domain name	Owner	Expiration date
1. . . .	www.eccogene.com	Eccogene USA	November 29, 2025
2. . . .	eccogene.net	Eccogene Shanghai	June 14, 2026

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Directors’ Service Contracts and Appointment Letters

(a) *Executive Directors*

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

Pursuant to the service contracts entered into with us, our executive Directors will receive [no] remuneration as director’s fee.

(b) *Non-executive Directors and Independent non-executive Directors*

Each of the non-executive Directors and independent non-executive Directors [has signed] an appointment letter with us effective from the [REDACTED]. The initial term of their appointment letters shall be three years commencing from the date of their appointment or until the third annual general meeting of our Company after the [REDACTED], whichever is earlier (subject always to re-election as and when required under the Articles of Association) until terminated in accordance with the terms and conditions of the appointment letter or by either party giving to the other not less than two months’ prior notice.

Under their respective appointment letters, each of the independent non-executive Directors is entitled to a fixed Director’s fee while the non-executive Director is not entitled to any remuneration.

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2. Remuneration of Directors

Save as disclosed in “Directors and Senior Management” and “Appendix I — Accountants’ Report — II Notes to the Historical Financial Information — 11. Employee Benefit Expenses (including Directors’ remunerations)” for the two years ended December 31, 2024, and the six months ended June 30, 2025, none of our Directors received other remunerations or benefits in kind from us.

3. Disclosure of Interests

(a) *Interests and short positions of our Directors and chief executive in the Shares and underlying Shares of our Company and our associated corporation*

Save as disclosed below, so far as our Directors are aware, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), none of our Directors or chief executive has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he or she is taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) will be required, pursuant to the Model Code, to be notified to our Company and the Stock Exchange.

(i) *Interests in the Shares*

Name	Position	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company immediately following the completion of the [REDACTED] ⁽²⁾ (%)
Dr. Zhou . . .	Chairman of our Board, executive	Interest in controlled corporation ⁽³⁾	23,121,065 (L)	[REDACTED]
	Director and CEO	Interest jointly held with another person ⁽⁴⁾	1,905,930 (L)	[REDACTED]
		Beneficial owner ⁽⁵⁾	6,587,746 (L)	[REDACTED]

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Name	Position	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of interest in our Company immediately following the completion of the [REDACTED] ⁽²⁾ (%)
Dr. Xu	Executive	Interest in	1,905,930 (L)	[REDACTED]
	Director and CSO	controlled corporation ⁽⁶⁾		
		Beneficial owner ⁽⁷⁾	3,612,993 (L)	[REDACTED]
Dr. David Elkins Moller . . .	Independent non-executive Director	Beneficial owner ⁽⁸⁾	175,349 (L)	[REDACTED]

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Based on the assumption that the [REDACTED] is not exercised.
- (3) Zeccogene directly held 23,121,065 Shares and is wholly-owned by Dr. Zhou. Accordingly, Dr. Zhou is deemed to be interested in 23,121,065 Shares held by Zeccogene under the SFO.
- (4) Pursuant to an acting-in-concert agreement dated December 16, 2021 (the “**AIC Agreement**”) entered into among Dr. Zhou, Zeccogene, Dr. Xu, and JFSE, Dr. Xu (including JFSE) (i) agreed to act in concert with Dr. Zhou (including Zeccogene) in relation to the exercise of their voting rights on matters in Shareholders meeting of the Company; and (ii) acknowledged and confirmed that Dr. Zhou and Zeccogene’s decision on such matters shall prevail. As such, Dr. Zhou is deemed to be interested in the Shares held by JFSE under the SFO.
- (5) Dr. Zhou is entitled to acquire 6,587,746 Shares pursuant to options granted to him under the Equity Incentive Plan, subject to the relevant conditions (including vesting conditions) thereunder.
- (6) JFSE directly held 1,905,930 Shares and is wholly-owned by Dr. Xu. Accordingly, Dr. Xu is deemed to be interested in 1,905,930 Shares held by JFSE under the SFO.
- (7) Dr. Xu is entitled to acquire 3,612,993 Shares pursuant to options granted to him under the Equity Incentive Plan, subject to the relevant conditions (including vesting conditions) thereunder.
- (8) Dr. David Elkins Moller is entitled to acquire 175,349 Shares pursuant to options granted to him under the Equity Incentive Plan, subject to the relevant conditions (including vesting conditions) thereunder.

