SUMMARY

This summary aims to give you an overview of the information contained in this document. As it is a summary, it does not contain all the information that may be important to you and is qualified in its entirety by, and should be read in conjunction with, the full document. 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 forth in the section headed "Risk Factors" of this document. You should read that section carefully before you decide to* [**REDACTED**] *in the* [**REDACTED**].

In particular, we are a biotechnology company seeking to [**REDACTED**] *on the Main Board of the Stock Exchange under Chapter 18A of the Listing Rules as we do not meet the requirements under Rules 8.05(1), (2) or (3) of the Listing Rules. There are unique challenges, risks and uncertainties associated with* [**REDACTED**] *in companies like ours. In addition, the Core Products (FT-002 and FT-003) are the products for the purpose of satisfying the eligibility requirements under Chapter 18A of the Listing Rules and Chapter 2.3 of the Guide for New Listing Applicants. Notably, our Core Products are in the early stages of clinical development. We may continue to incur substantial costs and expenses in relation to R&D activities for the Core Products and our Core Products may not be successfully developed or marketed. Your* [**REDACTED**] *decision should be made in light of these considerations.*

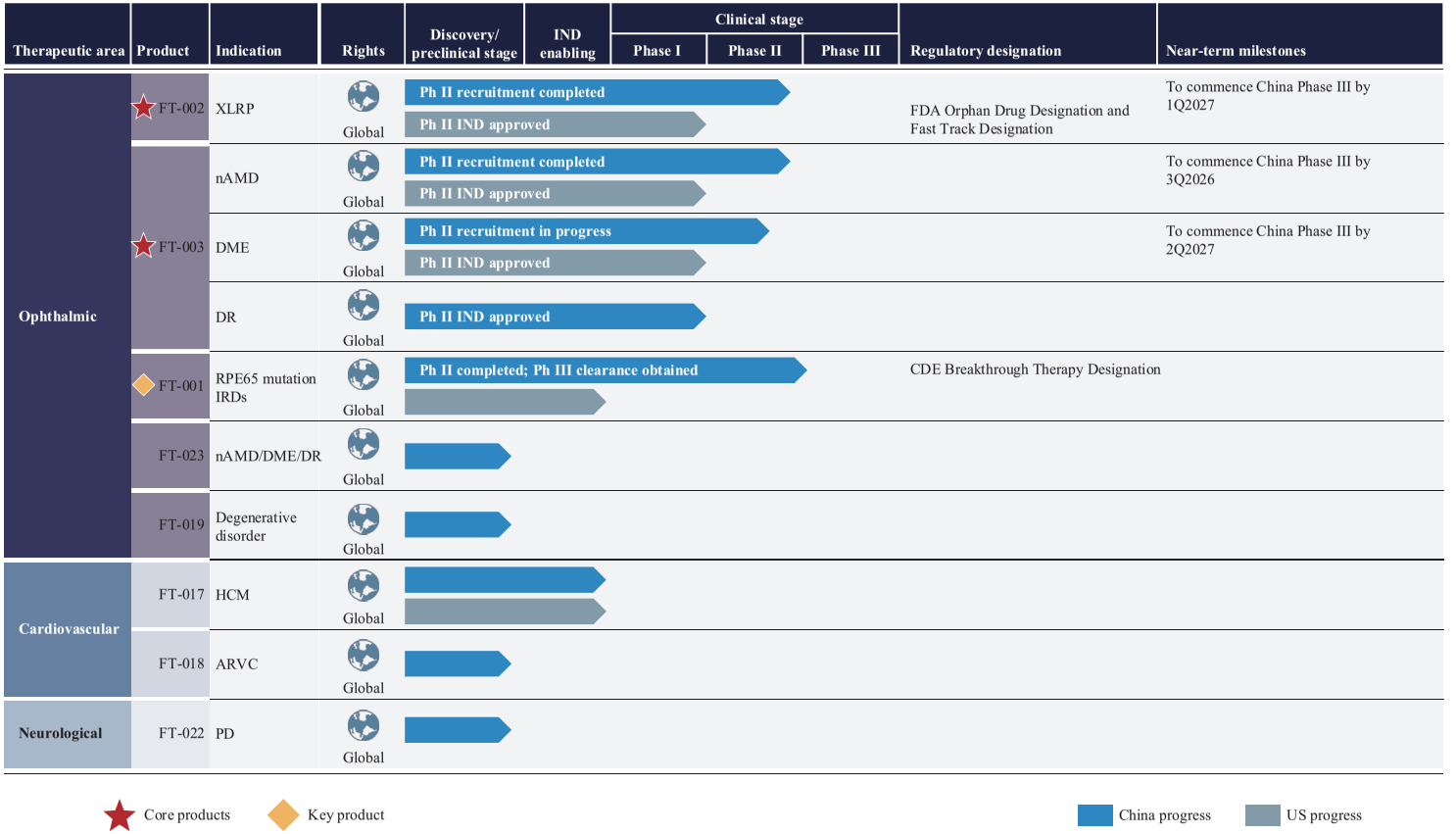
OVERVIEW

We are a clinical-stage gene therapy company pioneering innovative therapies, with an international footprint and dedicated to delivering safe, effective and affordable gene therapy treatments to patients worldwide. Since our inception in 2019, we have been dedicated to the in-house development of innovative recombinant adeno-associated virus ("**rAAV**") gene therapies. We have developed a differentiated and clinically advanced pipeline with global Best-in-Class potential, targeting ophthalmic and cardiovascular diseases in particular.