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(b) Interests and short positions of our substantial Shareholders in the Shares and underlying Shares of our Company

For the information on the persons who will, immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have interests or short positions in the Shares or underlying Shares of our Company which would fall to be disclosed to us and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, see “Substantial Shareholders.”

4. Disclaimers

Save as disclosed above and in “History, Reorganization and Corporate Structure” and “Business”:

- (a) none of our Directors or experts named in “— E. Other Information — 5. Qualification of Experts” in this section is:
 - (i) interested in our promotion, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
 - (ii) materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (b) none of our Directors or their respective close associates or our Shareholders which to the knowledge of our Directors own more than 5% of the number of our issued Shares (excluding treasury shares) have any interest in our five largest customers or suppliers during the Track Record Period; and
- (c) none of our Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO.

D. EQUITY INCENTIVE PLAN

Our Company adopted the Equity Incentive Plan on July 22, 2021 and took effect on the adoption date, as amended from time to time. The terms of the Equity Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules. After the [REDACTED], no further options would be granted pursuant to the Equity Incentive Plan.

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1. Summary of the Principal Terms of the Equity Incentive Plan

(a) *Purpose*

The purpose of the Equity Incentive Plan is to aid our Group in recruiting and retaining key employees, directors, and consultants of outstanding ability and to motivate such employees, directors and consultants to exert their best efforts on behalf of our Group by providing incentives through the granting of share options under the Equity Incentive Plan.

(b) *Participants*

Participants of the Equity Incentive Plan (the “**Participants**”) include employees, directors and consultants selected by the administrator.

(c) *Administration*

The Equity Incentive Plan is administered by the Board or any specific committee of Directors designated by the Board (the “**Administrator**”). The Administrator is authorized to interpret Equity Incentive Plan, to establish, amend and rescind any rules and regulations relating to it and to make any other determinations that it deems necessary or desirable for the administration of the Equity Incentive Plan. The Administrator shall have the full power and authority to establish the terms and conditions of any option consistent with the provisions of the Equity Incentive Plan and to waive any such terms and conditions at any time (including, without limitation, amending, accelerating or waiving any vesting conditions).

(d) *Maximum number of Shares subject to the Equity Incentive Plan*

The maximum number of Shares underlying the options granted under the Equity Incentive Plan (the “**Options**”) shall be 18,919,464 Shares.

(e) *Term*

The Plan took effect upon adoption by our Board and shall terminate eight years later, subject to earlier termination by our Board.

(f) *Grant of Options*

Options granted to a Participant are subject to terms and conditions as may be determined by the Administrator and set forth in an award agreement.

The Administrator may decide to grant Options under the Plan that are intended to be incentive stock options (“**ISO(s)**”). Such ISOs shall comply with the requirements of Section 422 of the U.S. Internal Revenue Code of 1986, as amended, or any successor thereto (the “**Code**”). No ISO may be granted to any Participant who at the time of such grant, owns more than ten percent of the total combined voting power of all classes of Shares of the Company,

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unless (i) the Option Price for such ISO is at least 110% of the Fair Market Value (as defined under the Equity Incentive Plan) of a Share on the date the ISO is granted and (ii) the date on which such ISO terminates is a date not later than the day preceding the fifth anniversary of the date on which the ISO is granted. Any Participant who disposes of Shares acquired upon the exercise of an ISO either (i) within two (2) years after the date of grant of such ISO or (ii) within one (1) year after the Participant exercises the ISO, shall notify the Company of such disposition and of the amount realized upon such disposition. All Options granted under the Plan are intended to be nonqualified stock options, unless the applicable award agreement expressly states that the Option is intended to be an ISO.

(g) *Exercise of Options*

- (i) Exercise price. The exercise price per Option shall be determined by the Administrator and set forth in the award agreement which may be a fixed or variable price by reference to the Fair Market Value of the Shares, and to the extent applicable, shall be determined in accordance with Section 409A of the Code and the corresponding regulations and guidance thereunder.
- (ii) Exercisability. Options granted under the Equity Incentive Plan shall be exercisable at such time and upon such terms and conditions as may be determined by the Administrator and set forth in an Award Agreement. If any Options granted are canceled by the Company, they shall revert to this Plan and may be granted again under this Plan. In no event shall an Option be exercisable more than eight years after the date it is granted.
- (iii) Exercise of Options. Except as otherwise provided in the Equity Incentive Plan or in an award agreement, an Option may be exercised for all, or from time to time any part, of the Shares for which it is then exercisable. No Participant shall have any rights to dividends or other rights of a Shareholder with respect to Shares subject to an Option until the Participant has given written notice of exercise of the Option, paid the exercise price in full and, if applicable, has satisfied any other conditions imposed by the Administrator pursuant to the Equity Incentive Plan.