As of the Latest Practicable Date, our product pipeline consisted of eight in-house developed rAAV gene therapy candidates, including (i) two Core Products, namely FT-002, a potentially global Best-in-Class drug candidate being investigated to treat X-linked retinitis pigmentosa ("**XLRP**"), and FT-003, a potentially global Best-in-Class drug candidate being investigated to treat neovascular age-related macular degeneration ("**nAMD**") and diabetic macular edema ("**DME**") through intravitreal injections; (ii) one Key Product, namely FT-001, a gene therapy drug candidate for treating inherited retinal diseases ("**IRD**") caused by biallelic mutations in the RPE65 gene ("**RPE65m IRD**" or "**RPE65-mediated IRD**"); and (iii) five other preclinical and early-stage gene therapy drug candidates for the treatment of ophthalmic, cardiovascular and neurological diseases.

WE MAY NOT BE ABLE TO SUCCESSFULLY DEVELOP AND/OR MARKET OUR CORE PRODUCTS OR ANY OF OUR OTHER PIPELINE PRODUCTS.

The following chart shows the pipeline of gene therapies we have under development:



Notes:

(1) Abbreviations: XLRP = X-linked retinitis pigmentosa; nAMD = neovascular age-related macular degeneration; DME = diabetic macular edema; DR = diabetic retinopathy; RPE65 = retinal pigment epithelium-specific 65 kDa protein; IRD = inherited retinal diseases; HCM = hypertrophic cardiomyopathy; ARVC = arrhythmogenic right ventricular cardiomyopathy; PD = Parkinson's diseases; Ph = Phase; FDA = Food and Drug Administration; CDE = Centre for Drug Evaluation.

(2) Competent authorities in respective jurisdictions: National Medical Products Administration in China and the Food and Drug Administration in the United States.

OUR DRUG CANDIDATES

FT-002, our Core Product

Our Core Product FT-002 is a potentially global Best-in-Class novel drug candidate for the treatment of XLRP.

XLRP is one of the most common and severe forms of IRD, typically presenting before the age of 10 and progressing to legal blindness before the age of 50. There are about 62,000 XLRP patients in China and 14,800 XLRP patients in the United States in 2024.

Traditional management is limited to lifestyle adjustments and nutritional support, which do not halt or reverse disease progression. To date, there are no approved therapies for XLRP, creating a substantial unmet medical need and a highly attractive market opportunity.

FT-002 was granted Orphan Drug Designation by the FDA in January 2024 and Fast Track Designation in October 2024. We are conducting Phase II clinical trials of FT-002 in China and have received clearance from the FDA for Phase II trials in the United States. In clinical studies, FT-002 has demonstrated strong preliminary efficacy and a favorable safety profile thus far. Up to the longest follow-up of two years, FT-002 was safe and well tolerated. Most treatment-emergent adverse events ("**TEAE**") were related to the surgical procedure or protocol-required steroids and were effectively managed with standard care. Importantly, FT-002 showed certain sustained improvements in visual acuity, retinal function and structure, as well as the quality of life related to vision.

FT-003, our Core Product

Our Core Product FT-003 is a potentially global Best-in-Class intravitreal drug candidate for the treatment of nAMD and DME.

nAMD is characterized by choroidal neovascularization, in which abnormal blood vessels form in the retina. DME is a serious complication of diabetes mellitus where high blood sugar damages the retinal blood vessels, causing fluid or blood leakage beyond the retina's capacity to absorb it. Both can lead to blindness. There are approximately 4.1 million nAMD patients and 7.6 million DME patients in China and approximately 1.6 million nAMD patients and 2.0 million DME patients in the United States in 2024. Aside from these two countries, the rest of the world had approximately 15.5 million nAMD patients and 16.5 million DME patients in 2024.

Current standard-of-care therapies for nAMD and DME primarily rely on frequent intravitreal injections of anti-VEGF agents. These regimens impose a significant treatment burden on patients and healthcare systems due to the need for repeated injections — often as frequently as every four to eight weeks. The high frequency of administration not only increases direct medical costs but also leads to indirect costs, including patient and caregiver time, travel, and lost productivity. According to a published cost-effectiveness study in the UK, long-term anti-VEGF therapy is estimated to average a total of 9.2 quality-adjusted life years. On this base, the total treatment costs of anti-VEGF therapy are calculated to be up to US$304,000 in the United States and up to RMB403,000 in China. This cumulative financial burden, combined with the inconvenience and discomfort of repeated injections, often results in suboptimal patient compliance and poor long-term outcomes.

FT-003 has the potential to reduce the treatment burden to a single shot administered in an outpatient clinic. We have initiated Phase II clinical trials of FT-003 for DME and nAMD in China, where FT-003 is the only intravitreal gene therapy entering Phase II trials for DME and is one of seven entering Phase II trials for nAMD. We have also obtained FDA clearance for Phase II trials in the United States for both nAMD and DME. FT-003 has demonstrated significant therapeutic benefits in clinical trials of nAMD and DME thus far, and a favorable safety profile across all tested dose levels. Participants treated with FT-003 showed significant improvements in visual acuity and retinal structure, and no additional anti-VEGF treatments were required in treatment-naïve participants monitored for up to two and a half years.

FT-001, our Key Product

Our Key Product FT-001 is a novel drug candidate for treating RPE65m IRD. It is our most clinically-advanced drug candidate, and its robust clinical results provided early validation for our technology platforms.

RPE65m IRD is characterized by a progressive and irreversible decline in vision that results in blindness. The two most common forms are Leber congenital amaurosis type 2 ("**LCA2**") and RPE65-mediated retinitis pigmentosa ("**RP**"). In China, there are approximately 6.7 thousand LCA2 and RPE65-mediated RP patients in 2024.

The current treatment landscape for RPE65-mediated IRDs remains severely limited. Conventional management relies on supportive care, including nutritional supplements and lifestyle modifications, which may slow but cannot halt disease progression. In 2017, the FDA approved Luxturna® as a treatment option in the United States, validating the efficacy of RPE65 gene therapy. However, Luxturna® is currently priced at approximately US$850,000 per treatment and is not approved in China. A vast unmet medical need persists for Chinese and global patients.

FT-001 obtained Breakthrough Therapy designation from the CDE of the NMPA on June 26, 2025 and we have completed Phase I/II clinical trials of FT-001 in China. Our Phase III clinical trial plan has been approved by the CDE of the NMPA in September 2025. FT-001 is generally safe and well tolerated with no dose-limiting toxicity ("**DLT**"), and most ocular events were mild in severity. FT-001 greatly improved functional vision and retinal sensitivity as early as Week 4 and has demonstrated continued effectiveness through almost two years of post-trial observations thus far.

Other Drug Candidates

Our pipeline also includes two other gene therapy drug candidates in ophthalmic diseases, two in cardiovascular diseases, and one in neurological diseases. Aside from FT-017, all of these drug candidates are still in the preclinical stage. These other drug candidates include the following:

- FT-023 is a gene therapy drug candidate in the preclinical stage of study for treating nAMD, DME and diabetic retinopathy ("**DR**"). FT-023 can be an innovative and effective therapy for retinal vascular leakage disorders other than the anti-VEGF therapy, as it focuses on a novel biological target. When combined

with the anti-VEGF pathway, FT-023 can have elevated efficacy on nAMD and DME patients and potentially treat the patients who do not respond well to anti-VEGF treatments.

- FT-017 is a gene therapy drug candidate for treating MYBPC3 mutation-associated Hypertrophic Cardiomyopathy ("**HCM**"). FT-017 is the first rAAV gene therapy for HCM caused by MYBPC3 gene mutations to enter clinical trials in China.

- FT-018 is a gene therapy drug candidate in the preclinical stage of study for treating Arrhythmogenic Right Ventricular Cardiomyopathy ("**ARVC**") caused by mutations of the PKP2 gene. FT-018 is the only rAAV gene therapy for ARVC caused by PKP2 gene mutations that has been disclosed in China.

STRENGTHS

We believe the following strengths provide us with a distinct competitive advantage and differentiate us from other gene therapy companies.

- Differentiated gene therapy pipeline supported by robust clinical data with global Best-in-Class potential

- AAVANCE™, our Bac/Sf9 manufacturing platform enabling safe, scalable and cost-efficient manufacturing with high product quality

- Strong translational medicine and clinical operation capabilities leveraging strengths across our international footprint

- EXACTE™, our proprietary rAAV gene therapy R&D platform supporting innovative product development with global intellectual property protection

- Deep expertise in gene therapy across research, translational, clinical, and manufacturing disciplines

STRATEGIES

- Accelerate the clinical development of our mid- to late-stage ophthalmic drug pipeline

- Continue to enhance our CMC and manufacturing capacities to support eventual commercialization

- Continue to build up our EXACTE™ development platform to expand our coverage to other underserved indications and fully realize the clinical and commercial value of our technology platforms

- Implement tailored commercialization approaches for different indications to fully achieve commercial and clinical benefits

- Continue to carry out our global strategy by pursuing overseas clinical development and commercialization through collaborations and partnerships

- Cultivate and retain world-class talent to transform human capital into the decisive catalyst for sustained innovation and shareholder value creation

RESEARCH AND DEVELOPMENT

We are a science-based biotech company focused on utilizing our EXACTE™ R&D platform and our AAVANCE™ manufacturing platform to develop novel rAAV gene therapies. We believe research and CMC development is critical to our future growth and our ability to remain competitive in the global gene therapy market. We are dedicated to building an innovative rAAV gene therapy pipeline that covers ophthalmic, cardiovascular, and neurological therapeutic areas by leveraging our in-house research and development capabilities, which span internal discovery, preclinical research, translational medicine, clinical development, CMC, and regulatory affairs.