(h) *Vesting of Options*

The vesting schedule and conditions of the Options granted shall be set forth in an award agreement, which may include time-based vesting, performance-based vesting, and/or other terms and conditions as the Administrator may deem appropriate.

(i) *Transferability*

Unless otherwise determined by the Administrator, Options shall not be transferable or assignable by the Participant otherwise than by will or by the laws of descent and distribution. An Option exercisable after the death of a Participant may be exercised by the legatees, personal representatives or distributees of the Participant.

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(j) Amendments or Termination

Subject to any applicable requirements of the securities exchange on which the Shares are [REDACTED] or admitted to [REDACTED], our Board may amend, alter or discontinue the Equity Incentive Plan, but no amendment, alteration or discontinuation shall be made without the consent of a Participant, if such action would diminish any of the rights of the Participant under any Option granted to such Participant under the Equity Incentive Plan; provided, however, that the Administrator may amend the Plan in such manner as it deems necessary to permit the granting of Options meeting the requirements of any applicable laws, rules or regulations.

2. Outstanding Options under the Equity Incentive Plan

As of the Latest Practicable Date, the Options under the Equity Incentive Plan corresponding to 18,919,464 Shares, representing [REDACTED]% of our total issued Shares immediately after completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), have been granted to 62 specified Participants in full, including three Directors, two senior management and 57 other Participants. As of the Latest Practicable Date, (i) all the Shares subject to the Options have been allotted and issued, and are held by Ecoforest, the ESOP Platform; and (ii) all the Options granted have not been exercised by the Participants. Unvested Shares held by Ecoforest under the Equity Incentive Plan will abstain from voting on matters that require Shareholders’ approval upon [REDACTED] in compliance with Rule 17.05A of the Listing Rules.

The table below sets out details of the Options granted under the Equity Incentive Plan as of the Latest Practicable Date.

Name	Position	Address	Date of grant	Number of Shares subject to Options granted	Exercise price (US\$/RMB)	Vesting period	Approximate percentage of shareholding in our Company immediately following the completion of the [REDACTED] ⁽¹⁾ (%)
Directors							
Dr. Jingye Zhou	Chairman of the Board, executive Director, CEO	710 Wellesley Street, Weston, MA 02493	August 21, 2023	1,041,339	US\$0.16	Note 2	[REDACTED]
			March 21, 2024	1,168,991	US\$0.71		[REDACTED]
			September 30, 2025	4,377,416	US\$1.24	Note 3	[REDACTED]
Dr. Xu Jianfeng (徐劍鋒)	Executive Director, CSO	506 Building 52, Lane 825 Chenhui Rd., Shanghai, PRC	December 1, 2020	555,000	RMB2.908	Note 2	[REDACTED]
			August 1, 2021	400,000	RMB4.786		[REDACTED]
			December 28, 2022	300,005	RMB7.4666		[REDACTED]
			August 21, 2023	208,268	US\$0.16		[REDACTED]
			March 21, 2024	1,168,991	US\$0.71		[REDACTED]
			September 30, 2025	980,729	US\$1.24	Note 3	[REDACTED]

APPENDIX IV STATUTORY AND GENERAL INFORMATION

Name	Position	Address	Date of grant	Number of Shares subject to Options granted	Exercise price	Vesting period	Approximate percentage of shareholding in our Company immediately following the completion of the [REDACTED] ⁽¹⁾
					(US\$/RMB)		(%)
Dr. David Elkins Moller	Independent non-executive Director	806 Gayfeather Lane, VERO Beach, Florida 32963	August 1, 2024	175,349	US\$0.71	Note 2	[REDACTED]
Subtotal				<u>10,376,088</u>			<u>[REDACTED]</u>
Senior Management							
Dr. Jaikrishna Patel	CMO	1110 Oldham Forest Xing, Cary, NC 27513	July 7, 2025	1,168,991	US\$1.08	Note 2	[REDACTED]
			September 30, 2025	475,348	US\$1.24	Note 3	[REDACTED]
Mr. Xiao Ting (肖汀)	CFO	Western House 164-170 Des Voeux Road West, Flat 7C&D, Hong Kong, Central and Western District, Hong Kong	September 1, 2025	1,168,991	US\$1.08	Note 2	[REDACTED]
			September 30, 2025	748,348	US\$1.24	Note 3	[REDACTED]
Subtotal				<u>3,561,678</u>			<u>[REDACTED]</u>
Other 57 Participants							
	/	/	December 1, 2020	200,000	RMB2.908	Note 2	[REDACTED]
			August 1, 2021	400,000	RMB4.786, RMB5.983		[REDACTED]
			December 28, 2022	1,688,602	RMB7.4666, RMB9.3332		[REDACTED]
			August 21, 2023	447,776	US\$0.16		[REDACTED]
			March 21, 2024	15,780	US\$0.71		[REDACTED]
			August 1, 2024	423,758	US\$0.71		[REDACTED]
			October 29, 2024	137,127	US\$0.71		[REDACTED]
			January 24, 2025	175,155	US\$0.71		[REDACTED]
			July 7, 2025	35,652	US\$1.08		[REDACTED]
			July 23, 2025	14,028	US\$1.08		[REDACTED]
			September 30, 2025	1,443,820	US\$1.24	Note 3; Note 4	[REDACTED]
Subtotal				<u>4,981,698</u>			<u>[REDACTED]</u>
Total				<u>18,919,464</u>			<u>[REDACTED]</u>

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Notes:

- (1) Based on the assumption that the [REDACTED] is not exercised.
- (2) Options shall be subject to a 4-year vesting schedule as follows: 25% shall become vested on the first anniversary of the vesting commencement date as set forth in the award agreement, with the remaining 75% to vest quarterly thereafter in twelve (12) equal installments, subject to the Participant’s continued employment through each such vesting date.
- (3) Options shall be subject to a 4-year vesting schedule as follows: 25% shall become vested on the first anniversary of the vesting commencement date (i.e. the date of the qualified [REDACTED]), with the remaining 75% to vest quarterly thereafter in twelve (12) equal installments, subject to the Participant’s continued employment through each such vesting date. If the Company does not achieve a qualified [REDACTED] on or before December 31, 2026, Options granted but unvested will automatically lapse and be cancelled, and such cancelled Options shall be returned to the Equity Incentive Plan and become available for future grant.
- (4) 50% of the Options granted shall vest on April 30, 2027, conditioned upon the achievement of a performance evaluation rating of B+ or higher for the performance year ending December 31, 2026, and (ii) the remaining 50% shall vest on April 30, 2028, conditioned upon the achievement of a performance evaluation rating of B+ or higher for the performance year ending December 31, 2027, each as determined by the Company in its sole discretion and subject to the Participant’s continued Employment through each such vesting date.
- (5) Eccogene Shanghai adopted an onshore equity incentive plan and granted an aggregate of 155,500 share options thereunder to certain employees and director of our Group on December 1, 2020 and August 1, 2021. Upon the completion of the Reorganization, our Company resolved in October 2022 that the Equity Incentive Plan shall replace and supersede the onshore employee incentive plan and share options previous granted under the onshore employee incentive plan shall cease to be effective and be swapped for Options granted under the Equity Incentive Plan.

There is no potential dilution effect on the shareholding as the Shares underlying the Options granted under the Equity Incentive Plan are already in issue. As the Group incurred losses for the year ended December 31, 2023 and the six months ended June 30, 2025, the potential ordinary Shares were not included in the calculation of the diluted losses per share as their inclusion would be anti-dilutive. For the impact on the earnings per Share for the year ended December 31, 2024, see Note 16 to the Accountant’s Report for details.

E. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall upon any member of our Group.

2. Litigation

As of the Latest Practicable Date, no member of our Group was involved in any litigation, arbitration, administrative proceedings or claims of material importance, and so far as we are aware, no litigation, arbitration, administrative proceedings or claims of material importance are pending or threatened against any member of our Group.

3. Joint Sponsors

The Joint Sponsors have made an application on our behalf to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], the Shares in issue (including the Shares outstanding and to be converted from the Preferred Shares) and to be issued pursuant to the [REDACTED] and the exercise of the [REDACTED].

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

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

4. Preliminary Expenses

Our Company did not incur any material preliminary expenses.

5. Qualification of Experts

The qualifications of the experts who have given opinions or advice in this document are as follows:

Name	Qualification
Jefferies Hong Kong Limited.	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Merrill Lynch (Asia Pacific) Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	Legal advisor to our Company as to PRC laws
Harney Westwood & Riegels	Legal advisor to our Company as to Cayman Islands laws
Frost & Sullivan Limited.	Industry consultant

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

6. Consent of Experts

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which it is included.