We have constructed an agile and well-coordinated R&D team. As of September 30, 2025, our in-house R&D team consisted of 37 members across China and the United States. Early-stage innovation and preclinical studies can be seamlessly progressed into clinical trials with minimal delays. In collaboration with leading hospitals and research institutions, we have been able to achieve efficient site activation and protocol deployment. This infrastructure supports faster participant enrollment and higher data throughput, which are critical for accelerating development timelines. It has taken us as little as 11 months to advance a drug candidate from lead identification to IND approval, demonstrating our highly efficient execution capabilities and cross-regional collaboration.

To date, we have obtained 12 IND approvals from the NMPA and FDA, making us the Chinese rAAV gene therapy development company with the highest number of IND approvals, according to Frost & Sullivan. Since our inception, we have successfully advanced three drug candidates to Phase II clinical trials, further underscoring our strong track record in innovative drug development. These achievements demonstrate our highly efficient execution capabilities and our ability to collaborate effectively across regions.

Our research and development expenses during the Track Record Period mainly included drug discovery, preclinical and clinical trial expenses, manufacturing expenses, registration and regulatory affairs expenses, and staff costs. For details of our research and development expenses, including research and development expenses attributable to the Core Products, please see "Financial Information — Description of Major Components of Our Results of Operations — Research and Development Expenses."

MANUFACTURING

We have established an in-house, commercial-ready gene therapy manufacturing facility in Suzhou, Jiangsu province, China, occupying approximately 4,000 sq.m. of land. Our Suzhou facility was purpose-built to meet current good manufacturing practices ("**cGMP**") standards as required by regulatory authorities in the US, EU, and China, enabling global compliance for both clinical and commercial supply of our rAAV gene therapy products.

Our Suzhou manufacturing facility is equipped with sophisticated infrastructure and advanced process automation, supporting the full spectrum of rAAV gene therapy production. The facility features dedicated areas for upstream and downstream processing, including seed preparation, Bac/Sf9 cell amplification, large-scale bioreactor culture, harvest, purification, ultrafiltration/diafiltration, formulation, filling, packaging, and comprehensive quality control testing.

We utilize our proprietary AAVANCE™ manufacturing platform, which is based on a Baculovirus/Spodoptera frugiperda Sf9 insect cell ("**Bac/Sf9**") system. This platform enables high-yield, scalable, and low-cost production of rAAV vectors, with industry-leading performance in terms of vector genome yield, purity, and potency. Currently, laboratory-scale rAAV production typically achieves yields in the range of 10^{12}-10^{14} vector genome ("**vg**") per litre; in comparison, our process achieves upstream titers exceeding 10^{15} vg/L and downstream purification yields of 50%, significantly outperforming industry averages. Through innovative purification technologies, we consistently achieve empty capsid rates of less than 1%, minimizing immunogenicity and maximizing therapeutic efficacy. Our platform is compatible with multiple AAV serotypes and is designed for seamless scale-up from laboratory to commercial production volumes, currently with both 200L and 500L bioreactors. See "Business — Our Technology Platforms — The AAVANCE™ Manufacturing Platform."

Our manufacturing facility is well positioned to support the rapid scale-up and commercial production of our lead gene therapy candidates, including FT-002 and FT-003, as well as other pipeline products. We have sufficient capacity to support clinical development and initial commercialization for these candidates.

The facility's flexible design and modular capacity allow us to efficiently accommodate increasing demand as our programs advance through late-stage clinical development and toward commercialization.

Leveraging our Suzhou facility and proprietary AAVANCE™ manufacturing platform, we have supplied high-quality rAAV gene therapy products for our clinical trials, and we are prepared to support commercial launch and global distribution upon regulatory approval.

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.

Anticipating commercialization of our late-stage rAAV gene therapy drug candidates in the next few years, we plan to adopt a flexible commercialization strategy in China, combining an in-house sales force with professional partners to achieve optimal market penetration.

For products addressing rare diseases, we aim to establish a capable sales team and leverage relationships with third parties to reach the targeted patient population. We would also consider fast-to-market commercialization on the back of favorable policies, such as within selected industry Pilot Zones in China where certain treatments are allowed before NMPA approval.

For products addressing large-market diseases, particularly in overseas markets, we anticipate seeking commercialization partners with local knowledge and connections in various markets to reach the larger patient pool.

INTELLECTUAL PROPERTY

We are committed to the development and protection of our intellectual properties. Our future success depends significantly on our ability to obtain and maintain robust patent coverage, as well as other forms of intellectual property and proprietary protections, for the key technologies, inventions, and know-how fundamental to our pipeline and technology platforms. Equally important is our capacity to defend and enforce these patents, preserve the confidentiality of our trade secrets, and ensure our freedom to operate without infringing upon, misappropriating, or otherwise violating the valid and enforceable intellectual property rights held by third parties.

As of the Latest Practicable Date, our patent portfolio consists of 21 patent applications, including seven Patent Cooperation Treaty ("**PCT**") patent applications, four U.S. patent applications, three China patent applications (including one Hong Kong patent application), one Canada patent application, three European patent applications, two Japan patent applications, and one Australia patent application. Among these patent applications, there are 17 patent applications that have been published and four filed patent applications that are unpublished as of the Latest Practicable Date. Our patent applications primarily include compositions, methods and uses related to our drug candidates and technology platforms.

The patent portfolios for each of our Core Products as of the Latest Practicable Date are summarized below. These patent applications cover material aspects of our Core Products:

- FT-002: We had four patent applications in China, the United States, Europe, and Japan.

- FT-003: We had seven patent applications in China (including Hong Kong), the United States, Europe, Japan, Canada, and Australia.

The following table summarizes the details of the material patent applications in connection with our Core Products, other drug candidates, and our technology platforms. For more details, please see "Appendix IV — Statutory and General Information — B. Further Information about Our Business — 2. Intellectual Property Rights — (c) Patents."

Related Product or Technology Platform	Patent Application	Patent Applicant	Jurisdiction	Patent Status	Estimated Expiry[1]
FT-001	Compositions and methods for the treatment of ocular diseases	Frontera US	China, the United States	Pending	July 20, 2041
FT-002	Compositions and methods for the treatment of eye diseases	Frontera US	China, the United States, Europe, Japan	Pending	July 20, 2041
FT-003	Composition and method for treating eye diseases	Frontera US	China (including Hong Kong), the United States, Europe, Japan, Canada, and Australia	Pending	July 20, 2041
FT-017	Compositions and methods for the treatment of heart disease	Inspirar Limited	PCT	Published	January 27, 2045
FT-018	Nucleic acids and uses thereof for plakophilin 2 (PKP2) gene therapy	Inspirar Limited	PCT	Filed	September 1, 2045
FT-023	Compositions and methods for treating angiogenesis-related diseases or disorders	Inspirar Limited	PCT (provisional)	Filed	August 5, 2046

Related Product or Technology Platform	Patent Application	Patent Applicant	Jurisdiction	Patent Status	Estimated Expiry[1]
EXACTE™ platform . .	Recombinant adeno-associated virus with modified capsid polypeptides	Inspirar Limited	PCT (provisional)	Filed	September 29, 2046
AAVANCE™ platform . .	Methods for purification of adeno associated virus particles by anion exchange chromatography	Frontera US	PCT	Filed	March 21, 2045
AAVANCE™ platform . .	Methods for generating rhabdovirus-free cell line	Frontera US	PCT	Filed	May 7, 2045

Note:

(1) The estimated expiry dates of patent applications are estimated based on current filing status, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, and other government fees.

We have engaged IP counsel to oversee comprehensive planning and development of our intellectual property portfolio, with the objective of mitigating IP related risks. As of the Latest Practicable Date, we have not received any material concerns or inquiries from relevant competent authorities that lead us to believe that any of the pending patent applications will be finally rejected. In addition, pending applications can protect our IP against third party patent applications filed later than our pending applications.

COMPETITION

The biopharmaceutical and gene therapy industries are characterized by rapidly advancing technologies, competition and a strong emphasis on proprietary drugs. While we believe our robust pipeline of clinical and preclinical stage drug candidates, our EXACTE™ R&D and AAVANCE™ manufacturing technology platforms, and our well-established management team will provide us with competitive advantages, we face actual or 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 products and new products that may become available in the future.

OUR CUSTOMERS AND SUPPLIERS

During the Track Record Period and up to the Latest Practicable Date, we had no commercialized products and therefore no customers. During the Track Record Period, our suppliers primarily consisted of (i) CROs who provide third-party contracting services for research and development, (ii) suppliers of equipment and devices for our drug development, (iii) suppliers of office space, laboratory and manufacturing facilities, and (iv) professional service providers. Our purchases from our five largest suppliers in aggregate accounted for 28.1% and 33.1% of our total purchases for the years ended December 31, 2023 and 2024, respectively, and 34.9% for the nine months ended September 30, 2025. Our purchases from our largest supplier alone accounted for 7.3% and 10.1% of our total purchases for the years ended December 31, 2023 and 2024, respectively, and 13.3% for the nine months ended September 30, 2025. All of our suppliers in each year/period during the Track Record Period are Independent Third Parties. None of our Directors, their respective associates nor any shareholder who, to the knowledge of our Directors, will own more than 5% of our issued share capital immediately following completion of the [**REDACTED**] has any interest in any of our five largest suppliers in each year/period during the Track Record Period.