As of the Latest Practicable Date, none of the experts named above had any shareholding in any member of our Group or right (whether legally enforceable or not) to [REDACTED] for or to nominate persons to [REDACTED] for [REDACTED] in any member of our Group.

7. Binding Effect

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

8. Bilingual Document

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

9. Miscellaneous

- (a) Save as disclosed in “Financial Information,” “History, Reorganization and Corporate Structure” and “[REDACTED],” within the two years immediately preceding the issue of this document:
 - (i) no share or debenture of any member of our Group has been issued or agreed to be issued or is proposed to be issued for cash or as fully or partly paid up otherwise than in cash;
 - (ii) no share or debenture of any member of our Group is under option or agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group; and
 - (iv) no commission has been paid or is payable for [REDACTED], agreeing to [REDACTED], procuring or agreeing to procure [REDACTED] for any shares in or debentures of our Company.

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- (b) There are no founder or management or deferred shares in our Company.
- (c) We do not have any promoter. No cash, securities or other benefit has been paid, allotted or given nor is any proposed to be paid, allotted or given to any promoter within the two years immediately preceding the issue of this document.
- (d) There is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong.
- (e) There is no arrangement under which future dividends are waived or agreed to be waived.
- (f) There are no contracts for the hire or hire purchase of plant to or by our Group for a period of over one year which are substantial in relation to our Group’s business.
- (g) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the last 12 months.
- (h) No part of the equity or debt securities of our Company is listed or dealt in on any stock exchange, and no such listing or permission to deal on any stock exchange other than the Stock Exchange is being or is proposed to be sought.
- (i) Our Company has no outstanding convertible debt securities or debentures.

APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES AND AVAILABLE ON DISPLAY

DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

The documents attached to the copy of this document and delivered to the Registrar of Companies in Hong Kong for registration were:

- (a) the written consents referred to in “Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts”; and
- (b) a copy of the material contract referred to in “Appendix IV — Statutory and General Information — B. Further Information about Our Business — 1. Summary of Material Contract.”

DOCUMENTS AVAILABLE ON DISPLAY

Copies of the following documents will be available on display on the website of the Stock Exchange at www.hkexnews.hk and our website at www.eccogene.com during a period of 14 days from the date of this document:

- (a) the Memorandum of Association and the Articles of Association;
- (b) the Cayman Companies Act;
- (c) the Accountant’s Report prepared by PricewaterhouseCoopers on the historical financial information of our Group for each of the years ended December 31, 2023 and 2024, and the six months ended 30 June 2025, the text of which is set out in Appendix I to this document;
- (d) the audited consolidated financial statements of our Group for the years ended December 31, 2023 and 2024 and the six months ended June 30, 2025;
- (e) the report on the unaudited [REDACTED] financial information of our Group received from PricewaterhouseCoopers, the text of which is set out in Appendix IIA to this document;
- (f) the PRC legal opinions issued by Jingtian & Gongcheng, our PRC Legal Advisor, in respect of certain general corporate matters and property interests of our Group in the PRC;
- (g) the letter of advice prepared by Harney Westwood & Riegels, our legal advisor as to Cayman Islands laws, summarizing certain aspects of the Cayman Islands company laws referred to in Appendix III to this document;
- (h) the industry report prepared by Frost & Sullivan Limited, a summary of which is set out in “Industry Overview”;

**APPENDIX V DOCUMENTS DELIVERED TO THE REGISTRAR
OF COMPANIES AND AVAILABLE ON DISPLAY**

- (i) the material contract referred to in “Appendix IV — Statutory and General Information — B. Further Information about Our business — 1. Summary of Material Contract”;
- (j) the written consents referred to in “Appendix IV — Statutory and General Information — E. Other Information — 6. Consent of Experts”;
- (k) the service contracts and appointment letters with our Directors referred to in “Appendix IV — Statutory and General Information — C. Further Information about Our Directors and Substantial Shareholders — 1. Particulars of Directors’ Service Contracts and Appointment Letters”; and
- (l) terms of the Equity Incentive Plan.

DOCUMENT AVAILABLE FOR INSPECTION

A copy of a list of grantees under the Equity Incentive Plan containing all the particulars required under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance are available for inspection at the office of Cooley HK at 35/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this document.