SUMMARY OF HISTORICAL FINANCIAL INFORMATION

The following tables set forth summary financial data from our consolidated financial information for the Track Record Period, extracted from the Accountants' Report set out in Appendix I to this document. The summary financial data set forth below should be read together with, and is qualified in its entirety by reference to, the consolidated financial statements in this document, including the related notes. Our consolidated financial information was prepared in accordance with IFRSs.

Summary of Consolidated Statements of Profit or Loss

We currently have no products approved for commercial sales and were loss-making during the Track Record Period. We incurred losses of US$35.9 million and US$26.5 million for the years ended December 31, 2023 and 2024, respectively, and losses of US$20.7 million and US$13.3 million for the nine months ended September 30, 2024 and 2025, respectively. Our losses primarily resulted from research and development expenses and general and administrative expenses.

The following table sets forth a summary of our consolidated statements of profit or loss and other comprehensive income for the periods indicated. This information should be read together with our consolidated financial statements and related notes included elsewhere in this document. The results of operations in any period are not necessarily indicative of our future trends.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	2024	2024	2025
			(unaudited)	
		(US$ in thousands)		
Research and development expenses	(27,585)	(20,576)	(17,344)	(10,969)
General and administrative expenses	(10,410)	(6,989)	(5,975)	(4,059)
Other income	904	617	122	451
Finance cost	(944)	(905)	(674)	(652)
Other gains and losses	2,175	1,389	3,172	1,918
Loss before tax	(35,860)	(26,464)	(20,699)	(13,311)
Loss for the year/period	**(35,860)**	**(26,464)**	**(20,699)**	**(13,311)**
Other comprehensive income				
Exchange difference arising on translation of foreign operations	1,291	870	(435)	(1,194)
Total comprehensive expense for the year/period	**(34,569)**	**(25,594)**	**(21,134)**	**(14,505)**

Summary of Consolidated Statements of Financial Positions

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

	As of December 31,		As of September 30,
	2023	**2024**	**2025**
	(US$ in thousands)		
Total non-current assets	19,770	16,501	7,640
Total current assets	79,041	55,173	44,910
Total assets	**98,811**	**71,674**	**52,550**
Total non-current liabilities	16,272	16,238	9,586
Total current liabilities	5,465	4,424	6,106
Total liabilities	**21,737**	**20,662**	**15,692**
Net current assets	**73,576**	**50,749**	**38,804**
Net assets	**77,074**	**51,012**	**36,858**

Our net assets decreased from US$77.1 million as of December 31, 2023 to US$51.0 million as of December 31, 2024 and further decreased to US$36.9 million as of September 30, 2025. The decrease was mainly due to our loss of US$26.5 million for the year ended December 31, 2024 and loss of US$13.3 million for the nine months ended September 30, 2025.

Our net current assets decreased from US$73.6 million as of December 31, 2023 to US$50.7 million as of December 31, 2024 and further decreased to US$38.8 million as of September 30, 2025. The decrease was mainly due to our loss of US$26.5 million for the year ended December 31, 2024 and loss of US$13.3 million for the nine months ended September 30, 2025.

Summary of Consolidated Statements of Cash Flows

The following table sets forth our cash flows for the periods indicated.

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	**2024**	**2024**	**2025**
			(Unaudited)	
		(US$ in thousands)		
Net cash used in operating activities	(26,829)	(23,106)	(20,217)	(10,436)
Net cash from investing activities	21,485	24,437	17,882	7,774
Net cash used in financing activities	(1,197)	(1,692)	(1,113)	(1,035)
Net decrease in cash and cash equivalents	(6,541)	(361)	(3,448)	(3,697)
Cash and cash equivalents at beginning of the year/period	19,953	13,528	13,528	12,807
Cash and cash equivalents at end of the year/period	**13,528**	**12,807**	**10,760**	**9,684**

During the Track Record Period, we incurred negative cash flows from our operations and our operating cash outflows mainly resulted from our research and development costs. Our operating activities used US$26.8 million and US$23.1 million for the years ended December 31, 2023 and 2024 and US$10.4 million for the nine months ended September 30, 2025.

Cash Operating Costs

The following table sets forth our cash operating costs for the periods indicated:

	For the Year Ended December 31,		For the Nine Months Ended September 30,	
	2023	**2024**	**2024**	**2025**
	(US$ in thousands)			
Costs relating to research and development of our Core Products				
Staff cost	2,650	1,850	1,466	1,347
Cost of purchase	1,046	384	271	581
Professional services expenses	2,874	2,947	2,654	2,546
Others	397	275	196	266
Subtotal	**6,967**	**5,456**	**4,587**	**4,740**
Costs relating to research and development of our other drug candidates				
Staff cost	7,486	5,579	5,041	1,888
Cost of Purchase	2,742	2,534	2,390	342
Professional services expenses	3,762	2,265	1,599	1,237
Others	1,165	1,241	1,071	866
Subtotal	**15,155**	**11,619**	**10,101**	**4,333**
Total research and development cost	**22,122**	**17,075**	**14,688**	**9,073**
Labor cost for non-research and development staff	5,101	3,358	2,774	1,881
Other operating costs	3,311	1,791	1,553	1,123

WORKING CAPITAL SUFFICIENCY

Our Directors are of the view that we have sufficient working capital to cover at least 125% of our costs, consisting of research and development expenses and general and administrative expenses (including any production costs), for at least the next 12 months from the date of this document.

Our cash burn rate refers to the average monthly amount of cash used in operating activities. We estimate that we will receive net [**REDACTED**] of approximately HK$[**REDACTED**] from the [**REDACTED**], assuming an [**REDACTED**] of HK$[**REDACTED**], being the low end of the indicative [**REDACTED**] stated in this document. Assuming an average monthly cash burn rate going forward of 2.0 times the level during the nine months ended September 30, 2025, we estimate that (i) without taking into account the estimated [**REDACTED**] for the [**REDACTED**], our total cash balance as of September 30, 2025, including cash and cash equivalents and financial assets measured at FVTPL, will be able to maintain our financial viability for 17 months, (ii) if we take into account the [**REDACTED**] of the estimated net [**REDACTED**] from the [**REDACTED**] that is allocated to our working capital and other general corporate purposes, [**REDACTED**], and (iii) if we take into account all of the estimated net [**REDACTED**] from the [**REDACTED**], [**REDACTED**]. We expect to raise our next round of financing no earlier than six months after the completion of the [**REDACTED**].

KEY FINANCIAL RATIOS

The following table sets forth certain of our key financial ratios for the periods indicated.

	For the Year Ended December 31,		For the Nine Months ended September 30,
	2023	**2024**	**2025**
Current ratio[(1)]	14.5	12.5	7.4

Note:

(1) Current ratio represents current assets divided by current liabilities at the end of year/period.

Our current ratio remained generally stable between December 31, 2023 and 2024. It decreased between December 31, 2024 and September 30, 2025, primarily due to a decrease in our cash and cash equivalents to fund our operations.

RISK FACTORS

We believe there are certain risks and uncertainties involved in our operations, some of which are beyond our control. We have categorized these risks and uncertainties into: (i) risks relating to the development and regulatory approval of our drug candidates; (ii) risks relating to the commercialization of our drug candidates; (iii) risks relating to our financial position and need for additional capital; (iv) risks relating to intellectual property rights; (v) risks relating to our operations; (vi) risks relating to government regulations; and (vii) risks relating to the [**REDACTED**]. These risks include, among others, the following:

- We depend substantially on the success of our drug candidates, all of which are in discovery stage, preclinical or clinical development. If we are unable to successfully complete clinical development, obtain regulatory approval and commercialize our drug candidates, or experience significant delays in doing so, our business will be significantly harmed.

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

- 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.

- Our drug candidates may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success.

- We face intense competition and rapid technological change and the possibility that 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.

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

- If we are unable to obtain adequate patent and other intellectual property protection for our drug candidates throughout the world, or if the scope of such intellectual property rights obtained is not sufficiently broad, third parties could develop and commercialize products and technologies similar or identical to ours and compete directly against us, and our ability to successfully commercialize our drug candidates may be adversely affected.

- Our future success depends on our ability to retain key executives and to attract, train, retain and motivate qualified and highly skilled personnel. If we lose any of them and are unable to find proper replacements in a timely fashion, our business prospects could be adversely affected.

- Gene therapy products are subject to stringent regulation across multiple jurisdictions, and the regulations or restrictions governing the development and commercialization of our drug candidates may change from time to time.

- All material aspects of the research, development, manufacturing and commercialization of biopharmaceutical products are heavily regulated. Any failure to comply with relevant laws, 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.

[**REDACTED**]

OUR FOUNDING SHAREHOLDERS AND PRE-[REDACTED] INVESTORS

OrbiMed Entities and Creacion are our Founding Shareholders. Since its incorporation, the Company has been operating under a management team independent from the Founding Shareholders. Immediately after the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no further Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan), the OrbiMed Entities and Creacion will be interested in approximately [**REDACTED**]% and [**REDACTED**]%, respectively, of the total issued share capital of our Company. For more details, see "History, Development and Corporate Structure — Information about Our Shareholders" and "Substantial Shareholders."

We conducted Series A, Series B-1, and Series B-2 financing rounds and received the Pre-[**REDACTED**] Investments with a total investment amount of US$195.3 million from the Pre-[**REDACTED**] Investors which include private equity and venture capital funds and investment holding companies, among which some have a specific focus on the healthcare industry. HSG (as defined in the section headed "History, Development and Corporate Structure" in this document) is our Sophisticated Investor. Immediately upon completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no further Shares are issued under the Pre-[**REDACTED**] Equity Incentive Plan), HSG, through its respective affiliates, will hold approximately [**REDACTED**]% of the total issued share capital of our Company. For details, see "History, Development and Corporate Structure — Pre-[**REDACTED**] Investments" and "Substantial Shareholders."

DILUTION EFFECT OF THE OPTIONS UNDER PRE-[REDACTED] EQUITY INCENTIVE PLAN

Assuming a full exercise of the options outstanding under the Pre-[**REDACTED**] Equity Incentive Plan, the shareholding of our Shareholders immediately following completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised) will be diluted by approximately [**REDACTED**]%. For details, see "Statutory and General Information — D. Pre-[**REDACTED**] Equity Incentive Plan — 12. Dilution effect and impact on loss per Share" in the Appendix IV to this document.

REORGANIZATION AND THE UNWINDING OF THE HISTORICAL CONTRACTUAL ARRANGEMENTS

Commencing in September 2020 and up to December 2025, we conducted the business of gene therapy R&D, which was a business subject to the then effective Special Administrative Measures (Negative List) for Foreign Investment Access (the "**Negative List**"), through Frontera Qisheng (known as Frontera Biotechnology (Suzhou) Co., Ltd. (方拓生物科技(蘇州)有限公司) at that time when it was registered in Suzhou, China) under certain Historical Contractual Arrangements. In light of relevant regulatory developments and our corporate strategy, we began the process of unwinding and terminating the Historical Contractual Arrangements, which was completed in December 2025. For details, see "History, Development and Corporate Structure — Reorganization."

[**REDACTED**]

USE OF [REDACTED]

We estimate that we will receive net [**REDACTED**] from the [**REDACTED**] of approximately HK$[**REDACTED**] million, based on an [**REDACTED**] of HK$[**REDACTED**] per [**REDACTED**] (being the mid-point of the indicative [**REDACTED**]) and assuming no exercise of the [**REDACTED**], or HK$[**REDACTED**] million if the [**REDACTED**] is exercised in full, after deducting [**REDACTED**] fees and [**REDACTED**] and other estimated [**REDACTED**] paid and payable by us in relation to the [**REDACTED**].

In line with our strategies, we plan to use the net [**REDACTED**] from the [**REDACTED**] for the purposes and in the amounts set forth below:

- [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the continuing clinical research and development activities of our Core Products FT-002 and FT-003;

- [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund preparations for the commercial roll-out of our drug candidates in China, including registrational filings as well as establishing sales and marketing capabilities;

- [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used to fund the research and development of early-stage pipeline programs and cover other research and development related costs;

- [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for investing in our manufactory capabilities in preparation for the market approval and commercialization of our drug candidates, including any facility upgrades that may be required in the future; and

- [**REDACTED**]% of the net [**REDACTED**], or approximately HK$[**REDACTED**], will be used for working capital and other general corporate purposes.

See "Future Plans and Use of [**REDACTED**]" for further details.

DIVIDENDS

We did not declare or distribute dividends to our shareholders during the Track Record Period, nor do we have any present plan to pay any cash dividends on our ordinary shares in the foreseeable future. We currently intend to retain most, if not all, of our available funds and any future earnings to operate and expand our business.

According to our Articles of Association and applicable laws and regulations, the decision on whether to pay dividends will be made at the discretion of our Directors and will depend upon, among other things, our financial results, cash flows, business conditions and strategies, future operations and earnings, capital requirements and expenditure plans, any restrictions on payment of dividends, and other factors that our Directors may consider relevant. We do not have a pre-determined dividend payout ratio. As advised by our legal advisor on Cayman Islands law, Harney Westwood & Riegels, under the Companies Act (As Revised) of the Cayman Islands, a position of accumulated losses does not necessarily restrict us to declare and pay dividends to our shareholders as dividends may be declared and paid out of our share premium account notwithstanding our profitability, provided that our Company is able to pay its debts as they fall due in the ordinary course of business immediately after such payment.

We are a holding company incorporated under the laws of the Cayman Islands. As a result, the payment and amount of any future dividends will also depend on the availability of dividends received from our subsidiaries. PRC laws require that dividends shall be paid only out of the profit for the year determined according to PRC accounting principles, which differ in many aspects from the generally accepted accounting principles in other jurisdictions, including IFRS. PRC laws also require foreign-invested enterprises to set aside 10% of its after-tax profits, if any, to fund its statutory reserve funds, until the aggregate amount of such a fund reaches 50% of its registered capital. Such reserve funds are not available for distribution as cash dividends. Dividend distribution to our shareholders is recognized as a liability in the period in which the dividends are approved by our shareholders or Directors, where appropriate.

RECENT DEVELOPMENT

Our Directors have confirmed that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since September 30, 2025, being the end date of our latest consolidated financial statements, and there has been no event since September 30, 2025 that would materially affect the information shown in the Accountants' Report set out in Appendix I to this document.